



ANNUAL REPORT 2012

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	TECNZ was Founded in	1971
	Full Member Tour Operators	41
	Allied Supplier Member as at 31 March 2012	197

OUR MISSION:

To support and represent our members for the purpose of facilitating business partnerships in the tourism export sector.

2011/2012 TOURISM EXPORT COUNCIL BOARD

Left to right: Brian Henderson, Anna Black, Martin Horgan, Adele Marsden, Steve Shearer, Lesley Immink, Geoff Yee, Stephen Ecclestone, Lisa Li, Dominic Cheng, Vance Boyd

Absent: Stuart Neels, Stewart Brown, Jenny Simpson



PRESIDENT

Martin Horgan
Managing Director
Southern World NZ Ltd
CHRISTCHURCH

VICE PRESIDENT

Stuart Neels
Managing Director
ATS Pacific
AUCKLAND

VICE PRESIDENT

Stewart Brown
Central North Island Regional Manager
Ngai Tahu Tourism, Rainbow Springs
ROTORUA

REPRESENTING FULL TOUR OPERATOR MEMBERS

Martin Horgan (President)

Managing Director
Southern World NZ Ltd
CHRISTCHURCH

Stephen Ecclestone

Senior Contract Manager NZ
GTA Travel
AUCKLAND

Stuart Neels

Managing Director
ATS Pacific
AUCKLAND

Anna Black

General Manager
General Travel NZ
AUCKLAND

Lisa Li

Managing Director
China Travel Service
AUCKLAND

Adele Marsden

Director
New Zealand Educational Tours
TAURANGA

Dominic Cheng

Director
Winchester Travel
AUCKLAND

Geoff Yee

Managing Director
GSN Travel
AUCKLAND

Brian Henderson

(Immediate Past President)
Chief Executive Officer
Tourmasters South Pacific
AUCKLAND

REPRESENTING ALLIED MEMBER SUPPLIERS

Vance Boyd

Managing Director
Kiwi Discovery
QUEENSTOWN

Steve Shearer

Director of International Sales
Scenic Hotels Group
AUCKLAND

Stewart Brown (Vice President)

Central North Island Regional Manager
Ngai Tahu Tourism, Rainbow Springs
ROTORUA

CO-OPTED BOARD MEMBERS

Jenny Simpson

International Marketing & Tourism Development Manager
Air New Zealand
AUCKLAND

LIFE MEMBERS

Keith Johnston
AUCKLAND

Blair Sheehy
AUCKLAND

Russell White
AUCKLAND

Michael Wiedemann
AUCKLAND

Peter Lowry
WELLINGTON

BOARD STRATEGY GROUPS

Strategy Group 1

Marketing & Communications

Dominic Cheng
Steve Shearer

Strategy Group 2

Business Development

Martin Horgan
Jenny Simpson
Vance Boyd

Strategy Group 3

Membership

Stewart Brown
Adele Marsden
Lisa Li

Strategy Group 4

Industry Standards & Productivity

Anna Black
Stephen Ecclestone

Strategy Group 5

Advocacy & Relationship Management

Stuart Neels
Brian Henderson
Geoff Yee

WHAT IS THE TOURISM EXPORT COUNCIL OF NEW ZEALAND?

For more than forty years, Inbound Tour Operators Council of New Zealand (ITOC) has represented the interests of inbound tourism in New Zealand. In 2012, ITOC rebranded as the Tourism Export Council of New Zealand to reflect the position of tourism as a key New Zealand export industry.

The Tourism Export Council of New Zealand is a trade association. Its membership includes inbound tour operators (Full Members) and attraction, activity, accommodation, transport suppliers and tourism services (Allied Members). Today, it's Full and Allied Members collectively handle most of New Zealand's holiday visitor arrivals.

The Tourism Export Council of New Zealand plays a vital and supportive role in the expansion of the New Zealand tourism industry. It's relationships with both product suppliers in New Zealand and off shore wholesalers are absolutely key to the nation's continued growth as a visitor destination.

VISION:

To achieve sustainable growth in export earnings and delivery of quality tourism experiences

MISSION:

To support and represent our members for the purpose of facilitating business partnerships in the tourism export sector

SECRETARIAT

Chief Executive

Lesley Immimik

Address

Level 3, Tourism and Travel House
79 Boulcott Street, PO Box 1888, DX SX10033
WELLINGTON

Accountant

Tarsha Triplow

Phone: 04 496 4898

Fax: 04 499 0786

Email: info@tourismexportcouncil.org.nz

Website: www.tourismexportcouncil.org.nz

Auditor

Grant Thornton
Chartered Accountants

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80 The Terrace
PO Box 10712
WELLINGTON
Phone: 04 474 8500
Fax: 04 474 8509

Solicitor

A R (Andy) Marshall, LLB (HONS)
Gault Mitchell and Co.

PO Box 645
WELLINGTON
Phone: 04 472 5074
Fax: 04 471 0835
Email: arm@gaultmitchell.co.nz

Bankers

National Bank of New Zealand
WELLINGTON

PRESIDENT'S REPORT

MARTIN
HORGAN



I am pleased to present the Tourism Export Council of New Zealand's 2012 annual report, my first as President.

It has been a tumultuous 12 months in the New Zealand Tourism Industry. The world is changing and the stress and strains of financial concerns continue to have ramifications around the globe. In many countries the GFC has impacted on discretionary spending habits and this coupled with the resulting high value of the New Zealand and Australian dollars, has subdued and slowed tourism spend to our part of the world from what have historically been our most significant and traditional long haul markets.

New Zealand inbound tourism over the years has however proven to be both cyclical and resilient. Whilst some facets of inbound tourism have struggled to build new business from markets such as Japan, UK and some of Europe over recent years, New Zealand remains a highly desired and respected destination and we will see business from these markets grow again – even if not over the 2012/13 season.

Asian economies continue to prosper and undeniably offer New Zealand 'new' tourism opportunities. The medium to long term view must be that we need this growth to supplement, but not replace business from more traditional markets. We need to grow length of stay, dispersment and spend.

Whilst the value proposition must be there to attract any visitor to New Zealand, it's vitally important the industry continues to invest in itself and for this to occur we must remain profitable. Chinese ADS business is an area that is overly competitive to the detriment of many. During difficult trading periods such as this we need to be vigilant and careful we don't allow decay of profitability through over competitive trading in this or other markets. We need to respect rate integrity.

It's great to see our international carriers extending and investing in new routes. Air New Zealand has committed extra resource to the LA/AKL and other key sectors. New carriers such as Garuda and Hawaiian will open new portals of entry in 2013 and add value and opportunity for the industry. Rob Fyfe recently reminded us that during his seven year term as Air New Zealand CEO, long haul capacity in and out of New Zealand has actually declined. For us to register growth we need that capacity to increase and to state the obvious, that those aircraft are well supported. This is a time we need to be pushing ahead with New Zealand marketing, not pulling back.

The first of the Lord of the Rings trilogy was released 19 December 2001. We knew it would be 'big' but the publicity these three movies generated for New Zealand exceeded anything we'd hoped for. The Hobbit (Part 1) will be released in December 2012 and it's fair to assume that these movies will offer New Zealand high visibility once again which we must capitalise on.

It was suggested recently that our industry was fragmented. This isn't the dairy industry with a uniform product and sell price. Tourism represents a few thousand operators, none of which offer the same product. We're all competing in the same market place and quite often for the same business - each trying to make a dollar. While there is a degree of diversification or fragmentation in our industry, it doesn't mean that we are broken - we're not, and this is a message that we need to send to the policy makers and parliamentarians.

During a period of difficult trading, the Tourism Export Council membership has grown. This is a strong indicator that the industry and our members recognise the value in solidarity and that as individual operators, we need to look at the bigger picture. We can learn from working with each other successfully and can certainly achieve more collectively that we can as individuals. If we were truly a fragmented industry, representative organisations such as the Tourism Export Council would be dead in the water – and I'm glad to say, we're not.

The NZ Herald quoted an industry leader recently as saying "the industry had to accept it had done a poor job of promoting New Zealand and needed to do something about that". This is tough talk and although we can always do more collectively, our marketing has been smart and for the most part cohesive. Tourism New Zealand have lead this and have increased presence off-shore, are engaging in multiple channels and actively

pursuing new market opportunities in Asia. Coordinated successful famil programs have continued to support our highest yielding markets and have led the New Zealand trade off-shore to participate in various trade and kiwilink road shows. As operators, we back this up with our own marketing dollars and activities that take our members to all corners of the globe. Promoting first, destination New Zealand and secondly our own products.

But there is still room for improvement. The industry and 'all its partners' need to be sure we're kicking goals for the same team and have the same objectives. The wider industry needs more opportunity to communicate internally to understand and agree what the immediate and long term objectives, opportunities and risks are for New Zealand tourism. Then we can agree how best to manage that information.

The most significant change for this organisation over the last 12 months has been the change of name from ITOC to the Tourism Export Council of New Zealand. ITOC has a proud history which most certainly lives on in the Tourism Export Council. We've spoken before about that rationale behind the name change and have been gratified that the name change has signalled to many that tourism is an "export industry" and reminded some we hope, that we're the only export industry paying GST.

After many years of negotiations in May 2012 the Tourism Export Council signed a concession agreement with the Department of Conservation. This contract solidifies the very positive and supportive relationship that Tourism Export Council members have with DOC and confirms our on-going commitment and respect of the DOC estate.

The Tourism Export Council continues to have strong working relationships with both Tourism New Zealand and Tourism Industry Association. We warmly welcome Martin Snedden as the recently appointed Chief Executive of the Tourism Industry Association.

The Tourism Export Council is in good shape. Lesley Immink has been a strong ambassador for the association and has guided the organisation forward in a number of areas cementing the Tourism Export Council as a significant and valued private sector organisation in the industry. The Tourism Export Council must remain relevant, add value and be responsive to our members' needs - I'm very confident we're achieving this. The Board thanks Lesley for the contribution over the past twelve months.

We have again held elections for the board and it's excellent to see strong interest from our members who are prepared to commit valuable time to the Tourism Export Council executive. This year we farewell and thank Brian Henderson who served 4 years as the President and during this time had some of the most challenging issues to deal with.

A sincere thank you to Board members standing down this term and warm welcome to those joining the Board for 2012/13.

I look forward to catching up with you all at Conference 2012 on the West Coast.



Martin Horgan - President

**“Thanks Tauranga”
ITOC CONFERENCE 2011**



CHIEF EXECUTIVES REPORT – THE YEAR IN REVIEW

LESLEY
IMMINK



It has been a busy and vibrant year of working ‘with members and for members’ and a big thank you to the industry for being so welcoming and supportive to me as the Chief Executive. Key areas of work the Board has been working on include the name change and rebrand of ITOC to Tourism Export Council of New Zealand, zero rating of GST on inbound tour operator facilitation fees, Department of Conservation ‘guiding’ concessions with inbound operators and strengthened industry relationships. Most of these areas are covered in the Chairman’s Report.

NAME CHANGE

The major strategic change this year has been the name change and rebranding of ITOC – Inbound Tour Operators of New Zealand Inc. The organisation rebranded to assist mainstream New Zealand and government agencies to understand that tourism is a key export industry.

The name change had 92% support from members and since March 2012, has received excellent feedback and response from the industry and external organisations. We are continuing to build brand awareness with a range of collateral and are understanding of industry perhaps taking some time before they consciously think of ITOC now being known as the Tourism Export Council of New Zealand.

MEMBERSHIP

Membership breakdown shows **41** Full inbound tour operator members (up 3 from the previous year) and **197** Allied supplier members (up 5).

As at August 2012, current full inbound tour operators are 45 and allied members at 197 although we expect there may be some natural attrition once the subscription fees are paid.

FINANCE

The Board is delighted to welcome seven new Full members and twenty-two Allied members in the 2011-2012 year. Our thanks to all members for your continued support and to those who have renewed membership recently, it is very much appreciated.

This year annual membership fees remained the same for Allied members (\$700+GST) but increased 3% for Full members. Membership fees for full inbound tour operators went from \$2490+GST to \$2565+GST. The fee increase was due to the TIA fees increasing. The Full member fee also includes the annual Qualmark licence fee. The entrance/application fee for all new members is \$100+GST.

Subscription income increased from \$217,415 in the 2010/2011 financial year to \$229,114 in the 2011/2012 year, an increase of \$11,800 or 5.3%.

While membership income had an increase there was a trading loss for the financial year of \$14,171. This relates to no budget for the rebrand/name change of \$12,285, conference losses and investment/interest returns down \$1460. The total income for the year was \$247,060 down on the previous year of \$279,314.

Total expenditure amounted to \$260,085, slightly up \$5,051 on the previous year. Net assets now stand at \$172,052 with the Association being in a good financial position as at March 2012 and looking forward to recovering some of the losses in the year ahead.

MARKETING AND PUBLIC RELATIONS

The Tourism Export Council News email newsletters continued on a regular monthly basis and more emphasis was placed on our web site as a membership tool linking it with social media channels.

Members are now able on the www.tourismexportcouncil.org.nz website to:

- Post their own member updates which then get pushed through to Facebook announcements for those members who have ‘liked us’
- Post ‘positions vacant’
- Provide a “meet the member” profile on the home page

Our annual *Tourism Export Council Inbound Travel Directory* remained the primary printed collateral for the organisation. This year in conjunction with allied member

TML Publishing (who assisted us with the rebrand), we moved from previously having a joint manual with TAANZ (Travel Agents Association NZ) to being a part of the New Zealand Trade Manual. The trade manual has a distribution of 8000 with the majority in offshore agents/wholesalers/TNZ, NZTE offices.

This is a significant 'added value' benefit for all members and is considered the tourism 'bible' for Trade. While we have our own dedicated section in the New Zealand Trade Manual, there is an 'e book' and pdf version of the directory available on the website.

New brochures have been produced with the brand and name change and will be distributed to members, government agencies, parliamentarians and tourism education providers.

Annual Conference

The Tourism Export Council Conference was held in Tauranga in August 2011. Despite the tough economic climate and snow storms affecting cancellations we had 210 attendees which we were very pleased with. However the number of cancellations (27) did affect the profitability of the conference.

Tourism West Coast was the successful bidder for the 2012 Conference which will be held at Shantytown, Hokitika and Greymouth 21/24 August 2012. I am sure all delegates attending the 2012 Conference will leave with a new outlook on the great product offerings the West Coast has to offer international visitors.

YOUNG TEC – young Tourism Export Council

As part of the new brand and future growth of the industry, we have initiated a new youth organisation. *young* TEC will help to create a highly skilled tourism sector with operators who are encouraged to grow and develop employees and continue a career path in tourism. There is no charge for member employees to join and it is aimed at those under the age of 36 years.

Regional coordinators have been appointed with meetings/ workshops planned to formalise the committee later in the year. There has been an excellent update of *young* TEC's and we expect we may be able to recruit new members through this organisation.

Member Forums

Our members always value getting together to discuss issues, network and socialise. Our December member update and Christmas Networking Function is now a firm fixture on the industry calendar (December) and was a great success with over 220 members and guests attending the event at Rydges Hotel, Auckland.

Inbound and Operator of the Year Awards

Tourism Export Council Full Member Inbound Tour Operators nominate allied supplier members for the award and allied members nominate inbound tour operators. The Board then assesses those nominated based on a points system and choose three finalists. These finalists are then assessed by Full and allied Members respectively and they vote for the winner.

We congratulate **Southern Discoveries** on being elected the Tourism Export Council 'Allied' Operator of the Year for 2011. Other finalists were **Huka Falls Jetboat** and **Copthorne Hotels**.

The winner of the "Inbound Tour Operator of the Year 2011 was **AOT New Zealand** with finalists **Pacific Destinationz** and **ATS Pacific**. Congratulations to all the finalists and winners!

TRENZ

Over 150 Tourism Export Council Members exhibited at TRENZ in May 2011 in Queenstown – that's around half of all exhibitors and two thirds of all Tourism Export Council members. In addition, many Full Member Tour Operators were present as buyers. We had a booth which served as a great networking base for members and other key agencies.

STANDARDS & PERFORMANCE

GST:

Over the past year, this item remained the single most important issue for Full members. Tourism as an export sector is excluded from the zero-rating of facilitation fees whereas other sectors like IT, Finances Engineering and Manufacturing are eligible to claim these fees.

Aside from this inequity, the Tourism Export Council considers it unfair that inbound tour operators that are owned offshore can still zero rate the facilitation

fee on their New Zealand packages making it difficult for locally owned companies to compete. GST at 15% further highlights the price differential between New Zealand based inbound tour operators and their overseas counterparts, drastically reducing our long term competitiveness and viability.

We are currently working with Covec, Auckland who is determining the economic impact to the economy and tourism sector from inbound tour operators. This report will be made available later in the year and from the report we aim to highlight to government and IRD, the true value that the inbound sector contributes to its product supply chain and the wider New Zealand economy. This quantitative data will demonstrate the impact the current GST laws have on inbound operators and we hope to re-open the discussion on GST with the decision makers.

The report may also add weight to our discussions with NZTE (NZ Trade & Enterprise) to give more support to inbound tour operators with accessing export marketing grants.

DoC National Guiding Concession

The Tourism Export Council and the Department of Conservation (DOC) have now finalised a 10-year guiding concession to allow Tourism Export Council inbound tour operators to accompany clients during stops of up to one hour at public conservation areas for short walks, view points and photo opportunities. Building on that held by the Bus and Coach Association (NZ), this new concession will allow Tourism Export Council members to accompany clients beyond parking areas and brings the Tourism Export Council into line with other tourism concessionaires.

The concession came into effect April 1 2012 and the first year will act as a trial process to identify anomalies and allow members to cost fees into future itineraries. Payment for concession fees are from 01 April 2013.

While we are pleased with our negotiation with DOC, the success of the agreement will be dependent on DOC's level of compliance and ability to identify and prosecute non compliant inbound operators. The DOC-TECNZ Guiding Concession also has the potential for the Tourism Export Council to recruit more Full members as there are significant financial and operational advantages for inbound operators to be working with us and DOC.



Qualmark

All Full Member inbound tour operators must be Qualmark accredited under the Inbound Tour Operators endorsed criteria. Since committing to Qualmark as a compulsory part of our full membership criteria, the Tourism

Export Council believes that overall standards have improved and the benefits have been seen by both members and the wider industry alike.

During the year there was an agreed change with the inbound tour operator category. We now have an exclusive "Tourism Export Council Inbound Tour Operators" endorsement.

Inbound tour operators wishing to work with Tourism New Zealand offshore must either have our endorsement (be a member) or the option of a 'visitor services' category.

To conclude I'd like to thank Tourism Export Council President Martin Horgan and other Board members for their support and I look forward to the coming year.

A handwritten signature in black ink, appearing to read "Lesley Immink".

Lesley Immink

Chief Executive

TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED

Formerly Inbound Tour Operators Council of New Zealand Incorporated

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Independent Auditor's Report

Audit:

Grant Thornton New Zealand Audit
Partnership
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PO Box 10712
Wellington 6143

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To the Members of Tourism Export Council of New Zealand Incorporated

Report on the Financial Statements

We have audited the financial statements of the Tourism Council of New Zealand Incorporated on pages 4 to 8, which comprise the statement of financial position as at 31 March 2012, and the statement of financial performance, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibilities

The Board of Directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that present fairly the matters to which they relate 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Our firm carries out other assignments for the Tourism Council of New Zealand Incorporated in the area of taxation services. The firm has no other interest in the Tourism Council of New Zealand Incorporated.

Opinion

In our opinion, the financial statements on pages 4 to 8 present fairly, in all material respects, the financial position of the Tourism Council of New Zealand Incorporated as at 31 March 2012, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
2 July 2012

Chartered Accountants
Member of Grant Thornton International Ltd

**TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED
FORMERLY INBOUND TOUR OPERATORS COUNCIL OF NEW ZEALAND INCORPORATED**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST MARCH 2012

	2012	2011
INCOME		
Subscriptions Received	229,214	217,415
RTONZ-Secretariat fee	-	27,271
Entrance Fees	1,883	1,189
Conference		
Conference Income	108,741	126,094
Conference Expenses	<u>(109,729)</u>	<u>(108,005)</u>
Conference Surplus	988	18,089
Symposium		
Symposium Income	16,689	12,319
Symposium Expenses	<u>(13,629)</u>	<u>(20,269)</u>
	3,059	(7,950)
Other Income	7,000	7,000
Interest Received	<u>6,891</u>	<u>8,350</u>
	13,891	15,350
	<u>247,060</u>	<u>271,364</u>
EXPENDITURE		
Advertising	-	1,235
AGM/Annual Report	1,830	2,525
Audit	3,200	4,300
Computer Expenses	4,270	1,937
Depreciation	3,918	5,020
Doubtful Debts	-	-
President's Allowance	12,000	12,000
Insurance	1,000	1,537
IIOC Internet / Website	1,828	3,267
IIOC Update, News, Marketing & Brochures	4,125	10,215
Bank charges & Interest Paid	731	1,595
Legal Fees	3,737	4,611
Subscriptions	22,235	20,370
Postage & Telephone	3,238	2,837
Printing & Stationery	2,764	1,062
Recruitment	-	1,035
Rent-Power-Cleaning	11,013	14,169
Qualmark Subscriptions	25,192	22,066
Rebranding	12,275	-
Salaries	100,273	-
Special Projects	-	3,558
Tourism House Salaries & Expenses	14,981	117,656
Travelling & Meeting Expenses	25,929	17,567
TRENZ	5,547	5,538
Total Expenses	<u>260,085</u>	<u>254,099</u>
Net Surplus / (Deficit) for Year before tax	<u>(13,025)</u>	<u>17,265</u>
Less Income Tax Expense	1,146	1,645
Net Surplus / (Deficit) for Year after tax	<u>(14,171)</u>	<u>15,620</u>

The accompanying notes form part of these financial statements.

**TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED
FORMERLY INBOUND TOUR OPERATORS COUNCIL OF NEW ZEALAND INCORPORATED**

STATEMENT OF MOVEMENT IN EQUITY AS AT 31ST MARCH 2012

	2012	2011
MOVEMENTS IN EQUITY		
Total recognised Revenues	247,060	279,314
Total recognised Expenses	<u>261,231</u>	<u>263,695</u>
Surplus / (Deficit) for Year	(14,171)	15,619
Balance at Beginning of year	186,223	170,604
TOTAL EQUITY	<u><u>172,052</u></u>	<u><u>186,223</u></u>

The accompanying notes form part of these financial statements.

**TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED
FORMERLY INBOUND TOUR OPERATORS COUNCIL OF NEW ZEALAND INCORPORATED**

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2012 MOVEMENTS IN EQUITY

	Notes	2012	2011
CURRENT ASSETS			
Bank Current Account		12,774	3,102
Bank Call Accounts		69,433	3,964
Bank Term Deposits		70,000	150,000
Accounts Receivable		4,804	1,192
Accrued Income		1,112	1,324
Prepayments		21,825	23,449
GST Refund		1,245	3,900
Taxation Refund		88	1,222
		<hr/>	<hr/>
		181,281	188,152
CURRENT LIABILITIES			
Accounts Payable		2,456	3,056
Provision for Doubtful Debts		-	-
Accruals		9,691	3,200
		<hr/>	<hr/>
TOTAL LIABILITIES		12,147	6,256
WORKING CAPITAL		169,134	181,895
NON CURRENT ASSETS			
FIXED ASSETS	2	2,918	4,328
		<hr/>	<hr/>
NET ASSETS		172,052	186,223
		<hr/>	<hr/>
EQUITY		172,052	186,223
		<hr/>	<hr/>

FOR AND ON BEHALF OF THE COUNCIL



..... Chief Executive

Date: 02 July 2012

The accompanying notes form part of these financial statements.

**TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED
FORMERLY INBOUND TOUR OPERATORS COUNCIL OF NEW ZEALAND INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Tourism Export Council of New Zealand Incorporated is registered under the Incorporated Societies Act 1908. The Association qualifies for differential reporting as it is not publicly accountable and it is not large as defined by the Framework for Differential Reporting. The Association has applied all the differential reporting exemptions available to it. The financial statements have been prepared in accordance with generally accepted accounting practice.

MEASUREMENT BASE

The measurement base adopted is that of historical cost. Accrual accounting is used to recognise revenues and expenses when they occur.

SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Revenue

Income is recognised when invoiced and upon receipt.

Depreciation

Depreciation is calculated on straight line basis at rates that will write off the cost of assets over their estimated useful life, which are as follows:

Fixtures & Fittings	5 years
Leasehold Improvements	6 years
Office Equipment	3 years

Financial Instruments (Cash and Short term deposits)

The Entity uses non-derivative financial instruments as part of its normal operations. These financial instruments include: bank accounts, term deposits and debtors. The entity does not use derivative financial instruments. All financial instruments are recognised in the Statement of Financial Position at their fair value.

Investments

Investments are valued at cost plus accrued interest. There is three Term Deposit with National Bank with a market value of \$71,112.

Fixed Assets

Fixed assets are recorded at historical cost less allowance for accumulated depreciation.

Leasehold Improvements relate to a 50% share of the cost of the office fitout for premises leased by the Travel Agents Association of NZ (TAANZ). Office expenses are shared equally by TAANZ and ITOC

Goods & Services Tax:

The financial statements have been prepared on a GST exclusive basis.

Related Party Transactions

Office space is shared with Travel Agents Association NZ, overheads are split between the organisations.

CAPITAL COMMITMENTS

There are no capital commitments at 31 March 2012 (2011 nil)

CONTINGENT LIABILITIES:

There are no contingent liabilities at year end (2011: Nil).

The accompanying notes form part of these financial statements.

**TOURISM EXPORT COUNCIL OF NEW ZEALAND INCORPORATED
FORMERLY INBOUND TOUR OPERATORS COUNCIL OF NEW ZEALAND INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS (CONT) FOR THE YEAR ENDED 31 MARCH 2012

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies which have been applied on bases consistent with those used in previous years.

TAXATION

Taxation has been provided on the income earned by the Association on transactions outside of it's membership. The Association is not liable for the tax on it's dealings with members.

2. FIXED ASSETS

	2012				2011			
	Cost \$	Accum Depn \$	Book Value \$	Depn \$	Cost \$	Accum Depn \$	Book Value \$	Depn \$
Fixtures & Fittings	8,446	8,446	-	413	8,446	8,034	412	1,690
Leasehold Improvements	14,759	13,591	1,168	2,510	14,759	11,082	3,678	2,509
Office Equipment	6,328	4,579	1,749	998	3,821	3,581	239	821
	<u>29,533</u>	<u>26,615</u>	<u>2,918</u>	<u>3,920</u>	<u>27,025</u>	<u>22,697</u>	<u>4,328</u>	<u>5,020</u>

The accompanying notes form part of these financial statements.

Benefits of belonging to the Tourism Export Council

- An association that understands inbound tourism
- Quality and sustainable world class practises
- Shared industry communications and intelligence
- Membership to young Tourism Export Council
- Business networking opportunities which include:

Tourism Export Council of New Zealand Annual Conference:

In August each year the Tourism Export Council holds an industry conference, which includes a market update by Tourism New Zealand senior executives and overseas managers.

Tourism Export Council of New Zealand Xmas Symposium:

Each December the Tourism Export Council holds its Xmas Members update and networking function in Auckland.

- Full member forums hosted twice during the year
- Board meetings are bi-monthly with two hosted regionally.

young Tourism Export Council

The young Tourism Export Council organisation provides networking and mentoring opportunities to young people in the tourism industry to develop industry knowledge and skills. young TEC is aimed at those under the age of 36 years and the company they work for is a Tourism Export Council of New Zealand member.

young TEC offers its members regular networking events with other young professionals working in the tourism industry, educational workshops and a mentoring and development program providing up-to-date tourism information and tips to take into their own workplace.

young TEC will help to create a highly skilled tourism sector with operators who are encouraged to grow and develop, and invest in the future of New Zealand Tourism. It is free to join for employees of Tourism Export Council members and can help you further your career in the tourism industry.



TEN REASONS FOR USING A TOURISM EXPORT CONCIL INBOUND TOUR OPERATOR:

1. On-the-Spot Handling of Emergencies

Your loved ones can be assured that when booking through an Inbound Tour Operator pastoral care for you and all your travel arrangements will be handled with the utmost care and professionalism. Even the best-planned travel can encounter problems and these are much easier to solve when there is a capable person on the spot.

2. Service From People You Trust

An Inbound Tour Operator acts just like your own branch office in New Zealand. Your request takes top priority because an Inbound Tour Operator is virtually an extension of your business.

3. Total Coordination of Tours

An Inbound Tour Operator will draw together the many aspects that make travel in New Zealand so rewarding. Many different travel combinations can be planned and organised to the last detail, to suit individual client requirements.

4. Up-to-date Information

When changes occur, you will know about them. Inbound Tour Operators keep you informed about a range of topics that may have an effect on your business.

5. Local Advice and Planning

There is nothing like local knowledge. An Inbound Tour Operator will give you a first-hand view of the local scene.

6. Bookings Made Easy

It's as simple as sending an email or a fax. An Inbound Tour Operator in New Zealand will coordinate communication between New Zealand ground and air suppliers, and provide the information you need.

7. Attractive Volume Rates

An Inbound Tour Operator can negotiate on your behalf with hotels and other suppliers for the best available rates.

8. Confidential Agents Tariffs and Brochures

To allow you to quote and plan accurately, you will receive regular communications giving updates on tariffs within New Zealand.

9. Local Guides and Interpreters

An Inbound Tour Operator will arrange sightseeing with an experienced and knowledgeable guide in any New Zealand city or exciting resort/wilderness area. Interpreters can be provided if required.

10. Specialised Itineraries and Incentives

New Zealand is fast becoming a popular destination for incentive programmes and specialised group tours. For these specific itineraries, an Inbound Tour Operator offers invaluable help in coordinating the many details that make for successful group travel.

