

## Central Hawke's Bay District Council – Report

**TO:** Council  
**FROM:** Chief Executive  
**DATE:** 9 October 2008  
**FILE REF:** ASS2-2800  
**SUBJECT:** CHB PROMOTIONS INC. ANNUAL REPORT TO 30 JUNE 2008

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### 1.0 SUMMARY

CHB Promotions Inc. has provided Council with its Annual Report to 30 June 2008, as part of the agreement between the two organisations.

The new Chairman of CHB Promotions Inc, Jennifer Hancock, and Trudy Kirk Manager of the Information Centre, will present the report.

### 2.0 RECOMMENDATION

***THAT***

The CHB Promotions Inc. Annual Report to 30 June 2008 report be received.

John Freeman  
Chief Executive



## ***CHB Promotions Inc.***

### ***Annual Report 2007/2008***

CHB Promotions Inc. has pleasure in presenting their annual report to 30 June 2008.

The year remained under the chairmanship of Johnny Ormond, but we had the following change of board members; Hilary Pedersen stood down on her election to Council and Sue Fargher, Alastair McMillan and Colleen Carrick resigned. New board members voted in at the Annual General Meeting 2007, were Peter Harris, Mary Collins, George Mills and Barbara Lowe. George Mills has since resigned.

The sub committees headed by Board members, continued this year. Committee reports are given at the monthly board meetings on significant activities and initiatives happening around the district. These reports keep all members of the Board informed and also discuss ways we may be able to assist.

#### **Key results for the Year:**

***The Central Hawke's Bay brand;*** has been modified to incorporate the Hawke's Bay Wine Country logo and the district website address [www.chb.co.nz](http://www.chb.co.nz). This is now on the district website, Lions phone book, district signage, brochure and we encourage CHB businesses to use the brand.

Logos incorporating that brand have been designed for all of our towns.

***District and Town Signs;*** The new brand has been used on district signs placed at the northern and southern ends of the district.

The signage includes space for event signage. To date the event signs are working well. Organisations wishing to display an event, book in through the Information Centre. They are given dates to display the event and must adhere to the specified font and letter sizing. Organisers are also responsible for their own signage and will only incur a cost if the sign isn't removed by the given date.

Trudy has worked with Shane Kingston and John Freeman on finding suitable locations and getting consent from landowners on all the signage. The first of the town signs are due to go up at Takapau and Waipukurau. Work continues on land owners consent on other towns.

Without the support from CHB District Council, Infracon, Centralines and Waipukurau Construction these signs could not have happened. CHB Promotions are appreciative of the time, manpower, machinery, expertise and dollars all have put into this project. It's another great example of our community working towards a good result.

#### ***CHB in National Magazines***

Because of our low budget for promotions, when opportunities arise through the media to show off our district, we take them. The following contacts have been made through the year.

**NZ Walking magazine** – Trudy wrote two articles with beautiful images on the Sea Sky & Bush Walk

**North & South** - CHB Promotions and HB Inc. hosted a North & South journalist in February. She took part in our walks including the Longest Place Name, Sunrise Track & Sea Sky & Bush walk. We

7  
accommodated her at Hinerangi homestead and she enjoyed an evening of Opera at Oruawharo. This article is due out in December.

**Most recent – North & South's Top Small Town Competition.** Waipukurau is entered. Trudy worked with Hilary and Ann Strong from Council on the content.

**Cuisine magazine** – At Cuisine's request Trudy and Rosie Butler compiled information and beautiful images on our eating places, plus food producers including artisan products and events and places of special interest around Central Hawke's Bay. Cuisine has still to confirm whether they will publish an article on CHB.

- Because of the work we did on food producers we now have an up to date database that has been sent out to the local cafes for contacts on seasonal produce.

### ***Events***

**BA5** – The business networking get togethers were held at Laver & Wood / BR Turfrey / Scallywags.

**Festival Market Day** – A very successful day held in September 2007. The **Waipuk Chilli Cook Off**, Wearable Trash and vintage double decker bus produced a lot more activity in the town.

**Community Xmas Parade** – It is great to see the growing interest in this Xmas event. The Father Xmas sleigh is an improvement to the parade and entries increase each year. The day was hugely successful and although wet it didn't appear to dampen spirits. Infracon and Council generously provide all traffic management.

**A&P Show** – CHB Promotions had a stand in the Council tent. Our Board and staff got involved in what is a good day out for the community.

### ***Key Relationships***

**Hawkes Bay Inc.** - regular discussion is held between HB Inc. & CHB Promotions. i.e.

- Current combined initiative is an Events Planning Guide for the region that will be linked to all Council & District Tourism websites. The guide offers simple steps towards running an event whether large or small.
- Trudy worked with HB Inc. on North & south feature
- Their economic development team were helpful with Waipukurau Top Town statistics.
- the management team were hosted by CHB Promotions on a famil to CHB tourism operators.

**HB Wine Country Tourism Assoc.** – CHB Promotions Inc. is a financial member

- Their logo is now part of our district brand.
- Quarterly sector meetings are attended
- Currently discussion on bringing a Wine Country famil into CHB.

**Business CHB** – Waipukurau business group

- CHB Promotions chair and manager attend their monthly meetings where possible
- Business CHB chair is invited to CHB Promotions monthly meetings
- Business CHB has taken over organisation of the Festival Market Day and Chilli Cook Off this year, which we have fully supported and assisted where asked.

**Visitor Information Centre**      Average visitor numbers are slightly up on last year with 7492 recorded.

	2006/07	2007/08
Jul		454
Aug		426
Sept		535
Oct		613
Nov	591	661
Dec	652	682
Jan	819	876
Feb	656	883
Mar	688	712
Apr	537	671
May	502	505
Jun	490	474
	4935	7492

While travel sales have been higher this year, particularly in the last quarter, the bus and ferry company's special deals increased and this has affected our returns on commission.

The Longest Place Name t shirts continue to be a good seller, with many of them being purchased to send overseas.

**Staff Training:** Karen Wilson is studying ATTTO tourism papers Levels 3 & 4

Karen and Joan have attended famils in Napier and Tararua

Joan attended the VIN (Visitor Information Network) Conference in September.

**Volunteers:** Last year we had a university student to help out for part of the year and we currently have Tracey Berkahn who is gaining work experience.

With the assistance of PD workers and pavers donated by Council we were able to put in a much needed **pathway** over the existing garden to carpark.

CHB Promotions appreciates the **gardening our local ANZ bank staff** undertake to keep the railway station area looking trim.

### ***Board Workshop***

This was held to discuss areas where CHB Promotions should be focusing and where they could best benefit the CHB district.

*Residential growth* – agreed that the district needs residential growth to benefit economically.  
Encourage new business and be business friendly – Council to be encouraged to continue the user friendly processes they have in place.

Council infrastructure needs to be in place for business & residential growth.

*Hawkes Bay versus Central Hawkes Bay* - Work must continue on working with regional groups. HB Inc. covering regional tourism, economic development, website links.

*Brand Development* - Market CHB Brands to local business this includes Town Brands i.e. Waipukurau 40° South.

put together a brand package to be launched to businesses and public.

Usage of CHB brand on products : manufacturing , stationery etc.

*Promote advantages of CHB.* – Authentic , quirky, mountains, coast, farmland, vineyards – package & market.

*Broadband* - A very important issue when we talk about business growth. Talk & discuss a means towards improving our coverage.

*Council's relevance* - Should they be playing a part in encouraging growth?

*CHB Info Centre opening hours* – Should the Centre be open through weekend & public holidays? Open Saturday mornings currently

*Get all tourism providers together* - to create a better awareness of what CHB is offering our visitors. This could happen as a networking event for providers only or as a mini expo – where the providers exhibit their business to local business and the public.

**CHB Promotions works consistently to improve and consolidate our standing in the region and further afield, with the resources we have available. The support of our district and our Council is imperative, and we appreciate your interest and participation shown throughout the year.**

#### **KRA 1: Increase Tourism Impact on the Central Hawke's Bay Economy**

- The **Central Hawke's Bay brochure** is one of our two essential products used to promote tourism in Central Hawke's Bay. Council include it in the information pack that is distributed to new residents. The brochure is mailed out to those enquiring about living in CHB and continues to be distributed through locals, businesses, travellers and the Hawke's Bay airport.
- Our second essential product is the **Central Hawke's Bay website**. New pages are golf courses, wineries, and a business database. Website links and further business information is ongoing. The staff put in a large amount of time ensuring contact is made with local groups and event organizers for future events and dates, the main events are also inputted into the Hawke's Bay site.
- The **Event signage** on Highway 2 is aimed to not only promote events, but to show visitors to the district our large range of events throughout the year.
- Marketing and registrations of Waipukurau Rotary's annual **Sea Sky & Bush Walk**. This highly successful event, attracts international as well as national walkers into Central Hawke's Bay. A good income earner for CHB Promotions Inc.
- **Tally of visitors to** through the Information Centre at 7500,. The figures shown are a reserved estimate, but give an overall look throughout the year Our team at the Information Centre ensure that all visitors receive good information on events plus things to see and do while visiting.

#### **KRA 2: Promote District Icons and products Nationally and Internationally**

- The Central Hawke's Bay brochure promotes the Central Hawke's Bay district. It has good quality imagery and is well laid out. Work on an updated version of the current brochure, is currently underway and it is intended to distribute throughout Hawke's Bay only. A small DLE fold out brochure has been printed also. This is being sent out around the country – smaller – cheap to print and post– and a strong reference to the website [www.chb.co.nz](http://www.chb.co.nz) for more detailed information. This brochure is being sent out to all i-Sites around New Zealand increasing Central Hawke's Bays presence from forty Information Centres throughout New Zealand to almost eighty.

- The Longest Place Name t-shirts designed and made specifically for the Information Centre, continue to sell very well and more often than not end up in a suitcase or package travelling to other countries.
- Sea Sky & Bush Walk – previously mentioned
- Promotion through national publications and media (as referred to previously)
- Hawke's Bay Arts Trail – six local artists and galleries feature in this brochure and website. Gives local art more exposure regionally, nationally and internationally.

**KRA 3: Prepare and Distribute Niche Business Tourism Information, including Publications, a Website and Brochures**

As referred to on pages 1 - 2.

**KRA 4: Promote the development of new business Opportunities within Central Hawke's Bay**

- The brochure and website provides generic promotional material, for those interested in purchasing businesses or investing in Central Hawke's Bay. These products are part of a district-wide image and identification process, and to date work very well.
- We encourage beautification and development and good infrastructure now and in the future. This can only be achieved by good working relationships with council and local community. The upgrade of our town and district signage is part of that.
- Marketing the district by attending shows, field days and events out of the region, or television advertising, requires financial support. We do encourage other local businesses that may be attending events to use our display screens and have the CHB brochures to hand out.
- Regular Business After 5's are held, we encourage new business owners in Central Hawke's Bay to attend. These get-togethers are a good source of networking for new and established business owners and their staff. Because they are held at a range of different establishments, those attending get to find out about a local business they may not normally walk into.

**KRA 5: Supply an Annual Business Plan clearly outlining the Strategies to achieve these Key Results Attached with Financial Statement for 2007/2008.**

**KRA 6: Deliver Service in an Equitable and Professional Manner within the Central Hawkes Bay Area.**

- CHB Promotions Inc. endeavours to support and develop the promotion of Central Hawke's Bay. We encourage district events and promotions and nurture good working relationships with the community, community organisations, councils and regional bodies.
- All Information Centre and CHB Promotions visitors and enquiries are responded to in a friendly and polite manner.
- Whether in person or on the phone, professionalism is paramount.

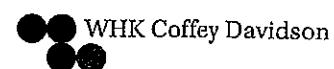
Trudy Kirk  
Manager CHB Promotions Inc.

# Central Hawke's Bay Promotions Inc

Annual Report  
For the Year ended 30 June 2008

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CENTRAL HAWKE'S BAY PROMOTIONS INC



# Annual Report Contents

For The Year Ended 30 June 2008

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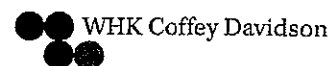
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*Total Financial Solutions*

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CENTRAL HAWKE'S BAY PROMOTIONS INC



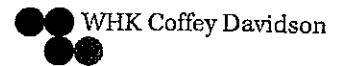
## Incorporated Society Directory

As At 30 June 2008

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<b>Business Location</b>	Waipukurau
<b>Registered Office</b>	Railway Esplanade Waipukurau
<b>Accountants</b>	WHK Coffey Davidson 127 Ruataniwha Street Waipukurau
<b>Bankers</b>	ANZ National Bank of NZ Limited Waipukurau
<b>IRD Number</b>	084-116-982
<b>Incorporation Number</b>	1245282

## CENTRAL HAWKE'S BAY PROMOTIONS INC



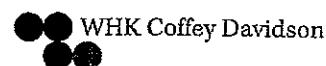
## Statement Of Financial Performance

For The Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
<b>Trading Account</b>			
<b>Income</b>			
Travel Sales		76,250	91,847
Product Sales		10,672	5,964
Event Bookings		-	50,872
Event Bookings - Sea Sky Bush		33,610	-
Event Bookings - Xmas Parade		850	-
Event Bookings - Opera Oruawharo		8,053	-
Event Bookings - Festival Market Day		1,126	-
Event Bookings - Other Events		1,040	-
Accommodation & Tour Bookings		2,832	3,364
Subscriptions		6,444	6,961
Promotions - Brochure display		2,500	1,880
Promotions - Signage		2,000	-
<b>Total Income</b>		<b>145,378</b>	<b>160,887</b>
<b>Cost of Goods Sold</b>			
Opening Stock		7,392	5,550
Closing Stock		7,245	7,392
<b>Total Cost of Goods Sold</b>		<b>147</b>	<b>(1,842)</b>
<b>Direct Expenses</b>			
Travel Purchases		68,240	81,577
Product Purchases		9,404	4,618
Event Bookings		-	43,660
Event Bookings - Sea Sky Bush		30,143	-
Event Bookings - Xmas Parade		1,181	-
Event Bookings - Opera Oruawharo		7,421	-
Event Bookings - Festival Market Day		1,088	151
Event Bookings - Other Events		967	-
Accommodation & Tour Bookings		1,974	-
Christmas Promotions		-	2,052
District Brochure		-	8,549
Seminars		71	1,875
Business After Five		147	216
Promotions - Signage		3,899	-
<b>Total Direct Expenses</b>		<b>124,536</b>	<b>142,696</b>
<b>Gross Surplus</b>		<b>20,694</b>	<b>20,033</b>
		<b>14.2%</b>	<b>12.5%</b>

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## CENTRAL HAWKE'S BAY PROMOTIONS INC



## Statement Of Financial Performance

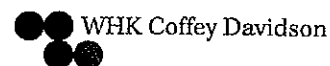
For The Year Ended 30 June 2008

	Notes	2008 \$	2007 \$
Gross Surplus		20,695	20,033
<b>Gross Surplus</b>		<b>20,695</b>	<b>20,033</b>
<b>Expenses</b>			
Accountancy Fees		2,044	2,198
Accident Compensation Levy		436	373
Advertising		2,580	1,610
Bank & Eftpos Charges		1,383	1,479
Cleaning & Laundry		424	487
Computer Consumables		808	1,177
Conference & Famils		1,742	3,240
Brochures		416	236
Depreciation as per Schedule		2,938	2,924
Lighting & Heating		2,639	2,525
General Expenses		916	1,521
Insurance		874	830
A.N.Z. Bank		-	21
Depreciation - Loss on Sale		-	13
Printing, Stamps & Stationery		2,221	2,931
Promotions		-	3,105
Rents		5,500	5,975
Repairs & Maintenance		768	1,976
Subscriptions		1,101	1,658
Telephone & Tolls		4,879	4,405
Travel		1,300	-
Wages & Salaries		93,758	87,445
<b>Total Expenses</b>		<b>126,727</b>	<b>126,129</b>
<b>Net Operating Deficit</b>		<b>(106,032)</b>	<b>(106,096)</b>
<b>Other Income</b>			
Rent Received		1,653	1,862
Interest Received - ANZ Bank Ltd		2,090	1,590
CHB District Council Grant		110,500	100,575
<b>Total Other Income</b>		<b>114,243</b>	<b>104,027</b>
<b>Net Operating Surplus/(Deficit) Before Adjustments</b>		<b>8,211</b>	<b>(2,069)</b>
Non-deductible Expenses		-	(135)
<b>Total Adjustments</b>		<b>-</b>	<b>(135)</b>
<b>Net Surplus/(Deficit)</b>		<b>8,211</b>	<b>(2,204)</b>

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*Total Financial Solutions*

## CENTRAL HAWKE'S BAY PROMOTIONS INC



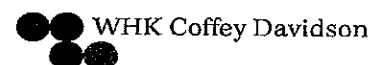
## Statement Of Financial Position

As at 30 June 2008

	Notes	2008 \$	2007 \$
<b>Current Assets</b>			
Cash on Hand		140	210
Cash at Bank		5,452	14,138
ANZ Station Account		-	1,231
ANZ Serious Saver		2	2
ANZ Online Call Account		22,764	11,238
Accounts Receivable		28	316
GST Receivable		523	534
Stock on Hand		7,245	7,392
<b>Total Current Assets</b>		<b>36,154</b>	<b>35,060</b>
<b>Non Current Assets</b>			
Fixed Assets	2	7,330	10,268
<b>Total Non-Current Assets</b>		<b>7,330</b>	<b>10,268</b>
<b>Total Assets</b>		<b>43,484</b>	<b>45,328</b>
<b>Current Liabilities</b>			
Accounts Payable		9,820	19,875
<b>Total Current Liabilities</b>		<b>9,820</b>	<b>19,875</b>
<b>Net Assets</b>		<b>33,664</b>	<b>25,453</b>
<b>Equity</b>			
Retained Surplus		33,664	25,453
<b>Total Equity</b>		<b>33,664</b>	<b>25,453</b>

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## CENTRAL HAWKE'S BAY PROMOTIONS INC



## Schedule of Fixed Assets and Depreciation

As at 30 June 2008

	% Private Date Use	Original Cost	Opening Accum Depn	Opening WDV	Additions Disposals	Gain/Loss on Disposal	Capital Profit	Rate	Depn	Closing WDV
<b>PLANT &amp; EQUIPMENT</b>										
Lighting Sculpture		475	193	282	-	-	-	12.5% DV	35	247
Vacuum Cleaner		89	79	10	-	-	-	60.0% DV	6	4
Website		6,415	3,814	2,801	-	-	-	33.0% DV	924	1,877
Display Screens		1,573	206	1,367	-	-	-	11.4% DV	156	1,211
Outside Light		635	200	435	-	-	-	21.8% DV	94	341
<b>Total PLANT &amp; EQUIPMENT</b>		<b>9,187</b>	<b>4,292</b>	<b>4,885</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,215</b>	<b>3,680</b>
<b>OFFICE EQUIPMENT</b>										
Office Equipment		204	197	7	-	-	-	33.0% DV	2	5
Shelving		397	249	148	-	-	-	11.4% DV	17	131
Wiring		595	584	11	-	-	-	39.6% DV	4	7
Fridge		356	324	32	-	-	-	26.4% DV	8	24
Photocopier		2,500	2,448	52	-	-	-	39.6% DV	21	31
Counter		1,662	1,011	651	-	-	-	11.4% DV	74	577
Aluminium Screens		391	255	136	-	-	-	14.4% DV	20	116
Computer Gateway		1,817	1,793	24	-	-	-	48.0% DV	12	12
Scanner Canon FB		221	218	3	-	-	-	48.0% DV	1	2
Chair(*2)		71	71	-	-	-	-	71.0% DV	-	-
Samsung Microwave		204	187	17	-	-	-	31.2% DV	5	12
Office Carpet		466	450	16	-	-	-	39.6% DV	6	10
Corner Desk		516	332	184	-	-	-	14.4% DV	28	158
Alarm Panic Button		295	233	62	-	-	-	26.4% DV	16	46
Computer & Printer		1,999	1,900	99	-	-	-	48.0% DV	48	51
HP Laserjet 1300 Printer		689	588	101	-	-	-	39.6% DV	40	61
Nokia Cellphone		222	215	7	-	-	-	60.0% DV	4	3
4 ADSL Router Ports		484	399	85	-	-	-	39.6% DV	34	51
Banner Brackets		677	251	426	-	-	-	11.4% DV	49	377
Wooden Bookcase & Drawers		140	63	77	-	-	-	18.0% DV	14	63
AMD XP 2800 Computer & Flat Screen		1,836	1,419	417	-	-	-	48.0% DV	200	217
5 Shelf Metal Display Rack		235	82	153	-	-	-	18.0% DV	28	125
Uniden Phone		179	152	27	-	-	-	60.0% DV	16	11
Storage Shelves		622	107	515	-	-	-	11.4% DV	59	456
Inspiron 9400 Notebook & Case		2,211	88	2,123	-	-	-	48.0% DV	1,019	1,104
<b>Total OFFICE EQUIPMENT</b>		<b>18,989</b>	<b>13,616</b>	<b>5,373</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,723</b>	<b>3,650</b>
<b>TOTAL FIXED ASSETS</b>		<b>28,176</b>	<b>17,908</b>	<b>10,268</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>2,938</b>	<b>7,330</b>

These statements should be read in conjunction with the Notes to the Financial Statements and are subject to the Accountant's Compilation Report.

Total Financial Solutions

# Notes to the Financial Statements

For the Year Ended 30 June 2008

## 1 Statement of Accounting Policies

### Reporting Entity

CHB Promotions Incorporated qualifies as an exempt entity under the Financial Reporting Act 1993.

### Statutory Base

The financial statements are prepared in accordance with the Financial Reporting Order 1994.

### Measurement Base

The measurement base adopted is historical cost.

### Differential Reporting

The Incorporated Society is a qualifying entity within the framework for differential reporting. The Incorporated Society qualifies on the basis that it is not publicly accountable and the entity is not large. The Incorporated Society has taken advantage of all available differential reporting concessions.

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

### Valuation of Fixed Assets

Fixed Assets are recorded at cost, less accumulated depreciation.

### Depreciation

Depreciation is charged to the Statement of Financial Performance at the same rate as is allowed by the Income Tax Act 2004 over the estimated useful lives of each part of an item of property, plant and equipment.

The method and rates applied are as follows:

Asset Class	Method	Rate
Plant & Equipment	Diminishing Value	11.4 - 60.0%
Office Equipment	Diminishing Value	11.4 - 71.0%

### Trade and Other Receivables

Accounts Receivable are recorded at expected realisable value.

### Goods and Services Tax (GST)

All revenue and expense transactions are recorded net of GST. Where applicable, all assets and liabilities have been stated net of GST with the exception of receivables and payables which are stated inclusive of GST.

### Inventory

Inventories are valued at the lower of cost and net realisable value.

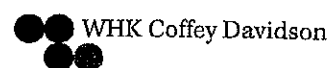
### Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

## 2 Fixed Assets

	2008	2007
	\$	\$
<b>PLANT &amp; EQUIPMENT</b>		
At Cost	9,187	9,187
Less Accumulated Depreciation	5,507	4,292
	<b>3,680</b>	<b>4,895</b>
<i>Total Financial Solutions</i>		<i>7</i>

## CENTRAL HAWKE'S BAY PROMOTIONS INC



## Notes to the Financial Statements

For the Year Ended 30 June 2008

<b>OFFICE EQUIPMENT</b>		
At Cost	<b>18,989</b>	18,989
Less Accumulated Depreciation	<b>15,339</b>	13,616
	<b>3,650</b>	5,373
<b>Total Fixed Assets</b>	<b>7,330</b>	10,268

<b>3 Depreciation</b>	<b>2008</b>	<b>2007</b>
	\$	\$
Plant & Equipment	<b>1,215</b>	-
Office Equipment	<b>1,723</b>	-
<b>Total Depreciation</b>	<b>2,938</b>	-

**4 Capital Commitments**

No capital commitments have been contracted for or provided for at balance date (2007:Nil).

**5 Contingent Liabilities**

There were no contingent liabilities at balance date (2007:Nil).

# Compilation Report

For the Year ended 30 June 2008

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## Compilation Report to the Committee of Central Hawke's Bay Promotions Inc

### Scope

On the basis of information provided by you we have compiled, in accordance with Service Engagement Standard No. 2: Compilation of Financial Information and relevant professional standards and ethical requirements issued by the Council of the New Zealand Institute of Chartered Accountants, the financial statements of Central Hawke's Bay Promotions Inc for the year ending 30 June 2008 as set out on pages 1 to 8, which have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

### Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

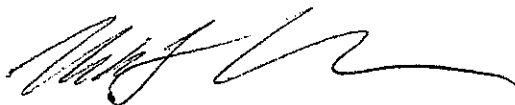
### No audit or review engagement undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information which you provided to us. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

### Disclaimer of Liability

As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither I nor any of my employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.

**WHK Coffey Davidson**



Waipukurau

2008