

**Rotorua Regional Airport Limited**  
**Financial Statements**  
**For the Year Ended 30 June 2015**

**Rotorua Regional Airport Limited**  
**Financial Statements Index**  
**For the Year Ended 30 June 2015**

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**Rotorua Regional Airport Limited**  
**Company Directory**  
**As at 30 June 2015**

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Date of Incorporation	06/04/1990		
Company Number	386483		
IRD Number	051-834-720		
Nature of Business	Provision of Safe & Efficient Airport Services for Airline and Aircraft Operators and the Travelling Public		
Business Location	Rotorua Airport Terminal Rotorua Airport, SH30, Rotokawa, Rotorua		
Registered Office	Rotorua Airport Terminal Rotorua Airport, SH30, Rotokawa, Rotorua		
Directors	Peter Stubbs (Chairman) Wiremu Atetini Kingi Stuart Alan Crosby Dave Foster (Council Representative)		
Auditors	Audit New Zealand on behalf of the Auditor-General		
Accountants	Bright Wild & Thomas Limited, Rotorua		
Bankers	ASB Bank, Rotorua		
Solicitors	Holland Beckett, Rotorua		
Shareholders	Rotorua District Council	<u>1,000</u> <u>1,000</u>	Ordinary Shares

*The accompanying notes form part of these financial statements.*

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# Rotorua Regional Airport Limited

## Annual Report

### For the Year Ended 30 June 2015

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The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30 June 2015.

Section 211 of the Companies Act 1993 requires the following disclosures:

#### Principal Activities

The business of the company is the provision of safe and efficient airport services for airlines and aircraft operators and the travelling public. The nature of the company's business has not changed during the year.

#### Auditors

The Auditor General is appointed under Section 15 of the Public Audit Act 2001. Audit New Zealand has been appointed to provide these services. Provision for audit fee for the year was \$22,765.

#### Directors Holding Office During the Year

The following Directors held office as at 30 June 2015:

	Date of Appointment
Peter Stubbs (Chairman)	21/05/2014
Wiremu Atetini Kingi	10/12/2002
Stuart Alan Crosby	22/12/2010
Dave Foster	12/12/2014

The following Directors resigned during the year:

	Date of Resignation
Raymond Noel Cook	04/11/2014

#### Directors' Remuneration

Directors' remuneration paid was as follows:

	2015	2014
	\$	\$
Peter Stubbs	13,750	-
Stuart Alan Crosby	7,916	5,000
Wiremu Atetini Kingi	7,916	5,000
Raymond Noel Cook	2,568	7,500
	<u>32,150</u>	<u>17,500</u>

No other benefits have been provided by the Company to a Director for services as a Director or in any other capacity. No loans have been made by the Company to a Director nor has the Company guaranteed any debts incurred by a Director.

*The accompanying notes form part of these financial statements.*

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# Rotorua Regional Airport Limited

## Annual Report

### For the Year Ended 30 June 2015

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#### Employee's Remuneration

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 in value for the 2015 financial year:

\$100,001 - \$120,000	1
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#### Directors' Disclosures

There were entries recorded in the Register of Interests. See Note 7 of the financial statements.

No Director acquired or disposed of any interest in shares in the company.

The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

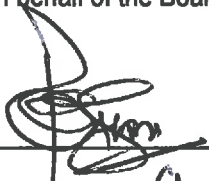
The Company paid all of the premiums on contracts insuring directors in respect of liability and costs permitted to be insured against in accordance with Section 162(5) of the Companies Act 1993.

#### Donations

No donations were made by the company during the year.

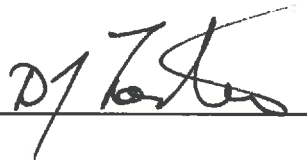
For and on behalf of the Board of Directors,

Director



Chairman

Director



Dated this 25 day of September 2015.

# Rotorua Regional Airport Limited

## Statement of Management Responsibility


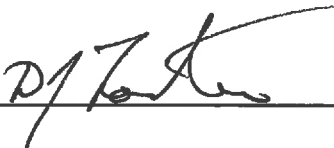
### For the Year Ended 30 June 2015

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The Directors of Rotorua Regional Airport Limited accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the company's financial and non-financial reporting.

In the opinion of the Directors, the annual financial statements for the financial year fairly reflect the financial position and operations of the company.

Director  Director   
Chairman

Dated this 25 day of September 2015.

*The accompanying notes form part of these financial statements.*

**Rotorua Regional Airport Limited**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>REVENUE</b>			
Operating Revenue	3	2,302,996	2,348,705
Other Revenue	4	18,527	20,916
<b>TOTAL REVENUE</b>		<u>2,321,523</u>	<u>2,369,621</u>
<b>EXPENSES</b>			
Operating Expenses	5	854,851	1,067,461
Audit Fees	6	22,765	22,498
Depreciation and Amortisation		194,019	175,105
Development Levy Pass-On		382,767	413,456
Directors' Fees		32,150	17,500
Other Expenses		710,010	790,076
Rent and Rates		74,935	118,993
<b>TOTAL EXPENSES</b>		<u>2,271,497</u>	<u>2,605,089</u>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>		<u>50,026</u>	<u>(235,468)</u>
Income tax expense	10	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>		<u>50,026</u>	<u>(235,468)</u>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>50,026</u></u>	<u><u>(235,468)</u></u>

The accompanying notes form part of these financial statements.

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**Rotorua Regional Airport Limited**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2015**

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	<i>Note</i>	<b>2015</b> \$	<b>2014</b> \$
<b>EQUITY AT START OF YEAR</b>		1,690,057	1,925,525
Total comprehensive income for the year		50,026	(235,468)
<b>EQUITY AT END OF YEAR</b>		<u>1,740,083</u>	<u>1,690,057</u>

*The accompanying notes form part of these financial statements.*

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**Rotorua Regional Airport Limited**  
**Statement of Financial Position**  
**As at 30 June 2015**

	<i>Note</i>	<b>2015</b> \$	<b>2014</b> \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,497,069	464,200
GST refund due		57,617	-
Taxation		49,225	51,696
Trade and other receivables	18	510,552	567,855
<b>Total current assets</b>		<u>2,114,463</u>	<u>1,083,751</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	12	849,059	931,928
Intangible assets	13	5,169	21,528
<b>Total non-current assets</b>		<u>854,228</u>	<u>953,456</u>
<b>TOTAL ASSETS</b>		<u>2,968,691</u>	<u>2,037,207</u>
<b>CURRENT LIABILITIES</b>			
GST payable		-	10,429
Trade and other payables	19	1,193,949	285,994
Employee entitlements	20	34,659	50,727
<b>Total current liabilities</b>		<u>1,228,608</u>	<u>347,150</u>
<b>TOTAL LIABILITIES</b>		<u>1,228,608</u>	<u>347,150</u>
<b>NET ASSETS</b>		<u>1,740,083</u>	<u>1,690,057</u>
<b>EQUITY</b>			
Share capital	17(a)	1,000	1,000
Retained Earnings	17(b)	1,739,083	1,689,057
<b>TOTAL EQUITY</b>		<u>1,740,083</u>	<u>1,690,057</u>

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on 25 September 2015.

*The accompanying notes form part of these financial statements.*

**Rotorua Regional Airport Limited**  
**Statement of Cashflows**  
**For the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Cash Flows from Operating Activities</b>			
Cash was received from:			
Receipts from customers		2,401,731	2,356,087
Interest received		18,527	21,726
Income tax refund		2,471	-
Goods and services tax (net)		9,894	-
		<u>2,432,623</u>	<u>2,377,813</u>
Cash was paid to:			
Payments to suppliers and employees		1,234,144	2,875,760
Goods and services tax (net)		-	7,284
Income tax payment		-	759
		<u>1,234,144</u>	<u>2,883,803</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	9	<u>1,198,479</u>	<u>(505,990)</u>
<b>Cash Flows from Investing Activities</b>			
Cash was received from:			
Proceeds from sale of property, plant and equipment		-	522
		<u>-</u>	<u>522</u>
Cash was paid to:			
Purchase of property, plant and equipment		165,610	287,971
		<u>165,610</u>	<u>287,971</u>
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<u>(165,610)</u>	<u>(287,449)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>1,032,869</u>	<u>(793,439)</u>
Cash and cash equivalents at the beginning of the year		464,200	1,257,639
<b>Cash and Cash Equivalents at the end of year</b>	8	<u><u>1,497,069</u></u>	<u><u>464,200</u></u>

The GST (net) component of the operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of other primary financial statements.

The accompanying notes form part of these financial statements.

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# **Rotorua Regional Airport Limited**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2015**

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#### **STATEMENT OF ACCOUNTING POLICIES**

##### **1. REPORTING ENTITY**

Rotorua Regional Airport Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua District Council and is a Council Controlled Trading Organisation as defined under section 6 of the Local Government Act 2002.

The Company is an airport operator based in Rotorua that aims to provide a safe, commercially viable operation optimising social and economic benefits to the community shareholder. Accordingly the Company has designated itself as a profit oriented entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Company are for the year ended 30 June 2015. The financial statements were authorised for issue by the directors on 25 September 2015.

##### **2. BASIS OF PREPARATION**

###### **Statement of compliance**

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, applying the Framework for Differential Reporting for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to profit oriented entities that qualify for and apply differential reporting concessions.

The External Reporting Board (XRB) has introduced a new accounting standards framework incorporating a Tier strategy. Under this framework, the Company is classified as a Tier 3 for-profit entity and is allowed to continue to report under NZ IFRS Differential Reporting.

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993. These financial statements comply with the Financial Reporting Act 1993, the Companies Act 1993, and Section 69 of the Local Government Act 2002.

###### **Differential reporting**

The Company qualifies for Differential Reporting exemptions as it has no public accountability and it is not large. The Company has taken advantage of the differential reporting exemptions under the Framework of Differential Reporting except for NZ IAS7 Statement of Cash Flows, and that GST exclusive accounting has been adopted.

###### **Measurement base**

The financial statements have been prepared on a historical cost basis.

###### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Company is New Zealand dollars.

# **Rotorua Regional Airport Limited**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2015**

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#### **Changes in accounting policies**

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

#### **Changes to financial reporting standards**

The External Reporting Board (XRB) has introduced a revised Accounting Standards Framework. The revised framework introduces Public Benefit Entity Accounting Standards largely based on International Public Sector Accounting Standards, modified as appropriate for New Zealand circumstances. From 1 July 2015, the Company has designated itself as a public benefit entity for financial reporting purposes. As a public benefit entity, the Company's primary objective is to provide services for community or social benefit rather than making a financial return.

Under the new Framework, the Company will be classified as a Tier 2 reporting entity and it will be eligible to report in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE RDR Standards). The Company will transition to the new standards in preparing its 30 June 2016 financial statements. The Company has not assessed the full implication of the new Accounting Standards Framework at this time other than certain changes to disclosure requirements and recognition of deferred tax.

#### **SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies which materially affect the measurement of financial results and financial position have been adopted in the preparation of the financial statements.

##### **(a) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of goods is recognised when the product is sold to the customer.

Revenue from services is recognised when the service is provided.

Rental income is recognised on an accrual basis with reference to the leases and rental agreements in force at balance date, with adjustment for rent paid in advance.

Interest income is recognised using the effective interest method.

##### **(b) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

##### **(c) Trade debtors and other receivables**

Trade debtors and other receivables are recognised at cost less provision for doubtful debts.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

# **Rotorua Regional Airport Limited**

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2015**

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**(d) Trade creditors and other payables**

Trade creditors and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed.

**(e) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and call deposits. Bank overdrafts that are repayable on demand and form part of the Company's cash management are included for the purposes of the statement of cash flows.

**(f) Employee Entitlements**

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

**(g) Goods & Services Tax**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**(h) Income Tax**

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

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**(j) Property, Plant & Equipment**

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

**Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

**Disposal**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive income.

**Subsequent costs**

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

**Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Leasehold Improvements & Chattels	20 years (5%)
Motor Vehicles	5-10 years (10-20%)
Furniture & Office Equipment	10 years (10%)
Computer Equipment	4 years (25%)
Plant & Equipment	10 years (10%)

**(k) Impairment**

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised in the statement of comprehensive income.

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**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**(l) Intangible Assets**

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	4 years	25%SL
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**3. OPERATING REVENUE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Landing Charges	1,035,152	812,937
Lease Rental	419,914	416,413
Parking Revenue	449,483	488,165
Ground Handling Revenue	33,764	33,008
Development Levy Revenue	276,764	516,819
Other Operating Revenue	87,919	81,363
<b>Total Operating Revenue</b>	<b><u>2,302,996</u></b>	<b><u>2,348,705</u></b>

**4. OTHER REVENUE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interest Received	18,527	20,400
Bad Debts Recovered	-	516
<b>Total Other Revenue</b>	<b><u>18,527</u></b>	<b><u>20,916</u></b>

**5. OPERATING EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Customs Service Expenses	671	1,013
Development Levy Expenses	81,889	149,576
Ground Handling Expenses	-	5,250
Runway/Taxiway/Apron Expenses	511,344	636,160
Shop Operating Expenses	-	52
Surrounds Expenses	57,972	66,345
Terminal Expenses	202,975	209,065
<b>Total Operating Expenses</b>	<b><u>854,851</u></b>	<b><u>1,067,461</u></b>

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**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**6. AUDITOR'S REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Fees to principal auditor		
Audit Fees for financial statement audit – current year	22,765	22,498
<b>Total Audit Fees</b>	<u>22,765</u>	<u>22,498</u>

**7. RELATED PARTIES**

The controlling party of the Company is Rotorua District Council. The following transactions are the disclosures of transactions between the Company and its shareholders and directors:

- i) Land and water rates of \$79,355 (2014: \$78,482) were paid to Rotorua District Council.
- ii) Trade waste administration fees of \$80 (2014: \$80) were paid to Rotorua District Council.
- iii) General maintenance charges of \$245 (2014: \$1,260) were paid to Rotorua District Council.
- iv) The Company paid rent of \$nil (2014: \$42,738) to Rotorua District Council for the lease of airport infrastructural assets.
- v) The Company paid \$382,767 (2014: \$413,456) to Rotorua District Council as development levy pass on.
- vi) The total value of directors' remuneration including non-monetary benefits was \$32,150 (2014: \$17,500).
- vii) The Company paid \$950 (2014: \$nil) for legal services to Simpson Grierson, a firm in which Mr Peter Stubbs, a director, is a partner of. There were no amounts outstanding at year end.

Balance receivable from Rotorua District Council \$380,870 (2014:\$477,561)

Balance payable to Rotorua District Council \$ 57,633 (2014:\$67,807)

Related party transactions are transacted on an arm's length basis. No related party debts have been written off or forgiven during the year.

**8. CASH & CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	98,361	110,195
Cash on hand	2,533	5,243
Call deposits	1,396,175	348,762
<b>Net cash &amp; cash equivalents</b>	<u>1,497,069</u>	<u>464,200</u>

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**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**9. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Net Operating Surplus/(Deficit)	50,026	(235,468)
<b>Add non-cash items</b>		
Depreciation	194,019	175,105
	<u>244,045</u>	<u>(60,363)</u>
<b>Add/(less) movements in working capital items</b>		
Trade and other receivables	57,303	64,872
Taxation	2,471	(758)
Trade and other payables	973,609	(508,397)
Employee entitlements	(16,067)	(5,871)
Goods and services tax	(68,046)	(4,220)
	<u>949,270</u>	<u>(454,374)</u>
<b>Add/(less) items classified as investing or financing activities</b>		
(Gains)/losses on the disposal of property, plant and equipment	5,164	8,747
<b>Net cash flows from operating activities</b>	<u><u>1,198,479</u></u>	<u><u>(505,990)</u></u>

The trade creditors and other payables movement does not agree with the face of the statement of financial position due to the exclusion of this year's fixed asset payable of \$65,654.

**10. INCOME TAX EXPENSE**

a) Income tax recognised in profit or loss

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Tax expense (income) comprises		
Current year tax expense (income)	-	-
<b>Total tax expense (income)</b>	<u><u>-</u></u>	<u><u>-</u></u>

b) Relationship between tax expense and accounting profit

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Surplus (deficit) before tax	50,026	(235,468)
Tax at 28%	14,007	(65,931)
Plus (less) tax effect of		
Non-deductible expenses	415	347
Temporary differences	5,242	10,389
Tax losses not recognised	-	55,195
Tax losses recognised	(19,664)	-
	<u><u>-</u></u>	<u><u>-</u></u>

Tax losses of \$2,670,629 (2014: \$2,740,860) are available to carry forward and offset future taxable income.

**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**11. IMPUTATION CREDIT ACCOUNT**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Imputation credits available for use in subsequent reporting periods	nil	nil

**12. PROPERTY, PLANT & EQUIPMENT**

	Plant and Equipment	Motor Vehicles	Furniture and Office Equipment	Computer Equipment	Leasehold Improvements	Total
<b>Cost</b>						
Balance at 1 July 2013	866,154	495,586	155,721	78,974	90,029	1,686,464
Additions	259,358	-	-	-	88,513	347,871
Disposals	(31,579)	-	(2,032)	(1,942)	-	(35,553)
<b>Balance at 30 June 2014</b>	<b>1,093,933</b>	<b>495,586</b>	<b>153,689</b>	<b>77,032</b>	<b>178,542</b>	<b>1,998,782</b>
Balance 1 July 2014	1,093,933	495,586	153,689	77,032	178,542	1,998,782
Additions	31,005	-	-	7,621	57,410	96,036
Disposals	(12,139)	-	(830)	(8,890)	-	(21,859)
<b>Balance 30 June 2015</b>	<b>1,112,799</b>	<b>495,586</b>	<b>152,859</b>	<b>75,763</b>	<b>235,952</b>	<b>2,072,959</b>
<b>Accumulated Depreciation and Impairment Losses</b>						
Balance at 1 July 2013	496,052	265,617	112,976	55,690	16,004	946,339
Depreciation Expense	74,355	48,761	11,914	11,307	7,212	153,549
Impairment Losses	-	-	-	-	-	-
Disposals	(30,192)	-	(2,032)	(810)	-	(33,034)
<b>Balance at 30 June 2014</b>	<b>540,215</b>	<b>314,378</b>	<b>122,858</b>	<b>66,187</b>	<b>23,216</b>	<b>1,066,854</b>
Balance at 1 July 2014	540,215	314,378	122,858	66,187	23,216	1,066,854
Depreciation Expense	94,826	48,761	9,641	9,686	10,858	173,772
Impairment Losses	-	-	-	-	-	-
Disposals	(7,539)	-	(664)	(8,523)	-	(16,726)
<b>Balance at 30 June 2015</b>	<b>627,502</b>	<b>363,139</b>	<b>131,835</b>	<b>67,350</b>	<b>34,074</b>	<b>1,223,900</b>
<b>Carrying Amounts</b>						
At 1 July 2013	370,102	229,969	42,745	23,284	74,025	740,125
At 30 June and 1 July 2014	553,718	181,208	30,831	10,845	155,326	931,928
At 30 June 2015	485,297	132,447	21,024	8,413	201,878	849,059

There are no restrictions over the title of the Company's property, plant, and equipment; nor is any pledged as security for liabilities

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**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**13. INTANGIBLE ASSETS**

	Acquired Software	Total
<b>Cost</b>		
Balance at 1 July 2013	154,703	154,703
Additions	-	-
Disposals	(54,000)	(54,000)
<b>Balance at 30 June 2014</b>	<b>100,703</b>	<b>100,703</b>
Balance 1 July 2014	100,703	100,703
Additions	3,920	3,920
Disposals	(7,160)	(7,160)
<b>Balance 30 June 2015</b>	<b>97,463</b>	<b>97,463</b>
<b>Accumulated Amortisation and Impairment Losses</b>		
Balance at 1 July 2013	104,869	104,869
Amortisation Expense	21,556	21,556
Impairment Losses	-	-
Disposals	(47,250)	(47,250)
<b>Balance at 30 June 2014</b>	<b>79,175</b>	<b>79,175</b>
Balance at 1 July 2014	79,175	79,175
Amortisation Expense	20,247	20,247
Impairment Losses	-	-
Disposals	(7,128)	(7,128)
<b>Balance at 30 June 2015</b>	<b>92,294</b>	<b>92,294</b>
<b>Carrying Amounts</b>		
At 1 July 2013	49,834	49,834
At 30 June and 1 July 2014	21,528	21,528
At 30 June 2015	5,169	5,169

There are no restrictions over the title of the Company's intangible assets; nor are any intangible assets pledged as security for liabilities

# Rotorua Regional Airport Limited

## Notes to the Financial Statements

### For the Year Ended 30 June 2015

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#### 14. LEASE COMMITMENTS

##### Height protection lease commitment

Kahikatea trees to the north of the runway threaten compliance with the Civil Aviation Act, therefore a lease payment of \$60,000 plus GST (2014: \$60,000 plus GST) is paid to Ngati Rangiteaorere Kahikatea Trust to ensure the trees are maintained to the required height protection level ensuring the Airport complies with the Civil Aviation Act.

#### 15. CAPITAL EXPENDITURE COMMITMENTS

	Actual 2015	Actual 2014
<b>Capital Commitments</b>		
Property, Plant & Equipment	47,044,000	-
<b>Total Capital Commitments</b>	<b>47,044,000</b>	<b>-</b>

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

#### 16. CONTINGENT ASSETS & LIABILITIES

The Company has commitments with Rotorua District Council and Air New Zealand in respect of assets and liabilities not recognised on the balance sheet due to the limited probability that they will entail an inflow/outflow of funds in the future.

##### (a) Contingent Assets

If the claim by Air New Zealand, as disclosed under contingent liabilities below, is successful, then the Company will seek recovery of charges from Rotorua District Council to the sum of \$121,000 (30 June 2014: \$nil).

##### (b) Contingent Liabilities

The Company is in a dispute with Air New Zealand over the final trans-Tasman flight exit agreement charges. The potential liability to the Company, if Air New Zealand's claim is successful, is \$121,000 (30 June 2014: \$nil).

**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**17. SHAREHOLDERS' EQUITY**

**(a) Capital**

These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Paid up Capital	1,000	1,000
<b>Total Issued and Paid up Capital</b>	<u>1,000</u>	<u>1,000</u>

**(b) Retained Earnings**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Retained Earnings opening balance	1,689,057	1,924,525
Net Surplus/(Deficit) after tax	50,026	(235,468)
<b>Retained Earnings Closing Balance</b>	<u>1,739,083</u>	<u>1,689,057</u>

Prior year realised capital reserve of \$2,974,802 has been reclassified as part of retained earnings to conform with the current year's presentation. This reclassification has only had a presentational or disclosure effect and the overall equity balance remain the same.

**18. TRADE AND OTHER RECEIVABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	133,238	86,241
Related party receivables	2,290	99,675
Related party network funding receivable	369,955	377,886
Prepayments	5,069	4,053
<b>Total</b>	<u>510,552</u>	<u>567,855</u>

**19. TRADE AND OTHER PAYABLES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	1,095,289	178,608
Related party payables	57,633	67,807
Income and rent in advance	10,462	10,281
Year end accruals	30,565	29,298
<b>Total</b>	<u>1,193,949</u>	<u>285,994</u>

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying values of creditors and other payables approximates their fair value.

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**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

**20. EMPLOYEE ENTITLEMENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Annual Leave	31,266	45,731
Alternative Leave	3,393	4,996
<b>Total employee entitlements</b>	<b>34,659</b>	<b>50,727</b>

**21. SIGNIFICANT EVENTS AFTER BALANCE DATE**

The Company has entered into a conditional agreement to purchase the infrastructural assets, being runway, taxiways, aprons, land and buildings, from Rotorua District Council for a purchase price of \$47.04 million. The purchase price will be financed through a mixture of equity financing and loan from Rotorua District Council.

**22. PERFORMANCE MEASURES**

<u>Financial</u>	<b>2015 Target</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
Total Revenue	2,329,554	2,321,523	2,369,621
Total Expenses	2,208,351	2,271,497	2,605,089
Surplus (deficit) before tax	121,203	50,026	(235,468)
Surplus (deficit) after tax	121,203	50,026	(235,468)
Funds to Rotorua District Council	408,851	382,767	456,194
 <u>Aircraft</u>			
Aircraft Movements	7,400	7,177	7,424
 <u>Passengers</u>			
Domestic	203,776	208,559	195,961
International	15,757	13,667	19,315
<b>Total Passengers</b>	<b>219,533</b>	<b>222,226</b>	<b>215,276</b>
 <u>Customers</u>			
Customer Service & Facility Rating	7.0 out of 10	7.7 out of 10	New measure
 <u>Operational</u>			
Number of Controllable Safety Incidents	2	1	New measure
	(33% reduction from 2014)		
 <u>Team</u>			
Number of Employee Injuries (days off work)	10	0	New measure
	(75% reduction from 2014)		
Employee Satisfaction	7.5 out of 10	8.2 out of 10	New measure

**Rotorua Regional Airport Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2015**

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**24. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET**

Explanations for major variations from the Company's budgeted figures in the 30 June 2015 Statement of Intent are as follows:

**Total Revenue**

Total revenue, despite early fall due to poor results on the trans-Tasman service, picked up and ended almost on the Statement of Intent (SOI) budget with a slight negative variance of 0.3%. This in part was due to better than anticipated domestic passenger numbers with the Rotorua-Auckland sector realising a 28% increase in numbers over the same period last year.

**Total Expenses**

Total expenses increased by \$63,146 or 2.7% when compared to the SOI budget. The increase was mainly due to wages and redundancy payments as a result of customer services staff restructure during the year and the hand-over period between the previous chief executive officer and the acting chief executive officer. Further key differences were due to an increase in directors' fees, extra accountancy work with the proposed transfer of airport infrastructural assets from Rotorua District Council and additional consultancy services involved in the Company's submission on the Bay of Plenty regional transportation study.

**Total Assets (net current liabilities)/Total Shareholders Funds**

The ratio between Total Assets and Total Shareholder Funds remained at 100%.

**25. CATEGORIES OF FINANCIAL INSTRUMENTS**

The carrying amounts of financial instruments in each of the NZ IAS 39 categories are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b><u>Loans and receivables</u></b>		
Cash and cash equivalents	1,497,069	464,200
Trade and other receivables	505,483	563,802
<b>Total</b>	<b><u>2,002,552</u></b>	<b><u>1,028,002</u></b>
<b><u>Financial liabilities at amortised cost</u></b>		
Trade and other payables	1,183,487	275,713
<b>Total</b>	<b><u>1,183,487</u></b>	<b><u>275,713</u></b>