

Rotorua Regional Airport Limited
Financial Statements
For the Year ended 30th June 2013

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Rotorua Regional Airport Limited
Financial Statements Index
For the Year Ended 30 June 2013

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Rotorua Regional Airport Limited
Company Directory
As at 30th June 2013

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	Raymond Noel Cook (Chairman) Wiremu Atetini Kingi Kevin Allen Winters (Council Representative) Stuart Alan Crosby Raymond John Sayer
Auditors	Audit New Zealand on behalf of the Auditor General
Accountants	Bright Wild & Thomas Limited, Rotorua
Bankers	ASB Bank, Rotorua
Solicitors	McKechnie, Quirke & Lewis, Rotorua
Shareholders	Rotorua District Council
	<u>1,000</u> Ordinary Shares
	<u>1,000</u>

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Annual Report
For the Year Ended 30th June 2013

The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30th June 2013.

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 \$22,275.

Directors Holding Office During the Year

The following Directors held office as at 30 June 2013:

	Date of Appointment
Raymond Noel Cook (Chairman)	10/12/2002
Wiremu Atetini Kingi	10/12/2002
Raymond John Sayer	12/03/2013
Kevin Allen Winters	24/05/2012
Stuart Alan Crosby	22/12/2010

The following Directors resigned during the year:

	Date of Resignation
Peter John Guerin	11/10/2012

Directors' Remuneration

Directors' remuneration paid was as follows:

	2013	2012
	\$	\$
Raymond Noel Cook	7,500	7,500
Stuart Alan Crosby	5,000	5,000
Stuart Alan Crosby (2011)	-	5,000
Wiremu Atetini Kingi	5,000	5,000
	<u>17,500</u>	<u>22,500</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 30th June 2013

Employee's Remuneration

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 in value for the 2013 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.


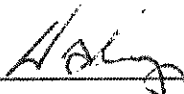
The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

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  Director 

Dated this 30 day of AUGUST 2013.

Independent Auditor's Report

To the readers of Rotorua Regional Airport Limited's financial statements and performance information for the year ended 30 June 2013

The Auditor-General is the auditor of Rotorua Regional Airport Limited (the company). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

We have audited:

- the financial statements of the company on pages 8 to 24, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on page 23.

Opinion

Financial statements and performance information

In our opinion:

- the financial statements of the company on pages 8 to 24:
 - comply with generally accepted accounting practice in New Zealand;
 - comply with International Financial Reporting Standards; and
 - give a true and fair view of the company's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date; and
- the performance information of the company on page 23:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the company's service performance achievements measured against the performance targets adopted for the year ended 30 June 2013.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 30 August 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and performance information whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information that give a true and fair view of the matters to which they relate. We consider internal control 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 company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements and performance information; and
- the overall presentation of the financial statements and performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and performance information that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the company's financial position, financial performance and cash flows; and
- give a true and fair view of its service performance.

The Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and performance information, whether in printed or electronic form.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the company.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand

Rotorua Regional Airport Limited
Statement of Management Responsibility
For the Year Ended 30th June 2013

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

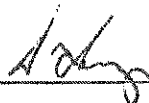
The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the company's financial and non-financial reporting.

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



Dated this 30 day of AUGUST 2013.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Statement of Comprehensive Income
For the Year ended 30th June 2013

	Note	2013 \$	2012 \$
REVENUE			
Operating Revenue	3	2,507,727	2,478,887
Other Revenue	4	40,282	19,432
TOTAL REVENUE		<u>2,548,009</u>	<u>2,498,319</u>
EXPENSES			
Operating Expenses	5	911,017	940,751
Audit Fees	6	22,275	23,294
Depreciation and Amortisation		188,855	200,399
Development Levy Pass-On		482,406	510,035
Directors' Fees		17,500	22,500
Interest - Loans		-	14,696
Other Expenses		621,201	464,664
Rent and Rates		163,281	264,325
TOTAL EXPENSES		<u>2,406,535</u>	<u>2,440,664</u>
SURPLUS/(DEFICIT) BEFORE TAX		<u>141,474</u>	<u>57,655</u>
Income tax expense	10	-	-
SURPLUS/(DEFICIT) AFTER TAX		<u>141,474</u>	<u>57,655</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>141,474</u></u>	<u><u>57,655</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 30th June 2013

	<i>Note</i>	2013	2012
		\$	\$
EQUITY AT START OF YEAR		1,784,051	1,726,396
Total comprehensive income for the year		141,474	57,655
EQUITY AT END OF YEAR		<u>1,925,525</u>	<u>1,784,051</u>

The accompanying notes form part of these financial statements.



Rotorua Regional Airport Limited
Statement of Financial Position
As at 30th June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,257,639	738,996
Taxation		50,938	47,992
Trade and other receivables	19	632,727	1,014,023
Total current assets		<u>1,941,304</u>	<u>1,801,011</u>
NON-CURRENT ASSETS			
Property, plant & equipment	12	740,125	832,500
Intangible assets	13	49,834	84,996
Total non-current assets		<u>789,959</u>	<u>917,496</u>
TOTAL ASSETS		<u>2,731,263</u>	<u>2,718,507</u>
CURRENT LIABILITIES			
GST payable		14,649	62,184
Trade and other payables	20	734,491	822,716
Employee entitlements	21	56,598	49,556
Total current liabilities		<u>805,738</u>	<u>934,456</u>
TOTAL LIABILITIES		<u>805,738</u>	<u>934,456</u>
NET ASSETS		<u>1,925,525</u>	<u>1,784,051</u>
EQUITY			
Share capital	17(a)	1,000	1,000
Reserves	18	2,974,802	2,974,802
Retained Earnings	17(b)	(1,050,277)	(1,191,751)
TOTAL EQUITY		<u>1,925,525</u>	<u>1,784,051</u>

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on 30 August / 2013.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Statement of Cashflows
For the Year Ended 30th June 2013

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Cash was received from:			
Receipts from customers		2,834,588	3,501,222
Interest received		22,328	18,930
Income tax refund		-	10,235
Goods and services tax (net)		-	173,935
		<u>2,856,916</u>	<u>3,704,322</u>
Cash was paid to:			
Payments to suppliers and employees		2,272,346	2,214,059
Goods and services tax (net)		9,902	-
Interest paid		14,737	26,356
Income tax payment		2,945	-
		<u>2,299,930</u>	<u>2,240,415</u>
Net Cash Inflow/(Outflow) from Operating Activities	9	<u>556,986</u>	<u>1,463,907</u>
Cash Flows from Investing Activities			
Cash was received from:			
Proceeds from sale of property, plant and equipment		20,870	-
		<u>20,870</u>	<u>-</u>
Cash was paid to:			
Purchase of property, plant and equipment		59,213	188,816
		<u>59,213</u>	<u>188,816</u>
Net Cash Inflow/(Outflow) from Investing Activities		<u>(38,343)</u>	<u>(188,816)</u>
Cash Flows from Financing Activities			
Cash was paid to:			
Repayment of borrowings		-	(420,000)
		<u>-</u>	<u>(420,000)</u>
Net Cash Inflow/(Outflow) from Financing Activities		<u>-</u>	<u>(420,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>518,643</u>	<u>855,091</u>
Cash and cash equivalents at the beginning of the year		738,996	(116,095)
Cash and Cash Equivalents at the end of year	8	<u>1,257,639</u>	<u>738,996</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 30th June 2013

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 2013. The financial statements were authorised for issue by the directors on 30 August 2013

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 Company is a reporting entity for the purposes of the Financial Reporting Act 1993. These financial statements comply with the Financial Reporting 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.

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.

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.

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

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.

(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.

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

(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.

(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.

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

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.

(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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Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

3. OPERATING REVENUE

	2013	2012
	\$	\$
Landing Charges	838,311	858,494
Lease Rental	431,510	406,503
Parking Revenue	506,505	471,962
Ground Handling Revenue	32,949	33,008
Development Levy Revenue	603,008	637,544
Other Operating Revenue	95,444	71,376
Total Operating Revenue	<u>2,507,727</u>	<u>2,478,887</u>

4. OTHER REVENUE

	2013	2012
	\$	\$
Interest Received	23,654	18,930
Net Gain on Sale of Property, Plant & Equipment	16,628	-
Bad Debts Recovered	-	502
Total Other Revenue	<u>40,282</u>	<u>19,432</u>

5. OPERATING EXPENSES

	2013	2012
	\$	\$
Customs Service Expenses	1,861	-
Development Levy Expenses	177,478	182,326
Ground Handling Expenses	18,250	17,818
Runway/Taxiway/Apron Expenses	449,084	409,379
Shop Operating Expenses	2,136	3,137
Surrounds Expenses	64,926	102,453
Terminal Expenses	197,282	225,638
Total Operating Expenses	<u>911,017</u>	<u>940,751</u>

6. AUDITOR'S REMUNERATION

	2013	2012
	\$	\$
Fees to principal auditor		
Audit Fees for financial statement audit – current year	22,275	21,440
Audit Fees for financial statement audit – prior year	-	1,854
Total Audit Fees	<u>22,275</u>	<u>23,294</u>

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

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 \$81,642 (2012: \$69,473) were paid to Rotorua District Council.
- ii) Trade waste administration fees of \$160 (2012: nil) were paid to Rotorua District Council.
- iii) The Company paid rent of \$86,744 (2012: \$204,611) to Rotorua District Council for the lease of airport infrastructural assets.
- iv) The Company paid \$482,406 (2012: \$510,035) to Rotorua District Council as development levy pass on.
- v) The total value of directors' remuneration including non-monetary benefits were \$17,500 (2012: \$22,500)
- vi) The Company paid \$20,661 (2012: \$5,081) for terminal and plant maintenance to R & B Consultants Limited, a company in which Mr Raymond Noel Cook, a director, is a director of. There were no amounts outstanding at year end.

Balance receivable from Rotorua District Council \$516,431 (2012:\$907,265)

Balance payable to Rotorua District Council \$ 78,786 (2012:\$107,299)

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

	2013	2012
	\$	\$
Cash at bank	226,986	291,585
Cash on hand	12,447	8,750
Call deposits	558,578	438,661
Short term deposits	459,628	-
Net cash & cash equivalents	<u>1,257,639</u>	<u>738,996</u>

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Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

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

	2013	2012
	\$	\$
Net Operating Surplus/(Deficit)	141,474	57,655
Add non-cash items		
Depreciation	188,855	200,399
	<u>330,329</u>	<u>258,054</u>
Add/(less) movements in working capital items		
Trade debtors and other receivables	381,296	1,169,269
Taxation	(2,946)	10,235
Trade creditors and other payables	(94,572)	11,136
Employee entitlements	7,042	(10,760)
Goods and services tax	(47,535)	25,973
	<u>243,285</u>	<u>1,205,853</u>
Add/(less) items classified as investing or financing activities		
(Gains)/losses on the disposal of property, plant and equipment	(16,628)	-
Net cash flows from operating activities	<u><u>556,986</u></u>	<u><u>1,463,907</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 \$6,346.

10. INCOME TAX EXPENSE

a) Income tax recognised in profit or loss

	2013	2012
	\$	\$
Tax expense (income) comprises		
Current year tax expense (income)	-	-
Total tax expense (income)	<u><u>-</u></u>	<u><u>-</u></u>

b) Relationship between tax expense and accounting profit

	2013	2012
	\$	\$
Surplus (deficit) before tax	141,474	57,655
Tax at 28%	39,613	16,143
Plus (less) tax effect of		
Non-deductible expenses	685	1,068
Temporary differences	11,176	(3,663)
Tax losses not recognised	-	-
Tax losses recognised	(51,474)	(13,548)
	<u><u>-</u></u>	<u><u>-</u></u>

Tax losses of \$2,543,735 (2012: \$2,727,571) are available to carry forward and offset future taxable income.

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

11. IMPUTATION CREDIT ACCOUNT

	2013	2012
	\$	\$
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
Cost						
Balance at 1 July 2011	807,597	493,513	153,233	72,464	55,548	1,582,355
Additions	58,417	3,200	-	7,572	12,147	81,336
Disposals	-	-	-	(5,670)	-	(5,670)
Balance at 30 June 2012	866,014	496,713	153,233	74,366	67,695	1,658,021
Balance 1 July 2012	866,014	496,713	153,233	74,366	67,695	1,658,021
Additions	1,312	34,479	2,488	4,608	22,334	65,221
Disposals	(1,172)	(35,606)	-	-	-	(38,778)
Balance 30 June 2013	866,154	495,586	155,721	78,974	90,029	1,686,464
Accumulated Depreciation and Impairment Losses						
Balance at 1 July 2011	340,413	191,041	87,637	36,739	9,186	665,016
Depreciation Expense	80,346	57,147	12,986	12,434	3,262	166,175
Impairment Losses	-	-	-	-	-	-
Disposals	-	-	-	(5,670)	-	(5,670)
Balance at 30 June 2012	420,759	248,188	100,623	43,503	12,448	825,521
Balance at 1 July 2012	420,759	248,188	100,623	43,503	12,448	825,521
Depreciation Expense	76,092	49,167	12,353	12,187	3,556	153,355
Impairment Losses	-	-	-	-	-	-
Disposals	(799)	(31,738)	-	-	-	(32,537)
Balance at 30 June 2013	496,052	265,617	112,976	55,690	16,004	946,339
Carrying Amounts						
At 1 July 2011	467,184	302,472	65,596	35,725	46,362	917,339
At 30 June and 1 July 2012	445,255	248,525	52,610	30,863	55,247	832,500
At 30 June 2013	370,102	229,969	42,745	23,284	74,025	740,125

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

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

13. INTANGIBLE ASSETS

	Acquired Software	Total
Cost		
Balance at 1 July 2011	77,417	77,417
Additions	76,948	76,948
Disposals	-	-
Balance at 30 June 2012	154,365	154,365
Balance 1 July 2012	154,365	154,365
Additions	338	338
Disposals	-	-
Balance 30 June 2013	154,703	154,703
Accumulated Amortisation and Impairment Losses		
Balance at 1 July 2011	35,145	35,145
Amortisation Expense	34,224	34,224
Impairment Losses	-	-
Disposals	-	-
Balance at 30 June 2012	69,369	69,369
Balance at 1 July 2012	69,369	69,369
Amortisation Expense	35,500	35,500
Impairment Losses	-	-
Disposals	-	-
Balance at 30 June 2013	104,869	104,869
Carrying Amounts		
At 1 July 2011	42,272	42,272
At 30 June and 1 July 2012	84,996	84,996
At 30 June 2013	49,834	49,834

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

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Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

14. LEASE COMMITMENTS

Infrastructural lease commitment

The Company leases its infrastructural assets from Rotorua District Council. The current lease will expire in December 2022, and the Company has right of first refusal for any subsequent airport lease. Lease payments are related to airport revenue and the forecast is for the annual payment amount to grow over time. During the next financial year, the Company is projected to pay \$459,535 (2012: \$595,144) in lease payments to Rotorua District Council (this includes the net development levy payable under the terms of the lease).

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 (2012: \$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	Actual
	2013	2012
Capital Commitments		
Property, Plant & Equipment	44,912	-
Total Capital Commitments	44,912	-

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

16. CONTINGENT ASSETS & LIABILITIES

(a) Contingent Assets

The Company has no contingent assets (30 June 2012: \$nil)

(b) Contingent Liabilities

The Company had two claims against it in relation to propeller damage sustained by aircraft while taxiing the runway. After balance date these claims were settled for a total of \$39,130 (GST exclusive). The contingent liability recognised for these claims at 30 June 2012 was \$93,387.

The settlement cost has been covered by insurance and the insurance excess of \$2,174 (GST exclusive) relating to these claims has been accrued for in the 30 June 2013 financial statements.

Rotorua Regional Airport Limited has not granted any securities in respect of liabilities payable by any other party whatsoever.

Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

17. SHAREHOLDERS' EQUITY

(a) Capital

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

	2013	2012
	\$	\$
Paid up Capital	1,000	1,000
Total Issued and Paid up Capital	<u>1,000</u>	<u>1,000</u>

(b) Retained Earnings

	2013	2012
	\$	\$
Retained Earnings opening balance	(1,191,751)	(1,249,406)
Net Surplus/(Deficit) after tax	141,474	57,655
Available for appropriation	<u>(1,050,277)</u>	<u>(1,191,751)</u>
Retained Earnings Closing Balance	<u>(1,050,277)</u>	<u>(1,191,751)</u>

18. RESERVES

Capital Reserves

Balance at beginning of year	2,974,802	2,974,802
Balance at end of year	<u>2,974,802</u>	<u>2,974,802</u>

19. TRADE DEBTORS AND OTHER RECEIVABLES

	2013	2012
	\$	\$
Trade debtors	110,305	97,007
Related party receivables	516,431	907,265
Interest receivables	1,326	-
Prepayments	4,665	9,751
Total debtors and other receivables	<u>632,727</u>	<u>1,014,023</u>

20. TRADE CREDITORS AND OTHER PAYABLES

	2013	2012
	\$	\$
Trade creditors	617,279	681,125
Related party payables	78,786	107,299
Income and rent in advance	8,851	8,852
Year end accruals	29,575	25,440
Total creditors and other payables	<u>734,491</u>	<u>822,716</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 30th June 2013

21. EMPLOYEE ENTITLEMENTS

	2013	2012
	\$	\$
Annual Leave	50,888	41,186
Alternative Leave	5,710	8,370
Total employee entitlements	56,598	49,556

22. SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant events occurred after the balance date.

23. PERFORMANCE MEASURES

	2013 Target	2013 Actual	2012 Actual
Total Revenue	2,644,337	2,548,009	2,498,319
Total Expenses	2,594,337	2,406,535	2,440,664
Surplus (deficit) before tax	50,000	141,474	57,655
Provision for tax	-	-	-
Surplus (deficit) after tax	50,000	141,474	57,655
Term Debt	-	-	-
Total Assets (net current liabilities)	2,007,352	1,925,525	1,784,051
Total Shareholders Funds	2,007,352	1,925,525	1,784,051
<u>Aircraft</u>			
Aircraft Movements	8,500	7,574	7,712
<u>Passengers</u>			
Domestic	212,578	195,248	203,760
International	24,960	22,297	23,035
Total Passengers	237,538	217,545	226,795
Total operating revenue per passenger	\$11.13	\$11.53	\$10.93
Aeronautical revenue per passenger	\$8.69	\$8.64	\$8.39
Commercial revenue per passenger	\$2.44	\$2.89	\$2.54
NPAT per passenger	\$0.21	\$0.65	\$0.25
Funds to RDC per passenger	\$2.74	\$2.62	-
Ratio of aeronautical revenue to total revenue	78.08%	73.76%	76.17%

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Rotorua Regional Airport Limited
Notes to the Financial Statements
For the Year Ended 30th June 2013

24. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Company's budgeted figures in the 30 June 2013 Statement of Intent are as follows:

Total Revenue

Total revenue was down \$96,238 when compared to the Statement of Intent (SOI) budget. This is mostly due to a reduction in the number of international and domestic passenger numbers and aircraft movements. When passenger numbers and aircraft movements are lower this adversely affects landing charges revenue, parking revenue and development levy revenue. The actual results were lower than budgeted for due to the softening of the regional market as a result of intense competition between Air New Zealand and Jetstar on the main trunk line. Also international passenger numbers were affected by the reduction in international fares by airlines operating out of Auckland Airport.

Total Expenses

Actual expenses were down \$187,802 when compared to the SOI budget. This is mostly due to a reduction in direct expenses as a result of lower international and domestic passenger numbers and aircraft movements. Other expenses that were also lower than budgeted for related to certification expenses, directors fees, entertainment and legal expenses, management salaries and rental expenses.

Total Assets (net current liabilities)/Total Shareholders Funds

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



