

DIRECTORY

Governing Body	Taupō Airport Authority Committee Mayor David Trewavas Councillor Rosanne Jollands (Council Representative) Councillor Christine Rankin (Council Representative) Chris Johnstone (Business Representative) John Funnell (Taupō Airport User Group Representative) Kathy Guy (DGLT representative)
Airport General Manager	Mike Groome
Bankers	Bank of New Zealand, Taupō – transactional banking
Auditors	Audit New Zealand on behalf of The Controller & Auditor General
Solicitors / Legal Advisors	Le Pine & Co, Taupō
Insurance Brokers	Aon New Zealand Limited
Joint Venture Partners	Taupō District Council 50% The Crown (Ministry of Transport) 50%
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STATEMENT OF PERFORMANCE: PERFORMANCE TARGETS AND RESULTS ACHIEVED TO DATE

Non-financial performance:

Taupō Airport		
Objective:		
To operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupō district.		
Performance targets	Results	Achievement
To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems	Achieved	No diversions or cancellations due to facility maintenance (2017 Achieved)
The airport will be operated in such a way as to continue to hold CAA Part 139 certified	Achieved	The Airport is CAA Part 139 (2017 Achieved)
A positive financial return on Equity to be achieved annually.	Not Achieved	Half Yearly result for the Airport is a loss of \$97k (June 2017 Loss \$129k)
The TAA be self-funding in terms of its own cash flow requirements.	Achieved	Operating cash flow for the half year is \$37k (June 2017 \$241k)

Financial performance:

Consolidated shareholder funds to total assets 89.43% (June 2017: 89.20%) against a projected 88%.

SUMMARY OF AIRCRAFT MOVEMENTS

For the six months ended 31 December 2017

	6 months to 31 December 2017	Year to 30 June 2017	Year to 30 June 2016	Year to 30 June 2015	Year to 30 June 2014	Year to 30 June 2013
Scheduled airlines	1,552	2,914	3,334	3,462	3,782	3,823
Private operation	5,584	10,114	10,317	9,750	10,968	12,817
Parachuting	3,006	7,016	8,636	8,124	8,022	7,326
Charters	42	70	90	73	134	108
Military operations	6	30	16	66	70	72
Helicopters	2,770	5,100	4,948	4,550	4,482	5,368
	12,960	25,244	27,341	26,025	27,458	29,514

Statement of Comprehensive Revenue and Expense
For the half-year ended 31 December 2017

	Note	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Revenue				
Revenue from services provided	4	250,172	241,986	502,865
Finance revenue	5	158	1,115	1,773
Total revenue		<u>250,330</u>	<u>243,101</u>	<u>504,638</u>
Expenditure				
Employee benefit expenses	6	86,402	84,777	169,140
Depreciation and amortisation expense		105,784	141,689	286,017
Other expenses	6	131,849	114,172	221,138
Total operating expenditure		<u>324,035</u>	<u>340,638</u>	<u>676,295</u>
Surplus/(deficit) before tax		(73,705)	(97,537)	(171,657)
Income tax (expense)/credit		-	-	42,985
Surplus/(deficit) attributable to TDC and The Crown		<u>(73,705)</u>	<u>(97,537)</u>	<u>(128,672)</u>
Other comprehensive revenue				
Property, plant & equipment revaluations	7	-	-	632,151
Deferred tax on revaluation		-	-	(171,962)
Total other comprehensive revenue and expenses		-	-	<u>460,189</u>
Total comprehensive revenue and expenses		<u>(73,705)</u>	<u>(97,537)</u>	<u>331,517</u>
Net surplus/(deficit) after taxation is attributable to: TDC & The Crown		<u>(73,705)</u>	<u>(97,537)</u>	<u>(128,672)</u>
Total comprehensive revenue and expenses attributable to: TDC and The Crown		<u>(73,705)</u>	<u>(97,537)</u>	<u>331,517</u>

Statement of Changes in Net Assets/Equity
For the half-year ended 31 December 2017

	Note	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Equity at start of the year	7	10,700,992	10,369,479	10,369,477
Total comprehensive revenue and expenses previously reported		(73,705)	(97,537)	331,515
Equity as at 31 December 2017	7	<u>10,627,287</u>	<u>10,271,942</u>	<u>10,700,992</u>
Total recognised revenue and expenses are attributable to:				
Taupo District Council		(36,853)	(48,769)	165,758
Crown		(36,852)	(48,768)	165,757
Total comprehensive revenue and expenses		<u>(73,705)</u>	<u>(97,537)</u>	<u>331,515</u>

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 December 2017

	Note	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
ASSETS				
Cash and cash equivalents	8	264,216	451,139	449,478
Trade and other receivables	9	80,917	61,063	67,404
Prepayments		<u>9,767</u>	<u>11,176</u>	<u>5,116</u>
Total current assets		<u>354,900</u>	<u>523,378</u>	<u>521,998</u>
Non-current assets				
Intangible assets		3,466	2,068	3,986
Property, plant and equipment		<u>11,525,414</u>	<u>10,831,425</u>	<u>11,520,546</u>
Total non-current assets		<u>11,528,880</u>	<u>10,833,493</u>	<u>11,524,532</u>
Total assets		<u>11,883,780</u>	<u>11,356,871</u>	<u>12,046,530</u>
LIABILITIES				
Current liabilities				
Trade and other payables	10	132,427	93,712	226,002
Employee benefit liabilities	11	<u>37,530</u>	<u>38,095</u>	<u>33,000</u>
Total current liabilities		<u>169,957</u>	<u>131,807</u>	<u>259,002</u>
Non-current liabilities				
Employee benefits liabilities	11	5,379	942	5,379
Deferred tax liabilities		<u>1,081,157</u>	<u>952,180</u>	<u>1,081,157</u>
Total non-current liabilities		<u>1,086,536</u>	<u>953,122</u>	<u>1,086,536</u>
Total liabilities		<u>1,256,493</u>	<u>1,084,929</u>	<u>1,345,538</u>
Net assets (assets minus liabilities)		<u>10,627,287</u>	<u>10,271,942</u>	<u>10,700,992</u>
EQUITY				
Equity interest of joint venture partners	7	4,071,585	4,071,587	4,071,585
Appropriation accounts	7	2,123,535	2,228,375	2,197,240
Asset revaluation reserves	7	<u>4,432,167</u>	<u>3,971,980</u>	<u>4,432,167</u>
Total equity		<u>10,627,287</u>	<u>10,271,942</u>	<u>10,700,992</u>

Explanations of major variances against budget are provided in

Summary of significant accounting policies and the accompanying notes form part of these financial statements.

Statement of cashflows

For the half-year ended 31 December 2017

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Note			
Cash flows from operating activities			
Receipts from customers	223,933	204,407	472,920
Finance revenue	158	1,115	1,773
Payments to suppliers	(200,430)	(74,610)	(55,835)
Payments to employees	(83,729)	(83,936)	(165,839)
Net GST paid	<u>(15,067)</u>	<u>(9,920)</u>	<u>(11,740)</u>
Net cash flow from operating activities	<u>(75,135)</u>	<u>37,056</u>	<u>241,279</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	<u>(110,127)</u>	<u>(57,984)</u>	<u>(263,868)</u>
Net cash flow from investing activities	<u>(110,127)</u>	<u>(57,984)</u>	<u>(263,868)</u>
Net increase (decrease) in cash and cash equivalents held	(185,262)	(20,928)	(22,589)
Add cash at start of year	<u>449,478</u>	<u>472,067</u>	<u>472,067</u>
Cash and cash equivalents at the end of the year	8 <u>264,216</u>	<u>451,139</u>	<u>449,478</u>

Summary of significant accounting policies and the accompanying notes from part of these financial statements.

1 Statement of accounting policies for the half-year ended 31 December 2017

1.1 Reporting entity

The Taupo Airport Authority is a joint venture between Taupo District Council and the Crown with both parties having a 50% interest. Taupo District Council has responsibility for the management of the Airport. Governance is provided by a Committee of Council

The primary objective of the Airport is to operate a successful commercially viable business providing land and infrastructure for the safe, appropriate, and efficient air transport needs of the Taupo district, rather than making a financial return. Accordingly, the Airport has designated itself a public benefit entity for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (PBE IPSAS).

The financial statements of Taupo Airport Authority are for the half year ended 31 December 2016. The financial statements were authorised for issue by the Airport Committee on 13th February 2017.

2 Summary of significant accounting policies

2.1 Statement of Compliance and Basis of Preparation

The financial statements have been prepared on the going concern basis and in accordance with the Civil Aviation Act 1990, the Airport Authorities Act 1966, and the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZGAAP).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared using the historical cost basis except for certain classes of assets and liabilities which are recorded at fair value. These are detailed in the specific policies below.

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

Changes in accounting policies

The following accounting policies have been changed to reflect the new accounting standards:

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not for profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Trust has applied these updated standards in preparing its 31 December 2016 financial statements. There are no changes in applying these updated accounting standards.

2.2 GST

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

2.3 Revenue

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered (except as described above) is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Landing revenue is recognised on a straight-line basis over the term of the payments.

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Interest revenue is recognised as it accrues, using the effective interest method.

2 Summary of significant accounting policies

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue is measured at fair value of consideration received.

The main sources of revenue for the Airport are airfield landing charges and lease revenue from leasehold sites at the airport. Revenue is recognised in the period to which it relates. Payment is by cash, cheque, credit card, EFTPOS, automatic payment or direct debit.

2.4 Leases

(i) Finance leases

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the Statement of Financial Position at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lease are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange losses, and losses on hedging instruments that are recognised in the Statement of Comprehensive Revenue and Expense using the effective interest rate method.

2.5 Equity

- Accumulated funds
- Revaluation Reserves

Equity is the community's interest in the Airport and is measured as the difference between total assets and total liabilities.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short term highly liquid investments with maturities of three months or less.

2.7 Financial assets

Taupo Airport classifies its investments as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Revenue and Expense.

2.8 Trade and other receivables

Trade and other receivables are recognised at their cost less impairment losses.

2 Summary of significant accounting policies

A provision for impairment of receivables is established when there is objective evidence that the Airport will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the present value of the estimated recovery of the debt.

2.9 Property, plant and equipment

Property, plant, and equipment consist of operational assets, which include office equipment, furniture and fittings, computer equipment, and a vehicle.

These assets are shown at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 Airport and the cost of the item can be reliably measured.

Valuation methodologies

Those asset classes that are revalued, are revalued on a three yearly valuation cycle. All other asset classes are carried at depreciated historical cost. The carrying values of all assets not revalued in any year are reviewed at each balance date to ensure that those values are not materially different to fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amounts arising on revaluation of an asset class are credited to revaluation reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the surplus or deficit, the increase is first recognised in the surplus or deficit. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the surplus or deficit.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Airport and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Additions

Additions between valuations are shown at cost.

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 Airport and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

2 Summary of significant accounting policies

When the use of a property changes from owner-occupied to investment property, the property is reclassified to investment property at its fair value at the date of the transfer.

Subsequent measurement

Property, plant, and equipment, and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Depreciation

Land is not depreciated. Depreciation has been provided on a straight-line basis on all property, plant, and equipment. Depreciation is provided at rates that will write-off the cost (or valuation) 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:

Class of PP&E	Estimated useful life	Depreciation rates
Buildings	40 Years	2.5%
Furniture and Fittings	10 Years	10%
Office Equipment and Plant and Equipment	4 - 5 Years	20% - 25%
Motor vehicles	5 Years	20%
Infrastructural assets		
Formation	Indefinite	
Pavement	60 Years	
Top surface (seal)	15 Years	
Stormwater	50 - 80 Years	
Footpaths	80 Years	
Kerbs	50 Years	
Fencing	10 Years	
Streetlights	15 Years	

The depreciation rates are applied at a component level and are dependent on the expected remaining useful life of each component.

Details of valuations by asset class

Valuation of land and buildings

Airport land was initially valued at fair value by independent valuer Quotable Value New Zealand as at 1 July 2005, which was considered deemed cost. The land and buildings were revalued to fair value on the same basis by independent valuer, Quotable Value New Zealand at 30 June 2016. Land is not depreciated.

Valuation of infrastructural assets

Infrastructure assets are the utility systems that provide a continuing service to the Airport and are not generally regarded as tradeable. They include the runways, roads, and stormwater systems together with other improvements of an infrastructural nature. These assets were valued at fair value by Beca Projects NZ Limited at 30 June 2017.

Assets under construction/work in progress.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated. Assets under construction are recognised at cost less impairment. The current carrying amount of items under construction is separately disclosed.

All the Airport's assets are classed as non-generating, that is they are not held with the primary objective of generating a commercial return.

2 Summary of significant accounting policies

2.10 Intangible assets

Website

The website has been capitalised on the basis of costs incurred to acquire and bring to use the website. This has been valued at cost, and will be amortised over the expected useful life of the website.

Class of intangible asset	Estimated useful life	Amortisation rates
Website	4 years	25%

Costs associated with maintaining computer software are recognised as an expense when incurred.

2.11 Investment property

Properties leased to third parties under operating leases and properties held for capital appreciation are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Taupo Airport Authority measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive revenue and expense.

All investment properties have been disposed.

2.12 Financial Liabilities

Short term creditors and other payables are recorded at their face value.

2.13 Employee entitlements

Short-term employee entitlements

Provision is made in respect of the Airport's liability for salaries and wages accrued up to balance date, annual leave, long service leave, lieu leave, and gratuities.

Retiring gratuities and long service leave, where there is already actual entitlement, is accrued at actual entitlement using current rates of pay. In addition, there is an actuarial assessment of value for which entitlement has not yet been reached. This assessment uses current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement. These estimated amounts are discounted to their present value.

Liabilities for annual leave and lieu day leave are accrued on an actual entitlement basis, using current rates of pay.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Superannuation schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

2.14 Income tax

Income tax on the surplus or deficit for the year comprises current and deferred tax.

2 Summary of significant accounting policies

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

2.15 Budget figures

The budget figures are those approved by the Committee in the Statement of Intent and in complying with sections 64, 66, and 67 of the Local Government Act 2002.

2.16 Going Concern

The Taupo Airport Authority consider that the continued adoption of the going concern assumption for the preparation of this financial report is appropriate. This conclusion has been reached having regard to assurances from the Taupo District Council that financial support and / or funding will be made available to ensure that the Airport can continue its current operations.

3 Critical accounting estimates and judgements

In preparing the financial statements the Airport made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 Revenue from services provided

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Landing fees	91,268	81,847	174,992
Lease revenue	88,819	94,897	189,794
Other services	70,085	65,242	136,825
Other revenue	-	-	1,254
Total revenue from services provided	<u>250,172</u>	<u>241,986</u>	<u>502,865</u>

5 Finance revenue

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Interest revenue	158	1,115	1,773
Total finance revenue	<u>158</u>	<u>1,115</u>	<u>1,773</u>

6 Operating expenditure

Employee benefit expenses

Salaries and wages	79,488	79,643	161,008
Increase/(decrease) in employee entitlements/liabilities	4,529	2,780	3,302
Defined contribution plan employer contributions	2,385	2,354	4,830
Total employee benefit expenses	<u>86,402</u>	<u>84,777</u>	<u>169,140</u>

Depreciation by asset class:

Total depreciation	105,264	141,086	285,843
Total amortisation	520	603	174
Total depreciation and amortisation	<u>105,784</u>	<u>141,689</u>	<u>286,017</u>

Other expenses

Audit fees for financial statements audit	5,732	5,947	12,499
Maintenance	11,299	10,538	22,123
Ground maintenance	17,189	9,233	20,763
Runway & pavement maintenance	4,273	3,583	6,242
Terminal maintenance	3,250	606	3,862
Airfield contractors	5,516	5,463	11,045
Electricity and gas	7,778	6,926	12,842
Materials and supplies	3,174	4,092	6,246
Professional services fees/legal fees	20,564	9,859	15,829
Accountancy & business services TDC	6,250	6,250	12,500
Vehicle running costs	498	2,155	945
Insurance	3,873	3,644	7,470
Committee expenses	-	-	-
Cleaning	8,654	8,672	17,348
Equipment Hire	12,068	15,511	31,107
Bad debts written off	-	-	33
Loss on disposal of property, plant & equipment	-	-	2,670
Other expenses	21,731	21,693	37,614
Total other expenses	<u>131,849</u>	<u>114,172</u>	<u>221,138</u>

7 Net assets/equity

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
(a) Equity Interest of Joint Venture Partners			
(i) Taupo District Council			
Opening balance	<u>2,003,902</u>	<u>2,003,903</u>	<u>2,003,902</u>
Closing balance	<u>2,003,902</u>	<u>2,003,903</u>	<u>2,003,902</u>
(ii) The Crown			
Opening balance	<u>2,067,683</u>	<u>2,067,684</u>	<u>2,067,683</u>
Closing balance	<u>2,067,683</u>	<u>2,067,684</u>	<u>2,067,683</u>
Total closing balance of equity accounts	<u>4,071,585</u>	<u>4,071,587</u>	<u>4,071,585</u>
(b) Appropriation Accounts			
(i) Taupo District Council			
Opening balance	<u>2,423,248</u>	<u>2,487,584</u>	<u>2,487,584</u>
Share of net surplus (deficit)	<u>(36,853)</u>	<u>(48,769)</u>	<u>(64,336)</u>
Closing balance	<u>2,386,395</u>	<u>2,438,815</u>	<u>2,423,248</u>
(ii) The Crown			
Opening balance	<u>(226,008)</u>	<u>(161,672)</u>	<u>(161,672)</u>
Share of net surplus (deficit)	<u>(36,852)</u>	<u>(48,768)</u>	<u>(64,336)</u>
Closing balance	<u>(262,860)</u>	<u>(210,440)</u>	<u>(226,008)</u>
Total closing balance of appropriation accounts	<u>2,123,535</u>	<u>2,228,375</u>	<u>2,197,240</u>
The breakdown of asset revaluation reserves are disclosed as follows:			
Opening balance	<u>4,432,167</u>	<u>3,971,980</u>	<u>4,432,167</u>
Property, plant and equipment revaluation reserve			
Balance at 1 July	4,432,167	3,971,980	3,971,980
Revaluation gains/(losses)	-	-	632,149
Deferred tax on revaluation	-	-	(171,962)
Transfer to accumulated funds	-	-	-
Less minority interest share in change in asset value	-	-	-
Balance at 31 December	<u>4,432,167</u>	<u>3,971,980</u>	<u>4,432,167</u>

7 Net assets/equity

Asset revaluation reserves for each asset class consist of:

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Operational assets:			
Land	1,345,000	1,345,000	1,345,000
Buildings	189,754	189,755	189,754
Fencing	85,854	46,453	59,664
Land improvements	130,580	117,910	130,967
Infrastructure assets			
Roading network	344,292	136,648	370,095
Stormwater	192,645	172,571	192,645
Runways	<u>2,144,042</u>	<u>1,963,643</u>	<u>2,144,042</u>
Total asset revaluation reserves	<u>4,432,167</u>	<u>3,971,980</u>	<u>4,432,167</u>

8 Cash and cash equivalents

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Cash at bank and in hand	539	7,425	2,606
Call deposits	263,677	443,714	446,872
Total cash and cash equivalents used in statement of cashflows	<u>264,216</u>	<u>451,139</u>	<u>449,478</u>

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

9 Trade and other receivables

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Trade receivables	79,220	54,965	53,382
Other	<u>1,697</u>	<u>6,098</u>	<u>14,022</u>
Total current net trade and other receivables	<u>80,917</u>	<u>61,063</u>	<u>67,404</u>
Receivables from exchange transactions	<u>80,917</u>	<u>61,063</u>	<u>54,683</u>
Receivables from non-exchange transactions	<u>-</u>	<u>-</u>	<u>12,721</u>
Total current net trade and other receivables	<u>80,917</u>	<u>61,063</u>	<u>67,404</u>

Debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

9 Trade and other receivables

The status of receivables as at 31 December 2017 are detailed below:

	Actual 31 December 2017 \$	Actual 31 December 2016 \$	Audited Actual June 2017 \$
Current	60,769	44,024	61,868
Past due 1-30 days	10,790	10,172	3,518
Past due 31-60 days	1,050	4,189	325
Past due 61+ days	<u>8,308</u>	<u>2,678</u>	<u>1,693</u>
Total individual impairment	<u>80,917</u>	<u>61,063</u>	<u>67,404</u>

10 Trade and other payables

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Trade payables	65,961	32,718	147,861
Accrued expenses	18,223	10,044	15,583
Retentions	-	-	13,437
Revenue in advance	48,057	47,530	49,121
Other payables	<u>186</u>	<u>3,420</u>	<u>-</u>
Total creditors and other payables	<u>132,427</u>	<u>93,712</u>	<u>226,002</u>
Total creditors and other payables from exchange transactions	<u>83,341</u>	<u>42,243</u>	<u>176,038</u>
Total creditors and other payables from non-exchange transactions	<u>49,086</u>	<u>51,469</u>	<u>49,964</u>
Total current creditors and other payables from exchange and non-exchange transactions	<u>132,427</u>	<u>93,712</u>	<u>226,002</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade payables approximates their fair value.

11 Employee benefit liabilities

	Unaudited Actual 6 Months to 31 December 2017 \$	Unaudited Actual 6 Months to 31 December 2016 \$	Audited Actual 30 June 2017 \$
Current portion			
Accrued pay	-	-	-
Annual leave	<u>37,530</u>	<u>38,095</u>	<u>33,000</u>
Total current portion	<u>37,530</u>	<u>38,095</u>	<u>33,000</u>
Non-current portion			
Long service leave	<u>5,379</u>	<u>942</u>	<u>5,379</u>
Total non-current portion	<u>5,379</u>	<u>942</u>	<u>5,379</u>
Total employee entitlements	<u>42,909</u>	<u>39,037</u>	<u>38,379</u>

The present value of retirement gratuities and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation figure. Any changes in these assumptions will affect the carrying amount of the liability.

A discount factor of 1.97% (2017 1.97%) and an inflation factor of 2% (2017 2%) were used.

12 Contingencies

As at 31 December 2017 the Airport had no contingent liabilities or assets (December 2016 & June 2017: \$0).

13 Events after balance date

There were no subsequent events after 31 December 2017.

