



Annual Report 2019

DIRECTORY

Governing Body

Taupō Airport Authority Committee

Mayor David Trewavas
Councillor Rosanne Jollands (Council Representative)
Councillor Christine Rankin (Council Representative)
Chris Johnston (Business Representative)
John Funnell (Taupō Airport User Group Representative)

Airport General Manager

Kim Gard (acting)

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%

Address

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RD 2, TAUPŌ

Telephone

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Facsimile	[07] 377-7776
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CONTENTS

CONTENTS	2
STATEMENT OF PERFORMANCE: PERFORMANCE TARGETS AND RESULTS ACHIEVED TO DATE	3
SUMMARY OF AIRCRAFT MOVEMENTS	3
CHAIRMAN'S REPORT -TAUPŌ AIRPORT AUTHORITY	4
REPORT OF THE AUDITOR GENERAL	5
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE.....	9
STATEMENT OF CHANGES IN NET ASSETS/EQUITY	9
STATEMENT OF FINANCIAL POSITION	10
STATEMENT OF CASHFLOWS	11



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 (2018: Achieved)
The airport will be operated in such a way as to continue to hold CAA Part 139 certification.	Achieved	The Airport is CAA Part 139 certified (2018: Achieved)
The airport will manage health and safety risks and provide a safe and healthy environment for everyone affected by the activities of TAA including employees, customers, tenants, contractors and visitors.	Achieved	Rule Part 139 Compliant Rule Part 100 Compliant This is a new measure in 2018/19. TAA worked towards certification during the year and this certification was gained on 25 June 2019.
The TAA will be self-funding in terms of its own cash flow.	Not Achieved	Operating cash flow for the year is -\$67k (June 2018: \$73k)

Financial performance:

Consolidated shareholder funds to total assets 90.49% (June 2018: 90.01%) against a projected 88.0%.

SUMMARY OF AIRCRAFT MOVEMENTS

For the year ended 30 June 2019

	Year to 30 June 2019	Year to 30 June 2018	Year to 30 June 2017	Year to 30 June 2016	Year to 30 June 2015
Scheduled airlines	3,012	2,992	2,914	3,334	3,462
Private operation	11,860	11,024	10,114	10,317	9,750
Parachuting	7,648	6,272	7,016	8,636	8,124
Charters	62	80	70	90	73
Military operations	52	24	30	16	66
Helicopters	5,626	5,316	5,100	4,948	4,550
	28,260	25,708	25,244	27,341	26,025

CHAIRMAN'S REPORT -TAUPŌ AIRPORT AUTHORITY

Taupo Airport Authority operates a small, regional airport, in the centre of the North Island. Taupo Airport is the second-busiest non-towered airport in New Zealand. As the Taupo district has a strong tourism element to its economy, it is imperative that the airport continues to provide the infrastructure that allows for the many tourist related aircraft operations that occur each year.

In May 2019, after 12 years of service to the Taupo airport it was with much regret we accepted the resignation of Mike Groome from his position of General Manager of Taupo Airport. In this time Mike has led Taupo Airport to be a recognised aerodrome in terms of its safety systems and processes, along with its financial stability. Kim Gard, the operations manager, has been appointed temporary general manager and is supported by Steve Petersen who is contracted to the TAA as safety manager.

The last few years saw the CAA direct all certified aviation organisations to comply with the CAA rule 100, by 2021. This Part applies to an organisation that is required by the Civil Aviation Rules to establish, implement, and maintain a system for safety management. This work was completed well before the deadline and Taupo Airport was issued with our SMS certification on the 25 June 2019. We were the first tier 3 airport and 4th overall in New Zealand to complete this work.

We were also required to complete the CAA rule 139 recertification (the airport operating certificate) which was again signed off on this date.

As discussed last year, the passenger services to Taupo continue to have growth which has put some constraints on the current terminal and car parking infrastructure. These constraints resulted in communication with our joint venture partner, the MOT, and we engaged AirBiz to work through various models to replace the, not fit for purpose, terminal and carpark with a future proofed version. Taupo District Council allocated funds in the LTP for a portion of this work with the remainder in a current application to the Provincial Growth Fund.

Whilst passenger numbers continue to grow, the GA traffic has remained static this year. Some of the factors affecting this area were weather related along with the slowing of the backpacking sector of NZ tourism that has resulted in the sky diving industry at the Taupo airport being flat.

The revenue has been on budget, however the expenditure, due to the engagement of AirBiz as a consultant, has resulted in a variance from the published SOI. The spending of this money had been signed off by our joint venture partner and came from the TAA's cash reserves.

The TAA board wish to acknowledge the staff at the airport along with the ongoing support from the Taupo District Council. This has resulted in Taupo airport achieving its vision of being a self-sustaining, vibrant asset to our district.

Chris Johnston



Independent Auditor's Report

To the readers of Taupō Airport Authority's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of Taupō Airport Authority (the Authority). 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 Authority on his behalf.

Opinion

We have audited:

- the financial statements of the Authority on pages 9 to 29, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/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 Authority on page 3.

In our opinion:

- the financial statements of the Authority on pages 9 to 29:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the Authority presents fairly, in all material respects, the Authority's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Authority's objectives, for the year ended 30 June 2019.

Our audit was completed on 16 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Committee and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Committee for the financial statements and the performance information

The Committee is responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Committee is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Committee is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern. The Committee is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Authority or to cease operations, or there is no realistic alternative but to do so.

The Committee's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the decision of readers taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Authority's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- We obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Committee is responsible for the other information. The other information comprises the information included on pages 1 to 2, the summary of aircraft movements on page 3, and page 4, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Authority in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of the Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



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

Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2019

	Note	Actual 2019 \$	Airport SOI 2019 \$	Actual 2018 \$
Revenue				
Revenue from services provided	4	520,487	521,331	513,937
Finance revenue	5	248	400	289
Total revenue		<u>520,735</u>	<u>521,731</u>	<u>514,226</u>
Expenditure				
Employee benefit expenses	6	173,596	174,752	171,596
Depreciation and amortisation expense	11,12	270,882	212,000	248,404
Other expenses	6	383,167	280,758	290,907
Total operating expenditure		<u>827,645</u>	<u>667,510</u>	<u>710,907</u>
Surplus/(deficit) before tax		(306,910)	(145,779)	(196,681)
Income tax (expense)/credit	7	85,662	-	57,076
Surplus/(deficit) after tax		<u>(221,248)</u>	<u>(145,779)</u>	<u>(139,605)</u>
Other comprehensive revenue				
Property, plant & equipment revaluations	8	(125,076)	-	-
Deferred tax on revaluation		(15,155)	-	-
Total other comprehensive income		<u>(140,231)</u>	<u>-</u>	<u>-</u>
Total comprehensive income		<u>(361,479)</u>	<u>(145,779)</u>	<u>(139,605)</u>
Net surplus/(deficit) after taxation is attributable to:				
TDC and The Crown		<u>(221,248)</u>	<u>(145,779)</u>	<u>(139,605)</u>
Total comprehensive revenue and expenses attributable to:		<u>(361,479)</u>	<u>(145,779)</u>	<u>(139,605)</u>
TDC and The Crown		<u>(361,479)</u>	<u>(145,779)</u>	<u>(139,605)</u>

Explanations of major variances against budget are provided in note 15.

Statement of Changes in Net Assets/Equity
For the year ended 30 June 2019

	Note	Actual 2019 \$	Airport SOI 2019 \$	Actual 2018 \$
Equity at start of the year	8	10,561,387	-	10,700,992
Total comprehensive revenue and expenses previously reported		(361,479)	-	(139,605)
Equity injections by Crown		-	-	-
Equity injections by Taupo District Council		-	-	-
Equity as at 30 June 2019	8	<u>10,199,914</u>	<u>-</u>	<u>10,561,387</u>
Total recognised revenue and expenses are attributable to:				
Taupo District Council		(180,740)	(33,000)	(69,802)
The Crown		(180,739)	(33,000)	(69,803)
Total comprehensive revenue and expenses		<u>(361,479)</u>	<u>(66,000)</u>	<u>(139,605)</u>

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

Statement of Financial Position
As at 30 June 2019

	Note	Actual 2019 \$	Airport SOI 2019 \$	Actual 2018 \$
ASSETS				
Current assets				
Cash and cash equivalents	9	190,364	-	266,432
Trade and other receivables	10	66,867	-	64,441
Prepayments		4,164	-	4,974
Total current assets		261,395	-	335,847
Non-current assets				
Intangible assets	12	1,906	-	2,946
Property, plant and equipment	11	11,008,712	-	11,394,500
Total non-current assets		11,010,618	-	11,397,446
Total assets		11,272,013	-	11,733,293
LIABILITIES				
Current liabilities				
Trade and other payables	13	101,790	-	104,484
Employee benefit liabilities	14	14,974	-	41,857
Total current liabilities		116,764	-	146,341
Non-current liabilities				
Employee benefits liabilities	14	1,761	-	1,484
Deferred tax liabilities	7	953,574	-	1,024,081
Total non-current liabilities		955,335	-	1,025,565
Total liabilities		1,072,099	-	1,171,906
Net assets (assets minus liabilities)		10,199,914	-	10,561,387
EQUITY				
Equity interest of joint venture partners	8	4,071,585	-	4,071,585
Appropriation accounts	8	1,836,391	-	2,057,635
			-	
Asset revaluation reserves	8	4,291,938	-	4,432,167
Total equity		10,199,914	-	10,561,387

Explanations of major variances against budget are provided in note 15.

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

The financial statements of the Taupo Airport Authority are for the year ended 30 June 2019. The financial statements were authorised for issue by the Airport Committee on 16th September 2019.

Statement of cashflows
For the year ended 30 June 2019

	Note	Actual 2019 \$	Airport SOI 2019 \$	Actual 2018 \$
Cash flows from operating activities				
Receipts from customers		524,856	-	503,203
Finance revenue		248	-	289
Payments to suppliers		(391,503)	-	(276,928)
Payments to employees		(200,202)	-	(166,634)
Net GST paid		(322)	-	12,721
Net cash flow from operating activities		<u>(66,923)</u>	-	<u>72,651</u>
Cash flows from investing activities				
Purchase of property, plant and equipment		<u>(9,142)</u>	-	<u>(255,700)</u>
Net cash flow from investing activities		<u>(9,142)</u>	-	<u>(255,700)</u>
Net increase (decrease) in cash and cash equivalents held		(76,065)	-	(183,049)
Add cash and cash equivalents at the beginning of the year		<u>266,429</u>	-	<u>449,478</u>
Cash, cash equivalents, and bank overdrafts at the end of the year	9	<u>190,364</u>	-	<u>266,429</u>

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

1 Statement of accounting policies for the year ended 30 June 2019

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 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 year ended 30 June 2019. The financial statements were authorised for issue by the Airport Committee on 16th September 2019.

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 (GAAP) in New Zealand. The financial statements have been prepared in accordance with Tier 2 RDR standards as total expenses are less than \$2m. These financial statements comply with Public Sector Public Benefit Entity (PS PBE) standards.

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

There are no changes in accounting policies.

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.

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.

2 Summary of significant accounting policies

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.

(ii) 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.

(iii) 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.

(iv) 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

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 Summary of significant accounting policies

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.

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.

2 Summary of significant accounting policies

Depreciation

Land is not depreciated. Depreciation has been provided on a straight-line basis on all property, plant, and equipment, except for motor vehicles which is provided on a diminishing value basis. 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	5 - 57 Years	1.75% - 20%
Furniture and Fittings	4 - 10 Years	10% - 25.2%
Office Equipment and Plant and Equipment	4 - 50 Years	2% - 25%
Motor vehicles	5 Years	20%
Infrastructural assets		
Runway & Roding network		
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 2019. 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.

2.10 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 on a straight line basis over the expected useful life of the website.

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

2 Summary of significant accounting policies

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, and lieu leave.

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, 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.

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.

2 Summary of significant accounting policies

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

	Airport	
	Actual 2019 \$	Actual 2018 \$
Landing fees	189,878	181,313
Terminal passenger fees	97,178	97,409
Lease revenue	194,785	192,169
Other services	38,641	42,916
Other revenue	5	130
Total revenue from services provided	520,487	513,937

5 Finance revenue

	Airport	
	Actual 2019 \$	Actual 2018 \$
Interest revenue	248	289
Total finance revenue	248	289

6 Operating expenditure

Employee benefit expenses		
Salaries and wages	194,323	161,782
Increase/(decrease) in employee entitlements/liabilities	(26,606)	4,961
Defined contribution plan employer contributions	5,879	4,853
Total employee benefit expenses	173,596	171,596
Depreciation by asset class:		
Total depreciation	269,842	247,364
Total amortisation	1,040	1,040
Total depreciation and amortisation	270,882	248,404
Other expenses		
Audit fees for financial statements audit	12,845	12,672
Maintenance	29,644	24,288
Ground maintenance	17,202	41,324
Runway & pavement maintenance	12,388	5,839
Terminal maintenance	3,898	8,228
Airfield contractors	41,290	15,246
Electricity and gas	12,793	13,986
Materials and supplies	4,970	8,039
Professional services fees/legal fees	132,613	51,102
Accountancy & business services TDC	12,500	12,500
Vehicle running costs	2,202	1,429
Insurance	8,296	7,649
Committee expenses	-	531
Cleaning	18,545	17,704
Equipment hire	19,041	20,315
Provision for Bad Debts	-	3,506
Other grants	500	-
Loss on disposal of property, plant & equipment	16	4
Other expenses	54,424	46,545
Total other expenses	383,167	290,907

7 Income tax

	Airport			
	Actual 2019 \$	Actual 2018 \$		
Components of tax expense				
Current tax	-	-		
Deferred tax	(85,662)	(57,076)		
Tax expense	<u>(85,662)</u>	<u>(57,076)</u>		
Relationship between tax expense and accounting profit:				
Net surplus/(deficit)	(306,910)	(196,681)		
Net Surplus/(deficit)	<u>(306,910)</u>	<u>(196,681)</u>		
Tax calculated at 28%	(85,935)	(55,071)		
<i>Plus (Less) tax effect of:</i>				
Deferred tax adjustment	273	(2,005)		
Tax expense	<u>(85,662)</u>	<u>(57,076)</u>		
Deferred tax asset (liability)				
	Property, plant and equipment \$	Non- deductible provisions \$	Tax losses \$	Total \$
Balance at 1 July 2017	(1,551,708)	10,746	459,804	(1,081,158)
Charged to surplus or deficit	37,914	1,389	17,773	57,076
Balance at 30 June 2018	<u>(1,513,794)</u>	<u>12,135</u>	<u>477,577</u>	<u>(1,024,082)</u>
Balance at 1 July 2018	(1,513,794)	12,135	477,577	(1,024,082)
Charged to surplus or deficit	42,810	(7,755)	50,608	85,663
Charged to other comprehensive income	(15,155)	-	-	(15,155)
Charged directly to equity	-	-	-	-
Balance at 30 June 2019	<u>(1,486,139)</u>	<u>4,380</u>	<u>528,185</u>	<u>(953,574)</u>

104

8 Net assets/equity

	Airport	
	Actual 2019 \$	Actual 2018 \$
(a) Equity Interest of Joint Venture Partners		
(i) Taupo District Council		
Opening balance	<u>2,003,902</u>	<u>2,003,902</u>
Closing balance	<u>2,003,902</u>	<u>2,003,902</u>
(ii) The Crown		
Opening balance	<u>2,067,683</u>	<u>2,067,683</u>
Closing balance	<u>2,067,683</u>	<u>2,067,683</u>
Total closing balance of equity accounts	<u>4,071,585</u>	<u>4,071,585</u>
(b) Appropriation Accounts		
(i) Taupo District Council		
Opening balance	<u>2,353,450</u>	2,423,248
Share of net surplus (deficit)	<u>(110,624)</u>	(69,802)
Closing balance	<u>2,242,826</u>	<u>2,353,446</u>
(ii) The Crown		
Opening balance	<u>(295,811)</u>	(226,008)
Share of net surplus (deficit)	<u>(110,624)</u>	(69,803)
Closing balance	<u>(406,435)</u>	<u>(295,811)</u>
Total closing balance of appropriation accounts	<u>1,836,391</u>	<u>2,057,635</u>
(c) Asset Revaluation Reserve		
The breakdown of asset revaluation reserves are disclosed as follows:		
Property, plant and equipment revaluation reserve		
Balance at 1 July	<u>4,432,167</u>	4,432,167
Revaluation gains/(losses)	<u>(125,076)</u>	-
Deferred tax on revaluation	<u>(15,155)</u>	-
Transfer to accumulated funds	-	-
Less minority interest share in change in asset value	-	-
Balance at 30 June	<u>4,291,936</u>	<u>4,432,167</u>
Operational assets:		
Land	<u>1,165,800</u>	1,345,000
Buildings	<u>228,723</u>	189,754
Fencing	<u>59,664</u>	59,664
Land improvements	<u>130,967</u>	130,967
Infrastructure assets		
Roading & streetlighting	<u>370,095</u>	370,095
Stormwater	<u>192,645</u>	192,645
Runways	<u>2,144,042</u>	<u>2,144,042</u>
Total asset revaluation reserves	<u>4,291,936</u>	<u>4,432,167</u>

9 Cash and cash equivalents

	Airport	
	Actual 2019 \$	Actual 2018 \$
Cash at bank and in hand	10,698	3,624
Call deposits	<u>179,666</u>	<u>262,808</u>
Total cash and cash equivalents used in statement of cashflows	<u>190,364</u>	<u>266,432</u>

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

10 Trade and other receivables

	Airport	
	Actual 2019 \$	Actual 2018 \$
Trade receivables	65,377	66,787
Provision for doubtful receivables	-	(3,506)
Net trade receivables	<u>65,377</u>	<u>63,281</u>
Other	<u>1,490</u>	<u>1,160</u>
Total current net trade and other receivables	<u>66,867</u>	<u>64,441</u>
Receivables from exchange transactions	<u>66,867</u>	<u>67,947</u>
Receivables from non-exchange transactions	-	(3,506)
Total current net trade and other receivables	<u>66,867</u>	<u>64,441</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.

Bad and doubtful trade receivables

The Airport has recognised a loss of \$0 (2018: \$3,506) in respect of bad and doubtful trade receivables during the year ended 30 June 2019. The loss has been included in 'other expenses' in the surplus and deficit component of the statements of comprehensive income.

The status of receivables as at 30 June 2019 are detailed below:

	Airport	
	Actual 2019 \$	Actual 2018 \$
Current	53,484	57,294
Past due 1-30 days	9,518	3,120
Past due 31-60 days	236	4,033
Past due 61+ days	<u>2,139</u>	<u>2,340</u>
Total trade receivables	<u>65,377</u>	<u>66,787</u>

11 Property, plant and equipment

June 2019	Cost / revaluation 1 Jul 2018 \$	Accumulated depreciation 1 Jul 2018 \$	Carrying amount 1 Jul 2018 \$	Current year additions (+ gains) \$	Current year disposals (+ losses) \$	Current year impairment charges \$	Current year depreciation \$	Transfers \$	Revaluation surplus \$	Cost / revaluation 30 June 2019 \$	Accumulated depreciation 30 Jun 2019 \$	Carrying amount 30 June 2019 \$
Operating assets At cost & valuation												
Buildings	655,692	(53,375)	602,317	-	-	-	(42,141)	-	54,124	614,300	-	614,300
Office furniture and fittings	116,143	(47,902)	68,241	9,142	(16)	-	(18,860)	-	-	124,592	(66,085)	58,507
Plant and equipment	7,665	(2,174)	5,491	-	-	-	(652)	-	-	7,665	(2,826)	4,839
Motor Vehicles	36,043	(26,859)	9,184	-	-	-	(1,837)	-	-	36,043	(28,696)	7,347
Street Lighting	-	-	-	-	-	-	-	-	-	-	-	-
Fencing	-	-	-	-	-	-	-	-	-	-	-	-
Total operating assets	815,543	(130,310)	685,233	9,142	(16)	-	(63,490)	-	54,124	782,600	(97,607)	684,993
Infrastructural assets At cost & valuation												
Roading	1,424,200	(14,808)	1,409,392	-	-	-	(14,808)	-	-	1,424,200	(29,616)	1,394,584
Stormwater	375,200	(14,990)	360,210	-	-	-	(14,989)	-	-	375,200	(29,979)	345,221
Runways	4,899,194	(174,729)	4,724,465	-	-	-	(176,551)	-	-	4,899,194	(351,280)	4,547,914
Capital work in progress - Taupo	-	-	-	-	-	-	-	-	-	-	-	-
Airport runways	-	-	-	-	-	-	-	-	-	-	-	-
Total infrastructural assets	6,698,594	(204,527)	6,494,067	-	-	-	(206,348)	-	-	6,698,594	(410,875)	6,287,719
Restricted assets At cost & valuation												
Land	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements	4,215,200	-	4,215,200	-	-	-	-	-	(179,200)	4,036,000	-	4,036,000
Total restricted assets	4,215,200	-	4,215,200	-	-	-	-	-	(179,200)	4,036,000	-	4,036,000
Total	11,729,337	(334,837)	11,394,500	9,142	(16)	-	(269,838)	-	(125,076)	11,517,194	(508,482)	11,008,712

June 2018	Cost / revaluation 1 Jul 2017 \$	Accumulated depreciation 1 Jul 2017 \$	Carrying amount 1 Jul 2017 \$	Current year additions (+ gains) \$	Current year disposals (+ losses) \$	Current year depreciation \$	Transfers \$	Revaluation surplus \$	Accumulated depreciation 30 Jun 2018 \$	Carrying amount 30 Jun 2018 \$
Operating assets At cost & valuation										
Buildings	536,771	(21,649)	515,122	101,193	-	(22,968)	8,970	-	(53,375)	602,317
Office furniture and fittings	91,034	(75,986)	15,048	11,943	-	(16,929)	58,179	-	(47,902)	68,241
Plant and equipment	153,934	(137,843)	16,091	-	-	(651)	(9,949)	-	(2,174)	5,491
Motor Vehicles	23,043	(11,563)	11,480	-	-	(2,296)	-	-	(26,859)	9,184
Capital work in progress - buildings	17,305	-	17,305	-	(17,305)	-	-	-	-	-
Land Improvements	-	-	-	-	-	-	-	-	-	-
Street Lighting	22,200	-	22,200	-	-	-	(22,200)	-	-	-
Fencing	42,800	-	42,800	-	-	-	(42,800)	-	-	-
Total operating assets	887,087	(247,041)	640,046	113,136	(17,305)	(42,844)	(7,800)	-	(130,310)	685,233
Infrastructural assets At cost & valuation										
Roading	1,424,200	-	1,424,200	-	-	(14,808)	-	-	(14,808)	1,409,392
Stormwater	375,200	-	375,200	-	-	(14,990)	-	-	(14,990)	360,210
Runways	4,873,700	-	4,873,700	25,494	-	(174,729)	-	-	(174,729)	4,724,465
Total infrastructural assets	6,673,100	-	6,673,100	25,494	-	(204,527)	-	-	(204,527)	6,494,067
Restricted assets At cost & valuation										
Land	3,945,000	-	3,945,000	-	-	-	(3,945,000)	-	-	-
Land Improvements	262,400	-	262,400	-	-	-	3,952,800	-	-	4,215,200
Total restricted assets	4,207,400	-	4,207,400	-	-	-	7,800	-	-	4,215,200
Total	11,767,587	(247,041)	11,520,546	138,630	(17,305)	(247,371)	-	-	(334,837)	11,394,500

Land (operational, restricted, and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values. Adjustments have been made to the "unencumbered" land value where there is a designation against the land or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings. The Airport has no such buildings

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

In November 2018 an earthquake risk assessment was undertaken on the Airport terminal by DBCON Consulting Engineers and the building was assessed as 35% to New Building Standard, Importance Level 3. Based on this assessment no adjustments have been made for any estimated building strengthening costs or associated lost rental due to building strengthening work.

Infrastructural asset classes: roading, stormwater and runways

Roading, stormwater and runway infrastructural assets are valued using the depreciated replacement cost method. There are a number of estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method. These include:

- Estimating any obsolescence or surplus capacity of the asset.
- Estimating the replacement cost of the asset. The replacement cost is derived from recent construction contracts in the region for similar assets.
- Estimates of the remaining useful life over which the asset will be depreciated. These estimates can be affected by the local conditions. For example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Airport could be over-or under-estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense. To minimise this risk, infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

The most recent valuation of infrastructural assets was performed by V Gandhi of Beca Group, and the valuation is effective as at 30 June 2017.

Impairment

No impairment losses have been recognised for plant and equipment during the year.

Leasing

The Airport has no plant and equipment held under finance leases (2018 \$0).

Restrictions

The Airport has land in the "restricted Asset" category. Land in the "Restricted Asset" category are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserves under the Reserves Act 1977), or other restrictions (such as land under a bequest or donation that restricts the purpose for which the assets can be used).

There are no buildings in this category.

12 Intangible assets

Movements in the carrying value for each class of intangible asset are as follows:

	Computer software
	\$
At 1 July 2017	
Cost	4,160
Accumulated amortisation and impairment	<u>(174)</u>
Net book amount	<u>3,986</u>
Year ended 30 June 2018	
Opening net book amount	3,986
Additions	-
Disposals	-
Amortisation charge **	<u>(1,040)</u>
Closing net book amount	<u>2,946</u>
As at 30 June 2018 / 1 July 2018	
Cost	10,681
Accumulated amortisation and impairment	<u>(7,735)</u>
Net book amount	<u>2,946</u>
	\$
Year ended 30 June 2019	
Opening net book amount	2,946
Additions	-
Disposals	-
Amortisation charge	<u>(1,040)</u>
Closing net book amount	<u>1,906</u>
As at 30 June 2019	
Cost	10,681
Accumulated amortisation and impairment	<u>(8,775)</u>
Net book amount	<u>1,906</u>

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Impairment

No impairment losses have been recognised for any intangible asset.

13 Trade and other payables

	Airport	
	Actual 2019	Actual 2018
	\$	\$
Trade payables	23,558	40,622
Accrued expenses	24,853	17,271
Revenue in advance	53,379	46,591
Other payables	<u>-</u>	<u>-</u>
Total creditors and other payables	<u>101,790</u>	<u>104,484</u>
Total creditors and other payables from exchange transactions	<u>40,993</u>	<u>50,423</u>
Total creditors and other payables from non-exchange transactions	<u>60,797</u>	<u>54,061</u>

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13 Trade and other payables

Total current creditors and other payables from exchange and non-exchange transactions

<u>101,790</u>	<u>104,484</u>
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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.

14 Employee benefit liabilities

	Airport	
	Actual 2019 \$	Actual 2018 \$
Current portion		
Annual leave	<u>14,974</u>	<u>41,857</u>
Total current portion	<u>14,974</u>	<u>41,857</u>
Non-current portion		
Long service leave	<u>1,761</u>	<u>1,484</u>
Total non-current portion	<u>1,761</u>	<u>1,484</u>
Total employee entitlements	<u>16,735</u>	<u>43,341</u>

The present value of 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 1.23% (2018 1.78%) and an inflation factor of 2% (2018 2%) were used.

15 Explanation of major variances against budget

	Airport	
	Actual 2019 \$	SOI 2019 \$
Total revenue	520,735	521,731
Total expenditure	<u>(827,645)</u>	<u>(667,510)</u>
	<u>(306,910)</u>	<u>(145,779)</u>

Explanations for major variations from the Statement of Intent

	Actual 2019 \$	SOI 2018 \$
Main variances in expense against budget	-	-
Consultants and professional fees	134,338	15,504
Consultants for the terminal upgrade not forecast	-	-
Subscriptions	-	-
Subscription increase for Risk Management System not forecast	-	-
Ground Maintenance - Streetlights	11,506	1,021
Streetlight electricity switch to Airport from Airways	-	-
Depreciation	270,882	212,000
Other expenses	<u>410,919</u>	<u>438,985</u>
	<u>827,645</u>	<u>667,510</u>

1 of 2

16 Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Airport would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with the Crown and with entities within the Taupo District Council Group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such Group transactions.

Key management personnel

Committee members

Full-time equivalent members (Committee Members)

Total full-time equivalent personnel

Due to the difficulty in determining the full-time equivalent for Committee Members, the fulltime equivalent figure is taken as the number of Committee Members.

Airport	
Actual 2019	Actual 2018
<u>5</u>	<u>6</u>
<u>5</u>	<u>6</u>

17 Capital & operational commitments and operating leases

As at 30 June 2019 the Airport had no operational commitments or operating leases as lessee (2018: \$0).

Operating leases as lessor

Airport land is leased under operating leases. The majority of these leases have non-cancellable terms. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Airport	
	Actual 2019 \$	Actual 2018 \$
Not later than one year	195,569	199,004
Later than one year and not later than five years	673,827	706,846
Later than five years	<u>400,050</u>	<u>562,600</u>
Total non-cancellable operating leases	<u>1,269,446</u>	<u>1,468,450</u>

No contingent rents have been recognised in the statement of financial performance during the period.

18 Contingencies

As at 30 June 2019 the Airport had no contingent liabilities or assets (2018: \$0).

Contingent assets

There are no contingent assets at 30 June 2019 (June 2018 \$0).

19 Financial instruments

Financial instrument categories

Assets	Assets at fair value				Total \$
	Held for trading \$	through surplus or deficit \$	Loans and receivables \$	Available for sale \$	
30 June 2019					
Cash and cash equivalent	-	-	190,364	-	190,364
Receivables and prepayments	-	-	66,867	-	66,867
Total assets	<u>-</u>	<u>-</u>	<u>257,231</u>	<u>-</u>	<u>257,231</u>
30 June 2018					
Cash and cash equivalent	-	-	266,432	-	266,432
Receivables and prepayments	-	-	64,441	-	64,441
Total assets	<u>-</u>	<u>-</u>	<u>330,873</u>	<u>-</u>	<u>330,873</u>
Liabilities					
			Held for trading \$	Measured at amortised cost \$	Total \$
30 June 2019					
Payables and accruals			-	48,411	48,411
Total liabilities			<u>-</u>	<u>48,411</u>	<u>48,411</u>
30 June 2018					
Payables and accruals			-	58,014	58,014
Total liabilities			<u>-</u>	<u>58,014</u>	<u>58,014</u>

20 Events after balance date

There were no subsequent events after 30 June 2019.

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