

TAUPŌ AIRPORT

TE TAUNGA WAKA RERERANGI O TAUPŌ

ANNUAL REPORT

DIRECTORY

Governing Body

Taupō Airport Authority (TAA) Committee:

Mayor John Funnell
Councillor Duncan Campbell (Council Representative)
Councillor Steve Manunui (Council Representative)
Chris Grace (Business Representative)
Mark Costello (Business Representative)
Bryan Field (Ministry of Transport observer)
Barry Payne (Airport local user observer)

Airport General Manager

Wayne Wootton

Bankers

Bank of New Zealand, Taupō – transactional banking

Auditors

Silks Audit on behalf of The
Controller & Auditor General

Insurance Brokers

Aon New Zealand Limited

Joint Venture Partners

Taupō District Council (TDC)	50%
The Crown (Ministry of Transport)	50%

Address

Anzac Memorial Drive, TAUPŌ
RD 2, TAUPŌ

Telephone

Airport Manager	[07] 378-7771
email	admin@Taupoairport.co.nz
website	www.Taupoairport.co.nz



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STATEMENT OF PERFORMANCE: PERFORMANCE TARGETS AND RESULTS ACHIEVED TO DATE

Non-financial performance:

Taupō Airport Authority		
Objective:		
The Airport is an essential infrastructure transport hub for Taupō and the surrounding area and provides facilities that are safe, efficient and welcoming to all users and has a strong commercial focus with the ability to be self-funding.		
Performance targets	Result	Achievement
Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline related problems.	Achieved	No diversions or cancellations due to facility operations, capital projects construction or general maintenance. (2025: Achieved)
Operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority under Rule Part 139.	Achieved	The Airport Exposition (consisting of three manuals: Airport Operations / Safety Management System / Emergency Response Plan) has been reviewed and audited with no findings.(2025: Achieved)
Manage the health and safety risks and provide a safe and healthy environment with the regulations set down by the New Zealand Civil Aviation Authority under Rule Part 100 and the Health and Safety at Work Act.	Achieved	No reportable health and safety incidents within the airport confines and promoting a positive safety culture within the airport community. (2025: Achieved)
Ensure that the business is run on a sustainable commercial basis.	Achieved	All operational expenses met from revenue with a surplus (excluding depreciation) of \$388,859 (2025: Achieved surplus \$451,196)

Financial performance:

Consolidated shareholder funds to total assets 88.4% (2025: 88.1%) against a projected 88.2%.

SUMMARY OF AIRCRAFT MOVEMENTS

For the year ended 30 June 2026

	Year to 30 June 2026	Year to 30 June 2025	Year to 30 June 2024	Year to 30 June 2023	Year to 30 June 2022
Scheduled airlines	1,258	1,893	2,305	2,225	1,824
Private operations	8,103	6,434	5,688	6,050	7,572
Parachuting	3,144	3,101	3,485	3,158	2,547
Helicopters	6,247	5,729	6,293	5,928	5,567
	18,752	17,157 ¹	17,771	17,361	17,516

¹ Note that the 30 June 2025 summary of aircraft movements has changed from prior year signed report due to calculation error found.

CHAIRMANS REPORT

Taupō Airport Authority (TAA) operates Taupō Airport as a joint venture airport in partnership between Taupō District Council and the Ministry of Transport, representing the Crown. As a strategically important regional transport hub serving the central North Island, the Airport provides essential connectivity for residents, businesses and visitors. Alongside daily commercial air services to Auckland, the Airport supports a range of aviation activities including charter operations, parachuting, flight training and emergency helicopter services, reinforcing its importance to the wider region.

The aviation sector continues to play an important role in New Zealand's economy, supporting tourism, trade, regional connectivity and employment. However, the domestic aviation environment remains challenging. While international travel demand has strengthened, domestic travel has recovered more slowly since COVID-19, influenced by higher airfares, changing travel patterns and wider cost-of-living pressures. More recently, volatility in aviation fuel prices, including increases associated with the Iran conflict, has added further pressure to domestic carrier operations. Against this backdrop, Taupō Airport has maintained its daily Air New Zealand service to Auckland, with consistent passenger loadings supporting the sustainability of the route. Although the loss of the Wellington service was disappointing, overall passenger activity has remained steady.

During the year, Taupō Airport Authority continued to strengthen Taupō Airport's role as an important Tier 3 airport within the New Zealand domestic aviation network. A significant milestone was the completion of the apron development project in mid-2025, delivered with support from both Taupō District Council and the Ministry of Transport. This investment has improved the Airport's ability to safely and efficiently service a wider range of commercial and charter aircraft.

Safety, compliance and security remained central priorities. In response to increased regulatory focus from the Civil Aviation Authority, TAA updated its Obstacle Limitation Survey to support compliance with its Aerodrome Operating Certificate requirements. Further upgrades to security fencing and gates have also improved controlled access to airside areas. The appointment of a permanent part-time Safety Manager has strengthened regular safety reporting to the Committee, while ongoing engagement with the Airport User Group has supported a more collaborative approach to operational matters. Governance transparency has also been enhanced through regular Ministry of Transport attendance at Committee meetings, the inclusion of two local aviation observers, and continued opportunities for airport users and the public to participate through the public forum.

Looking ahead, a major focus for TAA will be ensuring that the Airport's current and future operational requirements are appropriately recognised through the review of the District Plan. This work will sit alongside a planned review of the Airport Master Plan, last updated in 2020. The Master Plan review will respond to population growth projections, increasing tourism demand, the Airport's role in civil defence and health emergency response, emerging aviation technologies, and growing interest in development opportunities on airport land. This will be an important workstream over the coming year and has the potential to support TAA's longer-term goal of greater financial self-sustainability.

The Committee remains committed to maintaining a safe, vibrant and commercially focused transport hub that serves the Taupō district and connects the region with the rest of New Zealand. A key strategic objective is for the Airport to progressively self-fund its ongoing operations and future capital requirements. To support this ambition, TAA remains interested in continuing discussions on corporatisation. A more commercial governance structure, similar to that used by many other regional airports, could support future capital development, strengthen governance and commercial expertise, and enable the Airport to own and manage assets while protecting stakeholder interests. This work has been deferred slightly due to local government elections and the broader central government focus on local government reform.

TAA is pleased to report that airport revenue is favourable to the FY2026 budget, largely due to strong commercial landing charge revenue. This positive revenue performance is, however, being offset to a degree by increasing maintenance costs across both airside and landside assets. The principal capital project currently under consideration is the surface treatment of the main sealed runway. While this work had been expected to proceed during the year, further survey and engineering assessments are now required to determine the underlying cause of seal deterioration and identify the most appropriate long-term treatment.

On behalf of the Committee, I would like to acknowledge the ongoing commitment and professionalism of the Airport management team and staff. Their dedication continues to ensure that Taupō Airport operates safely, efficiently and in the best interests of the community it serves. I also wish to thank Taupō District Council, the Ministry of Transport, airport users and stakeholders for their continued support and constructive engagement throughout the year. Together, these partnerships position the Airport well to meet future opportunities and challenges.

Chris Grace

Chairperson

Taupō Airport Authority

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF TAUPO AIRPORT AUTHORITY'S FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2026**

The Auditor-General is the auditor of Taupo Airport Authority. The Auditor-General has appointed me, Cameron Town, using the staff and resources of Silks Audit Chartered Accountants, to carry out the audit of the financial statements and performance information of the Taupo Airport Authority on his behalf.

- the financial statements of the Taupo Airport Authority on pages 9 to 29, that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive revenue and expense 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 Taupo Airport Authority on pages 9.

Opinion

In our opinion:

- The annual financial statements of the Taupo Airport Authority:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2026 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 Teir 2 PBE IPSAS-RDR.
- The statement of performance fairly presents, in all material respects, the Authority's service performance for the year ended 30 June 2026. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of the Authority;
 - the actual revenue earned; and

- the output expenses incurred,

as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Authority's statement of performance expectations for the financial year; and

- complies with generally accepted accounting practice in New Zealand in accordance with Teir 2 PBE IPSAS-RDR.

Our audit was completed on 29 September 2026 This is the date at which our opinion is expressed.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information 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 audit opinion.

Responsibilities of the board for the annual financial statements and the statement of performance

The Board is responsible on behalf of the Authority for preparing:

- Annual financial statements that fairly present the Authority's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- A statement of performance that:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand.
 - fairly presents, for each class of reportable outputs:
 - the actual performance of the Authority;
 - the actual revenue earned; and
 - the output expenses incurred
 - as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in the Authority's statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

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

In preparing the annual financial statements, and a statement of performance, the board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern.

The board's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the annual financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, 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 decisions of readers, taken on the basis of the annual financial statements, and the statement of performance.

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

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

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 annual financial statements, and the statement of performance, 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 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 board.

- We evaluate whether the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Authority. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents the actual performance of the Authority for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the board.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the annual financial statements, and the statement of performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board 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 board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the annual financial statements, and the statement of performance, and our auditor's report thereon.

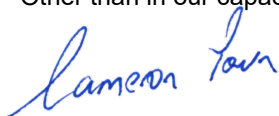
Our opinion on the annual financial statements, and the statement of performance does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of performance 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 Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, the Authority.



Cameron Town
*Silks Audit Chartered Accountants
 Limited*
**On behalf of the Auditor-General
 Whanganui, New Zealand**

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2026

		Actual 2026 \$	TAA SOI 2026 \$	Actual 2025 \$
	Note			
Revenue				
Revenue from services provided	4	1,525,421	1,498,372	1,500,177
Finance revenue	5	11,336	-	6,557
Total revenue	15	1,536,757	1,498,372	1,506,734
Expenditure				
Personnel costs	6	339,554	329,035	284,578
Depreciation and amortisation expense	6	588,293	625,471	546,458
Loss on disposal of assets	11	-	-	7,214
Finance costs	5	-	5,700	11,211
Other expenses	6	808,344	715,242	761,224
Total operating expenditure	15	1,736,191	1,675,448	1,610,685
Operating deficit before tax		(199,436)	(177,077)	(103,951)
Income tax credit	7	52,003	49,582	300,101
Operating (deficit)/surplus after tax		(147,433)	(127,495)	196,150
Other comprehensive income				
Property, plant & equipment revaluations		-	-	96,611
Deferred tax on revaluation	7	-	-	(57,011)
Total other comprehensive income		-	-	39,600
Total comprehensive income		(147,433)	(127,495)	235,750
Total comprehensive revenue and expenses attributable to:				
Taupo District Council		(73,716)	(63,748)	64,375
The Crown		(73,717)	(63,748)	171,375
		(147,433)	(127,495)	235,750

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

Statement of Changes in Equity

For the year ended 30 June 2026

		Actual 2026 \$	TAA SOI 2026 \$	Actual 2025 \$
	Note			
Net Assets/Equity at start of the year	8	21,872,004	20,749,632	19,929,649
Total comprehensive revenue and expenses		(147,433)	(127,495)	235,750
Equity injections by Crown		215,578	381,000	290,116
Equity injections by Taupo District Council		-	1,600,000	1,416,489
Balance at 30 June	8	21,940,149	22,603,137	21,872,004

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



Statement of Financial Position

As at 30 June 2026

		Actual 2026 \$	TAA SOI 2026 \$	Actual 2025 \$
	Note			
ASSETS				
Current assets				
Cash and cash equivalents	9	232,306	445,540	348,640
Short term bank deposits with maturities of 4-12 months	20	602,130	-	-
Trade and other receivables	10	213,020	284,114	176,439
Prepayments		23,614	4,598	12,835
Current tax asset		2,577	-	814
Total current assets		1,073,647	734,252	538,728
Non-current assets				
Property, plant and equipment	11	23,753,608	24,897,592	24,300,178
Intangible assets	12	-	-	-
Total non-current assets		23,753,608	24,897,592	24,300,178
Total assets		24,827,255	25,631,844	24,838,906
LIABILITIES				
Current liabilities				
Trade and other payables	13	176,895	133,797	201,374
Employee entitlements	14	44,980	42,750	44,565
Provisions	16	1,865	1,865	3,729
Total current liabilities		223,740	178,412	249,668
Non-current liabilities				
Provisions	16	-	-	1,865
Deferred tax liabilities	7	2,663,366	2,850,296	2,715,369
Total non-current liabilities		2,663,366	2,850,295	2,717,234
Total liabilities		2,887,106	3,028,707	2,966,902
Net assets (assets minus liabilities)		21,940,149	22,603,137	21,872,004
EQUITY				
Equity interest of joint venture partners	8	15,673,498	16,674,833	15,457,920
Appropriation accounts	8	(431,874)	(763,866)	(284,441)
Asset revaluation reserve	8	6,698,525	6,692,170	6,698,525
Total equity		21,940,149	22,603,137	21,872,004

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

Chairman

Committee Member

Date

Date

Statement of Cashflows

For the year ended 30 June 2026

		TAA		
		Actual	SOI	Actual
		2026	2026	2025
	Note	\$	\$	\$
Cash flows from operating activities				
Receipts from customers		1,494,698	1,478,543	1,486,156
Finance revenue		6,629	-	5,743
Interest paid		-	-	(14,540)
Payments to suppliers		(825,626)	(768,875)	(769,897)
Payments to employees		(339,139)	(325,875)	(280,869)
Income tax refund received		814	-	-
Net GST (paid) / refunded		3,170	-	9,487
Net cash flow from operating activities		340,546	383,792	436,080
Cash flows from investing activities				
Acquisition of term deposits		(600,000)	-	-
Purchase and development of property, plant and equipment		(72,458)	(1,040,000)	(1,781,123)
Net cash flow from investing activities		(672,458)	(1,040,000)	(1,781,123)
Cash flows from financing activities				
Equity injections	17	215,578	890,000	1,706,605
Related party loan	17	-	(100,000)	(200,000)
Net cash flow from financing activities		215,578	790,000	1,506,605
Net decrease in cash held		(116,334)	133,792	161,562
Add cash at start of year		348,640	311,747	187,078
Cash, cash equivalents, and bank overdrafts at the end of the year	9	232,306	445,540	348,640

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

01. Statement of accounting policies for the year ended 30 June 2026

1.1 Reporting entity

The Taupo Airport Authority (TAA) is a joint venture between Taupo District Council (TDC) 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 TAA 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, TAA 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 the Taupo Airport Authority are for the year ended 30 June 2026. The audited financial statements were approved by the Taupo Airport Authority Committee on 28 September 2026.

02. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the the Civil Aviation Act 2023, 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 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.

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.

The main sources of revenue for TAA are airfield landing charges, lease revenue from leasehold sites, and carparking fees. Revenue is recognised in the period to which it relates. Payment is by automatic payment or direct debit.

Summary of significant accounting policies continued

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.

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.

(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) 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

The equity of Taupo Airport Authority is made up of the following components:

- Capital contributions
- Accumulated funds
- Revaluation Reserves

Equity is the Partner'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.

After initial recognition, term deposits are measured at amortised cost using the effective interest rate method. Where applicable, interest accrued is added to the investment balance.

2.7 Financial assets

Taupo Airport Authority classifies its investments as loans and receivables.

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 entity 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.

Summary of significant accounting policies

2.9 Property, plant and equipment

Property, plant, and equipment consists of Land, operating assets, and infrastructural assets.

Asset classes that are not revalued are recorded at historical cost less accumulated depreciation and impairment losses. 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 entity 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 entity and the cost of the item can be reliably measured.

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.

Transfers

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.

Summary of significant accounting policies

Depreciation

Land is not depreciated. Depreciation has been provided on a straight-line basis on all other 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	14 - 64 Years	1.6% - 6.67%
Furniture and Fittings	4 - 30 Years	3.3% - 20.0%
Motor vehicles	5 Years	20.0%
Infrastructural assets:		
Runways	3 - Indefinite Years	0% - 33.3%
Roading Network	3 - Indefinite Years	0% - 33.3%
Stormwater	80 Years	1.3%
Footpaths	80 Years	1.3%
Kerbs	50 Years	2.0%
Fencing	5 - 30 Years	3.3% - 20.0%
Streetlights	52 Years	1.9%

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, and this 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 2025.

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. The runway and roading assets were valued at fair value by independent valuer WSP New Zealand Limited (formerly Opus Consultants Limited) at 30 June 2023. The stormwater system assets were valued at fair value by independent valuer AECOM New Zealand Limited at 30 June 2023.

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 TAA'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

Intangible assets have been valued at cost, and will be amortised on a straight line basis over the expected useful life of the asset.

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

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

Summary of significant accounting policies continued

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 currently 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.

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.

Summary of significant accounting policies continued

2.15 Statement of Intent (SOI) or Budget figures

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

The budget figures in the Statement of Financial Position and Statement of Cashflows were calculated retrospectively.

2.16 Going Concern

The Taupo Airport Authority considers that the continued adoption of the going concern assumption for the preparation of this financial statement is appropriate. The 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.

03. Critical accounting estimates and judgements

In preparing the financial statements the TAA 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.

04. Revenue from services provided

	Actual 2026 \$	Actual 2025 \$
Landing fees	1,028,251	1,021,055
Lease and terminal rent	345,100	325,112
Parking fees	111,018	114,064
Other services	41,052	39,945
Total revenue from services provided	1,525,421	1,500,177

05. Finance revenue and expenses

	Actual 2026 \$	Actual 2025 \$
Finance revenue		
Interest revenue	11,336	6,557
Total finance revenue	11,336	6,557
Finance costs		
Interest expense (to related party)	-	11,211
Total finance costs	-	11,211

06. Operating expenditure

	Actual 2026 \$	Actual 2025 \$
Employee benefit expenses		
Salaries and wages	335,729	277,665
Increase/(decrease) in employee entitlements/liabilities	415	3,709
Defined contribution plan employer contributions	3,410	3,204
Total employee benefit expenses	339,554	284,578
Depreciation expense (refer note 11)	588,293	546,214
Amortisation expense (refer note 12)	-	244
Total depreciation and amortisation	588,293	546,458
Audit fees for financial statements	17,565	17,747
Landside maintenance	18,349	7,587
Airside maintenance	16,651	8,260
Terminal maintenance	22,501	24,579
Other maintenance	17,776	1,691
Airfield contractors	228,206	247,505
Electricity and gas	75,419	64,719
Materials and supplies	4,657	6,276
Professional services fees/legal fees	113,797	81,356
Accountancy & business services (TDC)	48,000	48,000
Vehicle running costs	2,931	4,082
Insurances	29,574	32,748
Cleaning	6,842	6,607
Equipment hire and rental fees	55,990	58,849
Rates	47,672	39,032
Software licenses	57,336	45,218
Bad debts written off	4,465	-
Impairment of receivables (reversal)	(3,483)	-
Marketing	-	15,142
Other expenses	44,095	51,826
Total other expenses	808,344	761,224

07. Income tax**Components of tax expense/(credit)**

Current tax

Deferred tax

Tax expense/(credit)**Relationship between tax expense and accounting profit:****Net deficit**

Tax calculated at 28%

Plus (Less) tax effect of:

Prior year adjustment

Deferred tax adjustment

Tax expense/(credit)

Actual 2026 \$	Actual 2025 \$
-	-
(52,003)	(300,101)
(52,003)	(300,101)
(199,436)	(103,951)
(55,842)	(29,107)
	(273,165)
3,839	2,171
(52,003)	(300,101)

Deferred tax liability

	Property, plant and equipment \$	Non- deductible provisions \$	Tax losses \$	Other \$	Total \$
Balance at 1 July 2024	(3,758,324)	6,444	791,935	1,486	(2,958,459)
Charged to surplus or deficit	329,386	(1,239)	(28,103)	57	300,101
Charged to other comprehensive income	(57,011)	-	-	-	(57,011)
Balance at 30 June 2025	(3,485,949)	5,205	763,832	1,543	(2,715,369)

	Property, plant and equipment \$	Non- deductible provisions \$	Tax losses \$	Other \$	Total \$
Balance at 1 July 2025	(3,485,949)	5,205	763,832	1,543	(2,715,369)
Charged to surplus or deficit	58,263	1,038	(6,541)	(757)	52,003
Balance at 30 June 2026	(3,427,686)	6,243	757,291	786	(2,663,366)

08. Equity

(a) Equity Interest of Joint Venture Partners**(i) Taupo District Council**

Opening balance	8,520,391	7,103,902
Capital injections	-	1,416,489
Closing balance	8,520,391	8,520,391

(ii) The Crown

Opening balance	6,937,529	6,647,413
Capital injections	215,578	290,116
Closing balance	7,153,107	6,937,529
Total closing balance of equity accounts	15,673,498	15,457,920

(b) Appropriation Accounts**(i) Taupo District Council**

Opening balance	1,182,410	1,067,713
Transfer from reserves for disposed/impaired assets	-	23,087
Transfer from reserves for deferred tax on revaluation	-	(6,465)
Share of net deficit	(73,716)	98,075
Closing balance	1,108,694	1,182,410

(ii) The Crown

Opening balance	(1,466,851)	(1,581,549)
Transfer from reserves for disposed/impaired assets	-	23,087
Transfer from reserves for deferred tax on revaluation	-	(6,464)
Share of net deficit	(73,717)	98,075
Closing balance	(1,540,568)	(1,466,851)
Total closing balance of appropriation accounts	(431,874)	(284,441)

(c) Asset Revaluation Reserve**Property, plant and equipment revaluation reserve**

Opening Balance	6,698,525	6,692,170
Revaluation gains/(losses)	-	96,611
Deferred tax on revaluation	-	(57,011)
Transfers out of reserves on disposal/impairment of property	-	(46,174)
Deferred tax on transfers out of reserves	-	12,929
Closing Balance	6,698,525	6,698,525

Represented by:

Operational assets:

Land	2,282,772	2,282,772
Buildings	200,468	200,468
Fencing	60,116	60,116

Infrastructure assets:

Roading & streetlighting	718,483	718,483
Stormwater	89,767	89,767
Runways	3,346,919	3,346,919
Total asset revaluation reserves	6,698,525	6,698,525

Total Equity

21,940,149	21,872,004
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09. Cash and cash equivalents

	Actual 2026 \$	Actual 2025 \$
Call deposits	232,306	348,640
Total cash and cash equivalents used in statement of cashflows	232,306	348,640

Term bank deposits with maturities over four months are disclosed separately from cash and cash equivalents in the statement of financial position.

The BNZ Visa Business credit card has a \$500 limit facility.

10. Trade and other receivables

	Actual 2026 \$	Actual 2025 \$
Trade receivables	208,726	176,426
Receivables from related parties	2,956	-
Other	1,338	3,496
Receivables prior to impairment	213,020	179,922
Less: Allowance for doubtful debt	-	(3,483)
Total current net trade and other receivables	213,020	176,439
Total debtors and other receivables from exchange transactions	209,453	176,426
Total current net trade and other receivables from non-exchange transactions	3,567	13
Total current net trade and other receivables	213,020	176,439

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 \$982 (2025: \$Nil) in respect of bad and doubtful trade receivables during the year ended 30 June 2026. The loss has been included in 'other expenses' within the surplus or deficit of the statement of comprehensive revenue and expense.

The aging of receivables as at 30 June 2026 are detailed below:

	Actual 2026 \$	Actual 2025 \$
Current	195,996	163,851
Past due 1-30 days	6,268	2,787
Past due 31-60 days	3,673	949
Past due 61+ days	7,083	8,852
Total net receivables	213,020	176,439

11. Property, plant and equipment

	Operating assets					Infrastructural assets				Restricted assets	
	Buildings	Furniture & fittings	Motor vehicles	Work in progress	Total	Roading	Storm-water	Runways	Total	Land	Total assets
As at 30 June 2026											
Cost											
Opening cost	7,591,100	806,520	27,954	20,285	8,445,859	3,717,742	208,341	7,690,043	11,616,126	5,110,000	25,171,985
Additions	-	31,589	-	7,731	39,320	-	-	2,403	2,403	-	41,723
Disposals	-	(4,056)	-	-	(4,056)	-	-	-	-	-	(4,056)
Transfer between classes	20,285	-	-	(20,285)	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Closing cost	7,611,385	834,053	27,954	7,731	8,481,123	3,717,742	208,341	7,692,446	11,618,529	5,110,000	25,209,652
Accumulated depreciation											
Opening accumulated depreciation	-	(211,746)	(27,954)	-	(239,700)	(198,304)	(5,208)	(428,595)	(632,107)	-	(871,807)
Depreciation expense	(169,050)	(74,233)	-	-	(243,283)	(93,628)	(2,604)	(248,778)	(345,010)	-	(588,293)
Disposals	-	4,056	-	-	4,056	-	-	-	-	-	4,056
Transfer between classes	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	(169,050)	(281,923)	(27,954)	-	(478,927)	(291,932)	(7,812)	(677,373)	(977,117)	-	(1,456,044)
Total carrying amount at 30 June 2026	7,442,335	552,130	-	7,731	8,002,196	3,425,810	200,529	7,015,073	10,641,412	5,110,000	23,753,608
As at 30 June 2025											
Cost											
Opening cost	7,640,691	773,842	40,954	132,373	8,587,860	3,714,213	208,341	6,285,384	10,207,938	5,217,000	24,012,798
Additions	58,158	56,850	-	1,548	116,556	3,529	-	1,365,770	1,369,299	-	1,485,855
Disposals	-	(24,172)	(13,000)	-	(37,172)	-	-	(2,356)	(2,356)	-	(30,528)
Transfer between classes	72,391	-	-	(113,636)	(41,245)	-	-	41,245	41,245	-	-
Revaluation	(180,140)	-	-	-	(180,140)	-	-	-	-	(107,000)	(287,140)
Closing cost	7,591,100	806,520	27,954	20,285	8,445,859	3,717,742	208,341	7,690,043	11,616,126	5,110,000	25,171,985
Accumulated depreciation											
Opening accumulated depreciation	(206,650)	(160,745)	(37,694)	-	(405,089)	(104,393)	(2,604)	(228,573)	(336,570)	-	(741,659)
Depreciation expense	(177,100)	(69,660)	(3,260)	-	(250,020)	(93,911)	(2,604)	(199,677)	(296,192)	-	(546,212)
Disposals	-	18,659	13,000	-	31,659	-	-	655	655	-	32,314
Transfer between classes	-	-	-	-	-	-	-	-	-	-	-
Revaluation	383,750	-	-	-	383,750	-	-	-	-	-	383,750
Closing accumulated depreciation	-	(211,746)	(27,954)	-	(239,700)	(198,304)	(5,208)	(428,595)	(632,107)	-	(871,807)
Total carrying amount at 30 June 2025	7,591,100	594,774	-	20,285	8,206,158	3,519,437	203,133	7,261,449	10,984,019	5,110,000	24,300,178

11. Property, plant and equipment contd.

Valuation approach

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. TAA 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.

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.

Loss on disposal

Loss on disposal has been recognised for property, plant & equipment during the year of \$Nil (2025: \$7,214).

Leasing

TAA has no plant and equipment held under finance leases (2025: \$Nil).

Restrictions

TAA 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

Computer Software

	Actual 2026 \$	Actual 2025 \$
Cost		
Opening cost at 1 July	1,301	1,301
Closing cost at 30 June	1,301	1,301
Accumulated amortisation		
Opening accumulated amortisation at 1 July	(1,301)	(1,057)
Amortisation expense	-	(244)
Closing accumulated amortisation at 30 June	(1,301)	(1,301)
Total carrying amount at 30 June	-	-

13. Trade and other payables

	Actual 2026 \$	Actual 2025 \$
Trade payables	32,233	54,046
Accrued expenses	66,445	81,200
Accrued expenses to related parties	8,695	6,194
Revenue in advance	69,522	59,934
Total creditors and other payables	176,895	201,374
Total creditors and other payables from exchange transactions	89,777	127,796
Total creditors and other payables from non-exchange transactions	87,118	73,578
Total current creditors and other payables from exchange and non-exchange transactions	176,895	201,374

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

	Actual 2026 \$	Actual 2025 \$
Current portion		
Accrued pay	22,254	15,178
Annual leave	20,829	22,398
Lieu leave	211	1,233
Long service leave	1,686	5,756
Total current portion	44,980	44,565
Total employee entitlements	44,980	44,565

There is assumed to be no non current retirement or long service leave obligations

15. Explanation of major variances against budget

	Actual 2026 \$	SOI 2026 \$
Total revenue	1,536,757	1,498,372
Total expenditure	(1,736,191)	(1,675,448)
Deficit before tax	(199,434)	(177,077)
Explanations for major variations from the Statement of Intent		
Main variances in revenue against budget		
Landing fees		
Despite lower forecasted passengers favourable due to commercial contract terms	1,028,251	979,360
Lease and terminal rent		
Lower than budget due to lower than expected rent from lease sites	345,100	363,619
Other revenue		
	163,406	155,393
	1,536,757	1,498,372
Main variances in expense against budget		
Maintenance		
Higher than budget due to unplanned preventative maintenance required as well as unanticipated routine maintenance associated with the new terminal	75,278	39,504
Professional services fees		
Higher than budget due to progressing District Plan designation submission	113,797	83,300
IT & Telecommunications		
Higher than budget mostly due to unanticipated costs associated with the car park equipment	57,336	44,424
Depreciation		
Lower than budget due to delaying the runway surface treatment to complete investigations into appropriate works	588,293	625,471
Other expenses		
	901,487	882,749
	1,736,191	1,675,448

16. Provisions

Current

Other provisions

Total current provisions

Non-current

Other provisions

Total non-current provisions

Total provisions

	Actual 2026 \$	Actual 2025 \$
Other provisions	1,865	3,729
Total current provisions	1,865	3,729
Other provisions	-	1,865
Total non-current provisions	-	1,865
Total provisions	1,865	5,594

Opening balance at 1 July	5,594	9,323
Amounts used	(3,729)	(3,729)
Closing balance at 30 June	1,865	5,594

Movement in other provisions is as follows:

Opening balance at 1 July

Amounts used

Closing balance at 30 June

This amount represents the provision for a claim brought against the TAA in relation to a boundary dispute. The TAA is not disclosing any further information with regards to the nature of the obligation or the timing of the liability, to avoid prejudicing TAA's position.

17. Related party transactions

During the year, the entity entered into transactions with businesses owned or controlled by themselves and close family members of members of the governing body. These transactions were undertaken in the ordinary course of business, on normal commercial terms and conditions, and on an arm's length basis. The governing members concerned did not participate in decisions relating to the procurement or approval of these transactions. The total value of transactions during the year was \$95k (2025: \$96k).

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.

Equity injections were made during the financial year by Taupo District Council \$Nil (2025: \$1,416,489) and by the Crown \$215,578 (2025: \$290,116).

TAA has a Loan Facility agreement with Taupo District Council, signed in July 2022, paid off during the 2025 financial year. Borrowing as at 30 June 2026 \$Nil (2025: \$Nil). The purpose of the loan facility is for working capital and liquidity purposes only. The loan facility is up to \$300,000 for a term of up to 5 years. The loan is unsecured and subordinated to all other external indebtedness. Interest is payable quarterly in arrears. The interest rate is calculated as the Base rate (90 day BKBM bid rate) plus margin (lenders 2 year floating rate margin plus 0.65%).

Key management personnel

Airport General Manager

Total full-time equivalent Committee Members

Total

	Actual 2026	Actual 2025
Airport General Manager	1	1
Total full-time equivalent Committee Members	7	5
Total	8	6

Due to the difficulty in determining the full-time equivalent for both the Trustees and the Senior Management Team, the fulltime equivalent figure is taken as the number of persons in these roles at balance date. Included in the 2026 numbers are two observers that have no voting rights.

18. Capital and operational commitments and operating leases

As at 30 June 2026 TAA has no capital commitments (2025: \$Nil).

Operating leases as lessee

Included in the commitments are leases of property, plant and equipment that TAA has entered into in the normal course of its business. The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Rental expense relating to operating leases

Payable no later than one year

Later than one, not later than two years

Later than two, not later than five years

Total rental expense relating to operating leases

Actual 2026 \$	Actual 2025 \$
52,839	52,839
26,420	52,839
-	26,420
79,259	132,099

Operating leases as lessor

Airport land is leased to tenants 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:

Not later than one year

Later than one year and not later than five years

Later than five years

Total non-cancellable operating leases

Actual 2026 \$	Actual 2025 \$
317,140	245,076
869,426	374,008
543,739	71,227
1,730,305	690,311

No contingent rents have been recognised in the statement of comprehensive revenue and expense during the period.

19. Contingencies

As at 30 June 2026 the Airport had no contingent assets (2025: \$Nil).

20. Financial instruments

Financial instrument categories

Assets

	Financial assets measured at amortised cost 2026 \$	Financial assets measured at amortised cost 2025 \$
Cash and cash equivalent	232,306	348,640
Short term bank deposits with maturities of 4-12 months	602,130	-
Receivables	213,020	176,439
Total assets at 30 June	1,047,456	525,080

Liabilities

	Financial liabilities measured at amortised cost 2026 \$	Financial liabilities measured at amortised cost 2025 \$
Payables and accruals	98,678	135,247
Total liabilities at 30 June	98,678	135,247

21. Events after balance date

There were no other subsequent events after 30 June 2026.