



TAUPO  
AIRPORT  
AUTHORITY  
LAKE TAUPO • NEW ZEALAND

Half Yearly Report

to

December 2012



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# DIRECTORY

## Governing Body

### TAA Advisory Committee

Mayor Rick Cooper (Chairman)

Wayne Taylor Business Representative (Deputy Chairman)

Chris Johnston Council Representative

John Funnell Taupo Airport User Group Representative

Shamus Howard Business Representative

## Airport General Manager

Mike Groome

## Bankers

Bank of New Zealand, Taupo – Transactional Banking

## Auditors

Audit New Zealand on behalf of  
The Controller & Auditor General

## Solicitors / Legal Advisors

Le Pine & Co, Taupo

## Insurance Brokers

Aon New Zealand Limited

## Joint Venture Partners

Taupo District Council	50%
The Crown (Ministry of Transport)	50%

## Address

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RD 2, TAUPO

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# STATEMENT OF PERFORMANCE: ANNUAL PERFORMANCE TARGETS AND RESULTS ACHIEVED

For the half year ended 31 December 2012

## Non-Financial Performance:

Taupo Airport		
<b>Objective:</b> To operate a successful commercially viable business providing land and infrastructure for the safe, appropriate and efficient air transport needs of the Taupo district.		
Performance Targets	Results	Achievement
The sealed runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events.	The sealed runway was open for air traffic each day	<b>Achieved</b>
The grass runway will be open for air traffic 365 days of the year unless prevented by adverse weather or unexpected events, or when the sealed runway is in use.	The grass runway was open for air traffic each day	<b>Achieved</b>
The airport will be Part 139 certified	Passed Audit November 2012	<b>Achieved</b>
The terminal building will be open at least half an hour before arrival times and half an hour after flight departure.	The terminal building was open as specified	<b>Achieved</b>
A positive financial return on Equity to be achieved annually.	Half yearly result before tax loss of \$64K	<b>Not Achieved</b>
The TAA be self-funding in terms of its own cash flow requirements as soon as possible.	Operating cashflow for first half of the 2012/13 year is \$139K	<b>Achieved</b>

## Financial Performance:

Consolidated Shareholder Funds to Total Assets 89.69% (June 2012: 90.48%) against a projected 91.4%.

The financial performance of the Airport is compared against budget in Note 15 of these financial statements.

## SUMMARY OF AIRCRAFT MOVEMENTS

For the half year ended 31 December 2012

	6 months to 31 Dec 2012	Year to 31 June 2012	Year to 31 June 2011	Year to 31 June 2010	Year to 31 June 2009	Year to 31 June 2008
Scheduled Airlines	1894	3827	3815	3652	4124	4584
Private Operation	6472	13919	14299	15448	15238	15946
Parachuting	2808	8574	8850	9800	11814	12656
Charters	48	90	90	120	128	158
Military Operations	38	148	100	78	116	68
Helicopters	2924	4998	5184	5494	5328	5050
	<b>14184</b>	<b>31556</b>	<b>32338</b>	<b>34592</b>	<b>36748</b>	<b>38462</b>

## STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2012

	Note	31/12/2012 Half year \$	30/06/12 Full year \$
<b>Income</b>			
Revenue from services provided	1	225,977	408,392
Other Gains	1	-	-
Financial Revenue	1	6,161	16,754
<b>Total Operating Revenue</b>		<b>232,138</b>	<b>425,146</b>
<b>Expenditure</b>			
Employee benefit expenses	2	63,750	131,730
Depreciation and amortisation	2	125,041	241,763
Management and administration expenses	2	32,713	60,882
Other operating expenditure	2	74,992	153,909
<b>Total Operating Expenditure</b>		<b>296,496</b>	<b>588,284</b>
<b>Operating Surplus (Deficit) before taxation</b>		<b>(64,358)</b>	<b>(163,138)</b>
Taxation (expense)/credit	3	-	73,045
<b>Net Surplus (Deficit) after taxation</b>		<b>(64,358)</b>	<b>(90,093)</b>
<b>Total Comprehensive Income</b>		<b>(64,358)</b>	<b>(90,093)</b>

Explanations of significant variances against budget are detailed in note 14.

## STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2012

	Note	31/12/2012 \$	30/06/12 \$
<b>Equity at start of the year</b>		<b>9,947,138</b>	<b>9,950,008</b>
<i>Comprehensive Income</i>			
Net surplus (deficit) for the year		(64,358)	(90,093)
Other comprehensive income	4c	-	-
<b>Total comprehensive income</b>		<b>(64,358)</b>	<b>(90,093)</b>
Equity injections by Crown	4a	-	43,611
Equity injections by Taupo District Council	4a	-	43,611
<b>Equity as at 31 December 2012</b>		<b>9,882,781</b>	<b>9,947,138</b>


The accompanying accounting policies and notes form part of these financial statements.


# STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

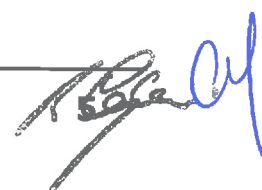
	Note	31/12/2012	30/06/12
<b>Equity</b>		\$	\$
Equity Interest of Joint Venture Partners	4(a)	4,071,587	4,071,587
Appropriation Accounts	4(b)	2,794,216	2,858,573
Asset Revaluation Reserves	4(c)	3,016,977	3,016,977
<b>Total Equity</b>		<b>9,882,780</b>	<b>9,947,137</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	470,357	331,101
Trade & Other Receivables	6	89,496	90,723
<b>Total current assets</b>		<b>559,853</b>	<b>421,824</b>
<b>Non-Current Assets</b>			
Intangible Assets	8	6,024	8,402
Property, Plant and Equipment	7	10,452,440	10,563,909
<b>Total non-current assets</b>		<b>10,458,464</b>	<b>10,572,311</b>
<b>Total Assets</b>		<b>11,018,317</b>	<b>10,994,135</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	9	192,980	98,759
Employee Entitlements	10	35,881	41,563
<b>Total current liabilities</b>		<b>228,861</b>	<b>140,322</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	11	906,676	906,676
<b>Total non-current liabilities</b>		<b>906,676</b>	<b>906,676</b>
<b>Total Liabilities</b>		<b>1,135,537</b>	<b>1,046,998</b>
<b>Net Assets</b>		<b>9,882,780</b>	<b>9,947,137</b>

The financial statements of Taupo Airport Authority are for the half year ended 31 December 2012. The financial statements were authorised for issue by the Airport Committee on 13<sup>th</sup> February 2013.

  
Rick Cooper  
Chairman, TAA Advisory Committee

  
Chris Johnston  
Committee Member, TAA Advisory Committee

The accompanying accounting policies and notes form part of these financial statements.



# STATEMENT OF CASHFLOWS

For the half year ended 31 December 2012

	Note	31/12/2012 Half year \$	30/06/12 Full year \$
<b>Cashflows from Operating Activities</b>			
Cash was provided from:			
Receipts from Customers		279,578	313,282
Interest on Investments		6,161	17,502
		<u>285,739</u>	<u>330,784</u>
Cash was disbursed to:			
Payments to Suppliers & Employees		135,290	310,617
		<u>135,290</u>	<u>310,617</u>
Net Cashflows from Operating Activities	14	<u>150,449</u>	<u>20,167</u>
<b>Cashflows from Investing Activities</b>			
Cash was disbursed to:			
Purchase of Fixed Assets		11,194	280,780
Net increase in investments		-	(180,000)
		<u>11,194</u>	<u>100,780</u>
Net Cashflows from Investing Activities		<u>(11,194)</u>	<u>(100,780)</u>
<b>Cashflows from Financing Activities</b>			
Cash was provided from:			
Equity injection by shareholders		-	87,222
		<u>-</u>	<u>87,222</u>
Net Cashflows from Financing Activities		<u>-</u>	<u>87,222</u>
Total Net Increase/(Decrease) in cash held		139,256	6,609
Add opening cash brought forward		<u>331,101</u>	<u>324,492</u>
Closing cash held		<u>470,357</u>	<u>331,101</u>
Represented by:			
Bank/Current Account		<u>470,357</u>	<u>331,101</u>
Closing cash held		<u>470,357</u>	<u>331,101</u>

The accompanying accounting policies and notes form part of these financial statements.

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# STATEMENT OF ACCOUNTING POLICIES

*For the half year ended 31 December 2012*

## 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 Authority. Governance is provided by a Committee of Council.

These Financial Statements have been prepared for the Taupo Airport Authority in accordance with the Civil Aviation Act 1990, the Airport Authorities Act 1966 and the Local Government Act 2002.

## STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and therefore also comply with International Financial Reporting Standards. The primary objective of the Authority 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 Authority has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

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 Authority is New Zealand dollars.

The Authority is a qualifying entity for differential reporting purposes as it has no public accountability and is not considered large. The financial statements have been prepared so as to take advantage of all available differential reporting concessions, except that a Cash Flow Statement has been prepared. The reporting concession in relation to IAS 12 has also not been applied.

## ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of results and financial position, have been applied.

### 1 Property, Plant and Equipment

#### 1.1 Valuation of Land and Buildings

Airport land was initially valued at fair value by Quotable Value New Zealand as at 1 July 2005 which was deemed cost. The land and buildings have been revalued to fair value by Darroch Valuations as at 30 June 2010. Land is not depreciated.

#### 1.2 Valuation of Infrastructural Assets

These are the utility systems that provide a continuing service to the airport and are not generally regarded as tradable. They include the runways, roads and stormwater systems together with other improvements of an infrastructural nature.



These assets were valued at depreciated replacement cost by Beca Valuations Limited effective 30 June 2011.

All revaluations are carried out or reviewed by independent qualified valuers and are carried out at least five yearly. Valuations will be undertaken more regularly if necessary to ensure no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Additions between valuations are recorded at cost less depreciation.

### 1.3 Operational Assets

This includes furniture and fittings, motor vehicles, office equipment and plant and equipment. Operational assets are stated at cost less depreciation.

### 1.4 Depreciation

Depreciation has been provided on a straight-line basis on all property, plant and equipment. Depreciation is provided at rates calculated to allocate the asset cost over the estimated useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

#### Infrastructural assets

Formation	Indefinite	Pavement	60 Years
Top Surface	15 Years	Kerb	50 Years
Footpaths	80 Years	Stormwater	50 – 80 Years
Fencing	10 Years	Street Lighting	15 Years

#### Operational Assets

Buildings	40 Years	(2.5%)
Furniture and Fittings	10 Years	(10%)
Motor Vehicles	5 Years	(20%)
Office Equipment and Plant and Equipment	4 to 5 Years	(20%-25%)

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

## 2 Intangible Assets

### Website

The website has been capitalised on the basis of costs incurred to acquire and bring to use the website. This has been valued at cost, and will be amortised over the expected useful life of the website. This is estimated as 4 years (25%).

## 3 Investment Property

Properties leased to third parties under operating leases 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 income.

All investment properties have been disposed.

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**4 Income Taxation**

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by 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 profits 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 income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

**5 Goods & Services Tax**

The financial statements have been prepared on a goods and services tax (GST) exclusive basis, except for trade and other receivables and trade and other payables.

**6 Employee Entitlements**

Provision is made in respect of the Airport's liability for annual leave. Annual leave has been calculated on an actual entitlement at current rates of pay.

**7 Financial Liabilities**

Financial liabilities (trade payables, income in advance, loans, bonds and deposits) are initially recognised at fair value. These are subsequently recognised at amortised cost.

**8 Operating Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they are incurred.

**9 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.

**10 Trade Receivables**

Trade receivables are recognised at their cost less impairment losses.

A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

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## 11 Financial Assets

Taupo Airport classifies its investments in the following categories:

(a) Financial assets or financial liabilities at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the statement of comprehensive income.

(b) 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 income.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, that management has the positive intention and ability to hold to maturity. 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 income.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category, or not classified in any of the other categories.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition, and re-evaluates this designation at every reporting date. After initial recognition these investments are measured at their fair value. Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the statement of comprehensive income even though the asset has not been derecognised. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

## 12 Revenue

Revenue is measured at the fair value of consideration received.

The main sources of income for the Authority are Airfield Landing Charges and Lease Income from leasehold sites at the airport. Income is recognised in the period to which it relates. Payment is received by cash, cheque, automatic payment or direct debit.

# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

1	Operating Revenue	Actual	Actual
		31/12/2012	30/06/12
		Half year	Full year
		\$	\$
	<b>Revenue from Services Provided</b>		
	Landing charges	98,115	204,120
	Leases	111,310	167,746
	Other services	16,553	36,525
		225,977	408,392
	<b>Financial Revenue</b>		
	Interest	6,161	16,754
	<b>Total Operating Revenue</b>	<b>232,138</b>	<b>425,146</b>
2	Expenditure (by nature)	Actual	Actual
		31/12/2012	30/06/12
		\$	\$
	<b>Employee Benefit Expenses</b>		
	Salaries and wages	57,831	122,222
	Changes in employee entitlements	5,919	9,508
		63,750	131,730
	<b>Depreciation &amp; Amortisation</b>		
	Depreciation	122,663	237,873
	Amortisation	2,378	3,890
		125,041	241,763
	<b>Management and Administration Expenses</b>		
	Accountancy & Business Services - Taupo District Council	6,250	12,500
	Audit fees - Audit NZ	7,350	11,260
	Directors fees and expenses	251	361
	Bad and doubtful debts	-	1,611
	Administration	18,862	35,150
		32,713	60,882

# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

<b>Other Operating Expenditure</b>		
Cleaning	8,991	18,335
Training and associated costs	615	1,870
Airfield contractors	5,730	11,850
Consultants and professional fees	1,042	11,522
Electricity	6,635	14,011
Equipment hire	8,697	17,077
Rental expense on operating leases	1,691	3,383
Ground maintenance	15,478	20,856
Runway and pavement maintenance	4,015	12,427
Terminal maintenance	2,052	9,575
Rates and insurance	11,760	18,946
All other expenses	8,286	14,057
	<u>74,992</u>	<u>153,909</u>
<b>Total Expenditure</b>	<b>296,496</b>	<b>588,284</b>

<b>3 Income Tax Expense</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
<b>Relationship between tax expense and accounting profit</b>		
Operating surplus before taxation	(64,358)	(163,138)
<b>Tax at 28% (2011 30%)</b>	<b>(18,020)</b>	<b>(45,679)</b>
Plus (less) tax effect of:		
Prior year tax adjustment	-	11,697
Deferred tax adjustment	-	(39,063)
<b>Tax expense/(credit)</b>	<b>(18,020)</b>	<b>(73,045)</b>
Comprising:		
Current tax	(18,020)	-
Deferred tax	-	(73,045)
<b>Taxation expense/(credit)</b>	<b>(18,020)</b>	<b>(73,045)</b>

No imputation credits are available to distribute to owners.

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# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

<b>4 Equity</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Equity Interest of Joint Venture Partners</b>		
<i>(a) Taupo District Council</i>		
Opening Balance	2,003,903	1,960,292
50% share of runway cost	-	43,611
<b>Closing Balance</b>	<b>2,003,903</b>	<b>2,003,903</b>
<i>(b) The Crown</i>		
Opening Balance	2,067,684	2,024,073
Cash injections for past losses	-	-
50% share of runway cost	-	43,611
<b>Closing Balance</b>	<b>2,067,684</b>	<b>2,067,684</b>
<b>Total closing balance of equity accounts</b>	<b>4,071,587</b>	<b>4,071,587</b>
<b>(b) Appropriation Accounts</b>		
<i>(a) Taupo District Council</i>		
Opening Balance	2,753,914	2,798,961
Share of Net Surplus (Deficit)	(32,179)	(45,047)
<b>Closing Balance</b>	<b>2,721,735</b>	<b>2,753,914</b>
<i>(b) The Crown</i>		
Opening Balance	104,659	149,705
Share of Net Surplus (Deficit)	(32,178)	(45,046)
<b>Closing Balance</b>	<b>72,481</b>	<b>104,659</b>
<b>Total closing balance of appropriation accounts</b>	<b>2,794,216</b>	<b>2,858,573</b>
<b>(c) Asset Revaluation Reserves</b>		
Opening Balance	3,016,977	3,016,977
Change in asset value	-	-
<b>Closing Balance - Property, Plant &amp; Equipment</b>	<b>3,016,977</b>	<b>3,016,977</b>
<i>Made up as follows:</i>		
Land	900,000	900,000
Land Improvements	114,022	114,022
Buildings	33,511	33,511
Stormwater	156,821	156,821
Runways	1,713,240	1,713,240
Fencing	36,085	36,085
Roading & Streetlighting	63,298	63,298
<b>Closing Balance - Property, Plant &amp; Equipment</b>	<b>3,016,977</b>	<b>3,016,977</b>

# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

<b>5</b>	<b>Cash &amp; Cash Equivalents</b>	<b>31/12/12</b>	<b>30/06/12</b>
		\$	\$
	Cash at bank and in hand	39,347	3,039
	Call deposits	431,010	328,062
	<b>Cash equivalents for the purpose of the statement of cashflows</b>	<b>470,357</b>	<b>331,101</b>

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

<b>6</b>	<b>Trade &amp; Other Receivables</b>	<b>31/12/2012</b>	<b>30/06/2012</b>
		\$	\$
	Trade Receivables	50,094	29,043
	less Provision for Doubtful Debts	-	-
	<b>Net Trade Receivables</b>	<b>50,094</b>	<b>29,043</b>
	Amounts owing from related parties	17,073	13,066
	Sundry Accruals and Prepayments	22,329	9,825
	GST Refund	-	38,789
	<b>Total Net Trade and Other Receivables</b>	<b>89,496</b>	<b>90,723</b>

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.

	Actual December 2012			Actual June 2012		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$	\$	\$	\$	\$	\$
Not past due	56,877	-	56,877	34,098	-	34,098
Past Due 1-30 days	4,319	-	4,319	2,786	-	2,786
Past due 31-60 days	887	-	887	1,552	-	1,552
Past due >60 days	5,084	-	5,084	3,673	-	3,673
<b>Total</b>	<b>67,167</b>	<b>-</b>	<b>67,167</b>	<b>42,109</b>	<b>-</b>	<b>42,109</b>

# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

## 7 Property, Plant and Equipment

December 2012	Cost/ Valuation 31/12/2012 \$	Accum Depn 31/12/2012 \$	Carrying Amount 31/12/2012 \$	Cost/ Valuation 30/6/12 \$	Accum Depn 30/6/12 \$	Carrying Amount 30/6/12 \$
<b>Restricted Assets</b>						
Land	3,500,000		3,500,000	3,500,000	-	3,500,000
<b>Land Improvements</b>						
<b>At Valuation</b>						
Land Improvements	239,000		239,000	239,000	-	239,000
Fencing	47,900	(10,242)	37,658	47,900	(6,816)	41,084
Street lighting	17,400	(5,335)	12,065	17,400	(3,550)	13,850
<b>At Cost</b>						
Fencing	1,309	(53)	1,256	-	-	-
	305,609	(15,630)	289,979	304,300	(10,366)	293,934
<b>Infrastructural Assets</b>						
<b>At Valuation</b>						
Runways	5,018,204	(279,314)	4,738,890	5,018,204	(185,078)	4,833,126
Roads	1,083,000	(15,584)	1,067,416	1,083,000	(10,370)	1,072,630
Stormwater	388,900	(19,548)	369,352	388,900	(13,008)	375,892
	6,490,104	(314,446)	6,175,658	6,490,104	(208,456)	6,281,648
<b>Operational Buildings</b>						
<b>At Valuation</b>						
Buildings	383,878	(32,654)	351,224	382,400	(24,634)	357,766
<b>At Cost</b>						
Buildings	9,232		9,232	10,709	(1,477)	9,232
	393,110	(32,654)	360,456	393,109	(26,111)	366,998
<b>Other Operational Assets</b>						
Furniture & Fittings	52,535	(38,660)	12,686	52,535	(37,468)	15,067
Motor Vehicles	11,018	(11,018)	-	11,018	(11,018)	-
Office Equipment	23,206	(18,901)	4,305	23,206	(17,894)	5,312
Plant & Equipment	114,343	(114,283)	60	114,622	(113,081)	1,541
	201,102	(182,862)	17,051	201,381	(179,461)	21,920
Capital Works in progress	109,296	-	109,296	962	-	99,409
<b>Total</b>	<b>10,999,221</b>	<b>(545,592)</b>	<b>10,452,440</b>	<b>10,889,856</b>	<b>(424,394)</b>	<b>10,563,909</b>



# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

## Movements during the year

2012	Carrying Amount 1/7/12	Additions	Revaluations	Disposal	Depn Expense	Carrying Amount 31/12/12
	\$	\$	\$	\$	\$	\$
<b>Restricted Assets</b>						
Land	3,500,000	-	-	-	-	3,500,000
<b>Land Improvements</b>						
Land Improvements	239,000	-	-	-	-	239,000
Fencing	41,084	1,309	-	-	(3,479)	38,914
Street lighting	13,850	-	-	-	(1,785)	12,065
	293,934	1,309	-	-	(5,264)	289,979
<b>Infrastructural Assets</b>						
Runways	4,833,126	-	-	-	(94,235)	4,738,890
Roads	1,072,630	-	-	-	(5,213)	1,067,416
Stormwater	375,892	-	-	-	(6,540)	369,352
	6,281,648	-	-	-	(105,988)	6,175,658
<b>Operational Buildings</b>						
Buildings	366,998	-	-	-	(6,543)	360,456
	366,998	-	-	-	(6,543)	360,456
<b>Other Operational Assets</b>						
Furniture & Fittings	15,067	-	-	-	(1,192)	12,686
Motor Vehicles	-	-	-	-	-	-
Office Equipment	5,312	-	-	-	(1,007)	6,005
Plant & Equipment	1,541	-	-	(279)	(1,202)	8,247
	21,920	-	-	(279)	(3,401)	26,938
Capital Works in progress	99,409	9,887	-	-	-	99,409
<b>Total</b>	<b>10,563,909</b>	<b>11,196</b>	<b>-</b>	<b>(279)</b>	<b>(121,198)</b>	<b>10,452,440</b>

# NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

## Movements during the year

2012	Carrying Amount 1/7/11	Additions	Revaluation	Disposal	Depn Expense	Carrying Amount 30/06/12
	\$	\$	\$	\$	\$	\$
<b>Restricted Assets</b>						
Land	3,500,000	-	-	-	-	3,500,000
<b>Land Improvements</b>						
Land Improvements	239,000	-	-	-	-	239,000
Fencing	47,900	-	-	-	(6,816)	41,084
Street lighting	17,400	-	-	-	(3,550)	13,850
	304,300	-	-	-	(10,366)	293,934
<b>Infrastructural Assets</b>						
Runways	4,839,600	178,604	-	-	(185,078)	4,833,126
Roads	1,083,000	-	-	-	(10,370)	1,072,630
Stormwater	388,900	-	-	-	(13,008)	375,892
	6,311,500	178,604	-	-	(208,456)	6,281,648
<b>Operational Buildings</b>						
Buildings	380,012	-	-	-	(13,014)	366,998
	380,012	-	-	-	(13,014)	366,998
<b>Other Operational Assets</b>						
Furniture & Fittings	17,438	-	-	-	(2,370)	15,067
Motor Vehicles	-	-	-	-	-	-
Office Equipment	6,018	1,216	-	-	(1,922)	5,312
Plant & Equipment	3,284	-	-	-	(1,743)	1,541
	26,740	1,216	-	-	(6,035)	21,920
Capital Works in progress	4,162	95,247	-	-	-	99,409
<b>Total</b>	<b>10,526,714</b>	<b>275,067</b>	<b>-</b>	<b>-</b>	<b>(237,873)</b>	<b>10,563,909</b>

## NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2012

<b>8 Intangible Assets</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
<b>Software</b>		
Opening carrying amounts		
Cost	18,872	13,160
less accumulated amortisation	(10,470)	(6,580)
<b>Opening carrying amount</b>	<b>8,402</b>	<b>6,580</b>
Movements		
Purchases		5,712
Amortisation	(2,378)	(3,890)
<b>Closing carrying amount</b>	<b>6,024</b>	<b>8,402</b>
<b>9 Trade &amp; Other Payables</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
Trade payables	9,072	11,592
Amounts owing to related parties	56,846	25,845
Rental received in advance	45,159	38,510
Landing fees received in advance	45,725	-
Provision for audit fee	7,350	11,260
Sundry accruals	28,828	11,552
<b>Total Trade &amp; Other Payables</b>	<b>192,980</b>	<b>98,759</b>
Trade and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore the carrying value of trade and other payables approximates their fair value.		
<b>10 Employee Benefit Liabilities</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
Accrued pay	-	2,093
Annual leave	35,881	39,470
<b>Total Employee Benefit Liabilities</b>	<b>35,881</b>	<b>41,563</b>

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# NOTES TO FINANCIAL STATEMENTS

*For the half year ended 31 December 2012*

## 11 Deferred Taxation Assets (Liabilities)

### 2013

	<b>Property, plant and equip</b>	<b>Non- deductible provisions</b>	<b>Tax losses</b>	<b>Total</b>
Balance 1 July	(1,291,323)	10,931	373,716	(906,676)
Charge to income	-	-	-	-
Charge to equity	-	-	-	-
Balance 31 December	<u>(1,291,323)</u>	<u>10,931</u>	<u>373,716</u>	<u>(906,676)</u>

### 2012

	<b>Property, plant and equip</b>	<b>Non- deductible provisions</b>	<b>Tax losses</b>	<b>Total</b>
Balance 1 July	(1,328,637)	9,286	339,630	(979,721)
Charge to income	37,314	1,645	34,086	73,045
Charge to equity	-	-	-	-
Balance 30 June	<u>(1,291,323)</u>	<u>10,931</u>	<u>373,716</u>	<u>(906,676)</u>

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# NOTES TO FINANCIAL STATEMENTS

*For the half year ended 31 December 2012*

## 12 Related Party Disclosure

The Taupo Airport Authority is a 50/50 joint venture arrangement between Taupo District Council and the Crown.

### *The Crown*

There are transactions with government departments, Crown entities, state-owned enterprises and other entities controlled or subject to significant influence by the Crown. These transactions are not separately disclosed as they are conducted on an arm's length basis, they result from the normal dealings of the parties, and they meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

### *Taupo District Council*

Fees of \$6,250 have been charged by Taupo District Council for administration and management (\$12,500 June 2012).

Taupo Airport Authority reimbursed Taupo District Council \$102,854 year to date (\$176,899 June 2012) for salaries and administration costs paid on it's behalf.

Taupo Airport Authority reimbursed Taupo District Council for \$0 year to date (\$274,332 June 2102) for capital costs paid on it's behalf.

Taupo Airport Authority has amounts payable to Taupo District Council as at 31 December 2012 of \$56,846 (\$22,693 June 2012).

### *TAA Advisory Group Sub Committee & Key Personnel*

A member of the Advisory Group is a director of several companies who use and lease land at the Taupo Airport . Since the 1st July 2012 sales of \$73,909 (\$97,217 June 2012) have been made. Of this amount \$17,073 was owing as a debtor balance at 31 December 2012 (\$13,066 June 2012).

## NOTES TO FINANCIAL STATEMENTS

*For the half year ended 31 December 2012*

<b>13 Reconciliation of Net Surplus After Tax to Net Cash Flows from Operating Activities</b>	<b>31/12/2012</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
Net Surplus after Tax	(64,358)	(90,093)
<i>Adjustment for non-cash items</i>		
Depreciation/Amortisation	125,041	241,763
Bad Debts	-	1,611
<i>Changes in working capital</i>		
(Increase)/Decrease in Trade & Other Receivables	1,227	(39,572)
Increase/(Decrease) in Trade & Other Payables	94,221	(30,085)
Increase/(Decrease) in Employee Entitlements	(5,682)	9,588
<i>Non-operating changes in working capital</i>		
Decrease/(increase) in creditors for capital expenditure	-	-
Deferred taxation	-	(73,045)
Net cash Flow from Operating Activities	<u>150,449</u>	<u>20,167</u>

# NOTES TO FINANCIAL STATEMENTS

*For the half year ended 31 December 2012*

## 14 Budget for the half year ended 31 December 2012

	Actual 31/12/2011	Budget 31/12/2011	% Bud
	\$	\$	
Total revenue	232,138	217,326	6.8%
Total expenditure	296,496	282,514	4.9%
Net Surplus(deficit) before taxation	(64,358)	(65,188)	

### *Main variances in income against budget*

Landing charges	98,115	88,000	11.5%
Leases	111,310	108,400	2.7%
Terminal Rents	12,295	9,276	32.5%

### *Main variances in expenditure against budget*

Salaries and wages	63,750	65,700	-3.0%
Telecommunications	1,620	2,070	-21.7%
Consultants & professional fees	4,850	1,250	288.0%
Insurance and rates	11,760	8,154	44.2%
Electricity	6,635	10,680	-37.9%
General administration costs	8,286	14,057	-41.1%
Subscriptions	939	2,400	-60.9%
Maintenance	35,621	23,180	53.7%

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## NOTES TO FINANCIAL STATEMENTS

*For the half year ended 31 December 2012*

### 15 Commitments

The Taupo Airport Authority has no significant capital commitments as at 31 December 2012 (2010 \$0).

<b>Non cancellable operating lease commitments</b>	<b>31/12/12</b>	<b>30/06/12</b>
	<b>\$</b>	<b>\$</b>
Payable no later than one year	1,691	3,383
Later than one, not later than two years	3,383	3,383
<b>Total lease commitments</b>	<b>5,074</b>	<b>6,766</b>

### 16 Contingent Liabilities

There are no contingent liabilities at 31 December 2012 (June 2012 \$0).

### 17 Contingent Asset

There are no contingent assets at 31 December 2012 (June 2012 \$0).