



Half Year Report 2013



DIRECTORY

Governing Body

TAA Advisory Committee

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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STATEMENT OF PERFORMANCE: ANNUAL PERFORMANCE TARGETS AND RESULTS ACHIEVED

For the half year ended 31 December 2013

Non-Financial Performance:

Taupo Airport		
Objective:		
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	Achieved
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	Achieved
The airport will be Part 139 certified	Passed Audit November 2013	Achieved
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	Achieved
A positive financial return on Equity to be achieved annually.	Half yearly result before tax loss of \$101K	Not Achieved
The TAA be self-funding in terms of its own cash flow requirements.	Operating cashflow for first half of the 2013/14 year is \$78K	Achieved

Financial Performance:

Consolidated Shareholder Funds to Total Assets 90.17% (June 2013: 90.48%) against a projected 90.0%.

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 2013

	<i>6 months to 31 Dec 2013</i>	<i>Year to 31 June 2012</i>	<i>Year to 31 June 2011</i>	<i>Year to 31 June 2010</i>	<i>Year to 31 June 2009</i>	<i>Year to 31 June 2008</i>
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
	14184	31556	32338	34592	36748	38462

STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2013

	Note	31/12/13 Half year \$	30/06/13 Full year \$
Income			
Revenue from services provided	1	216,732	442,774
Other gains	1	-	-
Financial revenue	1	5,192	12,552
Total Operating Revenue		221,924	455,326
Expenditure			
Employee benefit expenses	2	66,887	121,224
Depreciation and amortisation	2	129,111	245,879
Management and administration expenses	2	37,458	64,740
Other operating expenditure	2	89,333	165,563
Total Operating Expenditure		322,789	597,406
Operating Surplus (Deficit) before taxation		(100,865)	(142,080)
Taxation (expense)/credit	3	-	27,407
Net Surplus (Deficit) after taxation		(100,865)	(114,673)
Other comprehensive income			
Property, plant & equipment revaluations	8	-	24,909
Deferred tax on revaluation	12	-	(4,174)
Total Other Comprehensive Income		-	20,735
Total Comprehensive Income		(100,865)	(93,938)

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

STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2013

	Note	31/12/13 \$	30/06/13 \$
Equity at start of the year		9,853,202	9,947,137
<i>Comprehensive Income</i>			
Net surplus (deficit) for the year		(100,865)	(114,673)
Other comprehensive income	4c	-	20,735
Total comprehensive income		(100,865)	(93,938)
Equity injections by Crown	4a	-	-
Equity injections by Taupo District Council	4a	-	-
Equity as at 31 December 2013		9,752,338	9,853,202

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Note	31/12/13	30/06/13
Equity		\$	\$
Equity Interest of Joint Venture Partners	4(a)	4,071,587	4,071,587
Appropriation accounts	4(b)	2,643,039	2,743,903
Asset revaluation reserves	4(c)	3,037,712	3,037,712
Total Equity		9,752,338	9,853,202
Assets			
Current Assets			
Cash & cash equivalents	5	408,920	332,865
Trade & other receivables	6	40,579	63,339
Total current assets		449,499	396,204
Non-Current Assets			
Intangible assets	8	2,973	3,693
Property, plant and equipment	7	10,363,616	10,490,525
Total non-current assets		10,366,589	10,494,218
Total Assets		10,816,088	10,890,422
Liabilities			
Current Liabilities			
Trade & other payables	9	144,995	117,466
Employee entitlements	10	35,313	36,312
Total current liabilities		180,308	153,778
Non-Current Liabilities			
Deferred tax liability	11	883,442	883,442
Total non-current liabilities		883,442	883,442
Total Liabilities		1,063,750	1,037,220
Net Assets		9,752,338	9,853,202

The financial statements of Taupo Airport Authority are for the half year ended 31 December 2013. The financial statements were authorised for issue by the Airport Committee on 13th February 2014.

Chairman, TAA Advisory Committee

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 2013

	Note	31/12/13 Half year \$	30/06/13 Full year \$
Cashflows from Operating Activities			
Cash was provided from:			
Receipts from customers		328,927	472,692
Interest on investments		5,192	12,552
		<u>334,119</u>	<u>485,244</u>
Cash was disbursed to:			
Payments to suppliers & employees		256,583	339,778
		<u>256,583</u>	<u>339,778</u>
Net Cashflows from Operating Activities	14	<u>77,536</u>	<u>145,466</u>
Cashflows from Investing Activities			
Cash was disbursed to:			
Purchase of fixed assets		1,482	143,705
Net increase in investments		-	-
		<u>1,482</u>	<u>143,705</u>
Net Cashflows from Investing Activities		<u>(1,482)</u>	<u>(143,705)</u>
Cashflows from Financing Activities			
Cash was provided from:			
Equity injection by shareholders		-	-
		<u>-</u>	<u>-</u>
Net Cashflows from Financing Activities		<u>-</u>	<u>-</u>
Total Net Increase/(Decrease) in cash held		76,055	1,764
Add opening cash brought forward		332,865	331,101
Closing cash held		<u>408,920</u>	<u>332,865</u>
Represented by:			
Bank/Current Account		408,920	332,865
Closing cash held		<u>408,920</u>	<u>332,865</u>

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

STATEMENT OF ACCOUNTING POLICIES

For the half year ended 31 December 2013

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 Quotable Value New Zealand as at 30 June 2013. 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 Quotable Value Limited effective 30 June 2013.

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.

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.

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 2013

1	Operating Revenue	Actual 31/12/13 Half year \$	Actual 30/06/13 Full year \$
	Revenue from Services Provided		
	Landing charges	93,789	198,748
	Leases	97,027	210,784
	Other services	25,916	33,242
		<u>216,732</u>	<u>442,774</u>
	Financial Revenue		
	Interest	5,192	12,552
	Total Operating Revenue	221,924	455,326
2	Expenditure (by nature)	Actual 31/12/13 \$	Actual 30/06/13 \$
	Employee Benefit Expenses		
	Salaries and wages	71,044	126,619
	Changes in employee entitlements	(4,157)	(5,395)
		<u>66,887</u>	<u>121,224</u>
	Depreciation & Amortisation		
	Depreciation	128,391	241,170
	Amortisation	720	4,709
		<u>129,111</u>	<u>245,879</u>
	Management and Administration Expenses		
	Accountancy & Business Services - Taupo District Council	6,250	12,500
	Audit fees - Audit NZ	5,496	11,598
	Audit fees - Audit NZ (prior year audit disbursements)	1,332	1,332
	Directors fees and expenses	1,160	1,796
	Bad and doubtful debts	-	3,209
	Administration	23,220	34,305
		<u>37,458</u>	<u>64,740</u>

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Other Operating Expenditure		
Cleaning	8,700	18,400
Training and associated costs	-	1,374
Airfield contractors	5,734	11,494
Consultants and professional fees	7,215	7,587
Electricity	7,528	13,776
Equipment hire	8,697	17,017
Rental expense on operating leases	1,691	3,383
Ground maintenance	10,129	29,893
Runway and pavement maintenance	15,274	21,429
Terminal maintenance	2,602	5,617
Rates and insurance	10,098	21,184
Loss on disposal of asset	-	827
All other expenses	11,665	13,582
	<hr/>	<hr/>
Total Expenditure	322,789	597,406

3	Income Tax Expense	31/12/13	30/06/13
		\$	\$
	Relationship between tax expense and accounting profit		
	Operating surplus before taxation	(100,865)	(142,080)
	Tax at 28%	(28,242)	(39,782)
	Plus (less) tax effect of:		
	Prior year tax adjustment	-	-
	Deferred tax adjustment		12,375
	Tax expense/(credit)	(28,242)	(27,407)
	Comprising:		
	Current tax	-	-
	Deferred tax	-	(27,407)
	Taxation expense/(credit)	-	(27,407)

No imputation credits are available to distribute to owners.

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

4 Equity	31/12/13	30/06/13
	\$	\$
(a) Equity Interest of Joint Venture Partners		
<i>(a) Taupo District Council</i>		
Opening Balance	2,003,903	2,003,903
50% share of runway cost	-	-
Closing Balance	2,003,903	2,003,903
<i>(b) The Crown</i>		
Opening Balance	2,067,684	2,067,684
Cash injections for past losses	-	-
50% share of runway cost	-	-
Closing Balance	2,067,684	2,067,684
Total closing balance of equity accounts	4,071,587	4,071,587
(b) Appropriation Accounts		
<i>(a) Taupo District Council</i>		
Opening Balance	2,696,579	2,753,914
Share of Net Surplus (Deficit)	(50,432)	(57,335)
Closing Balance	2,646,147	2,696,579
<i>(b) The Crown</i>		
Opening Balance	47,324	104,659
Share of Net Surplus (Deficit)	(50,432)	(57,335)
Closing Balance	(3,108)	47,324
Total closing balance of appropriation accounts	2,643,039	2,743,903
(c) Asset Revaluation Reserves		
Opening Balance	3,037,712	3,016,977
Change in asset value	-	24,909
plus tax on equity items	-	(4,174)
Closing Balance - Property, Plant & Equipment	3,037,712	3,037,712
<i>Made up as follows:</i>		
Land	910,000	910,000
Land improvements	114,022	114,022
Buildings	44,246	44,246
Stormwater	156,821	156,821
Runways	1,713,240	1,713,240
Fencing	36,085	36,085
Roading & streetlighting	63,298	63,298
Closing Balance - Property, Plant & Equipment	3,037,712	3,037,712

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

5	Cash & Cash Equivalents	31/12/13	30/06/13
		\$	\$
	Cash at bank and in hand	428	6,965
	Call deposits	408,492	325,900
	Cash equivalents for the purpose of the statement of cashflows	408,920	332,865

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

6	Trade & Other Receivables	31/12/13	30/06/13
		\$	\$
	Trade receivables	16,782	46,191
	less provision for doubtful debts	-	-
	Net Trade Receivables	16,782	46,191
	Amounts owing from related parties	11,621	2,128
	Sundry Accruals and Prepayments	12,176	4,901
	GST Refund	-	10,119
	Total Net Trade and Other Receivables	40,579	63,339

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 2013			Actual June 2013		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$	\$	\$	\$	\$	\$
Not past due	22,979	-	22,979	46,804	-	46,804
Past Due 1-30 days	4,088	-	4,088	1,267	-	1,267
Past due 31-60 days	678	-	678	85	-	85
Past due >60 days	658	-	658	163	-	163
Total	28,403	-	28,403	48,319	-	48,319

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

7 Property, Plant and Equipment

December 2013	Cost/ Valuation	Accum Depn	Carrying Amount	Cost/ Valuation	Accum Depn	Carrying Amount
	31/12/13	31/12/13	31/12/13	30/06/13	30/06/13	30/06/13
	\$	\$	\$	\$	\$	\$
Restricted Assets						
Land	3,510,000		3,510,000	3,510,000		3,510,000
Land Improvements						
At Valuation						
Land improvements	239,000		239,000	239,000		239,000
Fencing	47,900	(17,039)	30,862	47,900	(13,612)	34,288
Street lighting	17,400	(8,876)	8,524	17,400	(7,091)	10,309
At Cost						
Fencing	1,309	(184)	1,126	1,309	(118)	1,192
	305,609	(26,099)	279,512	305,609	(20,821)	284,789
Infrastructural Assets						
At Valuation						
Runways	5,228,827	(471,082)	4,757,745	5,228,827	(372,679)	4,856,148
Roads	1,083,000	(25,925)	1,057,075	1,083,000	(20,712)	1,062,288
Stormwater	394,200	(32,763)	361,437	394,200	(26,142)	368,058
	6,706,027	(529,770)	6,176,257	6,706,027	(419,533)	6,286,494
Operational Buildings						
At Valuation						
Buildings	365,700	(5,825)	359,875	365,700		365,700
At Cost						
Buildings	3,669	(490)	3,180	3,669	(444)	3,227
	369,369	(6,315)	363,055	369,369	(444)	368,927
Other Operational Assets						
Furniture & fittings	52,535	(40,966)	11,569	52,535	(39,813)	12,722
Motor vehicles	11,018	(11,018)	-	11,018	(11,018)	-
Office equipment	27,901	(22,028)	5,873	27,901	(20,410)	7,491
Computer hardware	1,482	(32)	1,450	-	-	-
Plant & equipment	131,750	(115,849)	15,900	131,750	(111,648)	20,102
	224,686	(189,893)	34,792	223,204	(182,889)	40,315
Capital works in progress	-	-	-	-	-	-
Total	11,115,691	(752,077)	10,363,616	11,114,209	(623,687)	10,490,525

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Movements during the year

2013	Carrying Amount 1/7/13	Additions	Revaluations	Disposal	Depn Expense	Carrying Amount 31/12/13
	\$	\$	\$	\$	\$	\$
Restricted Assets						
Land	3,510,000					3,510,000
Land Improvements						
Land improvements	239,000					239,000
Fencing	35,480				(3,492)	31,988
Street lighting	10,309				(1,785)	8,524
	284,789	-	-	-	(5,277)	279,512
Infrastructural Assets						
Runways	4,856,148				(98,403)	4,757,745
Roads	1,062,288				(5,213)	1,057,075
Stormwater	368,058				(6,621)	361,437
	6,286,494	-	-	-	(110,237)	6,176,257
Operational Buildings						
Buildings	368,927				(5,871)	363,055
	368,927	-	-	-	(5,871)	363,055
Other Operational Assets						
Furniture & fittings	12,722				(1,153)	11,569
Motor vehicles	-					-
Office equipment	7,491				(1,618)	5,873
Computer hardware		1,482			(32)	1,450
Plant & equipment	20,102				(4,201)	15,900
	40,315	1,482	-	-	(7,004)	34,792
Capital works in progress						
Total	10,490,525	1,482	-	-	(128,389)	10,363,616

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

Movements during the year

2013	Carrying Amount 1/7/12	Additions	Revaluation	Disposal	Depn Expense	Carrying Amount 30/06/13
	\$	\$	\$	\$	\$	\$
Restricted Assets						
Land	3,500,000	-	10,000	-	-	3,510,000
Land Improvements						
Land improvements	239,000	-	-	-	-	239,000
Fencing	41,084	1,309	-	-	(6,915)	35,480
Street lighting	13,850	-	-	-	(3,541)	10,309
	293,934	1,309	-	-	(10,456)	284,789
Infrastructural Assets						
Runways	4,833,126	210,623	-	-	(187,601)	4,856,148
Roads	1,072,630	-	-	-	(10,342)	1,062,288
Stormwater	375,892	5,301	-	-	(13,134)	368,058
	6,281,648	215,924	-	-	(211,077)	6,286,494
Operational Buildings						
Buildings	366,998	-	14,908	-	(12,979)	368,927
	366,998	-	14,908	-	(12,979)	368,927
Other Operational Assets						
Furniture & fittings	15,067	-	-	-	(2,345)	12,722
Motor vehicles	-	-	-	-	-	-
Office equipment	5,312	4,695	-	-	(2,516)	7,491
Plant & equipment	1,541	21,187	-	(827)	(1,799)	20,102
	21,920	25,882	-	(827)	(6,660)	40,315
Capital works in progress						
Total	10,464,500	243,115	24,908	(827)	(241,174)	10,490,525

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

8 Intangible Assets	31/12/13	30/06/13
	\$	\$
Software		
Opening carrying amounts		
Cost	18,872	18,872
less accumulated amortisation	(15,179)	(10,470)
Opening carrying amount	3,693	8,402
Movements		
Purchases	-	-
Amortisation	(720)	(4,709)
Closing carrying amount	2,973	3,693

9 Trade & Other Payables	31/12/13	30/06/13
	\$	\$
Trade payables	15,931	8,689
Amounts owing to related parties	19,808	43,195
Rental received in advance	43,899	44,253
Landing fees received in advance	45,536	-
Provision for audit fee	11,598	11,598
Sundry accruals	8,223	9,731
Total Trade & Other Payables	144,995	117,466

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.

10 Employee Benefit Liabilities	31/12/13	30/06/13
	\$	\$
Accrued pay	-	2,237
Annual leave	35,313	34,075
Total Employee Benefit Liabilities	35,313	36,312

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

11 Deferred Taxation Assets (Liabilities)

2013

	Property, plant and equip	Non- deductible provisions	Tax losses	Total
Balance 1 July	(883,442)	-	-	(883,442)
Charge to income	-	-	-	-
Charge to equity	-	-	-	-
Balance 31 December	<u>(883,442)</u>	<u>-</u>	<u>-</u>	<u>(883,442)</u>

2013

	Property, plant and equip	Non- deductible provisions	Tax losses	Total
Balance 1 July	(1,291,323)	10,931	373,716	(906,676)
Charge to income	20,479	(1,090)	8,018	27,407
Charge to equity	(4,174)	-	-	(4,174)
Balance 30 June	<u>(1,275,018)</u>	<u>9,841</u>	<u>381,734</u>	<u>(883,442)</u>

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

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 2013).

Taupo Airport Authority reimbursed Taupo District Council \$80,600 year to date (\$176,799 June 2013) for salaries and administration costs paid on it's behalf.

Taupo Airport Authority reimbursed Taupo District Council for \$43,082 year to date (\$130,484 June 2013) for capital costs paid on it's behalf.

Taupo Airport Authority has amounts payable to Taupo District Council as at 31 December 2013 of \$19,808 (\$43,195 June 2013).

TAA Advisory Group Sub Committee & Key Personnel

A previous member of the Advisory Group is a director of several companies who use and lease land at the Taupo Airport. In the year to 7th October 2013 sales of \$37,187 (June 2013 \$99,841) have been made. Of this amount \$0 was owing as a debtor balance at 31 December 2013 (June 2013 \$1,978).

A previous member of the Advisory Group is an employee of Rick Lucas Helicopters Ltd (HeliPro). In the year to 7th October 2013 sales of \$2,279 have been made for land leases and landing fees (June 2013 \$7,949). Of this amount \$2,621 was owing as a debtor balance as at 31 December 2013 (June 2013 \$150)

A previous member of the Advisory Group is a Director / Shareholder of Decadent Ltd (Plateau). In the year to 7th October 2013 the Airport made purchases of \$195 from Decadent Ltd (Plateau) (June 2013 \$251)

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

13 Reconciliation of Net Surplus After Tax to Net Cash Flows from Operating Activities	31/12/13	30/06/13
	\$	\$
Net Surplus after Tax	(100,865)	(114,673)
<i>Adjustment for non-cash items</i>		
Depreciation/amortisation	129,111	245,879
Bad debts	-	3,209
Loss on disposal of fixed assets	-	827
<i>Changes in working capital</i>		
(Increase)/decrease in trade & other receivables	22,760	24,175
Increase/(decrease) in trade & other payables	27,529	18,707
Increase/(decrease) in employee entitlements	(999)	(5,251)
<i>Non-operating changes in working capital</i>		
Decrease/(increase) in creditors for capital expenditure	-	-
Deferred taxation	-	(27,407)
Net cash Flow from Operating Activities	<u>77,536</u>	<u>145,466</u>

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

14 Budget for the half year ended 31 December 2013

	Actual 31/12/13 \$	Budget 31/12/13 \$	% Bud
Total revenue	221,924	228,000	-2.7%
Total expenditure	322,789	290,865	11.0%
Net Surplus(deficit) before taxation	(100,865)	(62,865)	

Main variances in income against budget

Landing charges	93,789	98,500	-4.8%
Leases	97,027	102,500	-5.3%
Terminal rents	11,077	11,650	-4.9%
Other services	14,839	9,850	50.6%
Interest	5,192	5,500	-5.6%
	221,924	228,000	

Main variances in expenditure against budget

Salaries and wages	66,887	66,250	1.0%
Security	1,918	800	139.8%
Telecommunications	2,335	2,000	16.8%
Consultants	7,215		
Ground maintenance	9,998	12,500	-20.0%
Runway maintenance	18,994	6,750	181.4%
Road maintenance	3,214	500	542.8%
Electricity	7,528	10,760	-30.0%
Rates	6,413	3,000	113.8%
Subscriptions	1,498	750	99.7%
Other expenses	196,789	187,555	4.9%
	322,789	290,865	

NOTES TO FINANCIAL STATEMENTS

For the half year ended 31 December 2013

15 Commitments

The Taupo Airport Authority has no significant capital commitments as at 31 December 2013 (2010 \$0).

Non cancellable operating lease commitments	31/12/13	30/06/13
	\$	\$
Payable no later than one year	1,691	3,383
Later than one, not later than two years	282	
Total lease commitments	1,973	3,383

16 Contingent Liabilities

There are no contingent liabilities at 31 December 2013 (June 2013 \$0).

17 Contingent Asset

There are no contingent assets at 31 December 2013 (June 2013 \$0).