



Interim Report To December 2015



DIRECTORY

Governing Body

TAA Advisory Committee

Chris Johnston (Chairman)

Mayor David Trewavas

Councillor Anna Park (Council Representative)

Councillor Rosanne Jollands (Council Representative)

John Funnell (Taupo Airport User Group Representative)

Kathy Guy (DGLT 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

Anzac Memorial Drive, TAUPO
RD 2, TAUPO

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Facsimile	[07] 377-7776
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STATEMENT OF PERFORMANCE: INTERIM PERFORMANCE TARGETS AND RESULTS ACHIEVED

For the six months ended 31 December 2015

Non-Financial Performance:

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
To maintain facilities so as to avoid any diversion or cancellation of scheduled flights other than for weather or airline problems	Achieved	No diversions or cancellations due to facility maintenance
The airport will be operated in such a way as to continue to hold CAA Part 139 certified	Achieved	The Airport is CAA Part 139
A positive financial return on Equity to be achieved Interimly.	Not Achieved	Six monthly result for the Airport is a loss position of \$109k (Dec 2014 Loss \$108k) (2015 Loss \$144k)
The TAA be self-funding in terms of its own cash flow requirements.	Not Achieved	Operating cash flow for the six months is - \$12k (Dec 2014 \$89k) (2015 \$123k)

Financial Performance:

Consolidated Shareholder Funds to Total Assets 90.13% (December 2014: 89.38% June 2015: 90.11%) against a projected 90.0%.

SUMMARY OF AIRCRAFT MOVEMENTS

For the six months ended 31 December 2015

	<i>Year to 31 December 2015</i>	<i>Year to 31 December 2014</i>	<i>Year to 30 June 2015</i>	<i>Year to 30 June 2014</i>	<i>Year to 30 June 2013</i>	<i>Year to 30 June 2012</i>
Scheduled Airlines	1888	1856	3462	3782	3823	3827
Private Operation	5401	5246	9750	10968	12817	13919
Parachuting	3776	3388	8124	8022	7326	8574
Charters	52	52	73	134	108	90
Military Operations	10	52	66	70	72	148
Helicopters	2508	2318	4550	4482	5368	4998
	13635	12912	26025	27458	29514	31556

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

for the six months ended 31 December 2015

	Note	Unaudited 6 months to 31/12/15 \$	Unaudited 6 months to 31/12/14 \$	Audited Actual 30/06/15 \$
Revenue				
Revenue from services provided	3	218,247	220,348	431,054
Interest revenue	3	4,665	6,528	12,822
Total revenue		222,912	226,876	443,876
Expenses				
Employee benefit expenses	4	81,551	84,526	165,943
Depreciation and amortisation	4	136,638	136,423	270,307
Management and administration expenses	4	33,362	41,766	68,633
Other operating expenses	4	79,794	71,880	139,317
Total expense		331,345	334,595	644,200
Surplus (deficit) before other comprehensive revenue (expense)		(108,433)	(107,719)	(200,324)
Taxation		-	-	56,722
Net Surplus (deficit) after taxation		(108,433)	(107,719)	(143,602)
Total comprehensive revenue & expense		(108,433)	(107,719)	(143,602)

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2015

	Unaudited as at 31/12/15 \$	Unaudited as at 31/12/14 \$	Audited as at 30/06/15 \$
Net assets / equity at start of the period	9,914,053	10,057,655	10,057,655
Total comprehensive revenue and expenses previously reported	(108,433)	(107,719)	(143,602)
Equity as at balance date	9,805,620	9,949,936	9,914,053

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	Unaudited as at 31/12/15 \$	Unaudited as at 31/12/14 \$	Audited as at 30/06/15 \$
Equity				
Equity interest of joint venture partners	5a	4,071,587	4,071,587	4,071,587
Appropriation accounts	5b	2,342,563	2,486,879	2,450,996
Asset revaluation reserves	5c	3,391,470	3,391,470	3,391,470
Total equity		9,805,620	9,949,936	9,914,053
Assets				
Current assets				
Cash & cash equivalents		415,404	436,823	440,835
Trade & other receivables	6	70,294	63,143	44,565
Total current assets		485,698	499,966	485,400
Non-current assets				
Intangible assets		3,266	3,137	3,870
Property, plant and equipment		10,390,186	10,629,319	10,513,177
Total non-current assets		10,393,452	10,632,455	10,517,047
Total assets		10,879,150	11,132,421	11,002,447
Liabilities				
Current liabilities				
Trade & other payables	7a	42,106	50,279	29,218
Employee entitlements	8	34,692	36,358	45,390
Revenue in advance	7b	47,689	90,083	64,743
Total current liabilities		124,487	176,720	139,351
Non-current liabilities				
Deferred tax liability		949,043	1,005,765	949,043
Total non-current liabilities		949,043	1,005,765	949,043
Total liabilities		1,073,530	1,182,485	1,088,394
Assets minus liabilities		9,805,620	9,949,936	9,914,053

The interim financial statements of The Taupo Airport Authority are for the period ended 31 December 2015. The interim financial statements were authorised for issue by the Committee on 16th February 2016.

Chris Johnston
CHAIRPERSON

COMMITTEE MEMBER

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

STATEMENT OF CASHFLOWS

for the six months ended 31 December 2015

		Unaudited 6 months to 31/12/15 \$	Unaudited 6 months to 31/12/14 \$	Audited 12 months to 30/06/15 \$
Cash flows from operating activities				
Receipts from customers		173,687	272,847	467,831
Interest on Investments		4,665	6,528	12,822
Payments to suppliers		(91,662)	(89,756)	(183,725)
Payments to employees		(92,249)	(84,240)	(153,623)
Net GST paid		(6,829)	(5,373)	(20,811)
Net cashflow from operating activities	9	(12,388)	100,006	122,494
Cashflows from investing activities				
Purchase of property, plant & equipment		(13,043)	(10,509)	(28,985)
Net cashflow from investing activities		(13,043)	(10,509)	(28,985)
Net increase (decrease) in cash held		(25,431)	89,497	93,509
Add cash at start of year		440,835	347,326	347,326
Cash & cash equivalents at end of period		415,404	436,823	440,835

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.

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

1. Reporting Entity

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

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

These interim Financial Statements have been prepared in accordance with the Local Government Act 2002. These interim financial statements are for the six months ended 31 December 2015, and were approved by the Committee on 16th February 2016.

2. Statement of compliance and basis of preparation

These financial statements have been prepared on a Going Concern basis and in accordance with Civil Aviation Act 1990, the Airport Authorities Act 1966, and the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice in New Zealand. These interim financial statements comply with *PBE IAS 34 Interim Financial Reporting*.

The accounting policies used to prepare these interim financial statements are consistent with those used at 30 June 2015.

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

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

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

	Unaudited 6 months to 31/12/15 \$	Unaudited 6 months to 31/12/14 \$	Audited 12 months to 30/06/15 \$
3 Revenue			
Exchange revenue			
<i>Revenue from services provided</i>			
Landing charges	84,113	101,217	192,752
Leases	95,610	97,934	196,314
Other services	38,524	21,198	41,988
	218,247	220,348	431,054
<i>Financial revenue</i>			
Interest revenue	4,665	6,528	12,822
Total operating revenue	222,912	226,876	443,876
4 Expenditure (by nature)	31/12/15	31/12/14	30/06/15
	\$	\$	\$
Employee benefit expenses			
Salaries and wages	78,481	78,457	157,906
Changes in employee entitlements	3,070	6,069	8,037
Employee benefit expenses	81,551	84,526	165,943
Depreciation & amortisation			
Depreciation	136,034	136,050	269,393
Amortisation	604	373	914
Total Depreciation & amortisation	136,638	136,423	270,307
Management and administration expenses			
Accountancy & business services - Taupo District Council	6,250	6,250	12,500
Audit fees - Audit NZ	5,517	5,947	11,894
Audit fees - Audit NZ (prior year audit disbursements)	847	847	847
Committee fees and expenses	1,499	-	-
Bad and doubtful debts	-	3,601	4,396
Administration	19,249	25,121	38,996
Total management & administration expenses	33,362	41,766	68,633

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
Other operating expenses	\$	\$	\$
Cleaning	9,226	8,661	17,910
Training and associated costs	1,652	250	250
Airfield contractors	5,520	5,669	11,225
Consultants and professional fees	16,866	3,589	5,882
Electricity	7,677	9,060	14,114
Equipment hire	8,784	8,790	17,299
Ground maintenance	5,963	11,419	17,005
Runway and pavement maintenance	3,848	3,371	7,529
Terminal maintenance	1,763	2,276	6,891
Rates and insurance	9,863	9,933	20,036
Loss on disposal of asset	-	2,265	2,265
All other expenses	8,632	6,597	18,911
Total operating expenses	79,794	71,880	139,317
Total expenses	331,345	334,595	644,200

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
5 Equity			
(a) Equity interest of joint venture partners			
<i>(a) Taupo District Council</i>			
Opening balance	2,003,903	2,003,903	2,003,903
Closing balance	2,003,903	2,003,903	2,003,903
<i>(b) The Crown</i>			
Opening balance	2,067,684	2,067,684	2,067,684
Closing balance	2,067,684	2,067,684	2,067,684
Total closing balance of equity accounts	4,071,587	4,071,587	4,071,587
(b) Appropriation accounts			
<i>(a) Taupo District Council</i>			
Opening balance	2,550,126	2,621,927	2,621,927
Share of net surplus (deficit)	(54,217)	(53,860)	(71,801)
Closing balance	2,495,909	2,568,067	2,550,126
<i>(b) The Crown</i>			
Opening balance	(99,130)	(27,329)	(27,329)
Share of net surplus (deficit)	(54,217)	(53,860)	(71,801)
Closing balance	(153,346)	(81,188)	(99,130)
Total closing balance of appropriation accounts	2,342,563	2,486,879	2,450,996
(c) Asset revaluation reserves			
Closing balance - property, plant & equipment	3,391,470	3,391,470	3,391,470
<i>Made up as follows:</i>			
Land	910,000	910,000	910,000
Land improvements	117,910	117,910	117,910
Buildings	44,245	44,245	44,245
Stormwater	172,571	172,571	172,571
Runways	1,963,643	1,963,643	1,963,643
Fencing	46,453	46,453	46,453
Roading & streetlighting	136,648	136,648	136,648
Closing balance - property, plant & equipment	3,391,470	3,391,470	3,391,470

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

	Unaudited 6 months to 31/12/15	Unaudited 6 months to 31/12/14	Audited 12 months to 30/06/15
	\$	\$	\$
6 Trade & other receivables			
Trade receivables	58,136	52,006	39,898
Prepaid insurance	5,178	3,636	-
Sundry accruals and prepayments	6,980	5,700	4,667
GST refund	-	1,801	-
Total net trade and other receivables	70,294	63,143	44,565

Total receivables comprise:

Receivables from non-exchange transactions	-	1,801	-
Receivables from exchange transactions	70,294	61,342	44,565

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.

The status of receivables as at 31 December 2015 are as follows:

Not past due	37,590	36,211	24,634
Past due 1-30 days	7,789	6,655	8,530
Past due 31-60 days	2,856	1,402	1,026
Past due >60 days	9,901	7,738	5,708
	58,136	52,006	39,898
Impairment	-	-	-
Total	58,136	52,006	39,898

Taupo Airport Authority holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

7 Trade & other payables	Unaudited 6 months to 31/12/15 \$	Unaudited 6 months to 31/12/14 \$	Audited 12 months to 30/06/15 \$
(a) Trade payables	35,439	29,207	8,156
(b) Revenue in advance	47,689	90,083	64,743
(a) Provision for ACC	-	-	1,777
(a) Provision for audit fee	5,947	5,947	11,894
(a) Other payables	720	15,125	7,391
Total trade & other payables	89,795	140,362	93,961

Total payables comprise:

Payables for non-exchange transactions	48,940	90,083	83,534
Payables for exchange transactions	40,855	50,279	10,427

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.

8 Employee benefit liabilities	31/12/15 \$	31/12/14 \$	30/06/15 \$
Accrued pay	-	(716)	5,731
Annual leave	1,015	398	1,015
Long service leave	33,677	36,676	38,644
Total employee benefit liabilities	34,692	36,358	45,390

NOTES TO FINANCIAL STATEMENTS (unaudited)

For the six months ended 31 December 2015

	Unaudited 6 months to	Unaudited 6 months to	Audited 12 months to
9 Reconciliation of net surplus after tax to net cash flows from operating activities	31/12/15	31/12/14	30/06/15
	\$	\$	\$
Net surplus after tax	(108,433)	(107,719)	(143,602)
<i>Adjustment for non-cash items</i>			
Depreciation/amortisation	136,638	136,423	270,307
Bad debts	-	3,601	4,396
Loss / (gain) on disposal of property, plant & equipment	-	2,265	2,265
<i>Changes in working capital</i>			
(Increase) / decrease in trade & other receivables	(25,729)	3,333	21,116
Increase / (decrease) in trade & other payables	(4,166)	60,179	13,778
Increase / (decrease) in employee entitlements	(10,698)	1,924	10,956
<i>Non-operating changes in working capital</i>			
Increase / (decrease) in deferred taxation	-	-	(56,722)
Net cash flow from operating activities	(12,388)	100,006	122,494

10 Contingent liabilities

There are no contingent liabilities at 31 December 2015.

11 Contingent assets

There are no contingent assets at 31 December 2015.

12 Events after reporting period

There are no significant events after the reporting period.