

# TAUPŌ AIRPORT

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## TE TAUNGA WAKA RERERANGI O TAUPŌ

### ANNUAL REPORT

#### DIRECTORY

##### Governing Body

##### Taupō Airport Authority (TAA) Committee:

Mayor David Trewavas  
Councillor Duncan Campbell (Council Representative)  
Councillor Yvonne Westerman (Council Representative)  
Chris Johnston (Business Representative)  
Chris Grace (Business Representative)

##### Airport General Manager

Wayne Wootton

##### Bankers

Bank of New Zealand, Taupō – transactional banking

##### Auditors

Silks Audit on behalf of The  
Controller & Auditor General

##### Solicitors / Legal Advisors

Holland Beckett Law, Taupō

##### 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	<a href="mailto:admin@Taupoairport.co.nz">admin@Taupoairport.co.nz</a>
website	<a href="http://www.Taupoairport.co.nz">www.Taupoairport.co.nz</a>



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## STATEMENT OF PERFORMANCE: PERFORMANCE TARGETS AND RESULTS ACHIEVED TO DATE

### Non-financial performance:

<b>Taupō Airport Authority</b>		
<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 Taupō district and central north island		
<b>Performance targets</b>	<b>Results</b>	<b>Achievement</b>
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 and maintenance (2023: Achieved)
Meet all the operating, maintenance and interest costs from Airport revenue.	Achieved	Operating cash flow for the year was \$25k (2023: not achieved \$(227)k)
Manage Taupō Airport in full compliance with the approved operating procedures of Civil Aviation Authority Rule Part 139.	Achieved	CAA Rule Part 139 Compliant Successfully attained CAA Rule Part 139 recertification from July 2023 to July 2028 (2023: Achieved)
Complete the Airport apron extension project before June 2024.	Not Achieved	Now aiming for completion by 31 January 2025.

### Financial performance:

Consolidated shareholder funds to total assets 91.3% (2023: 88.3%) against a projected 95.2%.

## SUMMARY OF AIRCRAFT MOVEMENTS

For the year ended 30 June 2024

	Year to 30 June 2024	Year to 30 June 2023	Year to 30 June 2022	Year to 30 June 2021	Year to 30 June 2020
Scheduled airlines	2,305	2,225	1,824	2,016	2,278
Private operation	5,688	6,050	7,572	7,235	5,014
Parachuting	3,485	3,158	2,547	2,840	5,612
Military operations	0	0	6	16	12
Helicopters	6,293	5,928	5,567	4,875	4,642
	<b>17,771</b>	<b>17,361</b>	<b>17,516</b>	<b>16,982</b>	<b>17,558</b>

## CHAIRMANS REPORT

Taupo Airport Authority (TAA) operates a small regional airport in the centre of the North Island with daily commercial services to Auckland and Wellington as well as catering for regular jet charter aircraft. We are one of five joint venture airports in a partnership with the Ministry of Transport representing the Crown.

The new terminal has now been operating for 16 months and apart from some minor teething problems has been welcomed by the public as a warm and safe gateway to the region. The building is becoming a destination in its own right and for the non-traveller is providing a great place to visit, have a coffee and view the award winning architecture. During the year the airport won two awards including the New Zealand Airports Association's top prize in the commercial and non-aeronautical initiative of the year.

Towards the end of the year further development of the terminal building took place with the construction of a new baggage make-up extension and the installation of a Civil Aviation Authority compliant security fence and automatic gate to ensure that the apron is protected and secure. The final part of the terminal redevelopment project, the apron extension, has been deferred with construction due to be completed by the end of 2024.

The start of the year was a critical time for the airport as the Civil Aviation Authority carried out an extensive audit in connection with the airport's Part 139 aerodrome operator certification. Management's hard preparation work and a complete review of the airport's operating manuals resulted in a successful audit and the Part 139 operating certificate being renewed until July 2028.

A review of the general aviation aeronautical charges took place with extensive consultation between management and the local general aviation community. Following the final pricing determination, approval was sought from the Ministry of Transport. However, with a change in Government and substantial Ministerial questioning, the final approval came too late for the charges to be implemented during the year and these will now be effective from 1 July 2024.

Management has been working with Taupo District Council on a new software platform that will manage all the airport's leases and licences, allowing for easier reporting and financial accounting. Work will progress on this over the next financial year.

Committee members and management have been working on a 30-year strategy to help strengthen the airport and the region as a major tourist attraction in the North Island. Ten key opportunities were identified and prioritised, with further work on these being explored during FY2025. The early work on the long-term masterplan of the airport continues with the streamlining of the leases and a review of the land ownership and development within the airport boundaries.

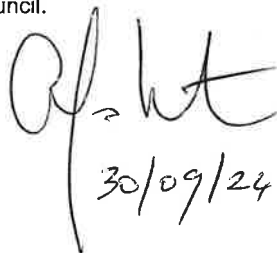
Management continue to streamline all systems within the business and have been successful in not only keeping costs under control but have also increased revenue, leading to the end of year airport results being in the black – a first for a number of years. Our forecasts show this positive cash-flow position will continue over the next financial year as we capture the increased revenue the new model allows.

The TAA Committee members would like to acknowledge the huge efforts put in by the management team along with the ongoing support from Taupo District Council.

Chris Johnston

Chairman

Taupo Airport Authority

  
30/09/24





**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS<sup>18</sup> OF TAUPO AIRPORT AUTHORITY'S FINANCIAL STATEMENTS AND  
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024**

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.

Opinion

We have audited:

- the financial statements of the Taupo Airport Authority on pages 9 to 29, that comprise the statement of financial position as at 30 June 2024, 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 page 9.

In our opinion:

- the financial statements of the Taupo Airport Authority:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; 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 Not For Profit Teir 2 PBE IPSAS-RDR; and
- the performance information of the Taupo Airport Authority presents fairly, in all material respects, the Taupo Airport Authority's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Taupo Airport Authority's objectives for the year ended 30 June 2024.

Our audit was completed on 30<sup>th</sup> September 2024. This is the date at which our opinion is expressed.

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

### **Basis for our opinion**

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

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

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

### **Responsibilities of the Board for the financial statements and the performance information**

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

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

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

The board's responsibilities arise from the Local Government Act 2002 and the Crown Entities Act 2004 and the Public Finance Act 1989.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers,<sup>21</sup> taken on the basis of these financial statements and the performance information.

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

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

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

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

We communicate with the 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 the Statement of Service Performance included on page 3 and the Chairmans Report on page 4, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements 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 Taupo Airport 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 issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Taupo Airport 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 2024

	Note	TAA		
		Actual 2024 \$	SOI 2024 \$	Actual 2023 \$
<b>Revenue</b>				
Revenue from services provided	4	1,255,088	1,190,778	586,095
Finance revenue	5	6,364	-	10,138
Insurance proceeds		13,660	-	-
<b>Total revenue</b>	15	<b>1,275,112</b>	<b>1,190,778</b>	<b>596,233</b>
<b>Expenditure</b>				
Personnel costs	6	271,473	276,089	264,019
Depreciation and amortisation expense	6	498,996	492,712	244,424
Loss on disposal of assets	11	804	-	99,984
Finance costs	5	13,351	17,160	9,223
Other expenses	6	755,629	701,027	476,348
<b>Total operating expenditure</b>	15	<b>1,540,253</b>	<b>1,486,988</b>	<b>1,093,997</b>
<b>Operating deficit before tax</b>		<b>(265,141)</b>	<b>(296,210)</b>	<b>(497,765)</b>
Income tax (expense)/credit	7	(1,661,628)	-	147,199
<b>Operating deficit after tax</b>		<b>(1,926,769)</b>	<b>(296,210)</b>	<b>(350,566)</b>
<b>Other comprehensive income</b>				
Property, plant & equipment revaluations		-	-	2,516,645
Deferred tax on revaluation	7	1,169	-	(704,661)
<b>Total other comprehensive income</b>		<b>1,169</b>	<b>-</b>	<b>1,811,984</b>
<b>Total comprehensive income</b>		<b>(1,925,600)</b>	<b>(296,210)</b>	<b>1,461,419</b>
<b>Total comprehensive revenue and expenses attributable to:</b>				
Taupo District Council		(962,800)	(148,105)	730,709
The Crown		(962,800)	(148,105)	730,709
		<b>(1,925,600)</b>	<b>(296,210)</b>	<b>1,461,419</b>

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 2024



	Note	TAA		
		Actual 2024 \$	SOI 2024 \$	Actual 2023 \$
<b>Net Assets/Equity at start of the year</b>	8	21,049,182	20,188,401	18,954,100
Total comprehensive revenue and expenses		(1,925,600)	(296,210)	1,461,419
Equity injections by Crown		806,067	-	153,663
Equity injections by Taupo District Council		-	-	480,000
<b>Balance at 30 June</b>	8	<b>19,929,649</b>	<b>19,892,191</b>	<b>21,049,182</b>

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

**Statement of Financial Position**  
As at 30 June 2024

	Note	TAA		
		Actual 2024 \$	SOI 2024 \$	Actual 2023 \$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	9	187,078	76,584	293,194
Trade and other receivables	10	172,535	106,703	77,326
Prepayments		14,717	50,000	10,597
<b>Total current assets</b>		<b>374,330</b>	<b>233,287</b>	<b>381,117</b>
<b>Non-current assets</b>				
Property, plant and equipment	11	23,271,139	20,664,761	23,461,250
Intangible assets	12	244	894	569
<b>Total non-current assets</b>		<b>23,271,383</b>	<b>20,665,655</b>	<b>23,461,819</b>
<b>Total assets</b>		<b>23,645,713</b>	<b>20,898,942</b>	<b>23,842,936</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	13	507,426	290,780	1,237,974
Employee entitlements	14	40,856	33,168	44,729
Provisions	16	3,729	3,729	3,729
<b>Total current liabilities</b>		<b>552,011</b>	<b>327,677</b>	<b>1,286,432</b>
<b>Non-current liabilities</b>				
Borrowings	17	200,000	100,000	200,000
Provisions	16	5,594	5,590	9,323
Deferred tax liabilities	7	2,958,459	573,484	1,298,000
<b>Total non-current liabilities</b>		<b>3,164,053</b>	<b>679,074</b>	<b>1,507,323</b>
<b>Total liabilities</b>		<b>3,716,064</b>	<b>1,006,751</b>	<b>2,793,755</b>
<b>Net assets (assets minus liabilities)</b>		<b>19,929,649</b>	<b>19,892,191</b>	<b>21,049,182</b>
<b>EQUITY</b>				
Equity interest of joint venture partners	8	13,751,315	13,679,248	12,945,248
Appropriation accounts	8	(513,836)	1,329,750	1,408,756
Asset revaluation reserve	8	6,692,170	4,883,193	6,695,177
<b>Total equity</b>		<b>19,929,649</b>	<b>19,892,191</b>	<b>21,049,182</b>

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

 30/9/2024  
 Chairman  
 30.9.2024  
 Committee Member

*Q a*



**Statement of Cashflows**

For the year ended 30 June 2024

	Note	TAA		
		Actual 2024	SOI 2024	Actual 2023
		\$	\$	\$
<b>Cash flows from operating activities</b>				
Receipts from customers		1,168,159	1,165,250	583,965
Finance revenue		6,364	-	10,138
Interest paid		(13,150)	(12,000)	(6,095)
Payments to suppliers		(858,064)	(790,052)	(679,253)
Payments to employees		(275,346)	(276,089)	(263,978)
Net GST (paid) / refunded		(2,787)	-	78,227
<b>Net cash flow from operating activities</b>		<b>25,176</b>	<b>87,108</b>	<b>(276,996)</b>
<b>Cash flows from investing activities</b>				
Purchase and development of property, plant and equipment		(937,359)	(120,000)	(3,589,167)
<b>Net cash flow from investing activities</b>		<b>(937,359)</b>	<b>(120,000)</b>	<b>(3,589,167)</b>
<b>Cash flows from financing activities</b>				
Equity injections		806,067	-	633,663
Related party loan		-	(100,000)	200,000
<b>Net cash flow from financing activities</b>		<b>806,067</b>	<b>(100,000)</b>	<b>833,663</b>
<b>Net decrease in cash held</b>		<b>(106,116)</b>	<b>(132,892)</b>	<b>(3,032,500)</b>
Add cash at start of year		293,194	209,476	3,325,694
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	8	<b>187,078</b>	<b>76,584</b>	<b>293,194</b>

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 2024

### 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 2024. The audited financial statements were approved by the Taupo Airport Authority Committee on 30 September 2024.

## 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 Airport Authorities Act 1966, and the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice (GAAP) in New Zealand. The financial statements have been prepared in accordance with Tier 2 RDR standards as total expenses are less than \$2m. These financial statements comply with Public Sector Public Benefit Entity (PS PBE) standards.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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

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

### Changes in accounting policies

There are no changes in accounting policies.

### 2.2 GST

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Commitments and contingencies are disclosed exclusive of GST.

### 2.3 Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from any services rendered (except as described above) is recognised in proportion to the stage of completion of the transaction at the balance date. The stage of completion is assessed by reference to surveys of work performed.

Landing revenue is recognised on a straight-line basis over the term of the payments.

Rental revenue from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Interest revenue is recognised as it accrues, using the effective interest method.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue is measured at fair value of consideration received.

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 credit card, EFTPOS, 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.

### 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% - 7.1%
Furniture and Fittings	4 - 20 Years	5.0% - 20.0%
Office Equipment and Plant and Equipment	4 - 50 Years	2.0% - 25.0%
Motor vehicles	5 Years	20.0%
<b>Infrastructural assets:</b>		
Runways	3 - Indefinite Years	0% - 33.3%
Roading Network	3 - Indefinite Years	0% - 33.3%
Stormwater	50 - 80 Years	1.3% - 2.0%
Footpaths	80 Years	1.3%
Kerbs	50 Years	2.0%
Fencing	5 - 15 Years	6.7% - 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 2022.

#### 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 2024 \$	Actual 2023 \$
Landing fees	776,758	223,244
Terminal passenger fees	-	73,633
Lease and terminal rent	320,309	245,234
Parking fees	122,843	41,162
Other services	35,178	2,821
<b>Total revenue from services provided</b>	<b>1,255,088</b>	<b>586,095</b>

**05. Finance revenue and expenses**

	Actual 2024 \$	Actual 2023 \$
<b>Finance revenue</b>		
Interest revenue	6,364	10,138
<b>Total finance revenue</b>	<b>6,364</b>	<b>10,138</b>
<b>Finance costs</b>		
Interest expense (to related party)	13,351	9,223
<b>Total finance costs</b>	<b>13,351</b>	<b>9,223</b>

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**06. Operating expenditure**

	<b>Actual 2024 \$</b>	<b>Actual 2023 \$</b>
<b>Employee benefit expenses</b>		
Salaries and wages	272,186	260,213
Increase/(decrease) in employee entitlements/liabilities	(3,873)	41
Defined contribution plan employer contributions	3,160	3,765
<b>Total employee benefit expenses</b>	<b>271,473</b>	<b>264,019</b>
Depreciation expense (refer note 11)	498,671	244,099
Amortisation expense (refer note 12)	325	325
<b>Total depreciation and amortisation</b>	<b>498,996</b>	<b>244,424</b>
Audit fees for financial statements	16,625	15,863
Landside maintenance	236,953	37,255
Airside maintenance	25,624	45,897
Terminal maintenance	3,573	1,796
Other maintenance	-	4,162
Airfield contractors	32,416	70,158
Electricity and gas	67,280	45,504
Materials and supplies	7,854	18,988
Professional services fees/legal fees	101,737	67,191
Accountancy & business services (TDC)	48,000	12,500
Vehicle running costs	2,846	3,616
Insurances	30,155	16,282
Cleaning	6,325	16,298
Equipment hire and rental fees	55,626	29,439
Rates	24,318	17,711
Software licenses	45,609	39,013
Impairment of receivables	3,483	-
Other expenses	47,205	34,676
<b>Total other expenses</b>	<b>755,629</b>	<b>476,348</b>

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**07. Income tax**

	Actual 2024 \$	Actual 2023 \$
<b>Components of tax expense/(credit)</b>		
Current tax	-	-
Deferred tax	1,661,628	(147,199)
<b>Tax expense/(credit)</b>	<b>1,661,628</b>	<b>(147,199)</b>
<b>Relationship between tax expense and accounting profit:</b>		
<b>Net deficit</b>	<b>(265,141)</b>	<b>(497,765)</b>
Tax calculated at 28%	(74,239)	(139,374)
<i>Plus (Less) tax effect of:</i>		
Removal of tax depreciation on buildings	1,728,817	-
Deferred tax adjustment	7,050	98
Non-taxable income	-	(7,923)
<b>Tax expense/(credit)</b>	<b>1,661,628</b>	<b>(147,199)</b>

On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed tax depreciation deductions for industrial and commercial buildings with an estimated tax useful life of 50 years or more, with effect from 2024/25 income tax year. Application of the enacted tax law has resulted in a \$1,729k increase in the recognition of deferred tax expense in the Statement of Comprehensive Income and a corresponding increase to the deferred tax liability recognised in the Statement of Financial Position.

**Deferred tax liability**

	Property, plant and equipment \$	Non- deductible provisions \$	Tax losses \$	Other \$	Total \$
<b>Balance at 1 July 2022</b>	(1,418,594)	6,137	671,666	251	(740,540)
Charged to surplus or deficit	58,927	2,692	85,562	20	147,201
Charged to other comprehensive income	(704,661)	-	-	-	(704,661)
<b>Balance at 30 June 2023</b>	<b>(2,064,328)</b>	<b>8,829</b>	<b>757,228</b>	<b>271</b>	<b>(1,298,000)</b>

	Property, plant and equipment \$	Non- deductible provisions \$	Tax losses \$	Other \$	Total \$
<b>Balance at 1 July 2023</b>	(2,064,328)	8,829	757,228	271	(1,298,000)
Charged to surplus or deficit	(1,695,165)	(2,385)	34,707	1,215	(1,661,628)
Charged to other comprehensive income	1,169	-	-	-	1,169
<b>Balance at 30 June 2024</b>	<b>(3,758,324)</b>	<b>6,444</b>	<b>791,935</b>	<b>1,486</b>	<b>(2,958,459)</b>

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

	Actual 2024 \$	Actual 2023 \$
Opening balance	7,103,902	6,623,902
Capital injections	-	480,000
<b>Closing balance</b>	<b>7,103,902</b>	<b>7,103,902</b>

**(ii) The Crown**

Opening balance	5,841,346	5,687,683
Capital injections	806,067	153,663
<b>Closing balance</b>	<b>6,647,413</b>	<b>5,841,346</b>
<b>Total closing balance of equity accounts</b>	<b>13,751,315</b>	<b>12,945,248</b>

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

Opening balance	2,029,009	2,204,292
Transfer from reserves for disposed/impaired assets	2,088	-
Share of net deficit	(963,384)	(175,283)
<b>Closing balance</b>	<b>1,067,713</b>	<b>2,029,009</b>

**(ii) The Crown**

Opening balance	(620,252)	(444,970)
Transfer from reserves for disposed/impaired assets	2,088	-
Share of net deficit	(963,385)	(175,283)
<b>Closing balance</b>	<b>(1,581,549)</b>	<b>(620,252)</b>
<b>Total closing balance of appropriation accounts</b>	<b>(513,836)</b>	<b>1,408,756</b>

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

<b>Opening Balance</b>	6,695,177	4,883,193
Revaluation gains/(losses)	-	2,516,645
Deferred tax on revaluation	-	(704,661)
Transfers out of reserves on disposal/impairment of property	(4,176)	-
Deferred tax on transfers out of reserves	1,169	-
<b>Closing Balance</b>	<b>6,692,170</b>	<b>6,695,177</b>

Represented by:

**Operational assets:**

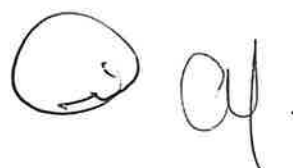
Land	2,389,772	2,389,772
Buildings	53,867	82,967
Fencing	73,669	73,669

**Infrastructure assets:**

Roading & streetlighting	736,941	736,941
Stormwater	89,767	86,874
Runways	3,348,154	3,324,954
<b>Total asset revaluation reserves</b>	<b>6,692,170</b>	<b>6,695,177</b>

**Total Equity**

<b>19,929,649</b>	<b>21,049,182</b>
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**09. Cash and cash equivalents**

	Actual 2024 \$	Actual 2023 \$
Call deposits	187,078	293,194
<b>Total cash and cash equivalents used in statement of cashflows</b>	<b>187,078</b>	<b>293,194</b>

**10. Trade and other receivables**

	Actual 2024 \$	Actual 2023 \$
Trade receivables	165,324	52,468
Other	10,694	19,944
Receivables prior to impairment	176,018	72,412
Less: Allowance for doubtful debt	(3,483)	-
<b>Total current net trade and other receivables</b>	<b>172,535</b>	<b>72,412</b>
<b>Total debtors and other receivables from exchange transactions</b>	<b>165,324</b>	<b>52,876</b>
<b>Total current net trade and other receivables from non-exchange transactions</b>	<b>7,211</b>	<b>24,450</b>
<b>Total current net trade and other receivables</b>	<b>172,535</b>	<b>77,326</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.

**Bad and doubtful trade receivables**

The Airport has recognised a loss of \$3,483 (2023: \$nil) in respect of bad and doubtful trade receivables during the year ended 30 June 2024. 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 2024 are detailed below:

	Actual 2024 \$	Actual 2023 \$
Current	130,018	63,159
Past due 1-30 days	17,919	5,946
Past due 31-60 days	14,467	1,022
Past due 61+ days	10,131	2,285
<b>Total Net receivables</b>	<b>172,535</b>	<b>72,412</b>

11. Property, plant and equipment

	Operating assets					Infrastructural assets				Restricted assets	Total assets
	Buildings	Office furniture & fittings	Motor vehicles	Work in progress	Total	Roading	Storm-water	Runways	Total	Land	
<b>As at 30 June 2024</b>											
<b>Cost</b>											
Opening cost	8,229,100	129,646	40,954	-	8,399,700	3,695,489	208,341	6,293,352	10,197,182	5,217,000	23,813,882
Additions	630	107,458	-	124,873	232,961	74,249	-	2,153	76,402	-	309,363
Disposals	(86,941)	(23,506)	-	-	(110,447)	-	-	-	-	-	(110,447)
Transfer between classes	(502,098)	560,244	-	7,500	65,646	(55,525)	-	(10,121)	(65,646)	-	-
<b>Closing cost</b>	<b>7,640,691</b>	<b>773,842</b>	<b>40,954</b>	<b>132,373</b>	<b>8,587,860</b>	<b>3,714,213</b>	<b>208,341</b>	<b>6,285,384</b>	<b>10,207,938</b>	<b>5,217,000</b>	<b>24,012,798</b>
<b>Accumulated depreciation</b>											
Opening accumulated depreciation	(134,236)	(112,634)	(32,103)	-	(278,973)	(8,088)	1	(65,573)	(73,659)	-	(352,632)
Depreciation expense	(162,050)	(68,118)	(5,591)	-	(235,760)	(96,306)	(2,604)	(164,000)	(262,910)	-	(498,671)
Disposals	86,941	22,702	-	-	109,643	-	-	-	-	-	109,643
Transfer between classes	2,695	(2,695)	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>(206,650)</b>	<b>(160,745)</b>	<b>(37,694)</b>	<b>-</b>	<b>(405,090)</b>	<b>(104,393)</b>	<b>(2,604)</b>	<b>(229,573)</b>	<b>(336,570)</b>	<b>-</b>	<b>(741,659)</b>
<b>Total carrying amount at 30 June 2024</b>	<b>7,434,041</b>	<b>613,097</b>	<b>3,260</b>	<b>132,373</b>	<b>8,182,770</b>	<b>3,609,819</b>	<b>205,737</b>	<b>6,055,812</b>	<b>9,871,368</b>	<b>5,217,000</b>	<b>23,271,139</b>
<b>As at 30 June 2023</b>											
<b>Cost</b>											
Opening cost	303,258	129,646	40,954	5,380,030	5,853,888	1,427,449	185,387	4,909,104	6,521,940	5,217,000	17,592,828
Additions	7,925,842	-	-	(5,380,030)	2,545,812	1,575,647	-	134,238	1,709,885	-	4,255,697
Disposals	-	-	-	-	-	(106,354)	-	-	(106,354)	-	(106,354)
Revaluation	-	-	-	-	-	798,747	22,954	1,250,010	2,071,711	-	2,071,711
<b>Closing cost</b>	<b>8,229,100</b>	<b>129,646</b>	<b>40,954</b>	<b>-</b>	<b>8,399,700</b>	<b>3,695,489</b>	<b>208,341</b>	<b>6,293,352</b>	<b>10,197,182</b>	<b>5,217,000</b>	<b>23,813,882</b>
<b>Accumulated depreciation</b>											
Opening accumulated depreciation	(89,934)	(107,208)	(26,512)	-	(223,654)	(31,977)	(2,317)	(301,890)	(336,184)	-	(559,838)
Depreciation expense	(44,302)	(5,426)	(5,591)	-	(55,319)	(33,858)	(2,317)	(152,605)	(188,780)	-	(244,099)
Disposals	-	-	-	-	-	6,370	-	-	6,370	-	6,370
Revaluation	-	-	-	-	-	51,377	4,635	388,922	444,934	-	444,934
<b>Closing accumulated depreciation</b>	<b>(134,236)</b>	<b>(112,634)</b>	<b>(32,103)</b>	<b>-</b>	<b>(278,973)</b>	<b>(8,088)</b>	<b>1</b>	<b>(65,573)</b>	<b>(73,659)</b>	<b>-</b>	<b>(352,632)</b>
<b>Total carrying amount at 30 June 2023</b>	<b>8,094,864</b>	<b>17,012</b>	<b>8,851</b>	<b>-</b>	<b>8,120,727</b>	<b>3,687,401</b>	<b>208,342</b>	<b>6,227,780</b>	<b>10,123,523</b>	<b>5,217,000</b>	<b>23,461,250</b>

## 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 \$804 (2023: \$100k).

### Leasing

TAA has no plant and equipment held under finance leases (2023: \$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 2024	Actual 2023
	\$	\$
<b>Cost</b>		
Opening cost at 1 July	11,982	11,982
Disposals	(10,681)	-
<b>Closing cost at 30 June</b>	<b>1,301</b>	<b>11,982</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation at 1 July	(11,413)	(11,088)
Amortisation expense	(325)	(325)
Disposals	10,681	-
<b>Closing accumulated amortisation at 30 June</b>	<b>(1,057)</b>	<b>(11,413)</b>
<b>Total carrying amount at 30 June</b>	<b>244</b>	<b>569</b>

## 13. Trade and other payables

	Actual 2024	Actual 2023
	\$	\$
Trade payables	76,447	12,780
Trade payables to Related parties	310,846	1,092,007
Accrued expenses	60,767	59,498
Revenue in advance	59,366	68,775
<b>Total creditors and other payables</b>	<b>507,426</b>	<b>1,233,060</b>
<b>Total creditors and other payables from exchange transactions</b>	<b>444,107</b>	<b>1,163,323</b>
<b>Total creditors and other payables from non-exchange transactions</b>	<b>63,319</b>	<b>74,651</b>
<b>Total current creditors and other payables from exchange and non-exchange transactions</b>	<b>507,426</b>	<b>1,237,974</b>

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 2024	Actual 2023
	\$	\$
<b>Current portion</b>		
Accrued pay	5,214	8,197
Annual leave	28,498	29,598
Lieu leave	1,191	1,238
Long service leave	5,953	5,696
<b>Total current portion</b>	<b>40,856</b>	<b>44,729</b>
<b>Total employee entitlements</b>	<b>40,856</b>	<b>44,729</b>

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

**15. Explanation of major variances against budget**

	<b>Actual 2024 \$</b>	<b>SOI 2024 \$</b>
Total revenue	1,275,112	1,190,778
Total expenditure	(1,540,253)	(1,486,988)
Deficit before tax	<b>(265,141)</b>	<b>(296,210)</b>

**Explanations for major variations from the Statement of Intent**

**Main variances in revenue against budget**

**Landing fees**

Due to increased commercial rates

776,758	719,657
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**Lease and terminal rent**

Higher due to CPI adjustments on several tenancies

320,309	294,729
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**Carpark Revenue**

Lower car park revenue due to lower than forecast occupancy

122,843	148,892
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**Other**

55,202	27,500
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<b>1,275,112</b>	<b>1,190,778</b>
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**Main variances in expense against budget**

**Insurance**

Higher than expected insurance premiums for the new terminal

30,155	13,740
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**Electricity**

Higher than expected electricity costs in new terminal

67,280	55,500
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**Software licenses**

Implementation of new risk management software

45,609	33,820
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**Maintenance - landside**

Carpark equipment repairs and airside maintenance actuals coding different to SOI

236,953	152,000
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**Maintenance - airside**

Actuals coded to landside maintenance different to SOI

25,624	86,500
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**Professional services fees**

Delay in the timing of district plan designation submission and assistance with CCO formation

101,737	146,000
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**Other**

1,032,895	999,428
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<b>1,540,253</b>	<b>1,486,988</b>
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**16. Provisions**

	<b>Actual 2024 \$</b>	<b>Actual 2023 \$</b>
<b>Current</b>		
Other provisions	3,729	3,729
<b>Total current provisions</b>	<b>3,729</b>	<b>3,729</b>
<b>Non-current</b>		
Other provisions	5,594	9,323
<b>Total non-current provisions</b>	<b>5,594</b>	<b>9,323</b>
<b>Total provisions</b>	<b>9,323</b>	<b>13,052</b>
<b>Movement in other provisions is as follows:</b>		
Opening balance at 1 July	13,052	16,781
Amounts used	(3,729)	(3,729)
Closing balance at 30 June	<b>9,323</b>	<b>13,052</b>

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. Borrowings**

	<b>Actual 2024</b>	<b>Actual 2023</b>
<b>Non-current</b>		
Borrowings	200,000	200,000
<b>Total non-current provisions</b>	<b>200,000</b>	<b>200,000</b>

TAA has a Loan Facility agreement with Taupo District Council, signed in July 2022. 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%).

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## 18. Related party transactions

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

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

Equity injections were made during the financial year of \$806,067 by Taupo District Council (2023: \$0.48m) and by the Crown (2023: \$154k).

### Key management personnel

	Actual 2024	Actual 2023
Airport General Manager	1	1
Total full-time equivalent Committee Members	5	5
<b>Total</b>	<b>6</b>	<b>6</b>

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.

## 19. Capital and operational commitments and operating leases

As at 30 June 2024 TAA has a capital commitment of \$59,149 in relation to the apron extension and \$41,653 for the new baggage shed being built next to the new terminal. (2023: \$Nil).

As at 30 June 2024 TAA had operating lease commitments of \$184,938 (2023: \$237,777) and no operating leases as lessee (2023: \$Nil).

### 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:

	Actual 2024 \$	Actual 2023 \$
Not later than one year	277,894	252,590
Later than one year and not later than five years	430,355	595,357
Later than five years	47,556	84,676
<b>Total non-cancellable operating leases</b>	<b>755,805</b>	<b>932,623</b>

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

## 20. Contingencies

As at 30 June 2024 the Airport had no contingent assets (2023: \$Nil).

In April 2021, damage was caused to an aircraft's propeller following a single aircraft incident on the taxiway at Taupo Airport. An independent safety investigation was undertaken shortly after the incident which indicated pilot error. In April 2022 TAA received a demand to reimburse the pilot the costs incurred to repair the aircraft. At this point, TAA cannot reliably determine whether a liability exists, in any case TAA has insurance coverage for this event so TAA exposure is expected to be minimal.

## 21. Financial instruments

### Financial instrument categories

#### Assets

Cash and cash equivalent

Receivables

**Total assets at 30 June**

#### Liabilities

Payables and accruals

**Total liabilities at 30 June**

	Loans and receivables 2024 \$	Loans and receivables 2023 \$
	187,078	293,194
	172,535	72,412
	<b>359,613</b>	<b>365,606</b>
	Measured at amortised cost 2024 \$	Measured at amortised cost 2023 \$
	137,214	72,278
	<b>137,214</b>	<b>72,278</b>

## 22. Events after balance date

There were no other subsequent events after 30 June 2024.