

# ***Whangarei District Airport Half-yearly Report***

***For the period of 1 July 2021 to 31 December 2021***

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## 1 Comparison of Performance Against Objectives

Objective	Commentary
1. To achieve the objectives of Whangarei District Council and the Ministry of Transport.	This includes achieving both the commercial and non-commercial objectives that are outlined in this statement of intent.
2. To operate a fully serviceable District Airport.	The Airport will operate as a fully serviceable District Airport for the use of visitors, residents and ratepayers.
3. To provide a good work environment.	The Airport will be fair to its contractors and users and maintain a good working environment.
4. To exhibit a sense of social and environmental responsibility.	The Airport operates with regard to appropriate environmental practices, legislation, and in recognition of the designation requirements of the District Plan.
5. Airport operation will meet the needs of aviation operators and their customers.	The short and long-term objectives of Airport operation will meet the needs of scheduled and non-scheduled aviation operators and their customers.
6. Health and safety standards are promoted and maintained.	This includes recognising the New Zealand Civil Aviation Authority health safety requirements and other requirements.

## 2 Comparison of Performance Against Performance Measures

Performance Measure	2021/22 Target	Commentary
To achieve the objectives of WDC and the MoT.	To operate within agreed financial budgets. Actual spend ≤ budget.	Forecast to achieve \$58k unfavourable variance against budget
To operate a fully serviceable District Airport.	To encourage new business development and existing business expansion by engaging alternative aviation and airport service providers and enabling business to grow through lease management and land use consent process.	Covid-19 has forced focus onto maintaining the status quo and ensuring continuity with existing businesses
To provide a good working environment.	Maintain user satisfaction through achieving satisfactory and very satisfactory ratings on the annual user survey. >75%	Annual survey scheduled for May/June 2022
To exhibit a sense of social and environmental responsibility	Maintain best Practise noise management process Explore sustainability opportunities	Airport operational procedures are designed to take neighbour needs into consideration
Airport operation will meet the needs of aviation	Maintain Airport Certification by continuing to meet certification	Implementation of Rescue Fire Fighting

<p>operators and their customers.</p>	<p>standards required by the Civil Aviation Authority</p> <p>Meet required legislative timeframes under the LGA and CAA.</p>	<p>Service (RFS) part of ongoing CAA compliance and certification.</p>
<p>Health and safety standards are promoted and maintained.</p>	<p>Maintain an effective Safety Management System.</p> <ul style="list-style-type: none"> <li>• Annual management review</li> <li>• Annual training schedule is up to date</li> <li>• Airport Safety meetings every 10 weeks</li> <li>• Three operator meetings per year.</li> </ul>	<p>Full time Airport Safety Manager role now in place. Incident free year but ongoing management of bird strikes continues to be a challenge.</p>

**Whangarei District Airport  
Financial statements  
for the year ended  
31 December 2021**

# Whangarei District Airport

## Financial statements - 31 December 2021

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## Entity Information

### Legal name

Whangarei District Airport (the Airport).

### Type of entity and legal basis

The Airport is a Council controlled organisation as defined under section 6 of the Local Government Act 2002. The Airport is administered by the Whangarei District Council in a joint venture operation with the Ministry of Transport and is domiciled in New Zealand.

The Airport acts as a gateway to the Whangarei District and Northland, and is provided for the use of visitors, residents and ratepayers of the Whangarei District.

### The Airport's purpose

The Airport's primary objective is to operate a fully serviceable airport for the use of visitors, residents and ratepayers of the Whangarei District.

### Structure of the Airport's operations, including governance arrangements

The Whangarei District Council has overall responsibility for the management and governance of the Airport. Council is delegated the responsibility of Governance, while the operational management of the Airport is controlled by way of a contract with Northland Aviation Limited.

### Main sources of the Airport's cash and resources.

Revenue from operations are the primary sources of funding to the Airport.

### Authorisation

The Board of Whangarei District Airport authorised these financial statements presented on the following pages 3 to 13.

For and on behalf of the Board:

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S Mai  
Mayor

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S Deeming  
Chair - Strategy, Planning & Development  
Committee

**Whangarei District Airport**  
**Statement of financial performance**  
**For the six months ended**  
**31 December 2021**

**Statement of financial performance**  
For the six months ended 31 December

	31 December 2021 Actual \$	30 June 2022 Budget \$	30 June 2021 Actual \$
Note			
<b>Revenue</b>			
Revenue from operations	380,749	681,000	682,522
Interest revenue	<u>450</u>	<u>500</u>	<u>1,265</u>
<b>Total revenue</b>	<b><u>381,199</u></b>	<b><u>681,500</u></b>	<b><u>683,787</u></b>
<b>Expenditure</b>			
Repairs and maintenance	32,946	158,672	121,853
Management fee	174,966	333,588	317,200
Depreciation and amortisation	8 103,046	219,465	208,121
Other expenses	4 <u>112,886</u>	<u>221,675</u>	<u>210,986</u>
<b>Total operating expenditure</b>	<b><u>423,844</u></b>	<b><u>933,400</u></b>	<b><u>858,160</u></b>
<b>Surplus/(deficit) before tax</b>	<b>(42,645)</b>	<b>(251,900)</b>	<b>(174,373)</b>
Income tax expense	5 <u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus/(deficit) after tax</b>	<b><u>(42,645)</u></b>	<b><u>(251,900)</u></b>	<b><u>(174,373)</u></b>

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



**Whangarei District Airport**  
**Statement of financial position**  
**As at 31 December 2021**

**Statement of financial position**  
As at 31 December 2021

	Note	31 December 2021 Actual \$	30 June 2022 Budget \$	30 June 2021 Actual \$
<b>ASSETS</b>				
<b>Current assets</b>				
Bank accounts and cash	6	357,344	16,926	415,420
Debtors	7	56,117	78,047	57,052
Provision for income tax		-	-	-
<b>Total current assets</b>		<u>413,461</u>	<u>94,973</u>	<u>472,472</u>
Property, plant and equipment	8	4,163,939	4,133,305	4,117,934
<b>Total non-current assets</b>		<u>4,163,939</u>	<u>4,133,305</u>	<u>4,117,934</u>
<b>Total assets</b>		<u>4,577,400</u>	<u>4,228,278</u>	<u>4,590,406</u>
<b>LIABILITIES</b>				
Creditors and other payables	9	206,167	105,000	169,529
<b>Total current liabilities</b>		<u>206,167</u>	<u>105,000</u>	<u>169,529</u>
<b>Non-current liabilities</b>				
<b>Total non-current liabilities</b>		-	-	-
<b>Total liabilities</b>		<u>206,167</u>	<u>105,000</u>	<u>169,529</u>
<b>ASSETS LESS LIABILITIES</b>		<u>4,371,233</u>	<u>4,123,278</u>	<u>4,420,877</u>
<b>ACCUMULATED FUNDS</b>				
Retained earnings	10	1,088,041	840,086	1,137,685
Contributed Capital	10	3,283,192	3,283,192	3,283,192
<b>Total equity</b>		<u>4,371,233</u>	<u>4,123,278</u>	<u>4,420,877</u>

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

**Whangarei District Airport  
Cash flow statement  
For the six months ended  
31 December 2021**

**Cash flow statement**

For the year ended 31 December 2021

	<b>31 December 2021 Actual \$</b>	<b>30 June 2021 Actual \$</b>
<b>Cash flows from operating activities</b>		
Revenue from operations	351,055	704,810
Interest received	<u>516</u>	<u>1,511</u>
	<b><u>351,571</u></b>	<b><u>706,321</u></b>
<b>Cash was applied to / from</b>		
Payments to suppliers	(252,258)	(674,759)
Income tax paid	-	-
Goods and services tax (net)	<u>(8,338)</u>	<u>8,837</u>
Total cash provided to operating activities	<b><u>260,596</u></b>	<b><u>665,922</u></b>
<b>Net cash flow from operating activities</b>	<b><u>90,975</u></b>	<b><u>40,399</u></b>
Purchase and development of property, plant and equipment	<u>(149,051)</u>	<u>(21,968)</u>
<b>Net cash flow from investing activities</b>	<b><u>(149,051)</u></b>	<b><u>(21,968)</u></b>
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	<b>(58,076)</b>	18,431
<b>Bank accounts and cash, and bank overdrafts at the beginning of the year:</b>	<b><u>415,420</u></b>	<b><u>396,988</u></b>
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	<b><u>357,344</u></b>	<b><u>415,419</u></b>

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

## **1 Statement of accounting policies for the year ended 31 December 2021**

### **1.1 Reporting entity**

The Whangarei District Airport is a Council controlled organisation as defined under section 6 of the Local Government Act 2002. The Airport is administered by the Whangarei District Council in a joint venture operation with the Ministry of Transport and is domiciled in New Zealand.

## **2 Significant accounting policies**

### **2.1 Basis of preparation**

**All transactions in the financial statements are reported using the accrual basis of accounting.**

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Airport will continue to operate in the foreseeable future.

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting Accrual (Public Sector) on the basis that the Airport does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

### **Goods and services tax**

The Airport is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$) . The functional currency of the Entity is New Zealand dollars.

The financial statements are presented in New Zealand dollars.

### **2.2 Revenue and expenses**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

#### **(i) Grants**

Council, government, and non-government grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

#### **(ii) Interest income**

Interest revenue is recorded as it is earned during the year.

#### **(iii) Sale of services**

Revenue from the sale of services is recognised when the services are provided to the customer.

#### **(iv) Administration, overheads and other costs.**

These are expensed when the related service has been received.

### **2.3 Income tax**

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

### **2.4 Bank accounts and cash**

Bank accounts and cash include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as current liabilities in the statement of financial position.

## **2 Significant accounting policies (continued)**

### **2.5 Debtors**

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a doubtful debt expense.

### **2.6 Property, plant and equipment**

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses.

#### **(i) Asset sales**

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

#### **(ii) Use of assets**

For an asset to be used by the Airport, the asset is impaired if the value to the Airport in using the asset falls below the carrying amount of the asset.

### **Depreciation**

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives of major classes of assets have been estimated as follows:

<b>Class of PP&amp;E</b>	<b>Estimated useful life</b>
Land	Indefinite
Airside	0-140 years
Buildings	4-40 years
Landside	0-140 years
Sundries	5-67 years
Services	0-40 years

### **2.7 Investments**

**Investments comprise investments in terms deposits with banks.**

Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

### **2.8 Creditors and accrued expenses**

Creditors and accrued expenses are measured at the amount owed.

### **2.9 Lease expense**

Lease payments are recognised as an expense on a straight-line basis over the lease term.

### **2.10 Tier 2 PBE Accounting Standards applied**

The Airport has not applied any Tier 2 Accounting Standards in preparing its financial statements.

### **2.11 Changes in Accounting Policies**

There are no changes in accounting policies.

### 3 Revenue from operations

	December 2021	Budget 2022	Actual 2021
	\$	\$	\$
Landing fees	121,958	350,000	298,596
Rent received	181,254	170,000	212,052
Operating expenses recoveries	19,423	30,000	46,687
Other revenue	-	11,000	7,776
Parking Revenue	58,114	120,000	117,411
<b>Total revenue from operations</b>	<b><u>380,749</u></b>	<b><u>681,000</u></b>	<b><u>682,522</u></b>

### 4 Other expenses

	December 2021	Budget 2022	Actual 2021
	\$	\$	\$
Cleaning	8,255	23,000	20,682
Electricity	16,996	30,000	16,652
Auditors fees for 2021 financial statements	11,877	23,753	24,168
Other expenses	75,758	144,922	149,442
Bad debts written off	-	-	600
Movement in doubtful debt provision	-	-	(558)
<b>Total other expenses</b>	<b><u>112,886</u></b>	<b><u>221,675</u></b>	<b><u>210,986</u></b>

### 5 Income tax - not calculated for half yearly accounts

	December 2021 Actual \$	June 2021 Actual \$
<b>Relationship between tax expense and accounting profit</b>		
Accounting surplus/(deficit) before tax	(42,645)	(174,373)
Plus / (Less): adjustment for non-tax deductible items	<u>-</u>	<u>-</u>
Tax at 28%	(11,941)	(48,824)
Plus/(less) tax effect of:		
Tax losses utilised	11,941	48,824
Tax losses carried forward	<u>-</u>	<u>-</u>
<b>Tax expense</b>	<b><u>-</u></b>	<b><u>-</u></b>

**6 Bank accounts and cash**

	<b>December 2021 Actual \$</b>	June 2021 Actual \$
Bank deposits	166,522	266,007
Bank balances	<u>190,822</u>	<u>149,413</u>
<b>Total bank accounts and cash</b>	<b><u>357,344</u></b>	<b><u>415,420</u></b>

**Cash at bank and on hand**

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

**7 Debtors and other receivables**

	<b>December 2021 Actual \$</b>	June 2021 Actual \$
Debtors and other receivables	56,117	57,052
Provision for doubtful receivables	<u>-</u>	<u>-</u>
<b>Net debtors</b>	<b><u>56,117</u></b>	<b><u>57,052</u></b>

## 8 Property, plant and equipment

	Work in progress \$	Land \$	Landside \$	Buildings \$	Airside \$	Services \$	Sundries \$	Total \$
<b>Year ended 30 June 2021</b>								
Opening carrying amount	-	810,000	486,122	707,078	2,170,489	33,883	96,517	4,304,089
Additions	3,867	-	-	-	12,000	-	2,500	18,367
Depreciation charge	-	-	(28,538)	(51,447)	(107,028)	(2,489)	(18,619)	(208,121)
<b>Balance at 30 June 2021</b>	<b>3,867</b>	<b>810,000</b>	<b>457,584</b>	<b>655,631</b>	<b>2,075,461</b>	<b>31,394</b>	<b>80,398</b>	<b>4,114,335</b>
	Work in progress	Land	Landside	Buildings	Airside	Services	Sundries	Total
<b>2021</b>								
<b>Six months ended 31 December 2021</b>								
Opening balance	3,867	810,000	457,584	655,631	2,075,461	31,394	80,398	4,114,335
Additions	149,050	-	-	-	-	-	-	149,050
Loss on disposal	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(14,238)	(26,016)	(53,785)	(1,116)	(7,890)	(103,045)
<b>As at 31 December 2021</b>	<b>152,917</b>	<b>810,000</b>	<b>443,347</b>	<b>629,504</b>	<b>2,025,386</b>	<b>30,278</b>	<b>72,507</b>	<b>4,163,939</b>

There are no restrictions over the title of the Airport's property, plant and equipment, nor is any property, plant and equipment pledged as security for liabilities.

## 9 Creditors and accrued expenses

	December 2021 Actual \$	June 2021 Actual \$
Accrued expenses	62,531	112,580
Trade creditors and other payables	8,735	13,665
Rents in advance	-	43,284
Short term loan - Whangarei District Council	<u>134,901</u>	<u>-</u>
<b>Total creditors and accrued expenses</b>	<b><u>206,167</u></b>	<b><u>169,529</u></b>

Creditors and accrued expenses are non-interest bearing and normally settled 30 day terms. Therefore the carrying value of creditors, accrued expenses and rents in advance approximate their fair value.

## 10 Equity

	December 2021 Actual \$	June 2021 Actual \$
Retained earnings	1,088,041	1,137,685
Contributed Capital	<u>3,283,192</u>	<u>3,283,192</u>
<b>Balance at 31 December 2021</b>	<b><u>4,371,233</u></b>	<b><u>4,420,877</u></b>

### Retained Earnings

	December 2021 Actual \$	June 2021 Actual \$
Balance at 1 July 2021	1,130,686	1,312,058
Surplus/(deficit) for the year	<u>(42,645)</u>	<u>(174,373)</u>
<b>Balance at 30 December 2021</b>	<b><u>1,088,041</u></b>	<b><u>1,137,685</u></b>

### Contributed Capital

	December 2021 Actual \$	June 2021 Actual \$
Loans Repaid	256,512	256,512
Local Community	12,500	12,500
Ministry of Transport	1,987,834	1,987,834
Whangarei District Council	<u>1,026,346</u>	<u>1,026,346</u>
<b>Balance at 31 December 2021</b>	<b><u>3,283,192</u></b>	<b><u>3,283,192</u></b>

## 11 Contingencies

The Airport has no contingent liabilities (2021: nil) and no contingent assets (2021: nil).



## **12 Commitments**

The Airport has no capital commitments (2021: \$Nil).

## **13 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.

All related party transactions have been entered into at arm's length.

Whangarei District AirportForecasting 2021-22

Up to and including period 6

<b>Revenue</b>	<b>Actuals YTD</b>	<b>Full year forecast</b>	<b>Full year budget</b>	<b>Variance</b>	<b>Commentary</b>
Gate Revenue	58,114	116,229	120,000	(3,771)	
User Fee/Charge	121,958	243,916	350,000	(106,084)	During the lock down Air NZ ran only 1 or 2 flights and some of those cancelled. Very slow recovery right up until 15 December. General Aviation even more so.
Misc Income	-	8,000	11,000	(3,000)	advertising being sold a bit cheaper
Operational Recoveries	19,423	164,516	30,000	134,516	Additional revenue as result of RFS
Other Rentals	181,254	190,000	170,000	20,000	We have more sites leased and prices at renewals have also increased. Two renewals are back dated.
Invest Interest	450	899	500	399	
<b>Total Income</b>	<b>381,199</b>	<b>723,560</b>	<b>681,500</b>	<b>42,060</b>	
<b>Expenditure</b>					
Learning & Development	-	6,500	2,500	(4,000)	Training course for RFS
Administration	-	-	200	200	
Refreshments Provided	643	1,286	1,000	(286)	
General Misc	4,842	4,842	5,000	158	
Telephones	31	1,600	1,698	98	
Insurance	-	27,253	20,122	(7,132)	Additional insurance for RFS fire truck and back up truck
Other Subscript	5,611	5,611	-	(5,611)	
Advert Other	2,397	4,795	5,000	205	
Rates Paid	11,310	22,619	23,001	382	
Electricity	16,996	30,000	30,000	-	
Water Rates Paid	(570)	1,840	1,840	-	
Certification	-	2,000	2,000	-	
Weather Forecas	1,620	3,240	5,000	1,760	
Travelling	1,730	6,313	3,000	(3,313)	Attending a course for RFS
Gifts & Promos	92	92	-	(92)	
Signs Exp	-	800	800	-	
Pest Control	984	1,969	4,245	2,276	
Cleaning Consumables	2,176	4,352	5,305	953	
Management Fee	174,966	424,362	345,088	(79,274)	Additional staff for RFS
H&S Compliance	1,292	2,585	4,000	1,415	
Vehicle Running	166	4,000	3,500	(500)	
Bank Fees/Charges	3,863	7,725	7,500	(225)	
COVID 19-relief	4,613	4,613	-	(4,613)	Rent relief provided to tenants
Cleaning	8,255	17,509	23,000	5,491	
Security	5,689	11,378	10,404	(974)	
Payments to Ext	2,160	4,321	-	(4,321)	
Legal Fees	-	-	2,000	2,000	
Other Professional fees	24,899	121,527	15,000	(106,527)	Setup costs for RFS, Landing fees review, Aeronautical Safety Study and Design for upgrading of Taxiway for fire truck use
Audit -External	11,877	23,753	23,753	-	
Runway Maintenance	6,091	10,612	10,612	-	
Drainage	-	-	5,306	5,306	
R&M Buildings	356	712	5,000	4,288	
Hired Plant Interior	650	1,299	-	(1,299)	
Uniforms	-	5,400	-	(5,400)	Uniforms for RFS
R&M Gardens	11,584	25,000	35,000	10,000	
R&M Fence	321	3,500	5,000	1,500	
Sealed Area R&M	-	-	55,000	55,000	
R&M: Lighting	3,885	20,000	26,530	6,530	
R&M: Other	11,067	12,000	26,530	14,530	
Depreciation	103,046	206,091	219,465	13,374	
Minor Asset Pur	1,203	2,407	-	(2,407)	
<b>Total Expenditure</b>	<b>423,845</b>	<b>1,033,907</b>	<b>933,400</b>	<b>(100,507)</b>	
<b>Net Profit / (Loss)</b>	<b>(42,645)</b>	<b>(310,347)</b>	<b>(251,900)</b>	<b>(58,447)</b>	
WDA Operations	(6,630)	(274,759)	(251,900)	(22,860)	
Rescue Fire Services	(36,016)	(35,588)	-	(35,588)	