

**Whangarei District Airport  
Financial statements  
For the six months ended  
31 December 2020**

# Whangarei District Airport

## Financial statements - 31 December 2020

### Contents

	Page
Entity Information	2
Financial statements	
Statement of financial performance	3
Statement of financial position	4
Cash flow statement	5
Notes to the financial statements	
1 Statement of accounting policies for the six months ended 31 December 2020	6
2 Significant accounting policies	6
3 Revenue from operations	8
4 Other expenses	8
5 Income tax - not calculated for half yearly accounts	8
6 Bank accounts and cash	9
7 Debtors and other receivables	9
8 Property, plant and equipment	10
9 Creditors and accrued expenses	11
10 Equity	11
11 Contingencies	11
12 Commitments	12
13 Related party transactions	12

## 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 12

For and on behalf of the Board:

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S Mai  
Mayor

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S Deeming  
Chair - Strategy, Planning and Development  
Committee

**Whangarei District Airport**  
**Statement of financial performance**  
**For the six months ended**  
**31 December 2020**

**Statement of financial performance**  
For the six months ended 31 December 2020

	31 December 2020	30 June 2021	30 June 2020
Note	Actual \$	Budget \$	Actual \$
<b>Revenue</b>			
Revenue from operations	293,420	417,838	622,975
Interest revenue	<u>547</u>	<u>500</u>	<u>4,049</u>
<b>Total revenue</b>	<b><u>293,967</u></b>	<b><u>418,338</u></b>	<b><u>627,024</u></b>
<b>Expenditure</b>			
Repairs and maintenance	24,442	98,000	73,465
Management fee	147,688	338,982	284,020
Depreciation and amortisation	104,783	221,625	206,396
Other expenses	<u>84,338</u>	<u>168,657</u>	<u>257,588</u>
<b>Total operating expenditure</b>	<b><u>361,251</u></b>	<b><u>827,264</u></b>	<b><u>821,469</u></b>
<b>Surplus/(deficit) before tax</b>	<b>(67,284)</b>	<b>(408,926)</b>	<b>(194,445)</b>
Income tax expense	-	-	-
<b>Surplus/(deficit) after tax</b>	<b><u>(67,284)</u></b>	<b><u>(408,926)</u></b>	<b><u>(194,445)</u></b>

**Whangarei District Airport**  
**Statement of financial position**  
**As at 31 December 2020**

**Statement of financial position**  
As at 31 December 2020

	Note	31 December 2020 Actual \$	30 June 2021 Budget \$	30 June 2020 Actual \$
<b>ASSETS</b>				
<b>Current assets</b>				
Bank accounts and cash	6	278,767	656	396,989
Debtors	7	101,698	66,509	75,021
Provision for income tax		-	-	-
<b>Total current assets</b>		<u>380,465</u>	<u>67,165</u>	<u>472,010</u>
Property, plant and equipment	8	4,218,552	4,149,707	4,304,087
<b>Total non-current assets</b>		<u>4,218,552</u>	<u>4,149,707</u>	<u>4,304,087</u>
<b>Total assets</b>		<u>4,599,017</u>	<u>4,216,872</u>	<u>4,776,097</u>
<b>LIABILITIES</b>				
Creditors and other payables	9	71,051	77,220	180,844
<b>Total current liabilities</b>		<u>71,051</u>	<u>77,220</u>	<u>180,844</u>
<b>Non-current liabilities</b>				
Deferred income tax		-	-	-
<b>Total non-current liabilities</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>71,051</u>	<u>77,220</u>	<u>180,844</u>
<b>ASSETS LESS LIABILITIES</b>		<u>4,527,966</u>	<u>4,139,652</u>	<u>4,595,253</u>
<b>ACCUMULATED FUNDS</b>				
Retained earnings	10	1,244,774	2,271,172	1,312,061
Contributed Capital	10	3,283,192	1,868,480	3,283,192
<b>Total equity</b>		<u>4,527,966</u>	<u>4,139,652</u>	<u>4,595,253</u>

**Whangarei District Airport  
Cash flow statement  
For the six months ended  
31 December 2020**

**Cash flow statement**

For the six months ended 30 June 2020

	<b>31 December 2020 Actual \$</b>	<b>30 June 2020 Actual \$</b>
<b>Cash flows from operating activities</b>		
Revenue from operations	278,747	621,918
Interest received	<u>859</u>	<u>4,400</u>
	<b><u>279,606</u></b>	<b><u>626,318</u></b>
<b>Cash was applied to / from</b>		
Payments to suppliers	(372,004)	(524,939)
Income tax paid	-	-
Goods and services tax (net)	<u>6,576</u>	<u>(5,431)</u>
Total cash provided to operating activities	<b><u>378,580</u></b>	<b><u>(530,370)</u></b>
<b>Net cash flow from operating activities</b>	<b><u>(98,974)</u></b>	<b><u>95,948</u></b>
Purchase and development of property, plant and equipment	<u>(19,248)</u>	<u>(67,367)</u>
<b>Net cash flow from investing activities</b>	<b><u>(19,248)</u></b>	<b><u>(67,367)</u></b>
Net (decrease)/increase in cash, cash equivalents, and bank overdrafts	(118,222)	28,581
<b>Bank accounts and cash, and bank overdrafts at the beginning of the year:</b>	<b><u>396,989</u></b>	<b><u>368,408</u></b>
<b>Cash, cash equivalents, and bank overdrafts at the end of the year</b>	<b><u>278,767</u></b>	<b><u>396,989</u></b>

## **1 Statement of accounting policies for the six months ended 31 December 2020**

### **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.

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.

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

### **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 2020	Budget 2021	Actual 2020
	\$	\$	\$
Landing fees	130,579	227,838	289,699
Rent received	93,586	128,000	190,289
Operating expenses recoveries	8,962	20,000	33,930
Other recoveries	9,939	-	7,436
Other revenue	-	2,000	4,279
Parking Revenue	50,354	40,000	97,342
<b>Total revenue from operations</b>	<b><u>293,420</u></b>	<b><u>417,838</u></b>	<b><u>622,975</u></b>

### 4 Other expenses

	December 2020	Budget 2021	Actual 2020
	\$	\$	\$
Cleaning	13,088	21,500	17,923
Electricity	13,594	35,000	32,707
Auditors fees for financial statements	11,580	24,000	22,536
Other expenses	46,076	88,157	184,148
Loss on disposals of PPE	-	-	5
Bad debts written off	-	-	302
Movement in doubtful debt provision	-	-	(33)
<b>Total other expenses</b>	<b><u>84,338</u></b>	<b><u>168,657</u></b>	<b><u>257,588</u></b>

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

	December 2020 Actual \$	June 2020 Actual \$
<b>Relationship between tax expense and accounting profit</b>		
Accounting surplus/(deficit) before tax	(67,284)	(194,445)
Plus / (Less): adjustment for non-tax deductible items	-	(1,795)
<b>Taxable surplus (deficit)</b>	<b><u>(67,284)</u></b>	<b><u>(196,240)</u></b>
Tax at 28%	(18,840)	(54,947)
Plus/(less) tax effect of:		
Tax losses utilised	-	54,947
Tax losses carried forward	-	-
<b>Tax expense</b>	<b><u>(18,840)</u></b>	<b><u>-</u></b>

**6 Bank accounts and cash**

	<b>December 2020 Actual \$</b>	June 2020 Actual \$
Bank deposits	225,355	224,504
Bank balances	<u>53,412</u>	<u>172,485</u>
<b>Total bank accounts and cash</b>	<b><u>278,767</u></b>	<b><u>396,989</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 2020 Actual \$</b>	June 2020 Actual \$
Debtors and other receivables	102,256	75,579
Provision for doubtful receivables	<u>(558)</u>	<u>(558)</u>
<b>Net debtors</b>	<b><u>101,698</u></b>	<b><u>75,021</u></b>

## 8 Property, plant and equipment

	Work in progress \$	Land \$	Landside \$	Buildings \$	Airside \$	Services \$	Sundries \$	Total \$
<b>Year ended 30 June 2020</b>								
Opening carrying amount	-	810,000	515,047	755,513	2,210,352	36,373	115,836	4,443,121
Additions	-	-	-	-	67,367	-	-	67,367
Disposals	-	-	-	-	-	-	-	-
Loss on disposal	-	-	-	-	(5)	-	-	(5)
Depreciation charge	-	-	(28,924)	(48,394)	(107,267)	(2,491)	(19,320)	(206,396)
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>810,000</b>	<b>486,123</b>	<b>707,058</b>	<b>2,170,508</b>	<b>33,883</b>	<b>96,515</b>	<b>4,304,087</b>
<b>2020</b>								
<b>6 months ended 31 December 2020</b>								
Opening balance	-	810,000	486,123	707,058	2,170,508	33,883	96,515	4,304,087
Additions	19,247	-	-	-	-	-	-	19,247
Disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(14,471)	(25,715)	(53,957)	(1,256)	(9,384)	(104,783)
<b>As at 31 December 2020</b>	<b>19,247</b>	<b>810,000</b>	<b>471,652</b>	<b>681,313</b>	<b>2,116,581</b>	<b>32,627</b>	<b>87,132</b>	<b>4,218,552</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 2020 Actual \$	June 2020 Actual \$
Accrued expenses	35,047	109,520
Trade creditors and other payables	2,509	37,829
Rents in advance	<u>33,495</u>	<u>33,495</u>
<b>Total creditors and accrued expenses</b>	<b><u>71,051</u></b>	<b><u>180,844</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 2020 Actual \$	June 2020 Actual \$
Retained earnings	1,244,774	1,312,061
Contributed Capital	<u>3,283,192</u>	<u>3,283,192</u>
<b>Balance at 31 December 2020</b>	<b><u>4,527,966</u></b>	<b><u>4,595,253</u></b>
	December 2020 Actual \$	June 2020 Actual \$
<b>Retained Earnings</b>		
Balance at 1 July	1,312,058	1,506,506
Surplus/(deficit) for the year	<u>(67,284)</u>	<u>(194,445)</u>
<b>Balance at 31 December 2020</b>	<b><u>1,244,774</u></b>	<b><u>1,312,061</u></b>
	December 2020 Actual \$	June 2020 Actual \$
<b>Contributed Capital</b>		
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 2020</b>	<b><u>3,283,192</u></b>	<b><u>3,283,192</u></b>

## 11 Contingencies

The Airport has no contingent liabilities (2020: nil) and no contingent assets (2020: nil).

## **12 Commitments**

The Airport has no capital commitments (2020: 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 Airport**  
**Forecasting 2020-21**  
**Up to and including period 6**

<i>Revenue</i>	<b>Actuals YTD</b>	<b>Full year forecast</b>	<b>Full year budget</b>	<b>Variance</b>	<b>Commentary</b>
Gate Revenue	50,354	110,000	40,000	70,000	COVID impacts less than anticipated.
User Fee/Charge	130,579	276,397	227,838	48,559	COVID impacts less than anticipated.
Misc Income - advertising	-	2,000	2,000	-	
Operational Rec	18,901	22,641	20,000	2,641	
Other Rentals	93,586	100,000	128,000	(28,000)	Due COVID lost tenants (rental cars).
Invest Interest	547	1,094	500	594	
<b>Total Income</b>	<b>293,967</b>	<b>512,132</b>	<b>418,338</b>	<b>93,794</b>	Positive variance against budget
<b><i>Expenditure</i></b>					
Learning & Dev	1,287	1,287	500	(787)	
Refreshments	650	1,000	500	(500)	User and safety Committee meetings
General Misc	985	1,970	5,000	3,030	
Tele/Comm	-	1,400	1,500	100	
Postage/Courier	516	516	-	(516)	
Insurance	-	19,164	19,164	-	
Advert Other	570	800	1,500	700	

<i>Expenditure</i>	<b>Actuals YTD</b>	<b>Full year forecast</b>	<b>Full year budget</b>	<b>Variance</b>	<b>Commentary</b>
Electricity	13,594	27,188	35,000	7,812	
Rates Paid	10,348	20,696	22,224	1,528	
Certification	-	2,000	2,000	-	
Weather Forecast	1,620	3,240	4,000	760	
Travelling Exp	1,991	1,991	-	(1,991)	Airport Association Hui (COVID related) plus MOT meeting.
Signs Exp	282	564	800	236	
Pest C	650	1,301	3,000	1,699	
Cleaning Consumables	2,175	4,351	4,500	149	
Management Fee	147,688	340,000	338,982	(1,018)	Includes 1.4% CPI adjustment plus SMS portion of fee (50K).
H&S Compliance	1,817	3,000	3,000	-	
Vehicle Running	2,839	3,500	3,500	-	
Bank Fees/Charges	3,783	7,566	5,500	(2,066)	
COVID 19-relief	1,478	1,478	-	(1,478)	No further rent relief anticipated.
Cleaning	10,250	20,499	18,000	(2,499)	
Security	4,734	9,468	10,200	732	
Payments to Ext	2,429	2,429	2,000	(429)	
Other Profess	6,076	8,000	-	(8,000)	
Audit -External	11,580	23,160	24,000	840	

<i>Expenditure</i>	<b>Actuals YTD</b>	<b>Full year forecast</b>	<b>Full year budget</b>	<b>Variance</b>	
R&M Buildings	3,465	3,465	-	(3,465)	
Runway Maintenance	-	5,000	10,000	5,000	
R&M Gardens	7,083	15,000	25,000	10,000	Deferred gardening due to weather extremes.
R&M Fence	-	1,000	1,000	-	
Sealed Area R&M	193	30,000	30,000	-	
R&M: Lighting	14,508	20,000	20,000	-	
R&M: Other	2,659	6,000	12,000	6,000	
Depn Buildings	25,715	51,430	48,482	(2,948)	
Depn Landside	14,471	28,942	28,977	35	
Depn Airside	53,957	107,915	122,315	14,400	
Depn Services	1,256	2,511	2,495	(16)	
Depn Sundries	9,384	18,767	19,356	589	
<b>Total Expenditure</b>	<b>361,251</b>	<b>799,931</b>	<b>827,264</b>	<b>27,333</b>	positive variance against budget
<b>Net Profit / (Loss)</b>	<b>(67,284)</b>	<b>(287,799)</b>	<b>(408,926)</b>	<b>121,127</b>	Total positive variance against budget