

ROTORUA REGIONAL AIRPORT LIMITED
Financial Statements
For the Year Ended 30 June 2024

Rotorua Regional Airport Limited

Financial Statements Index

For the Year Ended 30 June 2024



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Rotorua Regional Airport Limited

Company Directory

As at 30 June 2024



Date of Incorporation	6 April 1990		
Company Number	386483		
IRD Number	051-834-720		
Nature of Business	Provision of Safe & Efficient Airport Services for Airline and Aircraft Operators and the Travelling Public		
Business Location	Rotorua Airport 837 Te Ngae Road, Owhata, Rotorua 3074		
Registered Office	Rotorua Airport 837 Te Ngae Road, Owhata, Rotorua 3074		
Directors	Kevin William Ward (Chairperson) Danielle Louise Auld Fredrick Neville Cookson Grant Raymond Lilly Marie Angela Hosking Mark William East		
Auditors	Crowe New Zealand Audit Partnership on behalf of the Auditor-General		
Accountants	BWTL Advisory Limited, Rotorua		
Bankers	Bank of New Zealand, Rotorua		
Solicitors	Holland Beckett, Rotorua		
Shareholders	Rotorua Lakes Council	28,645,000	Ordinary Shares

Rotorua Regional Airport Limited

Directors' Annual Report

As at 30 June 2024



The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30 June 2024.

Section 211 of the Companies Act 1993 requires the following disclosures:

Principal Activities

The business of the company is the provision of safe and efficient airport services for airlines and aircraft operators and the travelling public. The nature of the company's business has not changed during the year.

Auditors

The Auditor General is appointed under Section 15 of the Public Audit Act 2001. Crowe New Zealand Audit Partnership has been appointed to provide these services. Provision for audit fee for the year was \$58,474.

Directors Holding Office During the Year

The following Directors held office as at 30 June 2024:

	Date of Appointment
Kevin William Ward (Chairperson)	09/10/2023
Danielle Louise Auld	05/03/2020
Fredrick Neville Cookson	12/04/2023
Grant Raymond Lilly	26/08/2021
Marie Angela Hosking	09/10/2023
Mark William East	09/10/2023

The following Directors ceased as directors during the year:

	Date of Cessation
John Amarama Fenwick	02/10/2023
Mere Kerena George	06/10/2023

Directors' Remuneration

Directors' remuneration paid was as follows:

	2024	2023
Kevin William Ward (Chairperson)	18,750	-
Danielle Louise Auld	20,000	20,000
Fredrick Neville Cookson	16,667	3,250
Grant Raymond Lilly	22,500	16,666
John Amarama Fenwick	4,375	17,500
Marie Angela Hosking	11,250	-
Mark William East	11,250	-
Mere Kerena George	3,750	15,000
Peter Stubbs	-	26,951
	<hr/> 108,542	<hr/> 99,367

No other benefits have been provided by the Company to a Director for services as a Director or in any other capacity. No loans have been made by the Company to a Director nor has the Company guaranteed any debts incurred by a Director.

Employees' Remuneration

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 in value for the 2024 financial year:

	2024	2023
\$100,001 - \$110,000	4	-
\$110,001 - \$130,000	-	1
\$130,001 - \$140,000	-	1
\$150,001 - \$160,000	1	-
\$170,001 - \$180,000	1	-
\$210,001 - \$220,000	-	1
\$240,001 - \$250,000	1	-

Directors' Disclosures

There were entries recorded in the Register of Interests. See Note 23 of the financial statements.

No Director acquired or disposed of any interest in shares in the company.

The Board of Directors received no notices from Directors wishing to use company information received in their capacity as Directors which would not have ordinarily been available.

The Company paid all of the premiums on contracts insuring directors in respect of liability and costs permitted to be insured against in accordance with Section 162(5) of the Companies Act 1993.

Donations

No donations were made by the company during the year.

For and on behalf of the Board of Directors,

Director  Director 

Dated this 26th day of September 2024.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF ROTORUA REGIONAL AIRPORT LIMITED'S FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024**

The Auditor-General is the auditor of Rotorua Regional Airport Limited (the "Company"). The Auditor-General has appointed me, Brendan Lyon, using the staff and resources of Crowe, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 7 and 13 to 35, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue & expenses, statement of changes in equity 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 statement of service performance of the Company on pages 7 to 12.

In our opinion:

- the financial statements of the Company:
 - 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 Public Benefit Entity Reduced Disclosure Regime; and
- the performance information of the Company presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2024.

Our audit was completed on 26 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 of Directors 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.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd.

Services are provided by Crowe New Zealand Audit Partnership an affiliate of Findex (Aust) Pty Ltd.

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

Responsibilities of the Board of Directors for the financial statements and the performance information

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

The Board of Directors 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 of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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, taken on the basis of these financial statements and the performance information.

For the budget information reported in the performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 of Directors 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 of Directors is responsible for the other information. The other information comprises the Director's Annual Report on pages 2 to 3 but does not include the financial statements and the statement of service performance, 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information 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 Company 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.



Brendan Lyon
Partner¹
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand

¹ The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

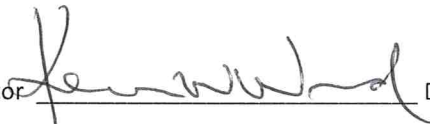

Rotorua Regional Airport Limited
Statement of Management Responsibility
For the Year Ended 30 June 2024



The Directors of Rotorua Regional Airport Limited accepts responsibility for the preparation of the annual financial statements and Statement of Service Performance and the judgements used in these statements.

The Directors accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the company's financial and non-financial reporting.

In the opinion of the Directors, the annual financial statements and Statement of Service Performance for the financial year fairly reflect the financial position, operations and cash flows of the company.

Director  Director 

Dated this 26th day of September 2024.



Rotorua Regional Airport Limited

Statement of Service Performance

For the Year Ended 30 June 2024



PERFORMANCE INFORMATION – NON-FINANCIAL

The following is a Statement of Service Performance relating to the financial and non-financial performance measures and key objectives outlined in the Company’s Statement of Intent (SOI) for the year ended 30 June 2024.

Non-financial measures	FY24 Target	FY24 Actual	Performance	FY23 Actual
Aircraft movements (1)	4,711	5,464		4,614
Passenger numbers (2)	227,356	232,678		219,948
Customer Satisfaction Score (CSAT) (3)	75%	92.3%		new measure
Aviation Compliance	Yes	Part 139 Certification held		new measure
Legal Compliance	Provided with quarterly reporting	Provided		new measure
Asset Management	By 30 September, each year	Provided		new measure

Key



Note ⁽¹⁾ Both commercial and general aviation aircraft movement numbers were ahead of budget, the increase mainly due to positive changes in Air New Zealand scheduling along with increases in general aviation driven by regional flying championship held in Rotorua in February 2024.

Note ⁽²⁾ Passenger numbers increased by 5.4% on previous year and 2.3% on budget, reflecting growth in passenger numbers due to higher overall aircraft movements.

Note ⁽³⁾ Customer Satisfaction Score (CSAT) is calculated through analysis of customer surveys. Due to issues with data collection this score is based on May/June date with a sample size of 91.



Rotorua Regional Airport Limited

Statement of Service Performance

For the Year Ended 30 June 2024



PERFORMANCE INFORMATION – FINANCIAL

Financial measures	FY24	FY24	Performance	FY23
	Target	Actual		Actual
Aeronautical Revenue ⁽¹⁾	3,421,951	3,970,062		3,055,734
Non-Aeronautical Revenue	1,571,977	1,630,004		1,550,076
Service Funding Agreement ⁽²⁾	2,184,148	2,150,000		2,321,714
Total Revenue	7,178,076	7,750,066		6,927,524
Operating Expenses	2,265,595	1,982,460		1,727,368
Overheads ⁽³⁾	2,171,903	2,416,330		1,780,685
Interest	565,260	466,049		506,904
Total Expenses before depreciation	5,002,758	4,864,839		4,014,957
Net Surplus (deficit) before depreciation ⁽⁴⁾	2,175,318	2,885,227		2,912,567
Net Surplus (deficit) after depreciation & before tax	465,918	834,790		1,258,550
Capital expenditure ⁽⁵⁾	1,060,000	932,896		231,052
Shareholders' funds to total assets ⁽⁶⁾	80%	78%		77%
Term Borrowings (with LGFA via RLC)	11,750,000	11,150,000		new measure

Key:



Note ⁽¹⁾ Above budget revenue was primarily driven by a higher per passenger landing fee than budgeted. Increased interest rates and other economic factors drove a higher Weighted Average Cost of Capital (WACC) which resulted in increased RPT charges at the annual Air NZ pricing review.

Note ⁽²⁾ RLC Service Funding income in the FY24 budget was based off the 2016 Service Funding Agreement. This varied slightly from what RLC was able to achieve in its annual plan.

Note ⁽³⁾ Overheads were over budget due to the inclusion of \$342k for loss on scrapping of fixed assets.

Note ⁽⁴⁾ Net surplus (deficit) before depreciation was 75% ahead of SOI target due to the increased per passenger landing fee driving higher revenues and prudent control of operational costs.

Note ⁽⁵⁾ Lower capital expenditure was due to changes in timing of projects.

Note ⁽⁶⁾ Shareholders' funds to total assets was 2% behind of SOI target due to the demolition of one of the residential properties and assets work in progress not been completed at balance date, resulting in lower overall total assets.



KEY PRIORITIES AND OBJECTIVES

Below is an update on each of the Company's Key Priorities for FY24 as set out in the SOI:

BE A SAFE AIRPORT

Rotorua Regional Airport (RRA) has maintained overall compliance with Civil Aviation Rule Part 139 Aerodromes Certification, Operation and Use, and Part 100 Safety Management. This is an operating requirement of the Civil Aviation Authority (CAA). RRA received renewal of its Part 139 Operating Certificate in February 2024, which is valid for a further 5 years. This process involved submitting an application to CAA on how we comply with relevant Civil Aviation Rules, an audit and then comprehensive assessment by the CAA.

A number of operational changes and improvements were made in FY24 to ensure RRA remains a safe airport. These included:

- A new tractor and mower for managing grassed surfaces (both movement and non-movement areas)
- Continued focus on Wildlife Hazard Management including the induction of Charlie, the operations dog who assists with deterring wildlife
- Introduction of Service IQ which enables Operational staff to work towards an NZQA in Airport Operations with a strand in safety
- Stage 1 completed of a CCTV system upgrade, improving both coverage and date recording capabilities
- In accordance with Rule 139.107 Runway Condition Reporting commenced and is managed in conjunction with Airways NZ
- A number of changes have been made to aeronautical operational procedures at RRA to improve aviation safety and efficiency. These include a review and amendment of some 'legacy' constraints such as aeronautical lighting requirements instrument flight take-off minima. A new instrument approach procedure has also been developed which will improve the ability of some aircraft to land in inclement weather.
- Continuation of the pavement maintenance program including an upgrade of the Northern GA Taxiway
- Commencement of the OLS survey and subsequent tree trimming program

HELP COUNCIL ACHIEVE ITS GROWTH ASPIRATIONS AND CONTRIBUTE TO THE SUCCESS OF THE REGION

RRA continues to investigate the viability of an Airport Business Park and how this can be delivered meet the objectives of both RLC and RRA.

RRA continued its Board Observer program in FY24.

RRA worked closely with Rotorua NZ to host the Meetings Matariki gala dinner in June 2024. The dinner showcased the best of Rotorua and supported Rotorua's goal of attracting more business events and conferences to Rotorua.

MANAGE AND MAINTAIN ASSETS TO A HIGH STANDARD

The Tractor Shed was removed and replaced in FY24 and the house on 6 Williton Road was demolished as it was not viable to bring it up to Healthy Homes standards.

Stormwater modelling and a Preliminary Site Investigation (PSI) for soil condition have been completed. Both reports have provided valuable information which will support the ongoing management of airport land and infrastructure.

Entered into an agreement with Airways to explore the possibility of moving ownership and management of Airfield Ground Lighting (AGL) from Airways to RRA.

An upgrade of the Business Hub has been completed, providing a versatile space that can be used (both internally or hired externally) for business meetings, training and functions.

BE FINANCIALLY SUSTAINABLE

The annual Air NZ pricing review was completed and resulted in an uplift in revenue due to increased capital and financing costs.

RRA continues to focus on optimising existing revenue streams and growing new revenue streams, to ensure financial sustainability. In FY24 the Business Hub was upgraded enabling it to be hired out to external customers and investigations on the Airport Business Park continue.

RRA purchased a section on Alfred Road, which is adjacent to the proposed Airport Business Park. The site will enhance options for the business park in the future or could be developed in the interim.

BE ENVIRONMENTALLY CONSCIOUS

RRA undertook an assessment to establish a baseline carbon footprint finalised in early FY24. The top three contributors identified were Electricity (Scope 2 Emissions), Stationary Fuel (Scope 1 Emissions) and Waste (Scope 3 Emissions).

The baseline year has a total carbon emission profile of 76.28 tonnes (t) CO₂e or 0.35kg of CO₂e per passenger. This is considered a low carbon baseline when benchmarked against other New Zealand/ Aotearoa and International airports. Management is continually assessing the impact of carbon reduction strategies in terms of benefit, resource and cost. This will be an ongoing process to understand what initiatives make a positive impact on carbon footprint, sustainability culture, and operations, with consideration to commercial responsibilities.

Annual noise monitoring was completed in FY24. RRA will proactively continue to work with Rotorua Lakes Council (RLC) and the broader community to ensure airport operations are undertaken within agreed legislative requirements.

Additional Priorities

Below is an update on the additional priorities identified in the FY24-26 Statement of Intent (SOI):

AIRPORT BUSINESS PARK

A number of investigations were commenced and/or completed in FY24 to support the Airport Business Park Business Case. These include:

- Preliminary and Detailed Site Investigation to consider the soil condition, including possible contaminants
- Stormwater flood modelling in 2, 10 and 100 years including climate change
- Development of a high-level stormwater management concept design
- Environmental investigations into the proposed stormwater management concept
- Earthworks cut and fill model to enable refinement of the stormwater management concept design
- Peer review of the proposed stormwater management principles
- Market demand study

Rotorua Regional Airport Limited

Statement of Service Performance

For the Year Ended 30 June 2024



WILLITON ROAD

Following a review of 6 Williton Road, the house on the property was demolished as it was unviable to bring it up to Healthy Homes standards.

AIR PARK

As per the SOI this project will be reconsidered in FY26 or beyond.



Rotorua Regional Airport Limited

Statement of Financial Position

As at 30 June 2024



	Note	2024	2023
REVENUE			
Operating revenue	3	7,706,615	6,885,643
Other revenue	4	43,451	41,881
TOTAL REVENUE		7,750,066	6,927,524
EXPENSES			
Operating expenses	5	1,982,460	1,727,368
Depreciation, amortisation & impairment charges	11,12	2,050,437	1,654,017
Directors' fees		108,542	99,367
Finance expense		466,049	506,904
Other expenses	6	2,307,788	1,681,318
TOTAL EXPENSES		6,915,276	5,668,974
SURPLUS (DEFICIT) BEFORE TAX		834,790	1,258,550
Income tax expense	10	(146,397)	374,040
SURPLUS (DEFICIT) AFTER TAX		981,187	884,510
OTHER COMPREHENSIVE REVENUE & EXPENSE			
<i>Items that will not be reclassified to surplus (deficit)</i>			
Gain on revaluation of property, plant & equipment	16c,11	3,676,433	9,242,310
Income tax relating to gain on revaluation	16c,11	(1,389,201)	(3,321,447)
TOTAL COMPREHENSIVE REVENUE & EXPENSE		3,268,419	6,805,373

	Note	2024	2023
EQUITY AT START OF YEAR		65,836,256	59,030,883
Total comprehensive revenue & expense for the year		3,268,419	6,805,373
EQUITY AT END OF YEAR		69,104,675	65,836,256

The accompanying notes form part of these financial statements.



Rotorua Regional Airport Limited

Statement of Financial Position

As at 30 June 2024



	Note	2024	2023
CURRENT ASSETS			
Cash and cash equivalents	9	537,831	427,144
Receivables from exchange transactions	17	372,267	322,051
Other receivables	17	36,349	29,554
Prepayments		118,957	85,959
TOTAL CURRENT ASSETS		1,065,404	864,708
NON-CURRENT ASSETS			
Property, plant & equipment	11	87,024,836	84,795,231
Intangible assets	12	23,955	36,678
TOTAL NON-CURRENT ASSETS		87,048,791	84,831,909
TOTAL ASSETS		88,114,195	85,696,617
CURRENT LIABILITIES			
Payables under exchange transactions	18	435,659	316,743
Other payables	18	108,845	175,782
Income and rent in advance		14,173	13,616
Employee entitlements	19	184,685	130,866
TOTAL CURRENT LIABILITIES		743,362	637,007
NON-CURRENT LIABILITIES			
Borrowings	22	11,750,000	13,950,000
Deferred tax liabilities	10	6,516,158	5,273,354
TOTAL NON-CURRENT LIABILITIES		18,266,158	19,223,354
TOTAL LIABILITIES		19,009,520	19,860,361
NET ASSETS		69,104,675	65,836,256
EQUITY			
Share capital	16(a)	28,645,000	28,645,000
Retained earnings	16(b)	4,216,067	3,026,500
Asset revaluation reserve	16(c)	36,243,608	34,164,756
TOTAL EQUITY		69,104,675	65,836,256

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on 26th September 2024.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Cashflows

For the Year Ended 30 June 2024



	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Receipts from customers		7,663,506	6,794,866
Interest received		30,451	12,394
Goods and services tax (net)		-	58,625
		7,693,957	6,865,885
Cash was paid to:			
Payments to suppliers and employees		3,995,247	3,423,479
Goods and services tax (net)		44,525	-
Income tax payment		6,795	3,398
Interest paid		482,441	499,397
		4,529,008	3,926,274
Net cash flow from operating activities	8	3,164,949	2,939,611
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was received from:			
Proceeds from sale of property, plant and equipment		13,000	57,031
		13,000	57,031
Cash was paid to:			
Purchase of property, plant and equipment		867,262	259,767
		867,262	259,767
Net cash flow from investing activities		(854,262)	(202,736)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Proceeds from borrowings		-	-
		-	-
Cash was paid to:			
Repayment of borrowings		2,200,000	2,429,000
		2,200,000	2,429,000
Net cash flow from financing activities		(2,200,000)	(2,429,000)
Net increase (decrease) in cash and cash equivalents		110,687	307,875
Cash and cash equivalents at the beginning of the year		427,144	119,269
Cash and cash equivalents at the end of year	9	537,831	427,144

The GST (net) component of the 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 other primary financial statements.

The accompanying notes form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

1. REPORTING ENTITY

Rotorua Regional Airport Limited ('the Company') is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The Company is fully owned by the Rotorua Lakes Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2024. The financial statements were authorised for issue by the directors on 26th September 2024.

2. BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis.

Statement of compliance

The Company is a reporting entity for the purposes of the Financial Reporting Act 1993. These financial statements comply with the Financial Reporting Act 1993, the Companies Act 1993, and Section 69 of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards.

The entity is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the entity has no public accountability and has expenses $> \$2m$ and $\leq \$30m$.

These financial statements comply with PBE standards.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and infrastructure assets.

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 Company is New Zealand dollars.

Changes in accounting policies

There have been no changes in the Company's accounting policies since the date of the last audited financial statements.

SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial results and financial position have been adopted in the preparation of the financial statements.

(a) Revenue

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

Revenue from non-exchange transactions

Service funding from Rotorua Lakes Council is recognised as revenue when it becomes receivable.

For donated asset received for no or nominal consideration, the asset is only recognised at its fair value and the fair value of the asset is only recognised as revenue, where both it is probable that the associated future economic benefit or service potential will flow to the entity, and fair value is reliably measured.

Revenue from exchange transactions

Operating revenue is recognised when earned.

Lease income is recognised on an accrual basis with reference to the leases and rental agreements in force at balance date, with adjustment for rent paid in advance.

Interest income is recognised using the effective interest method.

(b) Borrowings & borrowing costs

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The classifications of financial assets are determined at initial recognition, and subsequently measured at amortised cost or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The classification determines subsequent measurement and whether any resulting revenue or expense is recognised in surplus or deficit or in other comprehensive revenue or expenses. The Company's financial assets are classified as either financial assets at fair value through surplus or deficit or amortised cost.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are no SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting the contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within the business model with the objective to hold financial assets in order to collect contractual cash flows.

(i) Financial assets at amortised cost

Financial assets at amortised costs are non-derivative financial assets or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition, these financial assets are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired.

The Company's cash and cash equivalents and receivables are categorised as financial assets at amortised cost.

(ii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial assets or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Financial liabilities at amortised cost are classified at initial recognition. The Company's financial liabilities include trade and other payables (excluding taxes payable) and borrowings.

All financial liabilities are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. Gains or losses are recognised in the statement of financial performance when the liabilities are derecognised.

(d) Employee Entitlements

Liabilities for accumulating short-term entitlements are measured at nominal value based on unused entitlement accumulated at current rate of pay at balance date.

(e) **Goods & Services Tax**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue Department, including GST relating to the investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

(f) **Income Tax**

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, the sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at balance date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(h) Property, Plant & Equipment

Property Plant and Equipment consists of:

Operational Assets

These assets include land, buildings & fit-out, furniture and office equipment, computer equipment, motor vehicles and various plant and equipment.

The Company owns a number of residential properties as a land bank to cover possible future expansion of the runway and safety areas. The receipt of market-based rental from these properties is incidental to this purpose. The properties are held for service delivery objectives as part of the Airport's overall operating strategy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

Infrastructure Assets

These assets include runways, aprons, taxiways, surround security fences, other paved areas (pavements, car parks & roads) and underground reticulated systems.

Measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses with the following exception:

- Land is measured at fair value
- Buildings and infrastructure assets are measured at fair value less accumulated depreciation and impairment losses.

Revaluations

Land, buildings and infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and are revalued at least every five years. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then the off-cycle asset classes are revalued.

Accounting for Revaluations

The Company accounts for revaluations on a class of assets basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

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 Company and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposal

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are recognised in the statement of comprehensive revenue and expense.

When revalued assets are sold, the amount included in revaluation reserve in respect to those assets is transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial recognition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write-off the cost of the assets to their estimated residual values over their useful lives. Components of infrastructure assets with infinite useful lives are not depreciated. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Infrastructure assets

Runway, Taxiways, Aprons	5-42 years
Other Paved Areas	10-42 years
Surround Security Fences	10 years

Operational assets

Buildings and Fit-out	1-80 years
Motor Vehicles	5-25 years
Furniture & Office Equipment	10 years
Computer Equipment	4 years
Plant & Equipment	5-10 years

(i) Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised in the statement of comprehensive revenue and expense. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

(j) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	4 years	25%SL
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(k) Critical accounting estimates and assumptions

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

At balance date, the Company reviews the useful life of its buildings and infrastructure assets. Assessing the appropriateness of useful life and residual value estimates requires the Company to consider a number of factors, such as the physical condition of the assets, expected period of use of the assets by the Company, and expected disposal proceeds from the future sale of the assets. An incorrect estimate of the useful life will impact on the depreciation expense recognised in the profit and loss, and the carrying amount of the assets in the statement of financial position. The Company will minimise the risk of this estimation uncertainty by physical inspections of assets, and asset replacement of programmes in line with useful life expectations.

Impairment of property, plant and equipment and intangible assets

The Company performs impairment testing with respect to its property, plant and equipment and intangible assets. In determining whether impairment exists, there is no impairment if the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The fair value less cost of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation for cash generating assets is based on a discounted cash flow model. The cash flows are derived from the forecasted cashflows. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows.

Estimating the fair value of land and buildings and infrastructure assets

Land, being airport land and other land, has been assessed based upon potential use, location, size and services provided. Fair values of land are based upon the highest and best use principle which may not be necessarily the existing use. Highest and best use in relation to the valuation is the most probable use of the land which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued. To establish an appropriate market value for the airport land, comparable sales evidence has been analysed to establish current market buying price for the land in its highest and best alternative use. Having established base land value rates, adjustments have been made to reflect location, scale, designation and resource management issues. Other land has been assessed at fair value using fair market, highest and best use basis determined from prevailing land sales with adjustments made for future potential as industrial.

Aeronautical specialised buildings and infrastructure assets have been assessed at fair value using Optimised Depreciated Replacement Cost approach (ODRC). The ODRC approach uses the minimum cost of replacing or replicating the service potential embodied in the assets with modern equivalent assets in the most efficient was practical given the service requirements, the age and condition of the existing assets and replacement in the normal course of business. Non-aeronautical buildings have been assessed at fair value using both ODRC approach and Direct Capitalisation approach. The Direct Capitalisation approach is based on market derived cash flows for the buildings and an applied investment yield. For any non-aeronautical buildings that cannot be legally or physically separated from the main airport campus, reliance has been placed on the ODRC approach to determine its fair value.

Residential buildings have been assessed at fair value using fair market, highest and best use basis determined from prevailing land sales with adjustments made for future potential as industrial.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



3. OPERATING REVENUE

	2024	2023
Exchange revenue		
Landing Charges	3,963,662	3,053,334
Lease Rental	484,138	468,904
Parking Revenue	890,163	846,383
Other Operating Revenue	218,652	192,308
Non-exchange revenue		
Rotorua Lakes Council Service Funding	2,150,000	2,321,714
MSD Covid19 Wage & Leave Support Subsidy	-	3,000
Total Operating Revenue	7,706,615	6,885,643

4. OTHER REVENUE

	2024	2023
Interest Received	30,451	12,394
Gain on the disposal of property, plant & equipment	13,000	29,487
Total Other Revenue	43,451	41,881

5. OPERATING EXPENSES

	2024	2023
Rental Property Expenses	84,394	40,814
Runway/Taxiway/Apron Expenses	1,356,459	1,246,506
Surrounds Expenses	184,708	114,609
Terminal Expenses	356,899	325,439
Total Operating Expenses	1,982,460	1,727,368

Personnel costs of \$981,523 (2023: \$857,313) are included in the above operating expenses.

6. OTHER EXPENSES

	2024	2023
Audit Fees	58,474	55,676
Land Rates	117,226	107,116
Other Expenses	2,132,088	1,518,526
Total Other Expenses	2,307,788	1,681,318

Personnel costs of \$663,157 (2023: \$624,636) are included in the above other expenses.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



7. CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial instruments in each of the financial instrument categories are as follows:

	2024	2023
Financial assets at amortised cost		
Cash and cash equivalents	537,831	427,144
Trade and other receivables (excluding taxes receivable)	372,267	322,051
Total financial assets at amortised cost	910,098	749,195
Financial liabilities at amortised cost		
Trade and other payables (excluding taxes payable)	471,023	369,277
Borrowings	11,750,000	13,950,000
Total financial liabilities at amortised cost	12,221,023	14,319,277

Trade and other receivables of \$372,267 have been pledged as security for loans under a general security agreement with Rotorua Lakes Council (2023: \$322,051). The first ranking security interest over trade and other receivables takes effect as a transfer to Rotorua Lakes Council in the events of default by the Company.

8. RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
Net operating surplus (deficit)	981,187	884,510
Add (less) non-cash items		
Depreciation, amortisation & impairment losses	2,050,437	1,654,017
Deferred tax	(146,397)	374,040
	1,904,040	2,028,057
Add (less) movements in working capital items		
Employee entitlements	53,818	23,178
Trade and other receivables	(90,009)	(115,232)
Trade and other payables	(13,097)	141,085
	(49,288)	49,031
Add (less) items classified as investing or financing activities		
(Gains)/losses on the disposal of property, plant and equipment	329,010	(21,987)
Net cash flows from operating activities	3,164,949	2,939,611

The trade creditors and other payables movement does not agree with the face of the statement of financial position due to the exclusion of this year's fixed asset payable of \$(65,637). (2023: \$28,715)



Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



9. CASH & CASH EQUIVALENTS

	2024	2023
Cash at bank	525,552	419,415
Cash on hand	12,279	7,729
Net cash & cash equivalents	537,831	427,144

10. INCOME TAX

	2024	2023
Components of tax expense		
Current tax expense	-	-
Deferred tax expense	(146,397)	374,040
Tax expense	(146,397)	374,040

Relationship between tax expense and accounting profit

Surplus (deficit) before tax	834,790	1,258,550
Tax at 28% (2023: 28%)	233,741	352,394
Non-deductible expenditure	64,127	28,968
Group loss offset	(500,986)	(32,889)
Deferred tax adjustment	56,721	25,567
Tax expense	(146,397)	374,040

Deferred tax asset (liability)

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
Balance at 30 June 2022	(1,932,472)	18,469	28,836	307,300	(1,577,867)
Charged to surplus or deficit	(85,388)	2,534	16,114	(307,300)	(374,040)
Charged to other comprehensive income	(3,321,447)	-	-	-	(3,321,447)
Balance at 30 June 2023	(5,339,307)	21,003	44,950	-	(5,273,354)
Charged to surplus or deficit	124,932	13,338	8,127	-	146,397
Charged to other comprehensive income	(1,389,201)	-	-	-	(1,389,201)
Balance at 30 June 2024	(6,603,576)	34,341	53,077	-	(6,516,158)

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



11. PROPERTY, PLANT & EQUIPMENT

	Plant and Equipment	Motor Vehicles	Furniture and Office Equipment	Computer Equipment	Land	Buildings & Fit-out	Infrastructure Assets	Total
Cost								
Balance 1 July 2022	1,362,058	1,660,179	248,438	81,175	30,960,000	18,218,047	27,757,697	80,287,594
Elimination on Revaluation	-	-	-	-	-	(1,015,303)	(1,951,694)	(2,966,997)
Revaluation	-	-	-	-	(2,620,000)	5,178,871	6,683,439	9,242,310
Additions	99,461	61,840	797	15,650	-	17,370	-	195,118
Disposals	(125,935)	(201,434)	(11,142)	(33,653)	-	(23,985)	-	(396,149)
Balance 30 June 2023	1,335,584	1,520,585	238,093	63,172	28,340,000	22,375,000	32,489,442	86,361,876
Balance 1 July 2023	1,335,584	1,520,585	238,093	63,172	28,340,000	22,375,000	32,489,442	86,361,876
Elimination on Revaluation	-	-	-	-	-	(642,673)	(1,214,453)	(1,857,126)
Revaluation	-	-	-	-	(1,285,000)	1,649,673	3,311,760	3,676,433
Additions	80,072	112,200	22,394	48,368	200,000	-	-	463,034
Assets Work in Progress	-	286,326	-	16,535	-	167,001	-	469,862
Disposals	(124,553)	-	(48,356)	(10,838)	-	(327,000)	-	(510,747)
Balance 30 June 2024	1,291,103	1,919,111	212,131	117,237	27,255,000	23,222,001	34,586,749	88,603,332
Accumulated Depreciation and Impairment Losses								
Balance at 1 July 2022	1,041,988	553,552	134,553	49,545	-	492,510	975,705	3,247,853
Elimination on Revaluation	-	-	-	-	-	(1,015,303)	(1,951,694)	(2,966,997)
Depreciation Expense	66,223	54,464	14,725	12,703	-	522,793	975,989	1,646,897
Impairment Losses	-	-	-	-	-	-	-	-
Disposals	(117,783)	(199,301)	(10,443)	(33,581)	-	-	-	(361,108)
Balance at 30 June 2023	990,428	408,715	138,835	28,667	-	-	-	1,566,645
Balance at 1 July 2023	990,428	408,715	138,835	28,667	-	-	-	1,566,645
Elimination on Revaluation	-	-	-	-	-	(642,673)	(1,214,453)	(1,857,126)
Depreciation Expense	68,337	63,430	15,585	15,312	-	642,673	1,214,453	2,019,790
Impairment Losses	-	-	21,257	-	-	-	-	21,257
Disposals	(114,495)	-	(48,356)	(9,219)	-	-	-	(172,070)
Balance at 30 June 2024	944,270	472,145	127,321	34,760	-	-	-	1,578,496
Carrying Amounts								
At 1 July 2022	320,070	1,106,627	113,885	31,630	30,960,000	17,725,537	26,781,992	77,039,741
At 30 June and 1 July 2023	345,156	1,111,870	99,258	34,505	28,340,000	22,375,000	32,489,442	84,795,231
At 30 June 2024	346,833	1,446,966	84,810	82,477	27,255,000	23,222,001	34,586,749	87,024,836

The carrying amount of property, plant and equipment of \$87,024,836 has been pledged as security for loans under a general security agreement with Rotorua Lakes Council.

An independent valuation of the Company's land and buildings was performed by Telfer Young, Registered Valuer, and valuation of infrastructure assets was performed by Beca Projects NZ Limited to determine the fair value of the assets. The effective date of the valuation was 30 June 2024. The revaluation surplus net of deferred tax of \$2,287,232 has been credited to other comprehensive income.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



12. INTANGIBLE ASSETS

	Acquired Software	Total
Cost		
Balance 1 July 2022	93,068	93,068
Additions	35,934	35,934
Disposals	-	-
Balance 30 June 2023	129,002	129,002
Balance 1 July 2023	129,002	129,002
Additions	-	-
Disposals	(10,000)	(10,000)
Balance 30 June 2024	119,002	119,002
Accumulated Amortisation and Impairment Losses		
Balance at 1 July 2022	85,204	85,204
Amortisation Expense	7,120	7,120
Impairment Losses	-	-
Disposals	-	-
Balance at 30 June 2023	92,324	92,324
Balance at 1 July 2023	92,324	92,324
Amortisation Expense	9,390	9,390
Impairment Losses	-	-
Disposals	(6,667)	(6,667)
Balance at 30 June 2024	95,047	95,047
Carrying Amounts		
At 1 July 2022	7,864	7,864
At 30 June and 1 July 2023	36,678	36,678
At 30 June 2024	23,955	23,955

13. CAPITAL EXPENDITURE COMMITMENTS

	2024	2023
Capital commitments		
Property, Plant & Equipment	895,852	-
Total Capital Commitments	895,852	-

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

14. CONTINGENT ASSETS & LIABILITIES

(a) Contingent Assets

The Company has no contingent assets (30 June 2023: nil).

(b) Contingent Liabilities

The Company has no contingent liabilities (30 June 2023: nil).



Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



15. OPERATING LEASE COMMITMENTS

(a) Operating lease as lessee

The Company has no operating lease as lessee at balance date.

(b) Operating lease as lessor

The Company has operating lease agreements with lessees of the terminal and other land and buildings of the airport with expiry dates ranging from 1 to 25 years including options to further extend terms under the individual lease agreements. Market rent reviews are carried out annually and are based on annual increases in the Consumer Price Index (All Group). The lessees do not have option to purchase the properties at the expiry of the lease period.

Contingent rents of \$106,024 have been recognised during the year. (2023: \$99,808)

16. SHAREHOLDERS' EQUITY

(a) Share Capital

	2024		2023	
	# of shares	Carrying value	# of shares	Carrying value
Issued Ordinary shares				
Opening balance	28,645,000	28,645,000	28,645,000	28,645,000
Ordinary shares issued in the year	-	-	-	-
Closing balance	28,645,000	28,645,000	28,645,000	28,645,000

The number of shares authorised at balance date were 28,645,000 shares. All issued ordinary shares are fully paid and have a par value of \$1 per share. Fully paid ordinary shares have full voting rights and participate fully in all dividends and proceeds upon winding up of the Company.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



(b) Retained Earnings

	2024	2023
Retained earnings opening balance	3,026,500	2,141,990
Net surplus (deficit) after tax	981,187	884,510
Transfer from asset revaluation reserve (note 16c)	208,380	-
Retained Earnings Closing Balance	4,216,067	3,026,500

(c) Asset revaluation reserve

	2024	2023
Opening balance	34,164,756	28,243,893
Revaluation gain (loss)	3,676,433	9,242,310
Transferred to retained earnings (note 16b)	(208,380)	-
Deferred tax on movement	(1,389,201)	(3,321,447)
Closing balance	36,243,608	34,164,756

Asset revaluation reserve consists of:

	2024	2023
Land	19,169,846	20,454,846
Buildings and fitouts	5,113,537	4,134,152
Infrastructure assets	11,960,225	9,575,758
Closing balance	36,243,608	34,164,756

17. TRADE AND OTHER RECEIVABLES

	2024	2023
Receivables from exchange transactions		
Trade debtors	372,267	322,051
	372,267	322,051
Other receivables		
Income tax refund due	36,349	29,554
	36,349	29,554
Total Trade and Other Receivables	408,616	351,605

Receivables are generally short-term and non-interest bearing. Therefore, the carrying value of receivables approximates their fair value.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



18. TRADE AND OTHER PAYABLES

	2024	2023
Payables from exchange transactions		
Trade creditors	246,097	156,207
Year-end accruals	189,562	160,536
	435,659	316,743
Other payables		
Related party payables	35,364	52,548
GST payable	73,481	123,234
PAYE payable	-	-
	108,845	175,782
Total Trade and Other Payables	544,504	492,525

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying values of creditors and other payables approximate their fair value.

19. EMPLOYEE ENTITLEMENTS

	2024	2023
Annual leave	87,640	55,774
Alternative leave	35,007	19,236
Accrued wages	62,038	55,856
Total Employee Entitlements	184,685	130,866

20. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



21. REPORTING AGAINST FINANCIAL FORECAST AS SET OUT IN SOI

	2024 Target	2024 Actual	Variance
Total revenue	7,178,076	7,750,066	(571,990)
Total expenses before depreciation	5,002,758	4,864,839	137,919
Net surplus (deficit) before depreciation	2,175,315	2,885,227	(709,912)
Net surplus (deficit) after depreciation & before tax	465,918	834,790	(368,872)

Explanation of major variances against financial forecast

- 1) Refer to pages 8 & 9 of the Statement of Service Performance for explanation of variances against financial forecast for the following profit or loss items:

Total Revenue & Total Expenses before depreciation
Net surplus (deficit) before depreciation
Net surplus (deficit) after depreciation & before tax

22. BORROWINGS

	2024	2023
Current portion		
Borrowing – Rotorua Lakes Council	-	-
Non-current portion		
Borrowing – Rotorua Lakes Council	11,150,000	12,550,000
Borrowing – Bank of New Zealand	600,000	1,400,000
Total non-current portion	11,750,000	13,950,000
Total Borrowings	11,750,000	13,950,000

The term loan of \$11,150,000 from Rotorua Lakes Council is secured by a General Security Agreement. The average interest rate on the loan at balance date was 3.37% plus a margin of 25 basis points (bps).

The Company has a Customised Average Rate Loan (CARL) from BNZ Bank of up to \$3,400,000 that matures on 16 June 2026. This facility is unsecured with a floating interest rate based on a margin of 2.10% above the Bank Bill Reference Rate (BKBM). The interest rate on this facility at 30 June 2024 was 7.76%.

The Company's portfolio of debt is structured with a view to minimising interest rate risk and maximising certainty of the Company's debt servicing costs in the current financial year.

23. RELATED PARTIES

The controlling party of the Company is Rotorua Lakes Council. The following transactions are the disclosures of transactions between the Company and its shareholders and directors:

The following transactions were carried out with related parties on normal commercial terms. The transactions between the Company and Rotorua Lakes Council, and with companies in which directors have an interest are not required to be disclosed by PBE IPSAS 20 Related Party Disclosures. The disclosures made are for information purposes only.

a) Transactions with Rotorua Lakes Council

	2024	2023
<i>Purchases of goods & services</i>		
Land and water rates	114,289	102,567
Building and resource consent fees	297	494
Refuse disposal	249	198
Legal fees	-	1,636
Land covenant payments	-	9,298
	114,835	114,193
<i>Sales of goods & services</i>		
Service funding received under a service level agreement	2,150,000	2,321,714
Carpark charges	377	285
	2,150,377	2,231,999
<i>Loan</i>		
Opening balance	12,550,000	14,550,000
Loan received during the year	-	-
Loan paid during the year	(1,400,000)	(2,000,000)
Loan from Rotorua Lakes Council as at balance date	11,150,000	12,550,000
<i>Other</i>		
Interest paid on loan	440,639	466,402
	440,639	466,402
Balance receivable from Rotorua Lakes Council	-	48
Balance payable to Rotorua Lakes Council	35,364	52,548

Rotorua Regional Airport Limited

Notes to the Financial Statements

For the Year Ended 30 June 2024



b) Transactions with InfraCore

	2024	2023
Purchase of goods & services		
Maintenance	3,094	2,561
	3,094	2,561

* InfraCore is a Council Controlled Entity.

c) Board members remuneration

	2024	2023
Danielle Louise Auld	20,000	20,000
Fredrick Neville Cookson	16,667	3,250
Grant Raymond Lilly	22,500	16,666
John Amarama Fenwick	4,375	17,500
Kevin William Ward	18,750	-
Marie Angela Hosking	11,250	-
Mark William East	11,250	-
Mere Kerena George	3,750	15,000
Peter Stubbs	-	26,951
	108,542	99,367

d) Key employee remuneration

	2024	2023
Total remuneration paid		
100,000 to 249,999	1	1

The key management personnel include the Board of Directors and CEO. Total key management personnel compensation for the financial year ending 30 June 2024 was \$357,049 (2023: \$312,548). This includes total full-time equivalent personnel of 9 in the financial year ending 30 June 2024. (2023: 7)

No related party debts have been written off or forgiven during the year. (2023: Nil)