ROTORUA REGIONAL AIRPORT LIMITED
Financial Statements
For the Year Ended 30 June 2023

Rotorua Regional Airport Limited
Financial Statements Index
For the Year Ended 30 June 2023

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Rotorua Regional Airport Limited
Company Directory
As at 30 June 2023

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	Grant Raymond Lilly (Chairperson) John Amarama Fenwick Danielle Louise Auld Mere Kerena George Fredrick Neville Cookson
Auditors	Crowe New Zealand Audit Partnership on behalf of the Auditor-General
Accountants	BWTL Advisory Limited, Rotorua
Bankers	ASB Bank & 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
For the Year Ended 30 June 2023

The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30 June 2023.

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 $55,676.

Directors Holding Office During the Year
The following Directors held office as at 30 June 2023:

	Date of Appointment
Grant Raymond Lilly (Chairperson)	26/08/2021
John Amarama Fenwick	01/10/2017
Danielle Louise Auld	05/03/2020
Mere Kerena George	05/03/2020
Fredrick Neville Cookson	12/04/2023

The following Directors ceased as directors during the year:

	Date of Cessation
Peter Stubbs	21/05/2023

Directors' Remuneration
Directors' remuneration paid was as follows:

	2023	2022
Grant Raymond Lilly (Chairperson)	16,666	12,750
John Amarama Fenwick	17,500	17,500
Danielle Louise Auld	20,000	20,000
Mere Kerena George	15,000	15,000
Fredrick Neville Cookson	3,250	-
Peter Stubbs	26,951	30,000
	99,367	95,250

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 2023 financial year:

	2023	2022
$100,001 - $110,000	-	1
$110,000 - $130,000	1	-
$130,000 - $140,000	1	1
$150,000 - $160,000	-	1
$210,000 - $220,000	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 29th day of September 2023.

Rotorua Regional Airport Limited
Statement of Management Responsibility
For the Year Ended 30 June 2023

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 29th day of September 2023.

Rotorua Regional Airport Limited
Statement of Service Performance
For the Year Ended 30 June 2023

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 2023.

Performance Information- Non Financial

Non-financial measures	FY23 Target	FY23 Actual	Performance	FY22 Actual
Aircraft movements [1]	4,801	4,614		4,056
Passenger numbers [2]	200,262	219,948		155,459
Build non-aviation revenue and optimise existing assets, including unlocking the potential of the unused airport land [3]	Commence delivery Phase 1 Strategic projects			
Number of controllable safety incidents	0.0	0.0		0.0
Number of employee injuries (days off work)	0.0	0.0		0.0

Key

Met *Not achieved* *In Progress*

Note [1] Commercial aircraft movement numbers were ahead of budget while general aviation aircraft movements were down against forecast. General aviation was severely impacted by weather events in FY23 and has yet to fully return following Covid-19.

Note [2] With the reopening of borders fully to all visitors in July 2022, there was a stronger return of passenger traffic than expected.

Note [3] Project Performance. During FY23 there has been a re-evaluation and a refocus on the identified strategic projects. Further details provided under Key Objectives.

Rotorua Regional Airport Limited
Statement of Service Performance
For the Year Ended 30 June 2023

Performance Information - Financial

Financial measures	FY23 Target	FY23 Actual	Performance	FY22 Actual
Total Revenue (1)	5,698,823	6,927,524		5,845,709
Total Expenses before depreciation (2)	4,053,769	4,014,957		3,496,769
Net Surplus (deficit) before depreciation (3)	1,645,054	2,912,567		2,348,940
Net Surplus (deficit) after depreciation & before tax (4)	15,054	1,258,550		727,140
Capital expenditure (5)	1,372,500	231,052		1,091,021
Shareholders' funds to total assets (6)	75%	77%		76%

Key

Met *Not achieved*

Note (1) The reopening of the country's border along with a positive annual aeronautical pricing review resulted in an uplift of aeronautical revenues.

Note (2) Total expenses before depreciation were 1% lower than SOI target due to prudent control of operational costs.

Note (3) Net surplus (deficit) before depreciation was 77% ahead of SOI target due to the strong recovery in aeronautical activity driving higher revenues.

Note (4) Refer to Note 1 and 3 above.

Note (5) Lower capital expenditure was due to strategic projects been delayed pending further investigations or abandoned during FY23.

Note (6) Shareholders' funds to total assets was 2% ahead of SOI target due to the increase in underlying profit after tax, up by 82% from FY22.

KEY PRIORITIES AND OBJECTIVES
Below is an update on each of the Company's Key Priorities for FY23 as set out in the SOI:

- **Be a safe airport**

  RRA has maintained full operational compliance of its mandated Pt 139 Certification and Safety Management Systems (SMS). This is an operating requirement of the Civil Aviation Authority (CAA).

  In FY23 RRA adopted two new cloud based operating systems which directly support operational and aviation safety and training.

  OneReg is a New Zealand based aviation-specific safety and compliance tool with which RRA can manage its SMS and day to day operations. OneReg has the advantage of providing analytics and insight tools which allow RRA to monitor operational compliance much more effectively than with the previous paper-based system.

  Qual-e Fire is an immersive training solution for aviation fire and rescue services. Qual-e Fire provides online training and comprehensive aviation specific training materials. The content and training modules can be customised to suit each staff member. To supplement Qual-e Fire a comprehensive training strategy has been developed which covers all aspects of airport operations and also encourages staff retention and development.

  RRA was the regional airport representative for the recent Air Navigation Services review.

- **Help Council achieve its growth aspirations and contribute to the success of the region**

  RRA updated its master plan taking into account future aviation requirement and commercial goals for Rotorua and the airport. Following on from this RRA also completed, in conjunction with Rotorua Lakes Council (RLC), the preliminary feasibility of an Airport Business Park.

  RRA supported learning development by hosting an Aviation Management summer intern and has continued its Board Observer program with two board observers in FY23.

  RRA signed a Memorandum of Understanding with Ngāti Uenukukōpako, confirming its commitment to work together collaboratively.

- **Manage and maintain assets to a high standard**

  OneReg, which RRA committed to in FY23, also includes an asset management module. RRA commenced working with OneReg to ensure the asset module meets the necessary regulatory, compliance and financial requirements to support a robust asset management system.

  A regular inspection programme was put in place to support the ongoing maintenance and asset management of RRA's residential portfolio.

- **Be financially sustainable**

  RRA has been focusing on two key areas to ensure financial sustainability. Firstly, reviewing and optimising current operations to maximise revenue. This included a full pricing review of landing charges for general aviation operators, a review of carpark charges and a review of tenant leases and charges. These reviews all resulted in changes which were implemented in FY23.

  Secondly, RRA is exploring multiple opportunities to grow non-aeronautical revenue. Further details are provided in the Additional Priorities section below.

- **Be environmentally conscious**

  RRA developed and implemented a Sustainable Development Framework and Action Plan to support its sustainability journey. A sustainability consultant has been engaged to assist.

  RRA completed a review of its operations vehicles which resulted in the purchase a PHEV and exiting one diesel ute from the fleet.

  Annual noise monitoring was completed in FY23. 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

RRA's FY23-25 Statement of Intent stated:

Through Council's recent work to support economic recovery and accelerate long term economic development in our regions, additional funding was identified (by way of authorisation for additional borrowing) to support a number of key strategic initiatives from the airport master plan if finalised businesses cases are signed off by the Board. These were:

- *Hangar & Facility Development for flight school and general aviation services (Precinct B)*
- *Ground / Aviation Services training facility*
- *Private Jet Fixed Base Operations (FBO) facilities*
- *Heliport and Rotary Aircraft Maintenance facilities*
- *Enhanced Terminal Services offering (retail + activation space)*

RRA will continue to progress the above initiatives over the course of FY23-24. In addition to the above initiatives, RRA has identified another possible initiative that will be scoped further over the course of FY23, specifically:

- *A storage facility on Williton Road*

An update on each project is below:

Hangar & Facility Development for flight school and general aviation services (Precinct B)

- Wider site investigation is underway to enable targeted soil testing
- Higher interest rates and increased building costs, coupled with soft market demand, is slowing progress on this project

Ground / Aviation Services training facility

- This project has been reviewed and a decision made not to progress

Private Jet Fixed Base Operations (FBO) facilities

- This project has been reviewed and a decision made not to progress, largely due to lack of demand following COVID-19. RRA is exploring an Airport Business Park and should demand return in the future a FBO could be accommodated in the business park.

Heliport and Rotary Aircraft Maintenance facilities

- Following the completion of the airport master plan RRA is working closely with RLC on the viability on an Airport Business Park (formerly known as Precinct A) on the land adjacent to the current heliport. Accordingly this project is being considered as part of the Airport Business Park
- Initial feasibility of the Airport Business Park has been completed and further work is being undertaken to progress this to a business case

A storage facility on Williton Road

This project has been reviewed and a decision made not to progress. RRA is exploring other options for the utilization of Williton Road land.

Rotorua Regional Airport Limited
Statement of Comprehensive Revenue & Expense
For the Year Ended 30 June 2023

	Note	2023	*2022*
REVENUE			
Operating revenue	3	6,885,643	5,844,975
Other revenue	4	41,881	734
TOTAL REVENUE		6,927,524	5,845,709
EXPENSES			
Operating expenses	5	1,727,368	1,297,745
Depreciation, amortisation & impairment charges	11,12	1,654,017	1,621,800
Directors' fees		99,367	95,250
Finance expense		506,904	517,251
Other expenses	6	1,681,318	1,586,523
TOTAL EXPENSES		5,668,974	5,118,569
SURPLUS (DEFICIT) BEFORE TAX		1,258,550	727,140
Income tax expense	10	374,040	240,664
SURPLUS (DEFICIT) AFTER TAX		884,510	486,476
OTHER COMPREHENSIVE REVENUE & EXPENSE			
Items that will not be reclassified to surplus (deficit)			
Gain on revaluation of property, plant & equipment	16c,11	9,242,310	-
Income tax relating to gain on revaluation	16c,11	(3,321,447)	-
TOTAL COMPREHENSIVE REVENUE & EXPENSE		6,805,373	486,476

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Statement of Changes in Equity
For the Year Ended 30 June 2023

	Note	2023	*2022*
EQUITY AT START OF YEAR		59,030,883	58,544,407
Total comprehensive revenue & expense for the year		6,805,373	486,476
EQUITY AT END OF YEAR		65,836,256	59,030,883

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Statement of Financial Position
As at 30 June 2023

	Note	2023	*2022*
CURRENT ASSETS			
Cash and cash equivalents	9	427,144	119,269
Receivables from exchange transactions	17	322,051	218,202
Other receivables	17	29,554	26,155
Prepayments		85,959	77,963
TOTAL CURRENT ASSETS		864,708	441,589
NON-CURRENT ASSETS			
Property, plant & equipment	11	84,795,231	77,039,741
Intangible assets	12	36,678	7,864
TOTAL NON-CURRENT ASSETS		84,831,909	77,047,605
TOTAL ASSETS		85,696,617	77,489,194
CURRENT LIABILITIES			
Payables under exchange transactions	18	316,743	253,247
Other payables	18	175,782	126,406
Borrowings	22	-	1,000,000
Income and rent in advance		13,616	14,102
Employee entitlements	19	130,866	107,689
TOTAL CURRENT LIABILITIES		637,007	1,501,444
NON-CURRENT LIABILITIES			
Borrowings	22	13,950,000	15,379,000
Deferred tax liabilities	10	5,273,354	1,577,867
TOTAL NON-CURRENT LIABILITIES		19,223,354	16,956,867
TOTAL LIABILITIES		19,860,361	18,458,311
NET ASSETS		65,836,256	59,030,883
EQUITY			
Share capital	16(a)	28,645,000	28,645,000
Retained earnings	16(b)	3,026,500	2,141,990
Asset revaluation reserve	16(c)	34,164,756	28,243,893
TOTAL EQUITY		65,836,256	59,030,883

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on 29 September 2023.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited
Statement of Cashflows
For the Year Ended 30 June 2023

	Note	2023	*2022*
CASH FLOWS FROM OPERATING ACTIVITES			
Cash was received from:			
Receipts from customers		6,794,866	4,896,637
Interest received		12,394	734
Income tax refund		-	3,439
Goods and services tax (net)		58,625	-
		6,865,885	4,900,810
Cash was paid to:			
Payments to suppliers and employees		3,423,479	3,372,321
Goods and services tax (net)		-	38,420
Income tax payment		3,398	-
Interest paid		499,397	517,407
		3,926,274	3,928,148
Net cash flow from operating activities	8	2,939,611	972,662
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was received from:			
Proceeds from sale of property, plant and equipment		57,031	17,872
		57,031	17,872
Cash was paid to:			
Purchase of property, plant and equipment		259,767	213,318
		259,767	213,318
Net cash flow from investing activities		(202,736)	(195,446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Proceeds from borrowings		-	1,000,000
		-	1,000,000
Cash was paid to:			
Repayment of borrowings		2,429,000	1,846,000
		2,429,000	1,846,000
Net cash flow from financing activities		(2,429,000)	(846,000)
Net increase (decrease) in cash and cash equivalents		307,875	(68,784)
Cash and cash equivalents at the beginning of the year		119,269	188,053
Cash and cash equivalents at the end of year	9	427,144	119,269

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 2023. The financial statements were authorised for issue by the directors on 29 September 2023.

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 ≤ $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

PBE IPSAS 41 Financial Instruments replaces parts of PBE IPSAS 29 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments, being classification and measurement, impairment, and hedge accounting. PBE IPSAS 41 Financial Instruments is effective from 1 January 2022 and was adopted by the Company on 1 July 2022.

As a result of adopting PBE IPSAS 41 as at 1 July 2022, there were no changes to the value of financial instruments, rather a change in the measurement category of the assets.

The nature of these presentation changes are described below:

(i) Classification and measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through other comprehensive revenue and expense (FVOCRE). Financial liabilities are subsequently measured at FVTSD or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the table below:

	Measurement Category	
	PBE IPSAS 29	**PBE IPSAS 41**
Financial assets		
Cash and cash equivalents	Loans and Receivables	Amortised Cost
Accounts receivables	Loans and Receivables	Amortised Cost
Financial liabilities		
Accounts payable	Amortised Cost	Amortised Cost
Borrowings	Amortised Cost	Amortised Cost

The classification is based on two criteria: (1) the Company's business model for managing the assets and (2) whether the instruments 'contractual cash flows represent solely payment of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as at date of initial application on 1 July 2022. The assessment of whether contractual cash flows on debt instruments are solely composed of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Receivables from exchange and non-exchange transactions were classified as Loans and Receivables as at 30 June 2022 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 July 2022.

(ii) Impairment

The adoption of PBE IPSAS 41 has changed the Company's accounting for impairment losses for financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the Company to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit.

Upon the adoption of PBE IPSAS 41 on 1 July 2022, the Company did not recognise any additional impairment.

There have been no other 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

(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.

3. OPERATING REVENUE

	2023	*2022*
Exchange revenue		
Landing Charges	3,053,334	1,267,242
Lease Rental	468,904	379,665
Parking Revenue	846,383	656,351
Other Operating Revenue	192,308	188,393
Non-exchange revenue		
Rotorua Lakes Council Service Funding	2,321,714	2,430,406
Donated Assets Received	-	900,000
MSD Covid19 Wage & Leave Support Subsidy	3,000	22,918
Total Operating Revenue	**6,885,643**	**5,844,975**

4. OTHER REVENUE

	2023	*2022*
Interest Received	12,394	734
Gain on the disposal of property, plant & equipment	29,487	-
Total Other Revenue	**41,881**	**734**

5. OPERATING EXPENSES

	2023	*2022*
Customs & MAF Services	-	298
Rental Property Expenses	40,814	26,209
Runway/Taxiway/Apron Expenses	1,246,506	776,931
Surrounds Expenses	114,609	181,849
Terminal Expenses	325,439	312,458
Total Operating Expenses	**1,727,368**	**1,297,745**

Personnel costs of $857,313 (2022: $769,425) are included in the above operating expenses.

6. OTHER EXPENSES

	2023	*2022*
Audit Fees	55,676	31,000
Land Rates	107,116	101,677
Other Expenses	1,518,526	1,453,846
Total Other Expenses	**1,681,318**	**1,586,523**

Personnel costs of $624,636 (2022: $584,700) are included in the above other expenses.

7. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2023	2022
Financial assets at amortised cost		
Cash and cash equivalents	427,144	119,269
Trade and other receivables (excluding taxes receivable)	322,051	218,202
Total financial assets at amortised cost	**749,195**	**337,471**
Financial liabilities at amortised cost		
Trade and other payables (excluding taxes payable)	369,277	294,114
Borrowings	13,950,000	16,379,000
Total financial liabilities at amortised cost	**14,319,277**	**16,673,114**

Trade and other receivables of $322,051 have been pledged as security for loans under a general security agreement with Rotorua Lakes Council (2022: $218,202). 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

	2023	2022
Net operating surplus (deficit)	884,510	486,476
Add (less) non-cash items		
Depreciation, amortisation & impairment losses	1,654,017	1,621,800
Deferred tax	374,040	240,664
Donated assets	-	(900,000)
	2,028,057	962,464
Add (less) movements in working capital items		
Employee entitlements	23,178	46,119
Trade and other receivables	(115,232)	(56,280)
Trade and other payables	141,085	(477,509)
	49,031	(487,670)
Add (less) items classified as investing or financing activities		
(Gains)/losses on the disposal of property, plant and equipment	(21,987)	11,392
Net cash flows from operating activities	2,939,611	972,662

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 $28,715. (2022: $22,297)

9. CASH & CASH EQUIVALENTS

	2023	*2022*
Cash at bank	419,415	113,149
Cash on hand	7,729	6,120
Net cash & cash equivalents	**427,144**	**119,269**

10. INCOME TAX

	2023	*2022*
Components of tax expense		
Current tax expense	-	-
Deferred tax expense	374,040	240,664
Tax expense	**374,040**	**240,664**

Relationship between tax expense and accounting profit

	2023	2022
Surplus (deficit) before tax	1,258,550	727,140
Tax at 28% (2022: 28%)	352,394	203,599
Non-deductible expenditure	28,968	11,497
Non-taxable income	-	(252,000)
Group loss offset	(32,889)	-
Deferred tax adjustment	25,567	277,568
Tax expense	**374,040**	**240,664**

Deferred tax asset (liability)

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
Balance at 30 June 2021	(1,568,547)	22,840	33,342	175,162	(1,337,203)
Charged to surplus or deficit	(363,925)	(4,371)	(4,506)	132,138	(240,664)
Charged to other comprehensive income	-	-	-	-	-
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)**

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 2021	1,394,102	1,697,823	249,298	99,130	30,960,000	17,232,435	27,743,234	79,376,022
Elimination on Revaluation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Additions	48,462	-	12,560	29,924	-	985,612	14,463	1,091,021
Disposals	(80,506)	(37,644)	(13,420)	(47,879)	-	-	-	(179,449)
Balance 30 June 2022	**1,362,058**	**1,660,179**	**248,438**	**81,175**	**30,960,000**	**18,218,047**	**27,757,697**	**80,287,594**
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**
Accumulated Depreciation and Impairment Losses								
Balance at 1 July 2021	1,054,947	508,047	132,948	84,569	-	-	-	1,780,511
Elimination on Revaluation	-	-	-	-	-	-	-	-
Depreciation Expense	64,712	60,564	14,594	9,590	-	492,510	975,705	1,617,675
Impairment Losses	-	-	-	-	-	-	-	-
Disposals	(77,671)	(15,059)	(12,989)	(44,614)	-	-	-	(150,333)
Balance at 30 June 2022	**1,041,988**	**553,552**	**134,553**	**49,545**	**-**	**492,510**	**975,705**	**3,247,853**
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**
Carrying Amounts								
At 1 July 2021	339,155	1,189,776	116,350	14,561	30,960,000	17,232,435	27,743,234	77,595,511
At 30 June and 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 2023	345,156	1,111,870	99,258	34,505	28,340,000	22,375,000	32,489,442	84,795,231

The carrying amount of property, plant and equipment of $84,795,231 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 2023. The revaluation surplus net of deferred tax of $5,920,863 has been credited to other comprehensive income.

12. INTANGIBLE ASSETS

	Acquired Software	Total
Cost		
Balance 1 July 2021	109,213	109,213
Additions	-	-
Disposals	(16,145)	(16,145)
Balance 30 June 2022	**93,068**	**93,068**
Balance 1 July 2022	93,068	93,068
Additions	35,934	35,934
Disposals	-	-
Balance 30 June 2023	**129,002**	**129,002**
Accumulated Amortisation and Impairment Losses		
Balance at 1 July 2021	97,072	97,072
Amortisation Expense	4,125	4,125
Impairment Losses	-	-
Disposals	(15,993)	(15,993)
Balance at 30 June 2022	**85,204**	**85,204**
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**
Carrying Amounts		
At 1 July 2021	12,141	12,141
At 30 June and 1 July 2022	7,864	7,864
At 30 June 2023	36,678	36,678

13. CAPITAL EXPENDITURE COMMITMENTS

	2023	*2022*
Capital commitments		
Property, Plant & Equipment	-	-
Total Capital Commitments	**-**	**-**

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 2022: nil).

(b) **Contingent Liabilities**
The Company has no contingent liabilities (30 June 2022: nil).

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 32 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 $99,808 have been recognised during the year. (2022: $41,174)

16. SHAREHOLDERS' EQUITY

(a) Share Capital

	2023		2022	
	# 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.

(b) **Retained Earnings**

	2023	*2022*
Retained Earnings opening balance	2,141,990	1,655,514
Net Surplus (Deficit) after tax	884,510	486,476
Retained Earnings Closing Balance	**3,026,500**	**2,141,990**

(c) **Asset revaluation reserve**

	2023	*2022*
Opening balance	28,243,893	28,243,893
Revaluation gain (loss)	9,242,310	-
Deferred tax on movement	(3,321,447)	-
Closing balance	**34,164,756**	**28,243,893**

Asset revaluation reserve consists of:

	2023	*2022*
Land	20,454,846	23,074,846
Buildings and fitouts	4,134,152	405,365
Infrastructure assets	9,575,758	4,763,682
Closing balance	**34,164,756**	**28,243,893**

17. **TRADE AND OTHER RECEIVABLES**

	2023	*2022*
Receivables from exchange transactions		
Trade debtors	322,051	218,202
	322,051	218,202
Other receivables		
Income tax refund due	29,554	26,155
	29,554	26,155
Total Trade and Other Receivables	**351,605**	**244,357**

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

18. TRADE AND OTHER PAYABLES

	2023	2022
Payables from exchange transactions		
Trade creditors	156,207	150,262
Year-end accruals	160,536	102,985
	316,743	253,247
Other payables		
Related party payables	52,548	40,868
GST payable	123,234	52,419
PAYE payable	-	33,119
	175,782	126,406
Total Trade and Other Payables	**492,525**	**379,653**

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

	2023	2022
Annual leave	55,774	57,044
Alternative leave	19,236	8,916
Accrued wages	55,856	41,729
Total Employee Entitlements	**130,866**	**107,689**

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20. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

21. REPORTING AGAINST FINANCIAL FORECAST AS SET OUT IN SOI

	2023 Target	*2023 Actual*	*Variance*
Total revenue	5,698,823	6,927,524	(1,228,7701)
Total expenses before depreciation	4,053,769	4,014,957	38,812
Net surplus (deficit) before depreciation	1,645,054	2,912,567	(1,267,513)
Net surplus (deficit) after depreciation & before tax	15,054	1,258,550	(1,243,496)

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

	2023	*2022*
Current portion		
Borrowing – Rotorua Lakes Council	-	1,000,000
Non-current portion		
Borrowing – Rotorua Lakes Council	12,550,000	13,550,000
Borrowing – Bank of New Zealand	1,400,000	1,829,000
Total non-current portion	13,950,000	15,379,000
Total Borrowings	**13,950,000**	**16,379,000**

The term loan of $12,550,000 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 2023 was 7.84%.

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

	2023	*2022*
Purchases of goods & services		
Land and water rates	102,567	107,200
Building and resource consent fees	494	484
Refuse disposal	198	-
Legal fees	1,636	-
Land covenant payments	9,298	-
	114,193	107,684
Sales of goods & services		
Service funding received under a service level agreement	2,321,714	2,430,406
Carpark charges	285	215
	2,321,999	2,430,621
Loan		
Opening balance	14,550,000	14,400,000
Loan received during the year	-	1,000,000
Loan paid during the year	(2,000,000)	(850,000)
Loan from Rotorua Lakes Council as at balance date	12,550,000	14,550,000
Other		
Interest paid on loan	466,402	445,488
	466,402	445,488
Balance receivable from Rotorua Lakes Council	48	44
Balance payable to Rotorua Lakes Council	52,548	40,868

b) Transactions with InfraCore

	2023	2022
Purchase of goods & services		
Maintenance	2,561	2,986
	2,561	2,986

* InfraCore is a Council Controlled Entity.

c) Board members remuneration

	2023	2022
Grant Raymond Lilly	16,666	12,750
John Amarama Fenwick	17,500	17,500
Danielle Louise Auld	20,000	20,000
Mere Kerena George	15,000	15,000
Fredrick Neville Cookson	3,250	-
Peter Stubbs	26,951	30,000
	99,367	95,250

d) Key employee remuneration

	2023	2022
Total remuneration paid		
<100,000	-	1
100,000 to 219,999	1	2

The key management personnel include the Board of Directors and CEO. Total key management personnel compensation for the financial year ending 30 June 2023 was $312,548 (2022: $451,520). This includes total full-time equivalent personnel of 7 in the financial year ending 30 June 2023. (2022: 8)

No related party debts have been written off or forgiven during the year. (2022: Nil)