

ROTORUA REGIONAL AIRPORT LIMITED

Financial Statements
For the Year Ended 30 June 2025



Rotorua Regional Airport Limited

Financial Statements Index

For the Year Ended 30 June 2025



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Rotorua Regional Airport Limited

Company Directory

As at 30 June 2025

ROTORUA
AIRPORT

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, Owkata, Rotorua 3074

Registered Office Rotorua Airport
837 Te Ngae Road, Owkata, Rotorua 3074

Directors Kevin William Ward (Chairperson)
Danielle Louise Auld
Fredrick Neville Cookson
Grant Raymond Lilly
Marie Angela Hosking
Mark William East

Auditors Audit New Zealand 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 2025



The Directors hereby present their Annual Report including Financial Statements of the company for the year ended 30 June 2025.

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. Provision for audit fee for the year was \$58,974.

Directors Holding Office During the Year

The following Directors held office as at 30 June 2025:

	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

There were no new appointments or resignations of the Directors during the year.

Directors' Remuneration

Directors' remuneration paid was as follows:

	2025	2024
Kevin William Ward (Chairperson)	30,000	18,750
Danielle Louise Auld	20,000	20,000
Fredrick Neville Cookson	17,500	16,667
Grant Raymond Lilly	15,000	22,500
John Amarama Fenwick	-	4,375
Marie Angela Hosking	15,000	11,250
Mark William East	15,000	11,250
Mere Kerena George	-	3,750
	112,500	108,542

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.

Rotorua Regional Airport Limited

Directors' Annual Report

For the Year Ended 30 June 2025



Employees' Remuneration

The following numbers of employees, who were not directors, received remuneration and benefits which exceeded \$100,000 in value for the 2025 financial year:

	2025	2024
\$100,001 - \$125,000	4	4
\$125,001 - \$150,000	-	-
\$150,001 - \$175,000	1	2
\$175,001 - \$200,000	1	-
\$201,001 - \$225,000	-	-
\$225,001 - \$250,000	-	1
\$250,001 - \$275,000	1	-

Directors' Disclosures

The financial statements have been prepared for the purposes of, and in accordance with, the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

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 25 day of Sep 2025.

Independent Auditor's Report

To the readers of Rotorua Regional Airport Limited financial statements and statement of service performance for the year ended 30 June 2025

The Auditor-General is the auditor of Rotorua Regional Airport Limited (the Company). The Auditor-General has appointed me, Anton Labuschagne, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of service performance of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 13 to 35, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and 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 for the year ended 30 June 2025 on pages 9 to 12.

Opinion

In our opinion:

- the financial statements of the Company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; 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 PBE Accounting Standards Reduced Disclosure Regime; and
- the statement of service performance:
 - accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
 - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 25 September 2025. This is the date at which our opinion is expressed.

Emphasis of matter - comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to note 25 on page 35, which outlines that the Company presented forecast financial information with the historical financial statements that was limited to the statement of comprehensive revenue and expenses.

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 for the audit of the financial statements and the statement of service performance* section of our report.

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

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

Responsibilities of the Board of Directors for the financial statements and the statement of service performance

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 statement of service performance in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and the statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of service performance, 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 either intend 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 statement of service performance

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of service performance, 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 statement of service performance.

For the budget information reported in the financial statements and in the statement of service performance, 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 statement of service performance.

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 statement of service performance, 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 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 statement of service performance 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the statement of service performance, including the disclosures, and assess whether the statement of service performance achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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 all of the information included in the annual report other than the financial statements and the statement of service performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of service performance 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 statement of service performance, 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 statement of service performance, 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 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)* issued by the New Zealand Auditing and Assurance Standards Board.

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



Anton Labuschagne,
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

Rotorua Regional Airport Limited

Statement of Management Responsibility

For the Year Ended 30 June 2025



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 
Kevin Ward (Sep 26, 2025 16:44:03 GMT+12)

Dated this 25 day of Sep 2025.

Rotorua Regional Airport Limited

Statement of Service Performance
For the Year Ended 30 June 2025



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 2025.

Non-financial measures	FY25 Target	FY25 Actual	Performance	FY24 Actual
Aircraft movements (1)	5,487	5,421		5,464
Passenger numbers (2)	243,328	206,008		232,678
Aviation Compliance	Yes	Part 139 Certification held		Yes
Legal Compliance (3)	Provided with quarterly reporting	Provided with quarterly reports		Provided with quarterly reports
Asset Management (4)	By 30 June each year	Project delayed, partially implemented		Provided

Key



Met



Not achieved

Note ⁽¹⁾ Aircraft movements data is provided by Airways NZ and Air NZ. Commercial numbers were behind budget due to Air New Zealand reducing the schedule as a result of operational restraints and lower demand. General Aviation aircraft movement numbers were ahead of budget, driven by the aviation open day in October 2024.

Note ⁽²⁾ Passenger numbers are calculated from raw data files provided by the airline carriers. Passenger numbers decreased by -11.5% on previous year and -15.3% down on budget, reflecting the lower Air New Zealand capacity.

Note ⁽³⁾ Legal compliance relates to the maintenance of a rolling 3 year legal and regulatory compliance dashboard, which is reported on quarterly to the Board and Rotorua Lakes council.

Note ⁽⁴⁾ Asset management relates to a high level asset management plan, being developed using OneReg software to provide a database of assets, values, maintenance schedules and renewals information.

Rotorua Regional Airport Limited

Statement of Service Performance

For the Year Ended 30 June 2025



PERFORMANCE INFORMATION – FINANCIAL

Financial measures	FY25 Target	FY25 Actual	Performance	FY24 Actual
Aeronautical Revenue ⁽¹⁾	4,771,986	4,145,491		3,970,062
Non-Aeronautical Revenue	1,661,881	1,497,180		1,630,004
Service Funding Agreement	1,800,000	1,800,000		2,150,000
Total Revenue	8,233,867	7,474,291		7,750,066
Operating Expenses ⁽²⁾	2,278,899	1,919,802		1,982,460
Overheads	2,271,050	2,223,344		2,416,330
Interest	438,620	364,945		466,049
Total Expenses before depreciation	4,988,569	4,508,091		4,864,839
Net Surplus (deficit) before depreciation ⁽³⁾	3,245,298	2,966,200		2,885,227
Net Surplus (deficit) after depreciation & before tax	1,066,537	487,630		834,790
Capital expenditure ⁽⁴⁾	2,585,0000	1,385,663		932,896
Shareholders' funds to total assets	75%	79%		78%
Term Borrowings (with LGFA via RLC) ⁽⁵⁾	9,750,000	11,150,000		11,150,000
	Met	Not achieved		

Note (1) Lower than budgeted passenger numbers had a direct impact on aeronautical revenue -12.9% below SOI, and subsequently reducing both terminal income and associated café revenues, contributing significantly to the unfavourable end of year position.

Note (2) Operating expenses for FY25 were -15.7% (\$359,097 below the SOI Budget), primarily reflecting the timing of repairs and maintenance. Runway and apron costs were lower than anticipated due to delays in planned works, with cold weather delaying apron surface treatments until FY26. Similarly, terminal and building expenses were reduced as works on RRA-owned hangars were deferred. These projects have been rescheduled and will now be undertaken within the FY26 operating budget.

Note (3) Net surplus (deficit) before depreciation was -9.1% down compared to SOI target primarily driven by the decrease in passenger numbers and landing fee revenue.

Note (4) Lower capital expenditure was due to changes in timing of projects, and these are now scheduled to complete in FY 2026.

Note (5) Repayment of \$1,400,000 was made immediately after balance date by 2 July 2025.

KEY PRIORITIES AND OBJECTIVES

The board and Management identified five key priorities for FY25, as set out in the SOI. Below is an update on each:



Excelling Today

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 has a current Part 139 Operating Certificate which is valid until February 2029.

A number of operational changes and improvements were made in FY25 to ensure RRA remains a safe airport. These included:

- Continuation of the Obstacle Limitation Surface (OLS) survey and Tree management program. Focus in FY24 was on the implementation of new technology to better manage the OLS, and minimise the risk of trees through the OLS.
- Legacy constraints, such as the turning beacon, the Circling Guidance Light (CGL) and take off minima, have been investigated and changes implemented as appropriate.
- Comprehensive Audit Schedule was put in place, and will become a continued focus in the operations
- The CCTV system was upgraded including new cameras, server and a new access control system.



Ready for Tomorrow

RRA is progressing initiatives to future-proof infrastructure and adopt emerging aviation technologies.

- RRA continues to develop improved data and understanding of flight protection surfaces so it is poised to benefit from new technologies such as SBAS (Satellite Based Augmentation System), when they become available.
- A business case for two generators (EOC and Terminal) was approved with installation underway and staged commissioning planned.
- Business Continuity Plan (BCP) was fully implemented and is operational.
- Planning is complete for the Southern GA Fuel Area and Airside Swale and development plan aligned with the Business Park.



Quality Asset Management

RRA continues to strengthen its asset management approach with a focus on renewals and forward planning.

- Continued focus on asset management with implementation of the OneReg Asset Management Module and maintenance plans for RRA owned buildings embedded into day-to-day operations.
- New tractor shed, with workshop and emergency water storage, has been delivered.
- Carpark Hardware renewal is on-track with procurement process completed and moving towards implementation in FY26.
- EOC Fire Protection Review complete, with recommended action of an upgraded alarm system underway.



Stronger Together

Engagement, partnerships, and people development have been key priorities in FY25.

- RRA was the winner of the NZ Airports Community Engagement of the Year (Medium Airport) award.
- Julie Southall was the winner of the NZ Airports Emerging Leader of the Year award.
- Performance Management Framework was developed and implemented.
- Business After 5 Engagement successfully delivered, strengthening business relationships.
- 60th Anniversary celebrations completed; milestone event showcased the airport's role in Rotorua's history
- Terminal enhancement masterplan, including the airport entrance, and costing complete. Implementation on hold.
- Stage 1 of terminal furniture upgrade completed.



Be Financially Sustainable

Progress has been made on commercial development and non-aeronautical revenue growth.

- Work on the Airport Business Park continues with a staging strategy completed and anchor tenant discussions, iwi consultation, detailed design and Stage 1a Business Case underway.
- First stage of a Solar Farm exploration has been completed with further investigation underway.

Rotorua Regional Airport Limited

Statement of Comprehensive Revenue & Expense
For the Year Ended 30 June 2025



	Note	2025 Actual	2025 Budget	2024 Actual
REVENUE				
Operating revenue	3	7,442,671	8,215,323	7,706,615
Other revenue	4	31,620	18,544	43,451
TOTAL REVENUE		7,474,291	8,233,867	7,750,066
EXPENSES				
Operating expenses	5	849,171	1,230,603	1,000,938
Depreciation, amortisation & impairment charges	11,12	2,478,570	2,178,761	2,050,437
Directors' fees		112,500	128,352	108,542
Finance expense		364,945	438,620	466,049
Personnel costs	20	1,758,393	1,744,752	1,633,879
Other expenses	6	1,423,082	1,446,242	1,655,431
TOTAL EXPENSES		6,986,661	7,167,330	6,915,276
SURPLUS (DEFICIT) BEFORE TAX		487,630	1,066,537	834,790
Income tax expense	10	(261,913)	-	(146,397)
SURPLUS (DEFICIT) AFTER TAX		749,543	1,066,537	981,187
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
Income tax relating to gain on revaluation	16c,11	-	-	(1,389,201)
TOTAL COMPREHENSIVE REVENUE & EXPENSE		749,543	1,066,537	3,268,419

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Changes in Equity
For the Year Ended 30 June 2025



	Note	2025	2024
EQUITY AT START OF YEAR		69,104,675	65,836,256
Total comprehensive revenue & expense for the year	16a-c	749,543	3,268,419
EQUITY AT END OF YEAR		69,854,218	69,104,675

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Financial Position

As at 30 June 2025

ROTORUA
AIRPORT

	Note	2025	2024
CURRENT ASSETS			
Cash and cash equivalents	9	1,569,320	537,831
Receivables from exchange transactions	17	342,830	372,267
Other receivables	17	38,900	36,349
Prepayments		120,014	118,957
TOTAL CURRENT ASSETS		2,071,064	1,065,404
NON-CURRENT ASSETS			
Property, plant & equipment	11	85,932,858	87,024,836
Intangible assets	12	14,971	23,955
TOTAL NON-CURRENT ASSETS		85,947,829	87,048,791
TOTAL ASSETS		88,018,893	88,114,195
CURRENT LIABILITIES			
Payables under exchange transactions	18	506,356	435,659
Other payables	18	100,395	108,845
Income and rent in advance		12,798	14,173
Employee entitlements	19	140,881	184,685
Current portion of borrowings	22	1,400,000	-
TOTAL CURRENT LIABILITIES		2,160,430	743,362
NON-CURRENT LIABILITIES			
Borrowings	22	9,750,000	11,750,000
Deferred tax liabilities	10	6,254,245	6,516,158
TOTAL NON-CURRENT LIABILITIES		16,004,245	18,266,158
TOTAL LIABILITIES		18,164,675	19,009,520
NET ASSETS		69,854,218	69,104,675
EQUITY			
Share capital	16(a)	28,645,000	28,645,000
Retained earnings	16(b)	4,965,610	4,216,067
Asset revaluation reserve	16(c)	36,243,608	36,243,608
TOTAL EQUITY		69,854,218	69,104,675

The Board of Directors of Rotorua Regional Airport Limited authorised these financial statements for issue on 25 Sep 2025.

The accompanying notes form part of these financial statements.

Rotorua Regional Airport Limited

Statement of Cashflows

For the Year Ended 30 June 2025



	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Receipts from customers		7,466,893	7,663,506
Interest received		31,620	30,451
Goods and services tax (net)		10,861	-
		7,509,374	7,693,957
Cash was paid to:			
Payments to suppliers and employees		4,175,170	3,995,247
Goods and services tax (net)		-	44,525
Income tax payment		2,551	6,795
Interest paid		371,929	482,441
		4,549,650	4,529,008
Net cash flow from operating activities	8	2,959,724	3,164,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was received from:			
Proceeds from sale of property, plant and equipment		-	13,000
		-	13,000
Cash was paid to:			
Purchase of property, plant and equipment		1,328,235	867,262
		1,328,235	867,262
Net cash flow from investing activities		(1,328,235)	(854,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Proceeds from borrowings		-	-
		-	-
Cash was paid to:			
Repayment of borrowings		600,000	2,200,000
		600,000	2,200,000
Net cash flow from financing activities		(600,000)	(2,200,000)
Net increase (decrease) in cash and cash equivalents		1,031,489	110,687
Cash and cash equivalents at the beginning of the year		537,831	427,144
Cash and cash equivalents at the end of year	9	1,569,320	537,831

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 2025. The financial statements were authorised for issue by the directors on 25 Sep 2025.

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). Non-compliance relating to the Statement of Intent (SOI) and not providing forecast financial information in the financial statements, is further detailed in Note 25.

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

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 remuneration and other personnel costs

Salaries and wages are recognised as an expense as employees provide services and become entitled to wages, salaries and leave 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.

Employer contributions to Kiwisaver, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as they are incurred.

(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	1-45 years
Other Paved Areas	1-45 years
Surround Security Fences	10 years

Operational assets

Buildings and Fit-out	1-50 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 2025



3. OPERATING REVENUE

	2025	2024
Exchange revenue		
Landing Charges	4,145,491	3,963,662
Lease Rental	473,265	484,138
Parking Revenue	781,365	890,163
Other Operating Revenue	242,550	218,652
Non-exchange revenue		
Rotorua Lakes Council Service Funding	1,800,000	2,150,000
Total Operating Revenue	7,442,671	7,706,615

4. OTHER REVENUE

	2025	2024
Interest Received	31,620	30,451
Gain on disposal of property, plant & equipment	-	13,000
Total Other Revenue	31,620	43,451

5. OPERATING EXPENSES

	2025	2024
Rental Property Expenses	80,555	84,394
Runway/Taxiway/Apron Expenses	273,757	447,049
Surrounds Expenses	187,948	184,708
Terminal Expenses	306,911	284,787
Total Operating Expenses	849,171	1,000,938

6. OTHER EXPENSES

	2025	2024
Audit Fee for audit of financial statements	58,974	58,474
Land Rates	136,242	117,226
Other Expenses	1,227,866	1,479,731
Total Other Expenses	1,423,082	1,655,431

7. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2025	2024
Financial assets at amortised cost		
Cash and cash equivalents	1,569,320	537,831
Trade and other receivables (excluding taxes receivable)	342,830	372,267
Total financial assets at amortised cost	1,912,150	910,098
Financial liabilities at amortised cost		
Trade and other payables (excluding taxes payable)	562,299	471,023
Borrowings	11,150,000	11,750,000
Total financial liabilities at amortised cost	11,712,299	12,221,023

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

	2025	2024
Surplus/(deficit) after tax	749,543	981,187
Add (less) non-cash items		
Depreciation, amortisation & impairment losses	2,478,570	2,050,437
Deferred tax	(261,913)	(146,397)
	2,966,200	2,885,227
Add (less) movements in working capital items		
Employee entitlements	(43,804)	53,818
Trade and other receivables	26,886	(57,011)
Prepayment	(1,057)	(32,998)
Trade & other payables	4,819	527
Income and rent in advance	(1,375)	(13,624)
	(14,531)	(49,288)
Add (less) items classified as investing or financing activities		
(Gains) on disposal of property, plant & equipment	8,055	329,010
Net cash flows from operating activities	2,959,724	3,164,949

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 \$124,788. (2024: \$67,357)

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2025

ROTORUA
AIRPORT

9. CASH & CASH EQUIVALENTS

	2025	2024
Cash at bank	1,565,267	525,552
Cash on hand	4,053	12,279
Net cash & cash equivalents	1,569,320	537,831

10. INCOME TAX

	2025	2024
Components of tax expense		
Current tax expense	-	-
Deferred tax expense	(261,913)	(146,397)
Tax expense	(261,913)	(146,397)

Relationship between tax expense and accounting profit

Surplus (deficit) before tax	487,630	834,790
Tax at 28% (2024: 28%)	136,536	233,741
Non-deductible expenditure	25,970	64,127
Group loss offset	(445,626)	(500,986)
Deferred tax adjustment	21,207	56,721
Tax expense	(261,913)	(146,397)

Deferred tax asset (liability)

	Property, plant and equipment	Employee entitlements	Other provisions	Tax losses	Total
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)
Charged to surplus or deficit	255,226	3,285	3,402	-	261,913
Charged to other comprehensive income	-	-	-	-	-
Balance at 30 June 2025	(6,348,350)	37,626	56,479	-	(6,254,245)

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2025



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 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	398,526	22,394	64,903	200,000	167,001	-	932,896
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
Balance 1 July 2024	1291,103	1,919,111	212,131	117,237	27,255,000	23,222,001	34,586,749	88,603,332
Elimination on Revaluation	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Additions	298,191	489,298	97,916	29,333	-	443,722	27,203	1,385,663
Disposals	(86,320)	-	(55,261)	(657)	-	(6,729)	-	(148,967)
Balance 30 June 2025	1,502,974	2,408,409	254,786	145,913	27,255,000	23,658,994	34,613,952	89,840,028
Accumulated Depreciation and Impairment Losses								
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
Balance at 1 July 2024	944,270	472,145	127,321	34,760	-	-	-	1,578,496
Elimination on Revaluation	-	-	-	-	-	-	-	-
Depreciation Expense	59,524	67,270	16,561	32,503	-	784,268	1,509,460	2,469,586
Impairment Losses	-	-	-	-	-	-	-	-
Disposals	(85,101)	-	(55,261)	(550)	-	-	-	(140,912)
Balance at 30 June 2025	918,693	539,415	88,621	66,713	-	784,268	1,509,460	3,907,170
Carrying Amounts								
At 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 and 1 July 2024	346,833	1,446,966	84,810	82,477	27,255,000	23,222,001	34,586,749	87,024,836
At 30 June 2025	584,281	1,868,994	166,165	79,200	27,255,000	22,874,726	33,104,492	85,932,858

Within the cost of property plant and equipment is a prepayment of \$775,625 (2024: \$268,326) for a fire truck in progress being built overseas under contract.

The carrying amount of property, plant and equipment of \$85,932,858 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 CBRE, 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 these valuations was 30 June 2024. A fair value assessment was performed as at 30 June 2025, which confirmed there were no material movements between the assets' carrying amount, and fair value.

12. INTANGIBLE ASSETS

	Acquired Software	Total
Cost		
Balance 1 July 2023	129,002	129,002
Additions	-	-
Disposals	(10,000)	(10,000)
Balance 30 June 2024	119,002	119,002
Balance 1 July 2024	119,002	119,002
Additions	-	-
Disposals	-	-
Balance 30 June 2025	119,002	119,002
Accumulated Amortisation and Impairment Losses		
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
Balance at 1 July 2024	95,047	95,047
Amortisation Expense	8,984	8,984
Impairment Losses	-	-
Disposals	-	-
Balance at 30 June 2025	104,031	104,031
Carrying Amounts		
At 1 July 2023	36,678	36,678
At 30 June and 1 July 2024	23,955	23,955
At 30 June 2025	14,971	14,971

13. CAPITAL EXPENDITURE COMMITMENTS

	2025	2024
Capital commitments		
Property, Plant & Equipment	441,128	895,852
Total Capital Commitments	441,128	895,852

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred. The commitment for purchase of a fire truck of \$421,128 has been hedged by way of a forward foreign exchange contract with value date of 2 September 2025. Any gain or loss on the forward exchange contract has not been recognised at balance date, as it is not considered to be material.

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2025



14. CONTINGENT ASSETS & LIABILITIES

(a) Contingent Assets

The Company has no contingent assets (30 June 2024: nil).

(b) Contingent Liabilities

The Company has no contingent liabilities (30 June 2024: 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 (Receivables)

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 24 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 an option to purchase the properties at the expiry of the lease period.

Contingent rents of \$67,791 have been recognised during the year. (2024: \$106,024)

16. SHAREHOLDERS' EQUITY

(a) Share Capital

	2025		2024	
	# 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

	2025	2024
Retained earnings opening balance	4,216,067	3,026,500
Net surplus (deficit) after tax	749,543	981,187
Transfer from asset revaluation reserve (note 16c)	-	208,380
Retained Earnings Closing Balance	4,965,610	4,216,067

(c) Asset revaluation reserve

	2025	2024
Opening balance	36,243,608	34,164,756
Revaluation gain (loss)	-	3,676,433
Transferred to retained earnings (note 16b)	-	(208,380)
Deferred tax on movement	-	(1,389,201)
Closing balance	36,243,608	36,243,608

Asset revaluation reserve consists of:

	2025	2024
Land	19,169,846	19,169,846
Buildings and fitouts	5,113,537	5,113,537
Infrastructure assets	11,960,225	11,960,225
Closing balance	36,243,608	36,243,608

17. TRADE AND OTHER RECEIVABLES

	2025	2024
Receivables from exchange transactions		
Trade debtors	342,830	372,267
	342,830	372,267
Other receivables		
Income tax refund due	38,900	36,349
	38,900	36,349
Total Trade and Other Receivables	381,730	408,616

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 2025



18. TRADE AND OTHER PAYABLES

	2025	2024
Payables from exchange transactions		
Trade creditors	330,793	246,097
Year-end accruals	175,563	189,562
	506,356	435,659
Other payables		
Related party payables	29,796	35,364
GST payable	70,599	73,481
	100,395	108,845
Total Trade and Other Payables	606,751	544,504

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

	2025	2024
Annual leave	87,728	87,640
Alternative leave	46,650	35,007
Accrued wages	6,503	62,038
Total Employee Entitlements	140,881	184,685

20. PERSONNEL COSTS

	2025	2024
Salaries and wages	1,749,709	1,534,039
Defined contribution plan employer contributions	52,488	46,022
Increase/(decrease) in employee entitlements	(43,804)	53,818
Total Personnel Costs	1,758,393	1,633,879

21. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date.

22. BORROWINGS

	2025	2024
Current portion		
Borrowing – Rotorua Lakes Council	1,400,000	-
Non-current portion		
Borrowing – Rotorua Lakes Council	9,750,000	11,150,000
Borrowing – Bank of New Zealand	-	600,000
Total non-current portion	9,750,000	11,750,000
Total Borrowings	11,150,000	11,750,000

The term loan of \$11,150,000 from Rotorua Lakes Council is secured by a loan agreement, securing all property, plant and equipment. The average interest rate on the loan at balance date was 3.37% plus a margin of 25 basis points (bps). The current portion of the loan was repaid on 2 July 2025.

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

	2025	2024
Purchases of goods & services		
Land and water rates	129,275	114,289
Building and resource consent fees	458	297
Refuse disposal	59	249
Fire station expenses	23	-
Land covenant payments	-	-
	129,815	114,835
Sales of goods & services		
Service funding received under a service level agreement	1,800,000	2,150,000
Carpark charges	56	377
	1,800,056	2,150,377

Rotorua Regional Airport Limited

Notes to the Financial Statements
For the Year Ended 30 June 2025



Loan

Opening balance	11,150,000	12,550,000
Loan received during the year	-	-
Loan paid during the year	-	(1,400,000)
Loan from Rotorua Lakes Council as at balance date	11,150,000	11,150,000

Other

Interest paid on loan	360,820	440,639
Balance receivable from Rotorua Lakes Council	-	-
Balance payable to Rotorua Lakes Council	29,796	35,364

During the year, tax losses of \$1,789,237 were transferred from RLC by loss offset to eliminate the company's tax liability for 2024 tax year. No payment was made to RLC in relation to this loss transfer. The company is also expecting to receive a loss offset from RLC to eliminate its tax liability for the 2025 tax year.

b) Transactions with InfraCore

	2025	2024
Purchase of goods & services		
Maintenance	1,533	3,094
	1,533	3,094

* InfraCore is a Council Controlled Entity, which ceased being a related party 1 November 2024. The amounts disclosed precede this date.

c) Board members remuneration

	2025	2024
Danielle Louise Auld	20,000	20,000
Fredrick Neville Cookson	17,500	16,667
Grant Raymond Lilly	15,000	22,500
John Amarama Fenwick	-	4,375
Kevin William Ward	30,000	18,750
Marie Angela Hosking	15,000	11,250
Mark William East	15,000	11,250
Mere Kerena George	-	3,750
	112,500	108,542

d) Key employee remuneration

	2025	2024
Total remuneration paid		
200,000 to 300,000	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 2025 was \$373,150 (2024: \$357,049). This includes total full-time equivalent personnel of 7 in the financial year ending 30 June 2025. (2024: 9) Due to the difficulty in determining the full-time equivalent for Directors, the full-time equivalent figure is taken as the number of Directors.

No related party debts have been written off or forgiven during the year. (2024: Nil)

25. STATEMENT OF INTENT NON-COMPLIANCE

The Company presented information in its 2025 Statement of Intent (SOI) which did not fully comply with the requirements of the Local Government Act 2002. Forecast financial information was limited to the Statement of Comprehensive Revenue and Expenses. However, CCO's are now required to present forecast financial statements for the financial year to which the SOI relates, and each of the following two years, which must be prepared in accordance with generally accepted accounting practice.

The company did not comply with regulation 15 of the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999, which requires it to publish a notice in the Gazette about its disclosure financial statements, as this was not done for the 2024 disclosure year. The company plans to publish a notice for the 2025 disclosure year.

2025 Final RRAL Financial Reports 300625 for Signing

Final Audit Report

2025-09-26

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