

DRAFT



WHAKATĀNE
District Council

Whakatāne Airport Joint Venture
FINANCIAL REPORT

For the six months ended 31 December 2013



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Introduction

This Report provides the financial statements for the Whakatāne Airport for the six month period ended 31 December 2013.

The Whakatāne Airport is a 50:50 joint equity venture between the Council and the Ministry of Transport. The Airport is seen to be a valued community asset that contributes to the wellbeing of residents and is crucial to the economy of the Whakatāne District.

The Whakatāne Airport is also deemed to be a Council Controlled Organisation (CCO) under the Local Government Act 2002. A CCO is a company or organisation in which a Council or Councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers.

SIGNIFICANT POLICIES AND OBJECTIVES OF THE WHAKATĀNE AIRPORT

- Provide high quality facilities and services commensurate with existing levels of aviation activity and in accordance with all the appropriate Acts, Regulations and Rules pertaining to airport and aviation operations in line with the size of the Whakatāne Airport.
- Operate the Airport in a sound and business-like manner.
- Ensure that the Airport is administered efficiently, effectively and safely to the benefit of scheduled flight operations, commercial operators and recreational users.
- Improve the long term value and financial performance of the Airport while improving the economic value of the Airport to Whakatāne.
- Promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty.

NATURE AND SCOPE OF ACTIVITIES PROVIDED BY WHAKATĀNE AIRPORT

- The airport is maintained as a non-certificated aerodrome in accordance with the Civil Aviation Authority Aerodrome design for aircraft at or below 5700 kg MCTOW. Air New Zealand Link provides return scheduled services to Auckland.
- Provides a base for commercial, training and recreational aviation activity. The Whakatāne Airport provides a base for scenic flight operators, flight schools and other commercial operators; as well as a base for recreational users.
- The ongoing development of aviation and associated service and infrastructure is intended to support activity, business and employment.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED		BUDGET	
		31/12/2013	31/12/2012	2013/14	
		\$			
INCOME					
213,485	Operating Revenue	Note 2	104,881	106,404	217,000
3,524	Finance Income		1,934	1,805	-
217,009	Total Income		106,815	108,209	217,000
EXPENDITURE					
321,503	Operating Expenses	Note 3	131,072	125,758	339,374
38,506	Depreciation and Amortisation	Note 7	19,731	18,382	37,389
11,877	Audit Fees		11,377	5,939	12,000
371,886	Total Operating Expenditure		162,180	150,078	388,763
(154,877)	Net Surplus (Deficit) before Tax		(55,366)	(41,869)	(171,763)
-	Income Tax Expense	Note 4	-	-	-
(154,877)	Net Surplus (Deficit) after Tax		(55,366)	(41,869)	(171,763)
-	OTHER COMPREHENSIVE INCOME		-	-	-
(154,877)	Total Comprehensive Income for the Year		(55,366)	(41,869)	(171,763)

The Notes and the Statement of Accounting Policies on pages 6 to 17 form part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

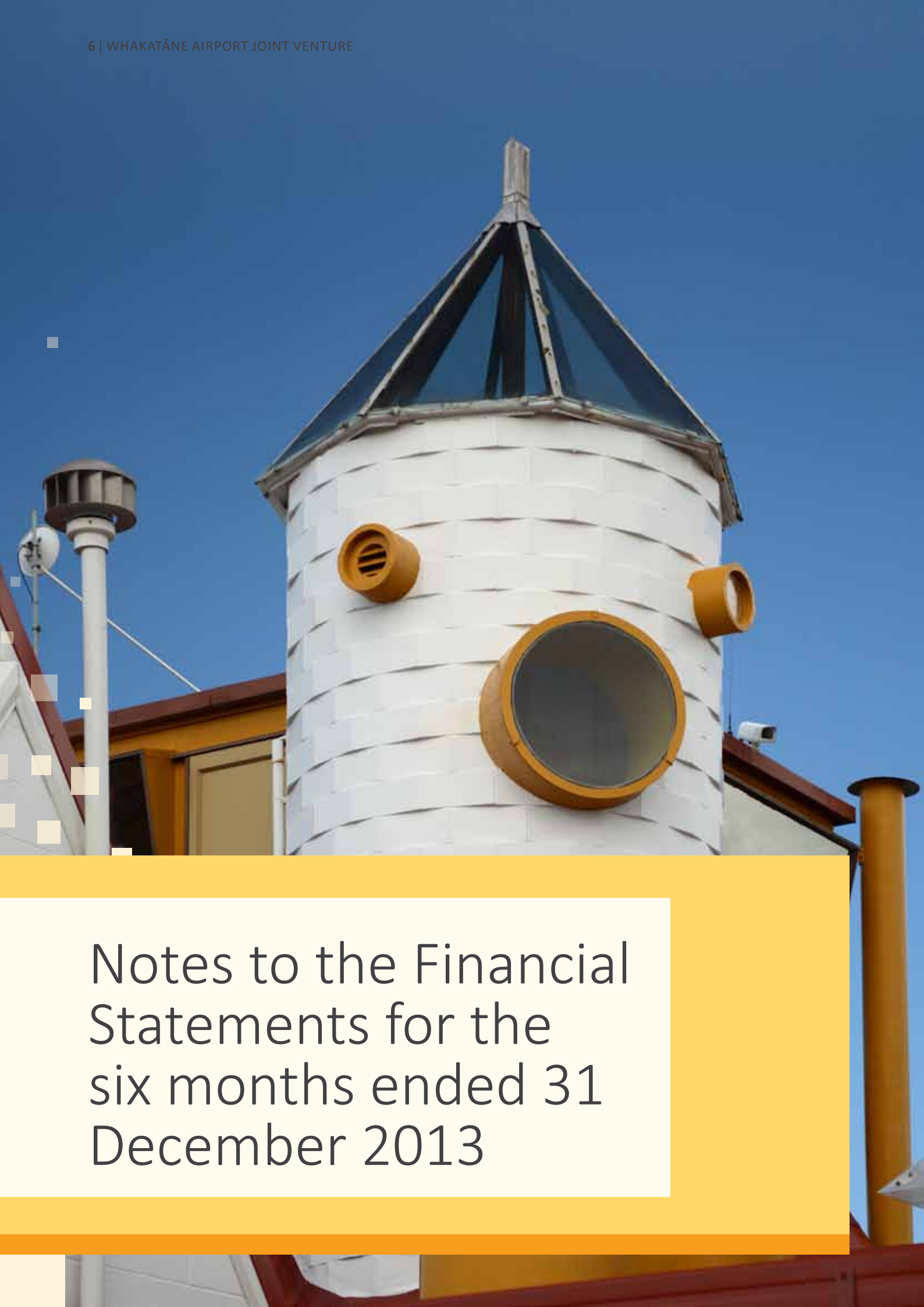
YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
1,072,950	Balance at 1 July	1,004,563	1,072,950
(154,877)	Net Surplus (Deficit)	(55,366)	(41,869)
(154,877)	Total recognised income (expenditure)	(55,366)	(41,869)
86,490	Capital Contributions - MOT and WDC	36,725	2,429
1,004,563	Balance	985,922	1,033,510

The Notes and the Statement of Accounting Policies on pages 6 to 17 form part of the Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

YEAR ENDED 30/06/2013 \$			SIX MONTHS ENDED	
			31/12/2013	31/12/2012
			\$	
	EQUITY			
1,125,346	Capital		1,162,071	1,041,285
68,082	Reserve Funds		72,017	64,363
(188,867)	Partners Current Accounts		(248,167)	(72,139)
1,004,563	TOTAL EQUITY	Note 8	985,920	1,033,509
	ASSETS			
	Current Assets			
51,963	Sundry Receivables	Note 5	7,710	12,592
51,963	Total Current Assets		7,710	12,592
	Non-Current Assets			
1,287,676	Property, Plant and Equipment	Note 7	1,304,670	1,221,310
1,287,676	Total Non-Current Assets		1,304,670	1,221,310
1,339,638	Total Assets		1,312,379	1,233,902
	LIABILITIES			
	Current Liabilities			
284,787	Whakatāne District Council		290,010	157,913
50,289	Trade and Other Payables	Note 6	36,448	42,480
335,076	Total Current Liabilities		326,458	200,393
335,076	Total Liabilities		326,458	200,393
1,004,563	Net Assets		985,921	1,033,509

The Notes and the Statement of Accounting Policies on pages 6 to 17 form part of the Financial Statements



Notes to the Financial
Statements for the
six months ended 31
December 2013

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report consists of the financial statements of Whakatāne Airport, which is a 50:50 joint equity venture between the Council and the Crown.

Entities Reporting

The financial statements are for Whakatāne Airport, which is a 50:50 joint equity venture between the Council and the Crown.

The primary objective of Whakatāne Airport is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Whakatāne Airport has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of Whakatāne Airport are for the 6 months ended 31/12/13.

Basis of Preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Whakatāne Airport has taken advantage of certain exemptions available under NZ IFRS.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. Some rounding variances may occur in the Finance Statements due to the use of decimal places in the underlying financial data. The functional currency of Whakatāne Airport is New Zealand dollars.

Statutory Base

Whakatāne Airport is a Council Controlled Organisation (CCO) registered under the Local Government Act 2002. This Act requires compliance with New Zealand Generally Accepted Accounting Practice (GAAP). The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002.

Differential Reporting

The Whakatāne Airport is a qualifying entity within the Framework of Differential Reporting. The Airport is able to apply differential reporting exemptions as it meets the criteria of a differential entity because:

- a) the Airport is not publicly accountable;
- b) the Airport is not large.

All differential reporting exemptions have been taken advantage of.

Historical cost convention

These financial statements have been prepared under the historical cost convention. The Whakatāne District Council will continue to provide the necessary support to enable the Whakatāne Airport Joint Venture to pay its liabilities as they fall due, including providing funds through the District Fund Account.

Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Whakatāne Airport's accounting policies.

No material estimates were required this accounting period.

Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of rebates and discounts. All revenue is recognised when earned.

Rental Revenue

Rental revenue is recognised in the period that it relates to.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Income tax

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

Goods and services tax (gst)

All items in the financial statements are stated exclusive of GST. Commitments and contingencies are disclosed exclusive of GST.

Leases

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

Impairment of assets

Items of property, plant and equipment and intangible assets with finite useful lives are reviewed at each balance date to determine whether there is any indication that the asset might be impaired. Where such an indication exists, the asset is tested for impairment by comparing its carrying value to its recoverable amount. Intangible assets with indefinite useful lives, intangible assets not yet available for use and goodwill are tested for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the assets fair value less costs to sell and its value in use. Where the future economic benefits of the asset are not primarily dependent on its ability to generate net cash inflows, and where Whakatāne Airport would, if deprived of the asset, replace its remaining future economic benefits, value in

use is determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Current account

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Investments held are recorded at cost price. The bank account is held by Whakatāne District Council as part of its General Funds.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that Whakatāne Airport will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

Investments and other financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Whakatāne Airport provides money, goods or services directly to a debtor with



no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non current assets.

Property, plant and equipment

Property, plant and equipment consists of operational assets, which include land, buildings, plant & equipment and furniture & fittings. Items of property, plant and equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

All property, plant and equipment is shown at cost less depreciation and impairment costs. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Whakatāne Airport and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The expected lives, in years, of major classes of fixed assets areas follows:

OPERATIONAL ASSETS:	YEARS	METHOD
Airport Runways, Taxiways and Apron	50	Straight Line
Building	50	Straight Line
Water Supply	100	Straight Line
Plant & Equipment	10	Diminishing Value
Furniture & Fittings	5	Diminishing Value
Fence	5-10	Diminishing Value

The Airport land is vested in the Council under the Reserves Act 1997 for use as an Airport. The Airport holds the land "in substance" and is shown at the value at the date of vesting. Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

Intangible assets

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years.

Trade and other payables

These amounts represent liabilities for goods and services provided to Whakatāne Airport prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.



NOTE 2 - OPERATING REVENUE

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
91,398	Airport Dues	44,775	44,562
12,548	Lease of Buildings	6,530	6,107
23,955	Commercial Leases	15,483	8,501
75,912	Grazing Leases	37,743	44,420
9,673	Sundry Income	350	2,814
213,485		104,881	106,404

NOTE 3 - OPERATING EXPENSES

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
38,057	Consultants	660	-
112,071	Contracts	36,372	37,363
15,279	Direct Cost Reallocated	13,915	4,473
13,000	Directors Fees	3,914	6,500
24,343	Electricity	12,396	12,627
490	Fire Security	270	490
9,820	General Expenses	1,869	494
6,109	Insurances	4,725	6,109
5,049	Legal Costs	3,304	4,745
11,816	Maintenance and Repairs	6,749	4,404
5,382	Rates Paid	5,480	5,382
233	Resource Consent	-	-
5,475	Security	2,281	2,738
1,175	Training and Professional Development	-	1,175
1,963	Subscriptions	2,338	1,713
4,415	Taxation Advice	3,150	4,415
556	Telephones and Tolls	254	254
911	Travel and Accommodation	-	705
4,225	Valuation Expenses	-	1,375
-	Vehicle Costs	-	-
97	Waste Disposal	31	73
370	Water	3,449	-
60,486	Overheads	29,915	30,722
321,323	Total Other Expenses	131,072	125,758

NOTE 4 - TAXATION

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
Income Tax Expense			
(154,877)	Net Surplus (Deficit) before Tax	-	-
(43,366)	Tax calculated at applicable tax rate 28% (2013:28%)	-	-
2,696	Depreciation adjustments	-	-
40,669	Tax loss not recognised	-	-
-	Tax expense/(benefit)	-	-
-	Current tax expense	-	-
-	Prior year adjustments to current tax	-	-
-	Tax expense	-	-

Tax losses of \$1,402,463 (2012: \$1,257,216) are available to carry forward and offset.

No imputation credits are available to attach to distribution to owners.

NOTE 5 - SUNDRY RECEIVABLES

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
10,870	Eagle Airways	5,776	10,788
41,093	Ministry of Transport	-	-
-	Interest	1,934	1,804
51,963		7,710	12,592

NOTE 6 - TRADE & OTHER PAYABLES

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
6,877	Audit Fees	-	5,939
8,212	Trade Payables	-	1,083
35,200	Income Received in Advance - Rentals & Leases	36,448	35,458
50,289		36,448	42,480

NOTE 7 - PLANT, PROPERTY AND EQUIPMENT DECEMBER 2013

	"COST/ REVALUATION 30 JUNE 2013"	ACCUMULATED DEPRECIATION AND IMPAIRMENT 30 JUNE 2013	NET BOOK VALUE 30 JUNE 2013	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	DEPRECIATION HALF YEAR	REVALUATION CURRENT YEAR	COST/ REVALUATION 31 DECEMBER 2013	ACCUMULATED DEPRECIATION AND IMPAIRMENT 31 DECEMBER 2013	NET BOOK VALUE 31 DECEMBER 2013
LAND										
Land	12,246	-	12,246	-	-	-	-	12,246	-	12,246
AIRPORT										
Runways & Taxiways	1,079,102	225,475	853,627	240	-	10,793	-	1,079,342	236,268	843,074
Fencing	69,608	22,000	47,608	-	-	2,506	-	69,608	24,506	45,102
Water Supply	75,622	11,873	63,749	36,485	-	561	-	112,107	12,434	99,673
Aprons	24,195	17,942	6,253	-	-	242	-	24,195	18,184	6,011
Water Supply Improvement	7,592	591	7,001	-	-	38	-	7,592	629	6,963
Radio Transmitter	941	941	-	-	-	-	-	941	941	-
Airport Signage	3,040	3,040	-	-	-	-	-	3,040	3,040	-
Grassing	30,133	-	30,133	-	-	-	-	30,133	-	30,133
Roading	15,568	-	15,568	-	-	-	-	15,568	-	15,568
Security-Cameras and Fences	25,620	6,005	19,615	-	-	1,226	-	25,620	7,231	18,389
	1,331,421	287,867	1,043,554	36,725	-	15,366	-	1,368,146	303,233	1,064,913

NOTE 7 - PLANT, PROPERTY AND EQUIPMENT DECEMBER 2013 (CONT.)

	"COST/ REVALUATION 30 JUNE 2013"	ACCUMULATED DEPRECIATION AND IMPAIRMENT 30 JUNE 2013	NET BOOK VALUE 30 JUNE 2013	ADDITIONS CURRENT YEAR	DISPOSALS CURRENT YEAR	DEPRECIATION HALF YEAR	REVALUATION CURRENT YEAR	COST/ REVALUATION 31 DECEMBER 2013	ACCUMULATED DEPRECIATION AND IMPAIRMENT 31 DECEMBER 2013	NET BOOK VALUE 31 DECEMBER 2013
TERMINAL										
Paths & Parking Area	12,206	4,634	7,572	-	-	-	-	12,206	4,634	7,572
Building	273,171	138,493	134,678			2,732		273,171	141,225	131,946
Floodlighting	10,874	7,717	3,157			158		10,874	7,875	2,999
Terminal Site Development	75,221	7,525	67,696			538		75,221	8,063	67,159
Automatic Sliding Doors	14,689	7,717	6,972			349		14,689	8,066	6,623
	386,161	166,086	220,075	-	-	3,776	-	386,161	169,862	216,299
WORK SERVICES										
Plant & Equipment	14,700	2,899	11,801			590		14,700	3,489	11,211
Furniture & Fittings	21,690	21,690	-			-		21,690	21,690	-
	36,390	24,589	11,801	-	-	590	-	36,390	25,179	11,211
	1,766,218	478,542	1,287,676	36,725	-	19,731	-	1,802,943	498,273	1,304,670

Lease Rentals as at 30 June 2013 amounting to \$112,415 (2012: \$115,170) relating to the lease of building space and grazing leases are included in the Statement of Comprehensive Income (Note 2)

The Airport Land is vested in Council under the Reserves Act 1977 for use as an Airport. The Airport holds the land "in substance" and is shown at the value at the date of vesting.

No assets are pledged as security

NOTE 8 - EQUITY

YEAR ENDED 30/06/2013 \$		SIX MONTHS ENDED	
		31/12/2013	31/12/2012
		\$	
EQUITY			
1,125,346	Capital	1,162,071	1,041,285
68,081	Reserve Funds	72,017	64,363
(188,867)	Partners Current Accounts	(248,167)	(72,139)
1,004,560	Total Closing Public Equity	985,921	1,033,509
REPRESENTED BY:			
CAPITAL			
Whakatāne District Council			
518,007	Opening Balance	561,252	518,007
43,245	Capital Contribution	18,362	1,215
561,252	Closing Balance	579,614	519,222
Crown			
520,849	Opening Balance	564,094	520,849
43,245	Capital Contribution	18,363	1,215
564,094	Closing Balance	582,457	522,064
1,125,346	Total Capital	1,162,071	1,041,285
RESERVE FUNDS			
Runway Sealing Fund			
16,826	Opening Balance	19,805	16,826
979	Interest	562	501
2,000	Contribution	1,000	1,000
19,805	Closing Balance	21,367	18,327
Terminal Depreciation Fund			
43,732	Opening Balance	48,277	43,732
2,545	Interest	1,371	1,303
2,000	Contribution	1,000	1,000
48,277	Closing Balance	50,649	46,035
68,081	Total Reserve Funds	72,017	64,363
PARTNERS CURRENT ACCOUNTS			
Whakatāne District Council			
(10,835)	Opening Balance	(92,036)	(10,835)
(81,201)	Movement for the period*	(29,650)	(22,837)
(92,036)	Closing Balance	(121,686)	(33,672)
Crown			
(15,630)	Opening Balance	(96,831)	(15,630)
(81,201)	Movement for the period*	(29,650)	(22,837)
(96,831)	Closing Balance	(126,481)	(38,467)
(188,867)	Total Partners Current Accounts	(248,167)	(72,139)
*Movement in Partners Current Accounts			
(154,877)	Net Surplus/(Deficit) after Tax	(55,366)	(41,645)
(3,524)	Less Reserve Interest	(1,934)	(2,029)
(2,000)	Runway Reserve	(1,000)	(1,000)
(2,000)	Terminal Depreciation Reserve	(1,000)	(1,000)
(162,401)	Total Movement	(59,299)	(45,674)
(81,201)	Partner Share 50%	(29,650)	(22,837)

NOTE 9 - RELATED PARTY TRANSACTIONS

Whakatāne Airport is a 50/50 joint equity venture with the Ministry of Transport and Whakatāne District Council, and both entities are considered to be related parties.

The following transactions were carried out with related parties:

	SIX MONTHS ENDED	
	31/12/2013	31/12/2012
	\$	
Whakatāne District Council		
Administrative Services	29,915	30,452
Direct Costs Reallocated - Recreation & Community Facilities Administration	492	506
Direct Costs Reallocated - OBU Parks Maintenance	4,054	3,903
Direct Costs Reallocated - Commercial Property Administration	9,369	64
Rates - Water and General	8,929	5,382
Total	52,759	40,307

Related parties disclosure

In conducting its activities, the Airport is required to pay various taxes and levies (such as GST) to the Crown and entities related to the Crown. The payment of these taxes and levies is based on the standard terms and conditions that apply to all tax and levy payers.

The Airport also provides a service to Air New Zealand which is controlled by the Crown. Revenue from Air New Zealand for the six months ended 31 December 2013 totalled \$31,972 (2012: \$31,263).

Outstanding balances at period end

All cash transactions occur through the Whakatāne District Council bank accounts. The balance in the District Fund at 31 December 2013 is a credit of \$290,010 (2012: credit of \$157,913).

Key Management Personnel

An administration fee is charged by Whakatāne District Council for day to day management. The airport has key management personnel in the form of the Directors who were appointed to oversee the Board in 2011/12. The board was dissolved at the end of the elected triennium in October 2013.

In the 6 months ended 31 December 2013 Chairperson of the Whakatāne Airport, Tony De Farias, received compensation of \$3,011 and Board Member Graham Bell, received compensation of \$903.

NOTE 10 - CAPITAL COMMITMENTS

Whakatāne Airport has no capital commitments as at 31 December 2013 (2012:nil).

NOTE 11 - CONTINGENCIES

Whakatāne Airport has no contingent assets or liabilities as at 31 December 2013 (2012: nil).

NOTE 12 - EVENTS AFTER BALANCE SHEET DATE

Discussions have taken place between the Joint Venture Partners over the future of the Whakatāne Airport. As at 31 December 2013, no formal agreement in regard to ownership has been reached.



NOTE 13 - FINANCIAL INSTRUMENTS

Whakatāne Airport has a series of policies to manage the risks associated with financial instruments.

Whakatāne Airport is risk averse and seeks to minimise exposure from its treasury activities.

Whakatāne Airport uses Council approved Liability Management and Investment policies.

These policies do not allow any transactions to be entered into that are speculative in nature.

Price Risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Whakatāne Airport does not hold and is therefore not exposed to equity securities price risk on its investments.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Whakatāne Airport is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest Rate Risk

There is no interest rate risk. The Airport deposits funds directly into Whakatāne District Council bank account.

Credit Risk

Whakatāne Airport is exposed to credit risk in relation to its current account balance with Whakatāne District Council and trade debtors, thus exposure is managed under normal terms of trade.

Fair Values

Financial instruments in the Balance Sheet are shown at carrying amounts which are equivalent to their fair values.

NOTE 14 - STATEMENT OF INTENT

The Airport is a Council Controlled Organisation. For the current reporting period the Airport complied with Section 64 of the Local Government Act 2002, (the Act) which requires the Airport to prepare a Statement of Intent that complies with Clause 9 of Schedule 8 of the Act.

NOTE 15 - PERFORMANCE

MEASURE	TARGETS	ACHIEVEMENTS
Number of non-compliance notices received	0	0
Number of Council non-compliances identified from inspections	0	N/A
Airport is maintained as a non-certified aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5700kg MCTOW	100%	100%
Manage and operate the airport amenities and equipment with a minimum number of environmentally related complaints	<5	1
Spot inspections of runway components completed	Monthly	6
Emergency works identified and actioned	Within 24 Hours	None undertaken
Health and Safety works actioned	Within 24 Hours	None undertaken
The airport is maintained as a non-certificated aerodrome in accordance with Civil Aviation Authority aerodrome design for aircraft at or below 5,700 kg Maximum Combined Take-Off Weight (MC TOW).	Airport maintained to CAA requirements to or non-certificated aerodromes.	Achieved

Operate and maintain the airport's assets within an operational expenditure budget (excluding corporate overheads and depreciation)

OPERATIONAL EXPENDITURE EXCLUDING CORPORATE OVERHEADS AND DEPRECIATION	2013/14 (SOI)	2013/14 ANNUAL PLAN	ACTUAL TO 31 DECEMBER 2013
Income	217,000	217,000	104,880
Expenditure	281,275	285,275	112,743
Surplus (Deficit)	(64,275)	(68,275)	(7,863)

CAPITAL EXPENDITURE	2013/14 (SOI)	2013/14 ANNUAL PLAN	ACTUAL TO 31 DECEMBER 2013
Airport Expansion (Security) - carry forward from 2012/13	-	5,000	-
Pavement Resurfacing	100,000	50,000	-
Runway Lighting and Navigational Aids - carry forward \$8,000 from 2012/13	8,000	140,000	240
Whakatāne Airport Terminal	4,580	4,580	-
Parking Facility	55,000	55,000	-
Landing Fees Collection Software	5,000	1,000	-
Advertising Hoardings	10,000	10,000	-
Fire Fighting Water Supply - carry forward from 2012/13	-	18,990	36,485
	182,580	284,570	36,725





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