# Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Prepared by Tandem Group Limited

# Contents

# Directory

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

### Company Number

6315607

### Companies Act

The Company is registered under the Companies Act 1993.

### Registered Office

New Plymouth District Council
84 Liardet Street
NEW PLYMOUTH

### Shareholders

| | |
|---|---|
| New Plymouth District Council | 35,000,000 Ordinary |

### Directors

Philip Cory-Wright (Chair)
Rachel Farrant
Shelley Kopu
Christopher Myers

### Auditors

Audit New Zealand on behalf of the Auditor-General

### Bankers

Westpac Bank
NEW PLYMOUTH

### Solicitors

Auld Brewer Mazengarb & McEwen
NEW PLYMOUTH

### Chartered Accountant

Brent Abbott
Tandem Group
NEW PLYMOUTH

# Approval of Financial Report

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

The Directors are pleased to authorise the approved financial report including the historical financial statements of Papa Rererangi i Puketapu Limited for period ended 30 June 2022.

APPROVED

For and on behalf of the Board of Directors.

__________________________

Philip Cory-Wright

Date ....................................

__________________________

Rachel Farrant

Date 2 December 2022

# Statutory Information

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

### Entries In the Interest Register

The Directors have declared general disclosure of interest in the following entities:

**Philip Cory Wright**

| | |
|---|---|
| Chair | Papa Rererangi i Puketapu Limited |
| Director | South Port NZ Limited |
| Director | New Zealand Local Government Funding Agency Limited |
| Director | Matariki Forests Group |
| Director | Powerco Limited |
| Director | NZ Windfarms Limited |

**Shelley Kopu**

| | |
|---|---|
| Director | Papa Rererangi i Puketapu Limited |
| Trustee | Te Kotahianga o Te Atiawa |
| Director | Tui Ora Limited |
| Board Member | St Marys College |
| Director | Kopu and Associates Limited |
| Board member | Youthline |

**Rachel Farrant**

| | |
|---|---|
| Director | Papa Rererangi i Puketapu Limited |
| Director & Shareholder via Trust | BDO Wellington Limited |
| Director & Shareholder via Trust | Fulton Hogan Limited - Ceased October 2021 |
| Director | Fairway Resolutions Limited |
| Director | The Property Group Limited |
| Director | Skellerup Holding Limited |

### Chris Myers

| | |
|---|---|
| Director | Papa Rererangi i Puketapu Limited |
| Chairperson | Pricetech Limited t/a MarginFuel |
| Director | Forever Forests Limited - From October 2021 |
| Trustee | Venture Taranaki |

### David Scott

| | |
|---|---|
| Chief Executive | Papa Rererangi i Puketapu Limited |

### Paul Tench

| | |
|---|---|
| Safety and Operations Manager | Papa Rererangi i Puketapu Limited |

# Statement of Service Performance

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

### Nature of Business

Papa Rererangi i Puketapu Limited (PRIP) is a Council Controlled Organisation whose prime purpose is to operate the New Plymouth Airport on a sustainable commercial basis, and to ensure the ongoing safe and successful operation of the Airport. PRIP owns passenger terminals, aircraft hangars, airside Infrastructure (car parking areas, roading and underground utilities). These facilities are sited on land occupied under a long-term lease from the New Plymouth District Council (NPDC).

### Ownership

PRIP's sole shareholder is the New Plymouth District Council.

### Performance Targets

| | ACTUAL 2021/22 | FINAL SOI BUDGET 2021/22 | INITIAL SOI BUDGET 2021/22 | ACTUAL 2020/21 |
|---|---|---|---|---|
| **1. Passenger Numbers** | | | | |
| Passenger Numbers | 243,828 | 365,000 | 316,000 | 277,610 |
| **Total Passenger Numbers** | **243,828** | **365,000** | **316,000** | **277,610** |

The Initial SOI Budget was submtted and approved by New Plymouth District Council prior to June 2021, however due to the Covid-19 Lockdown in August 2021 PRIP submitted a further SOI. The Final SOI Budget was submitted and approved by New Plymouth District Council after June 2021. The Board have agreed to report on both for transparency.

The dollar values in note 2 and 3 are rounded to $,000.

| | ACTUAL 2021/22 | FINAL SOI BUDGET 2021/22 | INITIAL SOI BUDGET 2021/22 | ACTUAL 2020/21 |
|---|---|---|---|---|
| **2. Financial Performance** | | | | |
| **Operating Profit** | | | | |
| Operating Revenue | 4,632 | 6,417 | 5,669 | 4,558 |
| Other Income | - | - | - | - |
| Operating Expenditure | (3,328) | (3,015) | (3,015) | (3,199) |
| Depreciation and Interest | (2,303) | (2,118) | (2,113) | (2,296) |
| **Net Profit before Tax** | **(999)** | **1,284** | **541** | **(937)** |
| **Taxation** | | | | |
| Taxation | 158 | - | - | 183 |
| **Total Taxation** | **158** | **-** | **-** | **183** |
| Net Profit After Tax | (841) | 1,284 | 541 | (754) |

| | ACTUAL 2021/22 | FINAL SOI BUDGET 2021/22 | INITIAL SOI BUDGET 2021/22 | ACTUAL 2020/21 |
|---|---|---|---|---|
| **3. Forecast Statement of Financial Position** | | | | |
| **Assets** | | | | |
| Current Assets | 1,481 | 1,373 | 2,350 | 1,237 |
| Deferred Tax as Set | - | - | - | - |
| Property, Plant & Equipment and Other | 71,127 | 66,072 | 64,424 | 65,687 |
| Loans Provided | - | 47 | 631 | 58 |
| **Total Assets** | **72,608** | **67,492** | **67,405** | **66,982** |
| **Liabilities** | | | | |
| Current Liabilities | 499 | 787 | 351 | 922 |
| Current Borrowings | 3,296 | 3,796 | 3,096 | 3,296 |
| Non-Current Borrowings | 11,800 | 11,300 | 11,850 | 11,800 |
| Deferred Tax Liability | 1,765 | - | - | 152 |
| **Total Liabilities** | **17,360** | **15,883** | **15,297** | **16,170** |
| Net Assets | 55,248 | 51,609 | 52,108 | 50,812 |

## Explanation of Major Variances to Budget

### Statement of Comprehensive Revenue and Expense

### Revenue

Covid-19 and the subsequent lockdowns had a significant impact. Passenger numbers were budgeted at 365,000 but actuals were 243,828.

The major revenue streams, landing charges, car parking and café revenues all were lower as a result. Revenue was $4,632,133 which was down 28% on a forecast of $6,417,000.

PRIP requested and received the Wage Subsidy and other government support of $70,081 in FY2022.

### Expenses

Operational expenses were over budget due to circa $100,000 written off due to the closure of the terminal tenant The Hangar, consultancy fees were also a contributing factor due to planning requirements and future planning.

### Statement of Financial Position

### Property, Plant & Equipment and Other

All interest payments were made to council as scheduled however due to the COVID-19 related decreases in passenger, no principal payments were made during FY2022.

**COVID-19 IMPACT**

The 2020 coronavirus pandemic had a dramatic impact on the aviation sector worldwide and FY2022 has seen a continuation. New variants of the virus caused further lockdowns with our largest market, Auckland, being in lockdown or partial lockdown from August to December.

PRIP forecasted 365k passengers for FY2022 and the year started off promisingly. Passenger numbers and load factors were above target and the travelling public were returning at pre-COVID numbers. This changed in August with the Delta variant with the whole country in lockdown followed by no traffic from Auckland for 12 weeks. Once Auckland re-opened, traffic did not return as hoped with load factors in the 50% range for January-March. As a result the passenger total for FY2022 was 243,828, 33.2% below our original forecast.

The last 3 months of FY 2022 did start to show signs of a recovery. Both passenger numbers and load factors are steadily increasing, which is a positive sign. International boarders are reopening and NPL is starting to see more passengers.

Lower passenger numbers have had a similar impact on other revenue streams. Both car parking and retail revenue have been negatively affected. PRIP did provide various levels of support to our tenants, however there were casualties. One of the terminal tenants was not able to continue due to lack of revenue and had to close.

PRIP has continued to work through various scenarios and has continued to review its economic model. PRIP will also continue to provide and maintain facilities that are safe, secure and welcoming to all users.

## 4. Operational Performance

To operate an essential infrastructure transport hub for New Plymouth and the Taranaki region and to provide facilities that are safe, efficient and welcoming

| KPI | Outcome |
|---|---|
| • Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline problems. | The existing Airport facilities have been well maintained throughout the year and there has been no diversion of regular passenger transport services resulting from Airport operations. |
| • Meeting all operating, maintenance, capital expenditure and interest costs from Airport revenue. | All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure, with interest also being fully serviced from Airport revenue. Due to the ongoing recovery from the worldwide pandemic (COVID-19) and further lockdown measures during August-December 2021, airport operations have been impacted, passenger numbers and revenue have been lower than forecast in the FY2022 budget. |
| • Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139. | Under an agreement with the Civil Aviation Authority (CAA), PRIP manages the Airport on behalf of the Aerodrome Operator Certificate holder, NPDC. During the period the Airport has been managed in full compliance with the CAA Rule Part 139. |

# Statement of Comprehensive Revenue and Expense

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

| | NOTES | 2022 | 2021 |
|---|---|---|---|
| **Non-Exchange Revenue** | | | |
| Wages Subsidy | | 53,734 | 49,505 |
| Resurgence Support Payment | | 16,348 | - |
| **Total Non-Exchange Revenue** | | **70,082** | **49,505** |
| **Exchange Revenue** | | | |
| Car Parking Revenue | | 795,998 | 793,278 |
| Landing Charges Revenue | | 3,062,336 | 2,974,493 |
| Rental Revenue | | 655,626 | 660,485 |
| Other Revenue | | 46,345 | 76,897 |
| Finance Revenue | | - | 3,469 |
| Investment Revenue | | 1,746 | 484 |
| **Total Exchange Revenue** | | **4,562,051** | **4,509,106** |
| **Total Revenue** | | **4,632,133** | **4,558,611** |
| **Expenses** | | | |
| Terminal Building Operations | | 550,006 | 433,032 |
| Personnel Costs | | 635,105 | 699,177 |
| General & Operational Expenditure | 4 | 2,143,008 | 2,067,565 |
| **Total Expenses** | | **3,328,119** | **3,199,773** |
| **Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)** | | **1,304,013** | **1,358,838** |
| **Non Operating Expenses** | | | |
| Interest Costs to Related Parties | 4 | 581,746 | 549,924 |
| Depreciation & Amortisation Expense | | 1,721,242 | 1,746,645 |
| **Total Non Operating Expenses** | | **2,302,988** | **2,296,569** |
| **Surplus before Taxation** | | **(998,975)** | **(937,731)** |
| **Taxation and Adjustments** | | | |
| Income Tax Expense | 5 | (157,911) | (183,676) |
| **Total Taxation and Adjustments** | | **(157,911)** | **(183,676)** |
| **Surplus (Deficit) after Taxation** | | **(841,063)** | **(754,055)** |
| **Other Comprehensive Revenue and Expense** | | | |
| Gain on Property, Plant & Equipment Revaluation | | 7,047,874 | - |
| Movement in Deferred Tax at Revaluation | 5 | (1,770,405) | - |
| **Total Other Comprehensive Revenue and Expense** | | **5,277,470** | - |
| **Total Comprehensive Revenue and Expense** | | **4,436,406** | **(754,055)** |

The accompanying notes form part of these financial statements.

# Statement of Financial Position

## Papa Rererangi i Puketapu Limited
## As at 30 June 2022

| | NOTES | 30 JUNE 2022 | 30 JUNE 2021 |
|---|---|---|---|
| **Assets** | | | |
| **Current Assets** | | | |
| Cash and Cash Equivalents | 6 | 947,741 | 668,348 |
| Trade and Other Receivables | 7 | 533,557 | 560,739 |
| GST Receivable | | - | 8,557 |
| **Total Current Assets** | | **1,481,298** | **1,237,644** |
| **Non-Current Assets** | | | |
| Loan Receivables | 8 | - | 57,716 |
| Property, Plant & Equipment, Capital Works & Work in Progress | 10 | 71,127,208 | 65,687,566 |
| **Total Non-Current Assets** | | **71,127,208** | **65,745,282** |
| **Total Assets** | | **72,608,506** | **66,982,926** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade and Other Payables | 9 | 390,858 | 877,231 |
| GST Payable | | 42,163 | - |
| Employee Entitlements | 13 | 66,064 | 45,174 |
| Borrowings | 12 | 3,295,927 | 3,295,927 |
| Provision for Tax | | - | - |
| **Total Current Liabilities** | | **3,795,012** | **4,218,332** |
| **Non-Current Liabilities** | | | |
| Borrowings | 12 | 11,800,000 | 11,800,000 |
| Deferred Tax | | 1,764,933 | 152,440 |
| **Total Non-Current Liabilities** | | **13,564,933** | **11,952,440** |
| **Total Liabilities** | | **17,359,946** | **16,170,772** |
| **Net Assets** | | **55,248,561** | **50,812,154** |
| **Equity** | | | |
| **Share Capital** | | | |
| NPDC Current Equity | 15 | 49,138,485 | 49,138,485 |
| **Total Share Capital** | | **49,138,485** | **49,138,485** |
| Retained Earnings | | (2,579,623) | (1,738,560) |
| Revaluation Reserve | | 8,689,699 | 3,412,229 |
| **Total Equity** | | **55,248,561** | **50,812,154** |

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

| | 2022 | 2021 |
|---|---|---|
| **Equity** | | |
| Opening Balance | 50,812,154 | 51,566,209 |
| **Increases** | | |
| Total Comprehensive Revenue & Expense for the year | 4,436,406 | (754,055) |
| **Total Increases** | **4,436,406** | **(754,055)** |
| **Total Equity** | **55,248,561** | **50,812,154** |

These accompanying notes form part of these financial statements.

# Statement of Cash Flows

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

| | 2022 | 2021 |
|---|---|---|
| **Operating Activities** | | |
| **Cash was provided from:** | | |
| Receipts from customers | 4,526,502 | 4,222,717 |
| Interest received | 641 | 3,469 |
| Grants received | - | - |
| Wage subsidy/resurgence support | 70,082 | 11,001 |
| **Total Cash was provided from:** | **4,597,224** | **4,237,187** |
| **Cash was applied to:** | | |
| Payments to suppliers and employees | 3,365,904 | 3,069,440 |
| Interest paid | 583,704 | 723,469 |
| Tax payments | - | (175,075) |
| Net GST | (2,277) | (16,517) |
| **Total Cash was applied to:** | **3,947,331** | **3,601,317** |
| Net Cash Flows from Operating Activities | 649,894 | 635,870 |

| | 2022 | 2021 |
|---|---|---|
| **Investing Activities** | | |
| **Cash was provided from:** | | |
| Other cash items from investing activities | - | - |
| **Total Cash was provided from:** | **-** | **-** |
| **Cash was applied to:** | | |
| Loans to tenants | - | (150,000) |
| Payment for property, plant and equipment | 373,551 | 5,397,782 |
| **Total Cash was applied to:** | **373,551** | **5,247,782** |
| Net Cash Flows from Investing Activities | (373,551) | (5,247,782) |

| | 2022 | 2021 |
|---|---|---|
| **Financing Activities** | | |
| **Cash was provided from:** | | |
| Proceeds from New Plymouth District Council Loans | - | 4,550,000 |
| **Total Cash was provided from:** | **-** | **4,550,000** |
| **Cash was applied to:** | | |
| Other cash items | - | - |
| **Total Cash was applied to:** | **-** | **-** |
| Net Cash Flows from Financing Activities | - | 4,550,000 |

| | 2022 | 2021 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| New Increase/ (Decrease) in Cash & Cash Equivalents Held | 279,393 | (61,911) |
| Opening Cash & Cash Equivalents Brought Forward | 668,348 | 730,259 |
| **Total Cash & Cash Equivalents (Note 6)** | **947,741** | **668,348** |

# Notes to the Financial Statements

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

### 1. Statement of Accounting Policies

### Reporting Entity

Papa Rererangi i Puketapu Limited (PRIP) was established on 3 July 2017. It is a public benefit entity (PBE) Company, incorporated and domiciled in New Zealand. PRIP is a reporting entity for the purposes of the Financial Reporting Act 2013 and its Financial Statements comply with that Act and the Companies Act 1993.

PRIP is a wholly owned subsidiary of the New Plymouth District Council (the Council) and is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

The financial statements for the Airport are for the year ended 30 June 2022.

The financial statements were authorised for issue by the Board on 2 December 2022

### Statement of Compliance

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The Company is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the Company has no public accountability and is not large as defined in XRB A 1.

### Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies, methods of computation and classification have been applied consistently throughout the periods within this report.

The Directors have determined the going concern basis is appropriate based on the following key estimates and judgments:

- Future passenger numbers forecasted to increase and have increased in the latter half of FY2022.
- Major capital programmes are complete, reducing the need to incur borrowings from NPDC at previous levels.
- Cashflow forecasts for the period FY22-25 indicate sufficient cash to meet operational expenditure requirements

### Presentation Currency

These financial statements are presented in New Zealand (NZ) dollars ($), which is also the Company's functional currency.

The financial statements are rounded to the nearest dollar.

### Changes in Accounting Policies

There have been no new or revised accounting standards, Interpretations and amendments effective during the period which have a material impact on previous accounting periods financial statements that require disclosure.

## 2. Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

### Standards Issued

The Company has not adopted new standards early.

**PBE IPSAS 39 Employee Benefits**

PRIP has evaluated this new standard in relation to Employee Benefits provided by PRIP. By definition of "Employee Benefit", PRIP only provides short-term employee benefits in the form of salaries, wages, paid annual (vesting) and sick leave (non-vesting) and not those post-employment long-term benefits as detailed in the standard. As such there is no further reclassification or re-measurement required.

**PBE IPSAS 41 Financial instruments**

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. PRIP has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. PRIP does not intend to early adopt the standard.

**PBE FRS 48 Service Performance Reporting**

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early adopted permitted. PRIP has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

# Covid 19 Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

| Item | Note | 2022 | 2021 |
|---|---|---|---|
| **Cash and Cash Equivalents** | 6 | PRIP maintained a positive cash balance. Management ensured the cash balance was maintained above $500,000 throughout the year, with an increasing balance at yearend. | PRIP maintained a positive cash balance. Management ensured the cash balance was maintained above $500,000 throughout the year. |
| **Trade Debtors and Other Receivables** | 7 | Trade Receivables represent increased flight activity post-Covid-19 lockdown, with passenger numbers exceeding forecast.<br><br>Trade Receivables are assessed for impairment per note 7.<br><br>PRIP has experienced higher bad debt expenses than prior years. | Trade Receivables represent increased flight activity post-Covid-19 lockdown, with passenger numbers exceeding forecast.<br><br>Trade Receivables are assessed for impairment per note 7. |
| **Financial Instruments** | 8/18 | PRIP evaluated the fair value of financial instruments given the impact of Covid-19. The Loan Receivable to Collab Hospitality Limited has been impaired in full.<br>An allowance for expected credit losses has been recognised against Trade Debtors.<br><br>The Board considers all financial instruments are recorded at fair value and are recoverable. | PRIP evaluated the fair value of financial instruments given the impact of Covid-19.<br><br>An allowance for expected credit losses has been recognised against Trade Debtors.<br><br>The Board considers all financial instruments are recorded at fair value and are recoverable. |
| **Property, Plant and Equipment** | 10 | Covid-19 has had significant impact on global supply availability.<br><br>In light on the increasing price and demand for construction materials PRIP sought the services of an independent valuer to value the PPE.<br><br>The Board has agreed that the movement in value of the buildings, land and runways is significant to warrant revaluation. | PRIP has sought the services of an independent valuer to measure the fair value of PPE. The independent valuer has provided PRIP a fair value assessment, which PRIP has accepted. In accepting the fair value report, the Board consider the movement immaterial; as such no valuation has been requested.<br><br>The independent valuer has noted no major concern from Covid-19 adversely impacting on the fair value of the fixed assets. |

| | | | |
|---|---|---|---|
| **Trade and Other Payables** | 9 | Trade Payables reflects a period of no major capital works being undertaken.<br><br>Due to the Terminal rebuild being complete Covid as had little impact on Trade or Other Payables. | Trade Payables reflect the majority of Terminal Project works completed, resulting in a lower year-end balance |
| **Borrowings** | 12 | PRIP has not drawn funds down from NPDC this financial year and is maintaining payment of all interest invoices.<br><br>Based on forecasts, PRIP will be in a cash positive position to return principal payments to NPDC. | PRIP is maintaining payment of interest invoices issued on a quarterly basis. With the increase in cashflow inwards, PRIP is forecasting to be in a position to return regular principal payments to NPDC. |
| **Employee Benefit Expenses** | 13 | PRIP received further Covid-19 wage subsidy during 2022. The support was applied to employment costs.<br><br>It was not necessary to seek a reduction in employee salaries during 2022. | In 2020, PRIP applied for the Wage Subsidy Extension, this was received on 24 June 2020. PRIP recognised $49,505 in 2021 as Other Income and no remaining subsidy is recorded as a liability.<br><br>No further reduction in salary/wages and directors fees was applicable in 2021. All returned to 100% of the expected rate. |
| **Operating Lease Commitments - Lessor** | 16 | Rent concessions were very limited in 2022.<br><br>PRIP has cancelled the lease for Collab Hospitality Limited. | PRIP provided rent relief which has been recognised at rent relief concessions, through recognised in the financial statements credit notes being issued.<br>PRIP has been in working with tenants to ensure they are able and willing to fulfil their lease commitments.<br><br>PRIP; to date no leases have been cancelled. |
| **Key Management Personnel** | 17 | Covid-19 had no effect on Key Management Personnel salaries or staff numbers during 2022. | PRIP directors returned to 100% of their prescribed fee from July 2020. |

## Goods and Services Tax

These financial statements have been prepared exclusive of GST, except receivables and payables, which are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the IRD is included as part of the Receivables or Payables in the Statement of Financial Position.

## Impairment Policies

At the end of each reporting period PRIP reviews the carrying amounts of its tangible and intangible 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 any). Where it is not possible to estimate the recoverable amount of an individual asset, PRIP estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

For non-revalued assets, impairment losses are recognised as an expense immediately. For revalued assets, the impairment loss is treated as a revaluation decrease to the extent it reverses previous accumulated revaluation increments for that asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, subject to the restriction that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase to the extent that any impairment losses on the same asset had been previously charged to equity.

## Statement of Cash Flow Policies

Operating Activities include cash received from all PRIP's income sources and record the cash payments for the supply of goods and services.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financial Activities comprise of activities that change PRIP's equity and debt capital structure.

## Critical Accounting Estimates and Assumptions

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

Significant judgments, estimates and assumptions regarding the value of property, plant and equipment (refer Note 10), have been made by management in preparing these Financial Statements.

## Specific Accounting Policies

Specific accounting policies are contained within the relevant notes.

## 3. Revenue

*Accounting Policy*

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

**Exchange Revenue**

Landing fees are fees charged to the users of the Airport's aeronautical facilities. Revenue from landing fees is recognised upon use of the runway. Lease receipts under an operating sub-lease are recognised as revenue on a straight-line basis over the lease term. Interest income is recognised using the effective interest method. Parking revenue is recognised when the parking ticket is paid. Boardroom hire is recognised at the time of hire. PRIP provided rent relief and forgave rents by tenants as a result of Covid-19 reducing the passenger numbers and hence the revenue generation of tenants operations. Rent relief is recognised on a straight line basis over the remaining term of the life, forgiven rents are recognised as a credit against rent revenues.

**Non-Exchange Revenue**

Non-exchange revenue consists of grants and subsidies. The grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amounts relating to the unfulfilled conditions are recognised as liabilities and released to revenue as the conditions are fulfilled.

## 4. Expenses

*Accounting Policy*

All borrowing costs are recognised as an expense in the financial year in which they are incurred.

Interest expenses are accrued on a time basis using the effective interest method. During the year PRIP's, interest rates ranged between 2.83% and 4.11%. (2021: 3.49% and 4.11%)

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Expenses** | | | |
| **General and Operational Expenditure** | | | |
| Rescue Fire Service Operations | | 865,447 | 840,920 |
| Lease Property Maintenance | | 79,252 | 68,901 |
| Directors Fees | | 175,788 | 166,952 |
| Director Expenses | | 10,234 | 15,753 |
| Overhead Charges (New Plymouth District Council) | | 54,544 | 51,832 |
| Audit Fees - Audit New Zealand | | 40,065 | 37,953 |
| Bank Fees | | 919 | 1,812 |
| Impairment Loss Allowance | | 56,950 | - |
| Bad Debts Written Off | | 44,244 | 465 |
| Other Expenses | | 815,564 | 882,978 |
| **Total General and Operational Expenditure** | | **2,143,008** | **2,067,565** |
| **Interest Costs** | | | |
| Interest Costs to Related Parties | | 581,746 | 549,924 |
| **Total Interest Costs** | | **581,746** | **549,924** |

## 5. Income Tax Expense

*Accounting Policy*

Income tax expense is the aggregate of current period movements, in relation to current and deferred tax. Current tax is the amount of income tax payable, based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. The current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods, in relation to 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 surplus.

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 group 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 surpluses will be available, against which the deductible temporary differences or tax losses can be utilised.

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

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Income Tax Expense** | | | |
| Surplus before tax | | (998,975) | (937,731) |
| **Income & Deferred Tax** | | | |
| Tax at 28% | | (279,713) | (262,565) |
| Permanent Differences | | 121,802 | 114,661 |
| Prior Period Adjustment | | - | (35,772) |
| Total Tax Expense | | (157,911) | (183,676) |
| **Components of Taxation Expenses** | | | |
| Current Tax | | - | - |
| Deferred Taxation | | (157,911) | (183,676) |
| **Total Components of Taxation Expenses** | | **(157,911)** | **(183,676)** |

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Deferred Taxation** | | | |
| **Balance comprises temporary differences attributable to:** | | | |
| Property, plant and equipment | | (2,400,665) | (517,507) |
| Employee provisions | | 12,784 | 8,179 |
| Other provisions | | 3,156 | 1,942 |
| Tax Losses | | 619,791 | 354,946 |
| **Total Deferred Taxation** | | **(1,764,934)** | **(152,440)** |
| **Movements** | | | |
| Opening Balance | | (152,440) | (336,117) |
| Charged to Profit or Loss | | 157,911 | 183,677 |
| Charged to Equity | | (1,770,405) | - |
| **Closing Balance** | | **(1,764,934)** | **(152,440)** |

## 6. Cash and Cash Equivalents

*Accounting Policy*

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying value of cash at bank and the carrying value of term deposits with maturities less than three months, approximates their fair value.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Cash and Cash Equivalents** | | | |
| Cash at Bank | | 947,741 | 668,348 |
| **Total Cash and Cash Equivalents** | | **947,741** | **668,348** |

## 7. Trade and Other Receivables

*Accounting Policy*

Short-term receivables are recorded at the amount due, less an allowance for credit losses. PRIP applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis, by debtor type as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Trade and Other Receivables** | | | |
| **Exchange Receivables** | | | |
| Accounts Receivables | | 509,164 | 445,310 |
| Less: Allowance for Credit Losses | | (9,809) | (2,077) |
| Accrued Revenue | | 24,352 | 51,280 |
| Other Receivables | | - | - |
| Lease Receivables | | - | 42,852 |
| Prepayments | | 9,850 | 23,374 |
| **Total Exchange Receivables** | | **533,557** | **560,739** |
| **Total Trade and Other Receivables** | | **533,557** | **560,739** |

The expected credit loss rates for receivables at 30 June 2022 are based on industry knowledge on the payment profile of revenue.The loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant. Credit losses as at 30 June 2022 are calculated based on the likelihood and impact of the credit risk exposure.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **The ageing profile of receivables at year end is detailed:** | | | |
| Not Past Due | | 494,746 | 414,030 |
| Past Due 1 - 30 Days | | 10,917 | 24,970 |
| Past Due 31 - 60 Days | | 3,439 | 6,184 |
| Past Due >60 Days | | 63 | 127 |
| **Total The ageing profile of receivables at year end is detailed:** | | **509,164** | **445,310** |

## 8. Loan Receivables

*Accounting Policy*

Loans are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Loans are initially recognised at cost, being fair value of the consideration received. Due to the length of the loans they are annually reviewed for impairment against the borrowers ability to service the loan and current market interest rates. If impairment is established it is recognised in other comprehensive revenue and expense statement.

Income earned from the borrowings is recognised as interest within the comprehensive statement of revenue and expenses as it is earned, not paid.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Loan Receivables** | | | |
| Loan - Collab Hospitality | | - | 57,716 |
| **Total Loan Receivables** | | **-** | **57,716** |

**Significant Changes**

In June 2022 PRIP impaired the entire loan to Collab under provision's allowed in PBE IPSAS 29 sections 68 (b) and (d). Section 68 requires PRIP to have objective evidence and data of impairment losses prior to recognising an impairment allowance, to ensure this requirement is met PRIP prepared an impairment assessment and sought advice from professional consultants.

## 9. Trade and Other Payables

*Accounting Policy*

Trade and other payables are measured at the amount payable.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Trade and Other Payables** | | | |
| **Exchange Payables** | | | |
| Trade Creditors | | 188,584 | 392,232 |
| Contract Retentions | | (19,480) | 97,472 |
| Accruals | | 55,959 | 53,543 |
| Credit Cards | | 2,382 | 2,791 |
| Income in Advance | | - | - |
| Amounts Due to Related Parties | | 16,029 | 181,850 |
| Interest Payable to NPDC | | 147,384 | 149,343 |
| **Total Exchange Payables** | | **390,858** | **877,231** |
| **Total Trade and Other Payables** | | **390,858** | **877,231** |

## 10. Plant, Property and Equipment

### Accounting Policy

Property, plant, and equipment consists of the following asset classes: land, runway, taxiway and aprons, buildings, general infrastructure, furniture and fittings, airspresso chattels, IT equipment, artwork and work in progress.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than $1,000.

### Significant Changes

There were no significant policy changes in 2022

### Revaluations

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years.

All other asset groups will be valued with sufficient regularity to ensure their carrying amount does not differ materially from fair value and at least every three years.

Revaluations of PPE will be accounted for on a class-of-asset basis.

The carrying values of revalued assets will be assessed annually to ensure they do not differ materially from the asset fair values. If there is a material difference, then asset classes will be revalued prior to the 3 yearly cycle.

Additions between valuations will be recorded at cost. Cost represents the fair value of the consideration given to acquire the assets, and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

Revaluation increments are credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in comprehensive revenue and expense, in which case, the increase is credited to comprehensive income and expense to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged as an expense in comprehensive income and expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset. On disposal, the attributable revaluation surplus remaining in the revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the PRIP and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to equity.

### Subsequent Costs

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

### Revaluation and Fair Value Assessments

PRIP undertakes revaluations at least every 3 years of all PPE classes (with the last valuation being undertaken in 2020) and in between source fair value assessments from a qualified valuer. The Board review and assess the fair value assessment to determine if there is a material change in values, should the Board determine there is a material change in values a revaluation would be sought.

PPE was revalued in 2020 and PRIP has undertaken a fair value assessment of all asset classes, except airspresso chattels and IT equipment. The Airspresso Chattels had been valued at time of purchase, October 2020. It is the valuers independent view that as IT Equipment depreciates at a reasonable level, it does not require fair value assessment outside of the formal 3 yearly valuations.

The fair value assessment was undertaken on a depreciated replacement cost basis, except for land that was assessed on a market-based approach. The depreciation model reflects the assets future economic benefits or services potential expected to be consumed by PRIP. Adjustments to the assets have been considered in various types of obsolescence; physical, functional and external obsolescence.

As a result of this fair value assessment a valuation was sourced for buildings, runway infrastructure, and land in 2022. The Board have accepted a material change in the buildings, land and runway classes.

PRIP will undertake a valuation of all asset classes in 2023 as required.

PRIP engaged independent valuer Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), Telfer Young Limited (registered valuers), to undertake the valuation 30 June 2022.

### Valuation process and assumptions on Buildings:

- The majority of PRIP buildings are specialised buildings where there is no alternative or active market for the buildings.
- Whether there is local availability of replacement construction resources, materials, labour.
- Information from recent similar assets, published construction cost data and QV Costbuilder information

### Valuation process and assumptions of all asset categories, including buildings:

- Asset useful life was obtained by speaking with airport staff, alongside economic life.
- To calculate fair value componentisation was used, which acknowledges that assets maybe made up of several components and that the economic life of material components within should be evaluated.
- Estimates on remaining useful life can be affected by local conditions, i.e weather patterns, air traffic growth.

***Depreciation and Amortisation***

Depreciation commences when the asset is ready for use, and is charged to comprehensive income and expense on all PPE other than work in progress (WIP) over their estimated useful lives, using the straight-line method (SL). The useful lives and estimated residual values are reviewed at each balance date and amended if necessary. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in comprehensive income and expense.

The useful lives and associated depreciation rates for each class of assets are as follows:

| **Asset Class** | **Useful Life** |
|---|---|
| Airspresso Assets | Non-Depreciable - 20 years |
| Artwork | Non-Depreciable |
| Buildings | 1 - 80 years |
| Furniture & Fittings | 1 - 50 years |
| General Infrastructure | 1 - 100 years |
| IT Equipment | 2 - 6 years |
| Runway Sub-base | Non-Depreciable |
| Runway, Taxiway & Aprons | 2 - 75 years |

The residual value and the useful life of an asset are reviewed, and adjusted if applicable, at the end of each financial year.

When PPE is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset. The net amount is restated to reflect the revaluation.

***Estimates and Assumptions Applied In Determining The Value of PPE***

Construction costs used for the calculations have been taken from reference to actual recent construction/maintenance contracts carried out at the Airport.

Asset lives have been determined based on their expected economic value and vary depending upon the nature and style of the asset involved. An asset's total life is the asset's age to date, plus its future economic life estimated.

Generally, depreciation has been undertaken on a straight line approach, utilising the remaining life of the asset over its total estimated life. With componentisation, different useful lives have been placed on the various components found at the property, and this process also allows for refurbishment and upgrading that has been undertaken to the various components. Componentisation takes into account the varying economic lives that each component of an asset may have.

***Estimates and Assumptions Regarding Finance Leased Assets***

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

The Airport leases land which is owned by the Council. In accordance with paragraph 28 of IPSAS 13, at the commencement of the lease term, the Airport recognises the land as an asset in the statement of financial position at fair value with a corresponding credit to equity, as the transaction is effectively an in-substance equity contribution.

The lease term is the non-cancellable period for which the lessee has contracted to lease the asset (see Note 14), together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

The land is owned by the Council, the Crown retains a 50% beneficial interest in the land and any proceeds if it were to be sold in the future. The land cannot be disposed of without prior consent from the Crown.

Papa Rererangi i Puketapu Limited has a renewable 99 year lease over this land at a peppercorn rental of $1 per year. The leasehold interest in the land was last valued as at 30 June 2022 by TelferYoung (Taranaki) Limited in accordance with 2022 International Valuation Standards (Fair value $16,932,879; 2021: $16,207,879).

# 10. Property, Plant and Equipment Note

## Papa Rererangi i Puketapu Limited
## For the year ended 30 June 2022

| | OPENING COST | ADDITIONS | DISPOSALS | REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED) | TRANSFERS | CLOSING COST | OPENING ACCUMULATED DEPRECIATION | DEPRECIATION | TRANSFERS | ACCUMULATED DEPRECIATION ON DISPOSAL | ACCUMULATED DEPRECIATION REVERSED ON REVALUATION | CLOSING ACCUMULATED DEPRECIATION | NET BOOK VALUE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Property Plant and Equipment June 2022** | | | | | | | | | | | | | |
| Airspresso | 650,000 | - | - | - | - | 650,000 | 9,867 | 13,192 | - | - | - | 23,059 | 626,941 |
| Artwork | 580,850 | - | - | - | - | 580,850 | - | - | - | - | - | - | 580,850 |
| Buildings | 29,575,861 | - | - | 3,536,845 | (15,339) | 33,097,367 | 866,988 | 887,037 | (3,704) | - | (1,750,321) | - | 33,097,367 |
| Furniture and Fittings | 1,705,058 | 23,026 | - | - | 13,202 | 1,741,286 | 139,459 | 134,981 | 1,567 | - | - | 276,007 | 1,465,279 |
| General Infrastructure | 9,064,284 | 76,836 | - | - | - | 9,141,120 | 302,628 | 373,583 | - | - | - | 676,211 | 8,464,908 |
| IT Equipment | 131,919 | - | - | - | 2,137 | 134,056 | 26,312 | 26,384 | 2,137 | - | - | 54,832 | 79,223 |
| Land | 16,207,879 | - | - | 725,000 | - | 16,932,879 | - | - | - | - | - | - | 16,932,879 |
| Runway, Taxiways & Aprons | 9,508,855 | - | - | 338,872 | - | 9,847,726 | 410,775 | 286,062 | - | - | (696,837) | - | 9,847,726 |
| Work In Progress | 18,888 | 13,147 | - | - | - | 32,035 | - | - | - | - | - | - | 32,035 |
| **Total Property Plant and Equipment June 2022** | **67,443,594** | **113,009** | **-** | **4,600,716** | **-** | **72,157,319** | **1,756,029** | **1,721,238** | **-** | **-** | **(2,447,158)** | **1,030,109** | **71,127,208** |

| | OPENING COST | ADDITIONS | DISPOSALS | REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED) | TRANSFERS | CLOSING COST | OPENING ACCUMULATED DEPRECIATION | DEPRECIATION | TRANSFERS | ACCUMULATED DEPRECIATION ON DISPOSAL | ACCUMULATED DEPRECIATION REVERSED ON REVALUATION | CLOSING ACCUMULATED DEPRECIATION | NET BOOK VALUE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Property Plant and Equipment June 2021** | | | | | | | | | | | | | |
| Airspresso | - | 650,000 | - | - | - | 650,000 | - | 9,867 | - | - | - | 9,867 | 640,133 |
| Artwork | 421,000 | 116,768 | - | - | 43,082 | 580,850 | - | - | - | - | - | - | 580,850 |
| Buildings | 28,843,566 | 541,970 | - | - | 190,326 | 29,575,861 | - | 866,988 | - | - | - | 866,988 | 28,708,874 |
| Furniture and Fittings | 1,475,338 | 195,013 | - | - | 34,707 | 1,705,058 | 9,382 | 130,077 | - | - | - | 139,459 | 1,565,599 |
| General Infrastructure | 6,440,176 | 2,255,696 | - | - | 368,412 | 9,064,284 | - | 302,628 | - | - | - | 302,628 | 8,761,656 |
| IT Equipment | - | 131,919 | - | - | - | 131,919 | - | 26,312 | - | - | - | 26,312 | 105,607 |
| Land | 16,207,879 | - | - | - | - | 16,207,879 | - | - | - | - | - | - | 16,207,879 |
| Runway, Taxiways & Aprons | 8,988,458 | 520,397 | - | - | - | 9,508,855 | - | 410,775 | - | - | - | 410,775 | 9,098,080 |
| Work In Progress | 64,018 | 591,396 | - | - | (636,527) | 18,888 | - | - | - | - | - | - | 18,888 |
| **Total Property Plant and Equipment June 2021** | **62,440,435** | **5,003,159** | **-** | **-** | **-** | **67,443,594** | **9,382** | **1,746,647** | **-** | **-** | **-** | **1,756,029** | **65,687,566** |

## 11. Capital Commitments

PRIP had no capital expenditure commitments.

## 12. Borrowings

*Accounting Policy*

Borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs (if any) associated with the borrowing and subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discount or premium on drawdown.

All borrowing costs are recognised in comprehensive income and expense in the period in which they are incurred.

At inception of the Company, the Council made available to it a non-current loan facility and current loan facility. An initial non-current loan was advanced to PRIP in order to cover the transfer price of the assets purchased from the Council (refer Note 14). Current loan advances have been made during the year for the terminal redevelopment project.

The interest rate on the non-current loan has been set at the Council's cost of funds plus 0.75% per annum, currently 4.11% (2021: 4.11%). The interest rate on the current loan has been set at the Council's cost of funds plus 0.25% per annum, currently 3.21% (2021: 3.49%) per annum

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Borrowings** | | | |
| **Secured Loans from New Plymouth District Council at Amortised Cost as Classifed** | | | |
| Current | | 3,295,927 | 3,295,927 |
| Non-Current | | 11,800,000 | 11,800,000 |
| **Total Borrowings** | | **15,095,927** | **15,095,927** |

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## 13. Employee Benefit Expenses

*Accounting Policy*

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values, based on accrued entitlements, at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken, at balance date.

Two non-director employees received remuneration and benefits over $100,000 during the year.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Employee Benefit Expenses** | | | |
| Salaries and Wages Accrued | | 20,406 | 15,962 |
| Provision for Annual Leave | | 45,657 | 29,212 |
| **Total Employee Benefit Expenses** | | **66,064** | **45,174** |

## 14. Related Parties

As the sole shareholder of PRIP, the Council is deemed to be a related party of the Airport.

On 3 July 2017, the Airport entered into an agreement with the Council to transfer its interest in the assets of the New Plymouth Airport to the Company. The agreed transfer price was $15,312,000. The Airport satisfied the transfer price by:

- Issue of 13,000,000 Ordinary Shares at $1 each for $13,000,000
- A secured loan from New Plymouth District Council $2,312,000

In addition to the assets, the Council also leased the Airport land to PRIP under a lease agreement for 99 years at a nominal consideration of $1 per year and with no rights of renewal.

No debts between the parties were written off or forgiven and no transactions between the parties took place at nil or nominal value.

NPDC provides services to PRIP per SLA agreements. These have not been altered during this financial year and are invoiced out periodically. NPDC have invoiced PRIP $188,401.00 excluding interest on loans and charges to NPDC from PRIP $3,000, both net GST.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Transactions Occurred Between NPDC and PRIP** | | | |
| **Charges to PRIP by the Council** | | | |
| Goods and Services provided by NPDC | | 188,401 | 299,911 |
| Advance Provided by NPDC | | - | 4,550,000 |
| Interest Paid to NPDC | | 581,746 | 549,924 |
| **Total Charges to PRIP by the Council** | | **770,147** | **5,399,835** |
| **Charges by PRIP to NPDC** | | | |
| Services Paid during the year | | - | - |
| Car Parking | | 3,000 | 3,000 |
| Terminal Lease | | - | 26,226 |
| **Total Charges by PRIP to NPDC** | | **3,000** | **29,226** |

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Balances Remaining Payable to NPDC at Balance Date** | | | |
| Borrowings | | 15,095,927 | 15,095,927 |
| Interest Payable | | 147,384 | 149,343 |
| Outstanding Invoices | | 16,029 | 181,850 |
| **Total Balances Remaining Payable to NPDC at Balance Date** | | **15,259,340** | **15,427,120** |

*Other Related Party Disclosures*

Directors are considered to be related parties of PRIP as they have a considerable amount of control over the governance of the entity.

Rachel Farrant is a Director of PRIP, a Director of Fulton Hogan Limited and a Director and Shareholder of BDO Wellington Limited. During the period Fulton Hogan Limited provided services to PRIP. All transactions were within a normal supplier or client/recipient relationship, and on terms and conditions no more or less favourable than those it is reasonable to expect the Company would have adopted in dealing with either party at arm's length in the same circumstances.

## 15. Share Capital

Share capital for the year of $49,138,485 (2021: $49,138,485 ) comprises 13,000,000 fully paid ordinary shares issued in 2017, plus the 22,000,000 ordinary shares issued in 2020 and $14,138,485 relating to the financial lease of the land. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

PRIP paid no dividends in the 2022 financial year (2021:nil)

## 16. Operating Lease Commitments - PRIP as Lessor

***Accounting Policy***

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

***Lease Arrangements***

Operating commitments as a lessor includes leases that the Airport has with lessee's. These commitments cannot be cancelled until the end of the lease. The lessee may sell their lease to a third party, but PRIP must approve of the transaction. May leases contain rights of renewal, however these are not guaranteed to be taken up.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Operating Lease Commitments - PRIP as Lessor** | | | |
| **Non-cancellable Operating Lease Receivables** | | | |
| No longer than 1 year | | 589,598 | 600,698 |
| Longer than 1 year and not longer than 5 years | | 1,481,618 | 1,756,718 |
| Longer than 5 years | | 2,164,231 | 2,218,925 |
| **Total Operating Lease Commitments - PRIP as Lessor** | | **4,235,447** | **4,576,341** |

## 17. Key Management Personnel

### Directors

In November 2020, PRIP management were advised by NPDC that the tenure of the four current directors would be extended to ensure continuity in the current environment and create the ability to rotate two directors every 18 months.

### Chief Executive Officer and Airport Operations Manager

Key management personnel includes the Chief Executive Officer and Safety and Operations Manager and Directors.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Board of Directors, Chief Executive Officer and Airport Operations/Safety Manager.

At balance date, the Airport employed 6.3 full-time equivalent employees (FTE). (2021: 7.3).

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Key Management Personnel Compensation** | | | |
| **Senior Management Team** | | | |
| Senior Management Team Remuneration | | 313,836 | 452,446 |
| **Total Senior Management Team** | | **313,836** | **452,446** |
| **Directors** | | | |
| Directors Remuneration | | 175,788 | 166,952 |
| **Total Directors** | | **175,788** | **166,952** |
| **Total Key Management Personnel Compensation** | | **489,624** | **619,398** |

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Key Personnel Full Time Equivalents** | | | |
| Senior Management Team | | 2 | 2 |
| Directors | | 1 | 1 |
| **Total Key Personnel Full Time Equivalents** | | **3** | **3** |

## 18. Financial Instruments - Assets/Liabilities

*Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

*Valuation Techniques*

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Financial Instruments - Assets/Liabilities** | | | |

| | NOTES | 2022 ($) | 2021 ($) |
|---|---|---|---|
| **Loans and Receivables** | | | |
| Cash and Cash Equivalents | | 947,741 | 668,348 |
| Trade Debtors and Other Receivables | | 533,557 | 560,739 |
| **Total Loans and Receivables** | | **1,481,298** | **1,229,087** |
| **Financial Liabilities at Amortised Costs** | | | |
| Trade Creditors and Other Payables | | (390,858) | (877,231) |
| Related Party Loans | | (15,095,927) | (15,095,927) |
| **Total Financial Liabilities at Amortised Costs** | | **(15,486,785)** | **(15,973,158)** |
| Closing Balance | | (14,005,487) | (14,744,071) |

## 19. Contingent Assets and Contingent Liabilities

PRIP had no contingent assets or liabilities at 30 June 2022 (2021 - Nil)

## 20. Events After the Balance Sheet Date

There are no significant events after balance date 30 June 2022

## 21. Legislative Compliance

Section 67 of the Local Government Act requires the Company to complete its 30 June 2022 Annual Report by 30 November 2022. Due to delays the Annual Report was completed on 2 December 2022.