Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

Prepared by Tandem Group Limited

Contents

Directory

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

Company Number

6315607

Companies Act

The Company is registered under the Companies Act 1993.

Registered Office

Tandem Group Limited
369 Devon Street East

Strandon
NEW PLYMOUTH 4312

Shareholders

New Plymouth District Council	35,000,000 Ordinary

Directors

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

Bankers

Westpac Bank
NEW PLYMOUTH

Solicitors

Auld Brewer Mazengarb & McEwen
NEW PLYMOUTH

Ford Sumner

WELLINGTON

Chartered Accountant

Brent Abbott
Tandem Group
NEW PLYMOUTH

Approval of Financial Report

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

The Directors are pleased to authorise the approved financial report including the historical financial statements of Papa Rererangi i Puketapu Limited for year ended 30 June 2023.

APPROVED

For and on behalf of the Board of Directors.

____

Philip Cory-Wright

Date ....30/09/2023.............
..

____

Rachel Farrant

Date ....30/09/2023.....................

Statutory Information

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

Entries in the Interest Register
The directors have declared that 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	Skellerup Holding Limited
Director	Fairway Resolutions Limited
Director	The Property Group Limited

Chris Myers

Director	Papa Rererangi i Puketapu Limited
Chairperson	Pricetech Limited t/a MarginFuel
Director	Forever Forests Limited
Trustee	Venture Taranaki

David Scott

Chief Executive	Papa Rererangi i Puketapu Limited

Paul Tench

Safety and Operations Manager	Papa Rererangi i Puketapu Limited – ceased 25 January 2023

Christopher Coplestone

Safety and Operations Manager	Papa Rererangi i Puketapu Limited – started 14 March 2023

Statement of Service Performance

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

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 2022/23	FINAL SOI BUDGET 2022/23	ACTUAL 2021/22
1. Passenger Numbers			
Passenger Numbers	401,686	362,000	243,828
Total Passenger Numbers	**401,686**	**362,000**	**243,828**

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

	ACTUAL 2022/23	FINAL SOI BUDGET 2022/23	ACTUAL 2021/22
2. Financial Performance			
Operating Profit			
Operating Revenue	8,853	7,777	4,632
Other Income	-	-	-
Operating Expenditure	(3,994)	(3,803)	(3,328)
Depreciation and Interest	(2,593)	(2,451)	(2,303)
Net Profit before Tax	**2,266**	**1,523**	**(999)**
Taxation			
Taxation	(755)	-	158
Total Taxation	**(755)**	**-**	**158**
Net Profit (Loss) After Tax	1,511	1,523	(841)

	ACTUAL 2022/23	FINAL SOI BUDGET 2022/23	ACTUAL 2021/22
3. Forecast Statement of Financial Position			
Assets			
Current Assets	4,661	1,250	1,481
Deferred Tax as Set	-	-	-
Property, Plant & Equipment and Other	77,796	69,810	71,127
Loans Provided	-	47	-
Total Assets	**82,457**	**71,107**	**72,608**
Liabilities			
Current Liabilities	689	399	499
Current Borrowings	-	1,387	3,296
Non-Current Borrowings	15,095	16,390	11,800
Deferred Tax Liability	4,812	-	1,765
Total Liabilities	**20,596**	**18,176**	**17,360**
Net Assets	61,861	52,931	55,248

Explanation of Major Variances to Budget

Statement of Comprehensive Revenue and Expense

Revenue

The build up to return to pre-Covid passenger numbers has occurred at a faster rate than forecasted . Passenger numbers were budgeted at 362,000 but actuals were 401,686.

The major revenue streams, landing charges, car parking and café revenues all were higher as a result. Revenue was $8,852,567 which was an increase of 13.8% on a forecast of $7,777,000.

Expenses

Operational expenses were over budget circa $191,000. Consultancy fees were a contributing factor due to planning requirements and future planning and an increase in maintenance work completed.

Statement of Financial Position

Property, Plant & Equipment and Other

All interest payments were made to council as scheduled, no principal payments were made during FY2023 as PRIP is self funding ongoing capital projects from revenue rather than paying down and then redrawing funds from New Plymouth District Council.

COVID-19 IMPACT

During the 2023 financial year, the impact of Covid-19 was minimised as the international borders opened, local hospitality events took place (WOMAD), and New Zealanders gained the confidence to travel again. PRIP estimates that passenger numbers will return to, if not surpass pre-Covid numbers in 2024, per forecast.

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 (including recovery of the aeronautical portion through landing charges).	Passenger numbers continue to increase towards pre-covid numbers, 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, however these have not been utlised in the 2023 financial year and interest also being fully serviced from Airport revenue.
• 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 2023

	NOTES	2023	2022
Non-Exchange Revenue			
Wages Subsidy		-	53,734
Resurgence Support Payment		-	16,348
Total Non-Exchange Revenue		**-**	**70,082**
Exchange Revenue			
Car Parking Revenue		1,400,577	795,998
Landing Charges Revenue		6,507,787	3,062,336
Rental Revenue		829,703	655,626
Other Revenue		114,501	46,345
Investment Revenue		-	1,746
Total Exchange Revenue		**8,852,567**	**4,562,051**
Total Revenue		**8,852,567**	**4,632,133**
Expenses			
Terminal Building Operations		645,673	550,006
Personnel Costs		828,084	635,105
General & Operational Expenditure	4	2,481,551	2,143,008
Loss on Disposal of Assets		38,129	-
Total Expenses		**3,993,438**	**3,328,119**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		**4,859,130**	**1,304,013**
Non Operating Expenses			
Interest Costs to Related Parties	4	624,388	581,746
Depreciation & Amortisation Expense		1,968,279	1,721,242
Total Non Operating Expenses		**2,592,667**	**2,302,988**
Surplus before Taxation		**2,266,463**	**(998,975)**
Taxation and Adjustments			
Income Tax Expense (Benefit)	5	755,343	(157,911)
Total Taxation and Adjustments		**755,343**	**(157,911)**
Surplus (Deficit) after Taxation		**1,511,120**	**(841,063)**
Other Comprehensive Revenue and Expense			
Gain on Property, Plant & Equipment Revaluation		7,434,050	7,047,874
Movement in Deferred Tax at Revaluation	5	(2,333,189)	(1,770,405)
Total Other Comprehensive Revenue and Expense		**5,100,861**	**5,277,470**
Total Comprehensive Revenue and Expense		**6,611,981**	**4,436,406**

The accompanying notes form part of these financial statements.

Statement of Financial Position

Papa Rererangi i Puketapu Limited
As at 30 June 2023

	NOTES	30 JUNE 2023	30 JUNE 2022
Assets			
Current Assets			
Cash and Cash Equivalents	6	3,910,266	947,741
Trade and Other Receivables	7	751,136	533,557
Total Current Assets		**4,661,402**	**1,481,298**
Non-Current Assets			
Property, Plant & Equipment, Capital Works & Work in Progress	10	77,795,812	71,127,208
Total Non-Current Assets		**77,795,812**	**71,127,208**
Total Assets		**82,457,214**	**72,608,506**
Liabilities			
Current Liabilities			
Trade and Other Payables	9	504,204	390,858
GST Payable		67,445	42,163
Employee Entitlements	13	75,631	66,064
Borrowings	12	-	3,295,927
Provision for Tax	5	41,554	-
Total Current Liabilities		**688,835**	**3,795,012**
Non-Current Liabilities			
Borrowings	12	15,095,927	11,800,000
Deferred Tax		4,811,911	1,764,933
Total Non-Current Liabilities		**19,907,838**	**13,564,933**
Total Liabilities		**20,596,673**	**17,359,946**
Net Assets		**61,860,542**	**55,248,561**
Equity			
Share Capital			
NPDC Current Equity	15	49,138,485	49,138,485
Total Share Capital		**49,138,485**	**49,138,485**
Retained Earnings (Deficit)		(1,068,503)	(2,579,623)
Revaluation Reserve		13,790,560	8,689,699
Total Equity		**61,860,542**	**55,248,561**

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 2023

	2023	2022
Equity		
Opening Balance	55,248,561	50,812,154
Increases		
Total Comprehensive Revenue & Expense for the year	6,611,981	4,436,406
Total Increases	**6,611,981**	**4,436,406**
Total Equity	**61,860,542**	**55,248,561**

These accompanying notes form part of these financial statements.

Statement of Cash Flows

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

	2023	2022
Operating Activities		
Cash was provided from:		
Receipts from customers	8,662,754	4,526,502
Interest received	-	641
Grants received	-	-
Wage subsidy/resurgence support	-	70,082
Total Cash was provided from:	**8,662,754**	**4,597,224**
Cash was applied to:		
Payments to suppliers and employees	3,909,711	3,365,904
Interest paid	605,389	583,704
Tax payments	-	-
Net GST	(4,410)	(2,277)
Total Cash was applied to:	**4,510,691**	**3,947,331**
Net Cash Flows from Operating Activities	4,152,063	649,894

	2023	2022
Investing Activities		
Cash was provided from:		
Other cash items from investing activities	-	-
Total Cash was provided from:	**-**	**-**
Cash was applied to:		
Loans to tenants	-	-
Payment for property, plant and equipment	1,189,540	373,551
Total Cash was applied to:	**1,189,540**	**373,551**
Net Cash Flows from Investing Activities	(1,189,540)	(373,551)

	2023	2022
Financing Activities		
Cash was provided from:		
Proceeds from New Plymouth District Council Loans	-	-
Total Cash was provided from:	**-**	**-**
Cash was applied to:		
Other cash items	-	-
Total Cash was applied to:	**-**	**-**
Net Cash Flows from Financing Activities	-	-

	2023	2022
Cash & Cash Equivalents		
New Increase/ (Decrease) in Cash & Cash Equivalents Held	2,962,525	279,393
Opening Cash & Cash Equivalents Brought Forward	947,741	668,348
Total Cash & Cash Equivalents (Note 6)	**3,910,266**	**947,741**

Notes to the Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

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 2023.

The financial statements were authorised for issue by the Board on 30 September 2023.

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 during FY2023.
- 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 the Company's accounting policies or disclosures except as noted below.

The Company has applied the following new accounting standard for the first time during the period:

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 supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement and is effective for the year ending 30 June 2023. PRIP has adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

Information about the transition to PBE IPSAS 41 is disclosed in note 18. The adoption of this standard has not resulted in a material impact on the Company.

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.

Covid-19 Note

Papa Rererangi i Puketapu Limited

For the year ended 30 June 2023

Item	Note	2023	2022
Cash and Cash Equivalents	6	PRIP maintained a positive cash balance. Management ensured the cash balance was maintained above $900,000 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, with an increasing balance at yearend.
Trade Debtors and Other Receivables	7	Trade Receivables represent 85% - 90% return to pre-Covid-19 passenger numbers exceeding forecast. June 2019 actual passenger numbers 456,766 compared to June 2023 actual passenger numbers 401,686 Trade Receivables are assessed for impairment per note 7.	Trade Receivables represent increased flight activity post-Covid-19 lockdown, with passenger numbers exceeding forecast. Trade Receivables are assessed for impairment per note 7. PRIP has experienced higher bad debt expenses than prior years.
Financial Instruments	18	PRIP evaluated the fair value of financial instruments and adjusted for amortised cost. An allowance for expected credit losses has been recognised against Trade Debtors. The Board considers all financial instruments are recorded at fair value or amortised cost and are recoverable.	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. An allowance for expected credit losses has been recognised against Trade Debtors. 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. In light on the increasing price and demand for construction materials PRIP sought the services	Covid-19 has had significant impact on global supply availability. In light on the increasing price and demand for construction materials PRIP sought the services of an

	of an independent valuer to value the PPE. In the post Covid economy the regional demand for commercial land has dropped.	independent valuer to value the PPE. The Board has agreed that the movement in value of the buildings is significant to warrant revaluation.

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. Prior to 30 June 2023 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 3.77% and 4.42%. (2022: 2.83% and 4.11%)

Expenses	Notes	2023 ($)	2022 ($)
General and Operational Expenditure			
Rescue Fire Service Operations		976,734	865,447
Lease Property Maintenance		89,716	79,252
Directors Fees		176,000	175,788
Director Expenses		18,674	10,234
Overhead Charges (New Plymouth District Council)		51,317	54,544
Audit Fees - Audit New Zealand		48,357	40,065
Bank Fees		1,318	919
Impairment Loss Allowance		0	56,950
Bad Debts Written Off		1,078	44,244
Other Expenses		1,118,357	815,564
Total General and Operational Expenditure		**2,481,551**	**2,143,008**

	Notes	2023 ($)	2022 ($)
Interest Costs			
Interest Costs to Related Parties		624,388	581,746
Total Interest Costs		**624,388**	**581,746**

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.

Income Tax Expense	Notes	2023 ($)	2022 ($)
Surplus before tax		2,266,463	(998,975)
Income & Deferred Tax			
Tax at 28%		634,610	(279,713)
Permanent Differences		120,734	121,802
Prior Period Adjustment		0	0
Total Tax Expense		**755,343**	**(157,911)**
Components of Taxation Expenses (Benefits)			
Current Tax		41,553	0
Deferred Taxation		713,790	(157,911)
Total Components of Taxation Expenses (Benefits)		**755,343**	**(157,911)**

Deferred Taxation	Notes	2023 ($)	2022 ($)
Balance comprises temporary differences attributable to:			
Property, plant and equipment		(4,830,644)	(2,400,665)
Employee provisions		15,116	12,784
Other provisions		3,617	3,156
Tax Losses		0	619,791
Total Deferred Taxation		**(4,811,911)**	**(1,764,934)**
Movements			
Opening Balance		(1,764,934)	(152,440)
Charged to Profit or Loss		(713,788)	157,911
Charged to Equity		(2,333,189)	(1,770,405)
Closing Balance		**(4,811,911)**	**(1,764,934)**

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.

Although Cash and Cash Equivalents at 30 June 2023 are subject to the expected credit loss requirements of IPSAS 41 no loss allowance has been recognised as the amount is trivial.

Cash and Cash Equivalents	Notes	2023 ($)	2022 ($)
Cash at Bank		3,910,266	947,741
Total Cash and Cash Equivalents		**3,910,266**	**947,741**

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.

Previous Accounting Policy:

In the previous year the allowance for credit loss was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount would not be fully collected.

Trade and Other Receivables	Notes	2023 ($)	2022 ($)
Exchange Receivables			
Accounts Receivables		701,403	509,164
Less: Allowance for Credit Losses		(12,918)	(9,809)
Accrued Revenue		51,887	24,352
Other Receivables		0	0
Lease Receivables		0	0
Prepayments		10,765	9,850
Total Exchange Receivables		**751,136**	**533,557**
Total Trade and Other Receivables		**751,136**	**533,557**

The expected credit loss rates for receivables at 30 June 2023 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 2023 are calculated based on the likelihood and impact of the credit risk exposure.

The ageing profile of receivables at year end is detailed:	Notes	2023 ($)	2022 ($)
Not Past Due		682,044	494,746
Past Due 1 - 30 Days		13,364	10,917
Past Due 31 - 60 Days		3,299	3,439
Past Due >60 Days		2,695	63
Total The ageing profile of receivables at year end is detailed:		**701,403**	**509,164**

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.

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.

With the transition from PBE IPSAS 29 to PBE IPSAS 41 the Company has reassessed the treatment of the Collab Loan, there is no difference in treatment, as such no adjustment is required.

9. Trade and Other Payables

Accounting Policy
Trade and other payables are measured at the amount payable.

Trade and Other Payables	Notes	2023 ($)	2022 ($)
Exchange Payables			
Trade Creditors		249,244	188,584
Contract Retentions		0	(19,480)
Accruals		62,228	55,959
Credit Cards		4,434	2,382
Income in Advance		0	0
Amounts Due to Related Parties		21,915	16,029
Interest Payable to NPDC		166,383	147,384
Total Exchange Payables		**504,204**	**390,858**
Total Trade and Other Payables		**504,204**	**390,858**

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 2023.

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 engaged independent valuer Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), Telfer Young Limited (registered valuers), to undertake the valuation of the following asset categories as at 30 June 2023.

- Buildings
- Runway Infrastructure
- Equipment and Furniture
- General Infrastructure
- Land
- Airspresso Assets
- Artwork
- IT Equipment

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 may be 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 - 14 years
Artwork	Non-Depreciable
Buildings	1 - 50 years
Furniture & Fittings	1 - 50 years
General Infrastructure	Non-Depreciable - 71 years
IT Equipment	2 - 5 years
Runway Sub-base	Non-Depreciable
Runway, Taxiway & Aprons	1.3 - 70 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 2023 by Telfer Young (Taranaki) Limited in accordance with 2023 International Valuation Standards (Fair value $16,034,015; 2022: $16,932,879).

10. Property, Plant and Equipment Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023

	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 2023													
Airspresso	650,000	-	-	60,921	-	710,921	23,059	13,192	-	-	(36,251)	-	710,921
Artwork	580,850	-	-	88,900	-	669,750	-	-	-	-	-	-	669,750
Buildings	33,097,367	195,000	(6,238)	3,391,128	-	36,677,257	-	1,018,319	-	-	(1,018,319)	-	36,677,257
Furniture and Fittings	1,741,286	4,808	(940)	(198,679)	-	1,546,475	276,007	136,060	-	-	(412,068)	-	1,546,475
General Infrastructure	9,141,120	-	(30,951)	1,055,701	-	10,165,870	676,211	380,967	-	-	(1,057,178)	-	10,165,870
IT Equipment	134,056	7,817	-	(73,627)	-	68,245	54,832	26,933	-	-	(81,765)	-	68,246
Land	16,932,879	-	-	(898,764)	-	16,034,115	-	-	-	-	-	-	16,034,115
Runway, Taxiways & Aprons	9,847,726	-	-	1,010,085	-	10,857,811	-	392,808	-	-	(392,808)	-	10,857,811
Work In Progress	32,035	1,033,337	-	-	-	1,065,367	-	-	-	-	-	-	1,065,367
Total Property Plant and Equipment June 2023	**72,157,319**	**1,240,962**	**(38,129)**	**4,435,665**	**-**	**77,795,811**	**1,030,109**	**1,968,279**	**-**	**-**	**(2,998,389)**	**-**	**77,795,812**

	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**

11. Capital Commitments

PRIP are committed to purchasing a Rosenbauer 6x6 ARFF Fire Fighting Appliance from Rosenbauer Australia Pty Limited. The contracted price is $1,604,596. PRIP have paid a deposit of $320,919 prior to 30 June 2023. The expected delivery date is the 4th quarter of 2024. (2022: Nil).

12. Borrowings

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.

There is a revision to the agreement between New Plymouth District Council and PRIP. From the 2023 year there is no minimum repayments of principal required until the expiry date of the loan (30/9/2037). The total loan balance therefore has been reclassified as non current if more than 12 months out from the facility expiry date.

The interest rate on the loan has been set at the Council's cost of funds plus 0.15% per annum, currently 4.42% (2022: 4.11% on non current portion and 3.21% on current portion).

Borrowings	Notes	2023 ($)	2022 ($)
Secured Loans from New Plymouth District Council at Amortised Cost as classified			
Current		0	3,295,927
Non-Current		15,095,927	11,800,000
Total Trade and Other Payables		**15,095,927**	**15,095,927**

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.

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

Employee Benefit Expenses	Notes	2023 ($)	2022 ($)
Salaries and Wages Accrued		21,644	20,406
Provision for Annual Leave		53,987	45,657
Total Employee Benefit Expenses		**75,631**	**66,064**

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 $199,483.00 excluding interest on loans and charges to NPDC from PRIP $3,000, both net GST.

Transactions Occurred Between NPDC and PRIP	Notes	2023 ($)	2022 ($)
Charges to PRIP by the Council			
Goods and Services provided by NPDC		199,483	188,401
Advance Provided by NPDC		0	0
Interest Paid to NPDC		624,388	581,746
Total Charges to PRIP by the Council		**823,871**	**770,147**

	Notes	2023 ($)	2022 ($)
Charges by PRIP to NPDC			
Services Paid during the year		0	0
Car Parking		3,000	3,000
Terminal Lease		0	0
Total Charges by PRIP to NPDC		**3,000**	**3,000**

	Notes	2023 ($)	2022 ($)
Balances Remaining Payable to NPDC at Balance Date			
Borrowings		15,095,927	15,095,927
Interest Payable			147,384
Outstanding Invoices		21,915	16,029
Total Balances Remaining Payable to NPDC at Balance Date		**15,284,225**	**15,259,340**

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.

15. Share Capital

Share capital for the year of $49,138,485 (2022: $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 2023 financial year. (2022: 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. Many leases contain rights of renewal, however these are not guaranteed to be taken up.

Operating Lease Commitments - PRIP as Lessor	Notes	2023 ($)	2022 ($)
Non-cancellable Operating Lease Receivables			
No longer than 1 year		705,561	589,598
Longer than 1 year and not longer than 5 years		1,876,514	1,481,618
Longer than 5 years		3,042,333	2,164,231
Total Charges to PRIP by the Council		**5,624,408**	**4,235,447**

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 9.3 full-time equivalent employees (FTE). (2022: 6.3).

Key Management Personnel Compensation	Notes	2023 ($)	2022 ($)
Senior Management Team			
Senior Management Team Remuneration		343,170	313,836
Total Senior Management Team		**343,170**	**313,836**

	Notes	2023 ($)	2022 ($)
Directors			
Directors Remuneration		176,000	175,788
Total Directors		**176,000**	**175,788**
Total Key Management Personnel Compensation		**519,170**	**489,624**

Key Personnel Full Time Equivalents	Notes	2023 ($)	2022 ($)
Senior Management Team		2	2
Directors		1	1
Total Senior Management Team		**3**	**3**

18. Financial Instruments – Assets and Liabilities

As at 30 June 2023 the Company has adopted PBE IPSAS 41. In accordance with the transitional provisions in PBE IPSAS 41, the Company has elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. There have been no adjustments arising from the adoption of PBE IPSAS 41 at 1 July 2022 (the date of initial applications).

On the date of initial application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

The accounting policies for the year ended 30 June 2023 have been updated to comply with PBE IPSAS 41. The main changes to PRIP's accounting policies are:

Note 6 – Cash and Cash Equivalents - This policy has been updated to reflect that Cash and Cash Equivalents are subject to expected credit loss impairment.

Note 7 – Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

Financial instrument	Previous classification (IPSAS 29)	New classification (IPSAS 41)	30 June 2023 PBE IPSAS 29 $	30 June 2023 PBE IPSAS 41 $	Adoption adjustment $
Assets					
Cash and cash equivalents	Loans and receivables	Amortised cost	3,910,266	3,910,266	0
Debtors and other receivables	Loans and receivables	Amortised cost	751,136	751,136	0
			4,661,402	**4,661,402**	**0**
Liabilities					
Creditors and other payables	Amortised cost	Amortised cost	-504,204	-504,204	0
Related party loans	Amortised cost	Amortised cost	-15,095,927	-15,095,927	0
			-15,600,131	**-15,600,131**	**0**

19. Contingent Assets and Contingent Liabilities

PRIP had no contingent assets or liabilities at 30 June 2023 (2022 - Nil)

20. Events After the Balance Sheet Date

There are no significant events after balance date 30 June 2023 (2022 - Nil)

Audit Report

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2023