
OMARAMA AIRFIELD LIMITED

ANNUAL REPORT

For the Year Ended 30 June 2014

OMARAMA AIRFIELD LIMITED

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OMARAMA AIRFIELD LIMITED

COMPANY DIRECTORY

As at 30 June 2014

Directors	Mr R W Gordon Mr T R Jones Mr H A Cameron Mr P McKenzie	Chairman
Registered Office	Omarama Airfield Omarama New Zealand	
Postal Address	P O Box 284 Queenstown	
Authorised Capital	\$418,706	
Company Number	DN 411309	
Solicitor	Hope Legal & Associates 76 Thames Street Oamaru	
Auditor	Audit New Zealand on behalf of the Auditor-General	

OMARAMA AIRFIELD LIMITED

DIRECTORS' REPORT

For the Year Ended 30 June 2014

The Directors are pleased to present the twentieth Annual Report for the Company, together with the Accounts for the year ended 30 June 2014.

Principal Activities

The Omarama Airfield Limited is jointly owned by Waitaki District Council and Omarama Soaring Centre Inc. The Company operates Omarama Airfield by contracting to individual operators.

Trading Results

The operating profit before tax for the year was \$6,263 compared to an operating profit before tax of \$24,448 for the same period last year.

Dividend

No dividend is recommended.

Directors

In accordance with the Company's constitution, Omarama Soaring Centre has appointed Mr T R Jones and Mr P J McKenzie as Directors and Waitaki District Council has appointed Mr H A Cameron and Mr R W Gordon. Directors are not shareholders and remain in office for a three year period.

Remuneration Of Directors

No Directors' fees were paid during the year. Mr T R Jones was paid \$600 and the remaining Directors were paid \$300 each for travel expenses during the year.

Directors' Interests

No Directors had interests in transactions with the Company.

Use of Company Information

During the year the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

Insurance of Directors

During the year the Company paid \$690 for Directors & Officers Liability Insurance.

Employees' Remuneration

The Company made no remuneration payments in excess of \$100,000.

Donations

There were no donations made by the Company during the year.

Auditor

The Company's audit is undertaken by Audit New Zealand on behalf of the Auditor-General. Audit fees payable to Audit New Zealand are \$7,365. No fees for other services are payable to the auditor.

State of Affairs

The Directors believe the Company's state of affairs to be unchanged from previous years.

Future Trading


The Directors anticipate that the Company will continue to operate at the level required by the Statement of Intent.

Statement of Intent

The Company has the status of a Council Controlled Trading Organisation pursuant to the Local Government Act 2002. The Company is required to prepare annually a Statement of Intent for submission to its shareholders. This statement has been prepared for the year ended 30 June 2014 and included with this report.

For And On Behalf Of The Board


..... Director
30-~~12~~9-2014
M.G. Date


..... Director
30-9-2014 Date

OMARAMA AIRFIELD LIMITED

STATEMENT OF INTENT

For the 2013-14 Year

1. Introduction

This Statement of Intent has been prepared in accordance with Section 64 of the Local Government Act 2002.

It outlines the activities and intentions of Omarama Airfield Limited for the 2013-14 year and the objectives to which those activities will contribute. Performance targets and measures are specified, along with the Company's policies relating to governance and other matters.

The Statement of Intent is reviewed annually by the Company in consultation with its two shareholders the Waitaki District Council and the Omarama Soaring Centre Incorporated.

2. The Company

2.1 Background

Omarama Airfield Limited was formed in 1993 to develop and operate the Omarama Airfield. Waitaki District Council and Omarama Soaring Centre Inc. jointly own the Company with each shareholder owning 50% of the shares issued by the Company. Under the provisions of the Local Government Act 2002, it is deemed to be a Council Controlled Trading Organisation.

Council's primary objective for continued ownership is to maintain public access to the airfield for its transport and recreational facilities while encouraging the gliding facilities and activities which make use of the world class gliding environment of the Omarama area.

2.2 Nature and Scope of Activities

Omarama Airfield Limited owns the airfield, infrastructure and common facilities and is responsible for its ongoing development and day to day airfield operations, maintenance and administration as required.

2.3 Objectives

The principal objective of the Company is to provide airfield facilities and associated infrastructure to support flying activities and encourage other air operations opportunities in the Omarama area. The principal objective is advanced through:

- Maintaining airfield infrastructure;
- Public access to airfield facilities;
- Recreational flying activities;
- Commercial operations;
- Competitions and events; and
- Founding club operations.

2.4 Shareholder Expectations

The shareholders expect that in conducting the affairs of the Company, the directors shall ensure:

- Business activities are conducted in an efficient and effective manner.
- Assets and liabilities are prudently managed.
- Overall performance support shareholders reasons for continued ownership.
- Appropriate decisions are made that enhance the achievement of the Company's long term needs and objectives.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- Transparent and collaborative relations are maintained with its shareholders.

3. Reporting and Performance Measures

3.1 Reporting Frequency and Content

A Director of the Company shall attend any meeting at which the Annual Report or Half Yearly Report is presented to Council or the Omarama Soaring Centre as shareholder.

The following information will be available to the shareholders based on an annual balance date of 30th June:

Draft Statement of Intent

By 1 March each year, the Directors shall deliver to the shareholders a Draft Statement of Intent for the following year which fulfils the requirements of Section 64 of the Local Government Act 2002.

Completed Statement of Intent

By 30th June of each year, the Directors will deliver to the shareholders a Statement of Intent for the following year which fulfils the requirements of Section 64 of the Local Government Act 2002.

Half Yearly Report

Within two months after the end of the first half of each financial year, the Directors shall deliver to the shareholders an un-audited report containing the information required by the Financial Reporting Act 1993 and a commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance.

Annual Report

Within three months after the end of each financial year, the Directors shall deliver to the shareholders an annual report that will include:

- A report on the operations of the Company to enable an informed assessment of the Company's performance, including variations from the business plan and achievements against performance targets.
- Audited financial statements as required under the Financial Reporting Act 1993.
- A report on performance against the Corporate Governance Statement.

3.2 Performance Targets and Measures

Over the next three years the Company's performance targets are to:

- (i) Maintain, operate and provide planned services within budgeted income.
- (ii) Achieve a break even or better result after prudent provision for assets depreciation and replacement, and for future trading requirements.
- (iii) Update the Company's business plan on an annual basis.
- (iv) Enhance the economic benefits to the Omarama and Ahuriri community arising from the operation and development of the Airfield as measured by increased patronage of facilities and participation in events

Ratio of Consolidated Shareholders' Funds to Total Assets

'Shareholders' Funds' (Equity) are defined as the paid-up capital plus any retained tax paid profits earned and less any dividends distributed to shareholders. They include accumulated surpluses, revaluation reserves, trust funds and any other reserves or funds which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

'Total Assets' are defined as the sum of all current and non-current assets plus investments of the Company.

The projected target for the ratio of shareholders' funds to total assets is at least 90%.

Directors Estimate of the Company Value

The Company's commercial value is estimated in all material respects to be equivalent to the paid up share capital. The directors will advise the shareholders on an annual basis if they believe the value to differ materially from this state.

4. Governance, Policy and Procedures

4.1 Corporate Governance Statement

(a) Role of the Board of Directors

The Directors' role is defined in Section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the Council Controlled Organisation shall be made pursuant to the authority of the directorate of the Organisation and its Statement of Intent. The Board consults with the Company's shareholders in preparing and reviewing the Statement of Intent.

The Board meets on a regular basis and is responsible for the proper direction and control of the Company's activities. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and reporting to shareholders. While the Board acknowledges that it is responsible for the overall control framework of the Company, it recognises that no cost effective internal control system will preclude all error and irregularities.

(b) The Role of the Shareholders

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The shareholders are consulted with on the review of the Company's Statement of Intent and are responsible for the appointment of directors. Information is communicated to shareholders in the Annual Report, the Interim Report and special meetings where required.

(c) Board Appointments

Two of the Company's four directors are appointed by Council in accordance with Council policy. The other two directors are appointed by the company's other shareholder, Omarama Soaring Centre Inc. The Council's director rotation policy requires its directors to retire over any three year period. Retiring Directors shall be eligible to apply for reappointment.

(d) Board Committees

There are no Board Committees.

(e) Company Management Structure

The Company's organisational structure includes the four Directors' with airfield management, administration and maintenance services contracted as required.

4.2 Dividend Policy

It is not intended that the Company will pay a dividend.

4.3 Accounting Policies

The Company's accounting policies will comply with the legal requirements of the Companies Act 1993, the Financial Reporting Act 1993 and Local Government Act 2002 and be consistent with generally accepted accounting principles.

A full statement of Accounting Policies will be presented in the Company's Annual Report.

4.4 Procedures for Acquisition of Other Interests

The acquisition of shares or interest in other companies or organisations will only be considered by the Directors where such acquisition is consistent with the long term commercial objectives of the Company.

If the directors believe that the Company should invest in, or otherwise acquire, any interest in another company or organisation, they will obtain the prior approval of the shareholders.

4.5 Activities for Which the Company Seeks Compensation from any Local Authority

The directors will co-operate with council in establishing an in ground disposal field for waste grey water. It is envisaged there will be no cost to the company and the project will be mutually beneficial to both parties.

There are no other activities contemplated for which the directors seek compensation from any local authority.

The Council is not permitted to provide any guarantee, indemnity or security in respects of the assets, liabilities or trading activities of the Company.

4.6 Tendering Policy

The Company has a tendering policy relating to the supply of goods and services to the Company from suppliers and directors.

Compliance with the tendering policy is reported in the Company's Annual Report.

OMARAMA AIRFIELD LIMITED

STATEMENT OF ACCOUNTING POLICIES

For the Year Ended 30 June 2014

Reporting Entity

"The Company", Omarama Airfield Limited, is incorporated in New Zealand and was registered under the provisions of the Companies Act 1993, and has prepared these financial statements in accordance with the Local Government Act 2002 and the Financial Reporting Act 1993, as a Council Controlled Trading Organisation. The financial statements follow the appropriate legislative requirements of those Acts.

These financial statements of the Omarama Airfield Limited are for the year ended 30 June 2014. Omarama Airfield Limited is a public benefit entity.

Basis of Preparation

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZGAAP) and the requirements of the Local Government Act 2002. They comply with NZ IFRS and other financial reporting standards, as appropriate for public benefit entities. The financial statements give a true and fair view of the company as at 30 June 2014.

The accounting policies set out on pages 9-11 have been applied in preparing the financial statements for the year ended 30 June 2014 and the comparative information presented for the year ended 30 June 2013.

The Company qualifies for differential reporting as it is not publicly accountable and there is no separation between the owners and the governing body. In addition, the entity is not large. Based on the criteria above, differential reporting exemption applies to Omarama Airfield Limited. The Company has taken advantage of all available differential reporting exemptions, except in relation to NZ IAS 12.

The financial statements have been prepared on an historical cost basis.

These financial statements were prepared under the going concern assumption and are presented in New Zealand dollars, which is also its functional currency.

Specific Accounting Policies

The following specific accounting policies that significantly affect the measurement of operating results, cash flows and financial position have been applied:

Revenue

Operating revenues represent the revenue earned from the Company's airfield operations in the ordinary course of business and are recognised when earned. In particular:

- Fees and charges are recognised when invoiced.
- Interest revenue is recognised when earned.
- Rents and leases are recognised when invoiced.

Borrowing Costs

Borrowing costs are recognised using the effective interest method as an expense in the period in which they are incurred. Except for borrowing costs attributed to the construction of qualifying assets. These borrowing costs are capitalised.

Goods and Services Tax

These accounts have been prepared on a Goods and Services Tax exclusive basis and any net GST due or owing at balance date is included in receivables or payables (as appropriate). Receivables and payables are stated inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expensed.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the surplus or deficit except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and Cash Equivalents

Cash equivalents are held for the purpose of meeting short term cash commitments and has a short maturity of, say, three months or less from the date of acquisition.

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

Trade and other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment

At each balance sheet date Omarama Airfield Limited assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the asset's recoverable amount is estimated. If the estimated recoverable amount is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the surplus or deficit.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

General: Unless otherwise stated, all fixed assets are depreciated on a straight-line basis at rates that will write off their cost or valuation, less any estimated realisable value, over their expected useful lives.

Land: Land is not depreciated.

Buildings: Buildings are depreciated over their expected lives of:

- timber structures 40 years
- metal structures 70 years

Accordingly, the hangar/terminal building will be depreciated over 70 years less 15 years old at the time of purchase, therefore 55 years.

Other Assets: Other assets are depreciated over their expected useful lives.

<u>Asset Category</u>	<u>Depreciation Base</u>
Motor Vehicles	8 years
Roading	40 years
Fencing & Signage	20 years
Water Supply	20 years
Office & Electronic Equipment	5 years
Fixtures & Fittings	8 years

Financial Instruments

The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The Company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Financial Liabilities at Amortised Cost

The Company's financial liabilities comprise: trade and other payables and borrowings.

Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Management Judgements

In preparing these financial statements Omarama Airfield Limited has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The main area where judgements are applied are in the estimation of useful lives of property, plant and equipment, which are reviewed annually as part of the preparation of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For Year Ended 30 June 2014

	Notes	Actual 2014 \$	Actual 2013 \$
Income			
Landing Fees		30,640	32,258
Turnover Percent		47,155	45,114
Operators Fees		4,624	5,050
Rates Collected		19,537	18,377
Rents and Leases		17,578	17,411
Other Income		6,464	5,389
Total Income		125,997	123,599
Expenditure			
Accountancy		9,262	7,810
Audit		7,365	9,025
Depreciation	(Note 2)	21,243	18,596
Fuel		3,190	1,441
General Expenses		1,743	1,035
Insurance		5,773	5,019
Power		10,081	7,349
Professional Fees		972	-
Rates		25,936	22,860
Repairs and Maintenance		10,988	13,454
Subcontractors/Wages		18,032	9,273
Terminal Expenses		3,947	1,695
Travel		1,200	1,596
Total Operating Expenditure		119,734	99,151
Operating Profit before Tax		6,263	24,448
Less Taxation (Expense)/Benefit	(Note 5)	-6,408	-4,241
Other Comprehensive Income		-	-
Net (Loss)/Profit after Tax and Total Comprehensive Income for the year		<u>-145</u>	<u>20,207</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CHANGES OF EQUITY			
For Year Ended 30 June 2014			
		Actual 2014 \$	Actual 2013 \$
Opening Balance		1,230,894	1,210,687
Plus (Less) Profit/(Loss) for the year		-145	20,207
Total Comprehensive Income for the Year		-145	20,207
Total Shareholder's Equity	(Note 1)	1,230,749	1,230,894

The accompanying accounting policies and notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		Actual 2014 \$	Actual 2013 \$
Shareholder Equity			
Total Equity attributable to the Shareholders	(Note 1)	<u>1,230,749</u>	<u>1,230,894</u>
Represented By			
Non Current Assets			
Property, Plant & Equipment	(Note 2)	<u>1,238,311</u>	<u>1,212,449</u>
Net Non Current Assets		1,238,311	1,212,449
Current Assets			
Trade & Other Receivables	(Note 3)	5,518	1,665
Cash & Cash Equivalents		72,624	98,180
Prepayments		2,152	2,165
Taxation Refund		<u>217</u>	<u>302</u>
		80,511	102,312
Current Liabilities			
Trade & Other Payables	(Note 4)	<u>10,852</u>	<u>13,053</u>
Working Capital		69,659	89,259
Non-Current Liabilities			
Deferred Taxation	(Note 5)	<u>77,222</u>	<u>70,815</u>
Net Assets (Equal to Shareholders Equity)		<u><u>1,230,749</u></u>	<u><u>1,230,894</u></u>

These financial statements were authorised for issue by the Board of Directors

on 30-9-2014

Director  _____

Director  _____

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For Year Ended 30 June 2014

Note 1: Shareholders Equity

	2013	Movement	Transfers	2014
	\$	in Year	\$	\$
		\$		
Share Capital (Note 11)	418,706	0	0	418,706
Capital Reserves	798,570	0	0	798,570
Retained Earnings	13,618	(145)	0	13,473
Total Equity	<u>1,230,894</u>	<u>(145)</u>	<u>0</u>	<u>1,230,749</u>

	2012	Movement	Transfers	2013
	\$	in Year	\$	\$
		\$		
Share Capital (Note 11)	418,706	0	0	418,706
Capital Reserves	798,570	0	0	798,570
Retained Earnings	-6,589	20,207	0	13,618
Total Equity	<u>1,210,687</u>	<u>20,207</u>	<u>0</u>	<u>1,230,894</u>

Note 2: Property, Plant & Equipment

	<i>Land & Buildings</i> \$	<i>Fixtures & Fittings</i> \$	<i>Property Plant & Equipment</i> \$	<i>Infra- structure</i> \$	<i>Total</i> \$
Gross Carrying Amount					
2012	1,154,387	31,784	38,552	205,084	1,429,806
Additions	0	0	10,893	0	10,893
2013	1,154,387	31,784	49,445	205,084	1,440,699
Additions	0	0	0	47,105	47,105
2014	1,154,387	31,784	49,445	252,189	1,487,805
Accumulated Depreciation					
2012	70,174	30,971	28,114	80,397	209,655
Depreciation for the 2013 year	7,602	256	2,633	8,105	18,596
2013	77,776	31,226	30,747	88,502	228,250
Depreciation for the 2014 year	7,602	239	4,025	9,376	21,243
2014	83,379	31,465	34,772	97,878	249,493
Net Carrying Amount 2013	1,076,611	558	18,699	116,582	1,212,449
Net Carrying Amount 2014	1,069,008	319	14,673	154,311	1,238,311

No property, plant or equipment are pledged as security for liabilities.

Note 3: Trade & Other Receivables

Trade & Other Receivables is made up of:

	2014 \$	2013 \$
Trade & Other Receivables	4,584	568
GST Receivable	934	1,097
Total	5,518	1,665

Note 4: Trade & Other Payables

Trade & Other Payable is made up of:

	2014 \$	2013 \$
Trade & Other Payables	10,852	13,053
Total	10,852	13,035

Note 5: Taxation	2014	2013
Net operating profit before tax	6,263	24,448
Tax at 28%	1,754	6,845
Non-taxable items	0	0
Unders / Overs	4,654	0
Deferred tax adjustment	0	(2,604)
Tax expense	6,408	4,241
Components of tax expense		
Current tax	0	0
Deferred tax	1,754	4,241
Unders / Overs	4,654	0
	6,408	4,241

Analysis of the components of deferred tax

	PPE	Tax losses	Total
Balance at 30 June 2012	(102,710)	36,136	(66,574)
Charged to income	2,604	(6,845)	(4,241)
Charged to equity			
Balance at 30 June 2013	(100,106)	29,291	(70,815)
Charged to income	2,692	(9,099)	(6,407)
Charged to equity			
Balance at 30 June 2014	(97,414)	20,192	(77,222)

Note 6: Imputation Credit Account

	2014	2013
	\$	\$
Opening Balance	302	1,094
Plus Resident Withholding Tax Paid	162	246
Less Taxation Refunded	-247	-1,038
	-85	-792
Closing Balance	\$217	\$302

Note 7: Financial Instruments

The accounting policy for financial instruments has been applied to the items below:

	2014	2013
	\$	\$
<i>Loans and Receivables</i>		
Cash and cash equivalents	72,624	98,180
Trade and other receivables	4,584	568

Financial Liabilities at Amortised Cost

Trade and other payables	10,852	13,053
Borrowings	0	0

The anticipated contractual cash flows of the financial instruments are not expected to be materially different to the values shown above.

The approximate weighted average effective interest rate of the financial instruments is as follows:

	2014	2013
	%	%
Cash and cash equivalents	2.50	2.50
Trade and other receivables	0.00	0.00
Trade and other payables	0.00	0.00

Weighted average effective interest rate in respect of borrowings - see Interest Rate Risk below.

Interest Rate Risk

Interest rate risk is a risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is limited to its loans and borrowings which were paid off in full in the 2010 year, and therefore does not face any interest rate risk at balance date.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial instruments which are potentially subject to credit risk consist principally of cash and trade and other receivables. The directors consider this risk to be minimal.

Foreign Currency Risk

Foreign currency risk is a risk that a value of a financial instrument will fluctuate due to changes in foreign exchange rate.

The Company does not undertake any transactions in foreign currencies, therefore does not face any direct foreign currency risk.

Liquidity Risk

Liquidity risk is a risk that the Company will encounter difficulty raising funds to meet commitments as they fall due.

The Company closely monitors its financial position to ensure cash reserves are sufficient to cover expected outgoings, and only commits to capital expenditure if the funds are available.

Note 8: Related Parties Transactions

Total revenue received from Omarama Soaring Centre Inc was \$6,741(2013: \$9,302), plus rates of \$16,018 (2013: \$15,154), and \$61 (2013: \$nil) was owing by Omarama Soaring Centre Inc at balance date.

Total payments to the Omarama Soaring Centre Inc were \$2,146 (2013: \$597), to Waitaki District Council were \$23,114 (2013: \$21,703), to Terry Jones were \$2,801 (2013: \$1,543) including travel reimbursement and to Hugh Cameron were nil (2013: \$639) including travel reimbursement.

The Company owed \$nil (2013: \$nil) to the Waitaki District Council at balance date, and was owed \$nil (2013: nil).

The current and past directors all paid landing fees throughout the year at the market rate for use of the airfield and no monies were owing by them at balance date.

Directors were paid \$300 (2013: \$300) each for travel reimbursement, except for Terry Jones who's reimbursement was increased to \$600 (2013: \$600), and Hugh Cameron, who has voluntarily repaid his travel reimbursement. This amount of \$1,200 (2013: \$1,500) total was owing at balance date.

No provisions for doubtful debt were provided in relation to outstanding balances with related parties.

Key Management Personnel

The directors are the key management personnel of the company. The directors receive no remuneration for their duties.

Note 9: Loans

The Company has no loans (2013: Nil).

Note 10: Commitments and Contingencies

There are no contingent liabilities (2013: Nil).

There are no contingent assets (2013: Nil).

There are no commitments (2013: Nil)

Note 11: Share Capital

This comprises 418,706 shares fully paid at \$1 each (2013: 418,706 shares).

Note 12: Subsequent Events

The directors are not aware of any event subsequent to the balance date that requires adjustment in these financial statements.

OMARAMA AIRFIELD LIMITED

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2014

The Statement of Intent for the year ended 30 June 2014 had the following performance targets and measures:

1. *Operate and provide planned services within budgeted income.*
 - This has been achieved with a slight reduction in profit over budget mainly due to increased irrigation activities. There was an increase in turnover percentage from the businesses operating on the airfield and good support from gliding competitions and activities this season.
2. *Achieve a breakeven or better result after prudent provision for asset depreciation and replacement and for further trading requirements.*
 - This year's operating surplus before tax of \$6,236 was less than budget and previous years, but remains positive and provides a reserve. This reserve has and will allow for capital projects like completing the upgrades of the irrigation system and roading upgrades in the coming year.
3. *Update the Company's business plan on an annual basis.*
 - The company's business plan is updated annually and continues to evolve in line with commercial and recreational aviation requirements, together with longer term replacement of some critical plant and machinery for the irrigation.
4. *Measure the economic benefits to Omarama and the Ahuriri community arising from the operation and development of the airfield.*
 - The airfield continues with the need for management and maintenance services, which are all serviced from local contractors and part time staff.
 - The commercial operators on the airfield employ a number of permanent Omarama residents and continue to attract many seasonal workers. At least 20 people are directly employed on the airfield during the season providing gliding instruction, towing, aircraft preparation and maintenance, administration, café, restaurant and accommodation services.
 - The airfield continues to attract an estimated 1,500 visitors per year.
 - A large number of the gliding visitors from overseas together with their friends and family will each spend a number of days and nights in Omarama, staying in local accommodation and making use of Omarama's restaurants, hotels, coffee shops and other services.
 - The successful National and Regional Gliding Championships continue to attract many glider pilots and their family or crew from throughout New Zealand and overseas, all staying in Omarama for one to more than two weeks, using local accommodation, shops, restaurants and bars.
 - The very successful Youth Glide Organisation held an exclusive 10 day camp before Christmas with on-going activities over the Christmas and January holiday period. The events are accompanied by parents, helpers and extra instructors all enjoying the activities in and around Omarama.
 - The Aircraft Owners and Pilots Association held another successful long weekend fly in to Omarama in July and attracted more than 60 power planes from all over New Zealand, most with two or more passengers who enjoyed a successful long weekend in Omarama.