

Financial Statements
Omarama Airfield Limited
2015/16

FINANCIAL STATEMENTS INDEX

COMPANY DIRECTORY 3

ENTITY INFORMATION 4

STATEMENT OF INTENT 5

STATEMENT OF FINANCIAL PERFORMANCE 10

STATEMENT OF FINANCIAL POSITION 11

STATEMENT OF CASH FLOWS 12

STATEMENT OF ACCOUNTING POLICIES 13

NOTES TO THE FINANCIAL STATEMENTS 16

 1. Other operating income 16

 2. Grants and donations received 16

 3. Employee related costs 16

 4. Income tax 17

 5. Bank accounts and cash 17

 6. Debtors and prepayments 17

 7. Property, plant and equipment 18

 8. Creditors and accrued expenses 18

 9. Loans 18

 10. Equity 19

 11. Commitments 19

 12. Contingent liabilities 19

 13. Related-party transactions 20

 14. Director fees 20

 15. Events after the balance date 20

 16. Explanation of major variances against budget 20

STATEMENT OF SERVICE PERFORMANCE 22

OMARAMA AIRFIELD LIMITED

COMPANY DIRECTORY AS AT 30 JUNE 2016

Directors	Mr R W Gordon Chairman Mr T R Jones Mr R A Subtil Mr C Geddes Mr P McKenzie (Resigned 6 February 2016) Mr H Cameron (Resigned 9 December 2015)
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

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2016

Legal name

Omarama Airfield Limited (the Company).

Type of entity and legal basis

The Company is incorporated in New Zealand under the Companies Act 1993. The Company is controlled by the Waitaki District Council and the Omarama Soaring Centre Incorporated and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

The Company's purpose or mission

The primary objective of the Company is to maintain public access to the airfield for its transport and recreational facilities while encouraging the gliding facilities and activities that make use of the world class gliding environment of the Omarama area.

Structure of the Company's operations, including governance arrangements

The Company comprises a Board of four Directors who oversee the governance of the Company and are responsible for the day-to-day operations, and up to three other part time staff/subcontractors who support the directors in delivering against the Company's objectives. Two directors are appointed by the Waitaki District Council and two directors are appointed by the Omarama Soaring Centre Incorporated.

Main sources of the Company's cash and resources

A percentage of turn over from airfield operators, aircraft landing fees, and rent/lease income are the primary sources of funding to the Company.

OMARAMA AIRFIELD LIMITED

Statement of Intent For the Year 2016-17

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 2016-17 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:

- Enhancing the airfield infrastructure for local and international gliding visitors;
- Public access to airfield facilities;
- Recreational flying activities where they support the above objectives;
- 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. 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 FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
Revenue				
Turnover percent		56,503	50,000	56,094
Landing fees		35,469	34,000	38,193
Operator fees		4,524	4,600	3,950
Other operating income	<u>1</u>	496	-	1,052
Rents & leases		41,659	43,500	44,565
Donations received	<u>2</u>	1,363	-	24,085
Interest received		1,764	1,000	1,596
<i>Total revenue</i>		141,778	133,100	169,535
Expenses				
Accountancy		12,562	9,700	9,133
Audit		7,558	7,700	7,365
Bad debts		-	-	1,833
Depreciation		23,709	21,000	22,875
Employee related costs	<u>3</u>	24,331	13,500	23,990
Fuel		3,036	2,100	4,016
General expenses		1,119	1,600	1,462
Insurance		5,281	9,200	7,009
Power		7,831	10,500	8,869
Professional fees		1,587	1,000	-
Rates		23,759	26,000	24,630
Repairs & maintenance		6,474	14,500	11,318
Terminal expenses		3,904	4,000	3,699
Travel		1,500	1,200	900
<i>Total expenses</i>		122,652	122,000	127,099
Surplus/(deficit) before tax		19,126	11,100	42,436
Income tax expense	<u>4</u>	-	-	-
Surplus/(deficit) after tax		19,126	11,100	42,436

Explanations of major variances against budget are provided in note 16.

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the Financial Statements.

OMARAMA AIRFIELD LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
Assets				
Current assets				
Bank accounts & cash	<u>5</u>	130,038	136,891	131,583
Debtors & prepayments	<u>6</u>	5,056	5,700	2,795
<i>Total current assets</i>		135,094	142,591	134,378
Non-current assets				
Property, plant & equipment	<u>7</u>	1,272,393	1,205,936	1,226,936
<i>Total non-current assets</i>		1,272,393	1,205,936	1,226,936
Total assets		1,407,487	1,348,527	1,361,314
Liabilities				
Current liabilities				
Creditors & accrued expenses	<u>8</u>	14,294	11,000	10,906
Loans	<u>9</u>	1,350	-	-
<i>Total current liabilities</i>		15,644	11,000	10,906
Non-current liabilities				
Loans	<u>9</u>	22,310	-	-
<i>Total non-current liabilities</i>		22,310	-	-
Total liabilities		37,954	11,000	10,906
Total assets less total liabilities		1,369,533	1,337,527	1,350,408
Company equity				
Share capital	<u>10</u>	418,706	418,706	418,706
Capital reserve	<u>10</u>	798,570	798,570	798,570
Accumulated surpluses	<u>10</u>	152,257	120,251	133,132
Total company equity		1,369,533	1,337,527	1,350,408

Explanations of major variances against budget are provided in note 16.

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the Financial Statements.

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

Director _____ Director _____

OMARAMA AIRFIELD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Actual 2016	Budget 2016	Actual 2015
Cash flows from operating activities				
Receipts from operating		138,505	132,100	144,632
Receipts from interest (net)		1,764	1,000	1,317
Receipts from donations	<u>2</u>	1,363	-	24,085
Receipt from tax refund		211	-	176
Payments to suppliers and employees		(95,951)	(101,000)	(93,658)
GST (net)		(1,931)	-	(6,093)
<i>Net cashflow from operating activities</i>		43,961	32,100	70,459
Cashflows from investing and financing activities				
Proceeds from loans		25,000	-	-
Payments to acquire property, plant, and equipment		(69,165)	-	(11,500)
Repayment of loans		(1,340)	-	-
<i>Net cash flow from investing and financing activities</i>		(45,506)	-	(11,500)
Net increase/(decrease) in cash for the year		(1,544)	32,100	58,959
Add opening bank accounts and cash		131,583	131,583	72,624
Closing bank accounts and cash		130,038	163,683	131,583

Explanations of major variances against budget are provided in note 16.

The Statement of Accounting Policies and Notes to the Financial Statements are an integral part of, and should be read in conjunction with the Financial Statements.

OMARAMA AIRFIELD LTD

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2016

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The Board has elected to apply PBE SFR-A (PS) *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* on the basis that the Company does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Company will continue to operate in the foreseeable future.

GOODS AND SERVICES TAX

The Company is registered for GST. All amounts in the financial statements are recorded exclusive of GST, except for debtors and creditors, which are stated inclusive of GST.

SIGNIFICANT ACCOUNTING POLICIES

Revenue

Operating revenue

Operating revenue represents the revenue earned from the Company's airfield operations in the ordinary course of business and are recognised when invoiced.

Interest revenue

Interest revenue is recorded as it is earned during the year.

Donations revenue

Donations revenue is recognised when received.

Operating and overhead expenses

Operating costs and overheads are expensed when the related goods or services have been received.

Bank accounts and cash

Banks accounts and cash comprise cash on hand, cheque and savings accounts, and deposits held at call with banks.

Debtors

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant, and equipment

Property, plant and equipment is recorded at cost, less accumulated depreciation and impairment losses. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised.

For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount.

For an asset to be used by the Company, the asset is impaired if the value to the Company in using the asset falls below the carrying amount of the asset.

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

<u>Land:</u>	Land is not depreciated.
<u>Buildings:</u>	Buildings are depreciated over their expected lives of:
	- timber structures 40 years (2.5%)
	- metal structures 70 years (1.43%)
	Accordingly, the hangar/terminal building will be depreciated over 70 years less 15 years old at the time of purchase, therefore 55 years (1.82%).
<u>Other Assets:</u>	Other assets are depreciated over their expected useful lives.
Motor Vehicles	8 years (12.5%)
Roading	40 years (2.5%)
Fencing & Signage	20 years (5%)
Water Supply	20 years (5%)
Office & Electronic Equipment	5 years (20%)
Fixtures & Fittings	8 years (12.5%)

Creditors and accrued expenses

Creditors and accrued expenses are measured at the amount owed.

Loans

Loans are recognised at the amount borrowed from the lender. Loan balances include any interest accrued at year-end that has not yet been paid.

Provisions

The Company recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income tax

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

Budget figures

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with Tier 3 standards, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Tier 2 PBE Accounting Standards applied

The Company has not applied any Tier 2 Accounting Standards in preparing its financial statements.

OMARAMA AIRFIELD LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1 Other operating income

	2016	2015
Refund for power cable access to third hangar	496	
Scrap metal recovery from cleaning out trailer park	-	1,052
Total other operating income	496	1,052

2 Grants and donations received

	2016	2015
Donated cash	48	104
Donated cash for save Kahu Café appeal	1,315	23,981
Total grants and donations received	1,363	24,085

In 2015, donations for the save Kahu Café appeal are accounted for as revenue due to not having explicit conditions associated with them.

Donated goods or services not recognised

During the year, the Company received management services from the Directors at no charge.

3 Employee related costs

	2016	2015
Wages	24,115	23,371
Subcontractors	-	599
Accident compensation	216	20
Total employee related costs	24,331	23,990

Staff are employed on a casual or seasonal basis and their pay rates are inclusive of holiday pay. There were no accrued employee related costs at balance date.

4 Income tax

	2016	2015
Current tax	-	-
Adjustments to current tax in prior years	-	-
Income tax expense	-	-
Relationship between income tax expense and accounting surplus		
Net surplus/(deficit) before tax	19,126	42,436
Tax at 28%	5,355	11,882
Plus/(less) tax effects of:		
Non-taxable revenue	(368)	(6,715)
Non-deductible expenses	-	-
Timing differences re depreciation	2,881	2,545
Tax losses utilised	(7,868)	(7,713)
Income tax expense	0	0

Unused tax losses of \$5,041 (2015: \$33,139) are available to carry forward and offset against future taxable income.

At balance date imputation credits were \$418 (2015: \$321).

5 Bank accounts and cash

	2016	2015
Cash on hand	220	-
Cheque account	2,256	3,476
Savings account	127,562	128,107
Total bank accounts and cash	130,038	131,583

6 Debtors and prepayments

	2016	2015
Gross debtors	3,680	1,485
Provision for impairment	-	-
Net debtors	3,680	1,485
GST refund due	957	989
Prepayments	-	-
Tax refund due	418	321
Total debtors and prepayments	5,056	2,795

7 Property, plant and equipment

	Land and buildings	Infra- structure	Plant and equipment	Fixtures & fittings	Total
Carrying amount at 1 July 2014	1,069,008	154,311	14,673	319	1,238,311
Additions	-	-	11,500	-	11,500
Disposals (net of accumulated depreciatio	-	-	-	-	-
Depreciation expense	(7,602)	(10,110)	(4,923)	(239)	(22,875)
Carrying amount at 30 June 2015	1,061,406	144,201	21,250	80	1,226,936
Carrying amount at 1 July 2015	1,061,406	144,201	21,250	80	1,226,936
Additions	69,165	-	-	-	69,165
Disposals (net of accumulated depreciatio	-	-	-	-	-
Depreciation expense	(8,334)	(10,110)	(5,186)	(80)	(23,709)
Carrying amount at 30 June 2016	1,122,237	134,091	16,064	-	1,272,393

8 Creditors and accrued expenses

	2016	2015
Creditors	14,294	10,906
Accrued expenses	-	-
Total creditors and accrued expenses	14,294	10,906

9 Loans

	2016	2015
Current portion		
Loan from Omarama Soaring Centre	1,350	-
Non-current portion		
Loan from Omarama Soaring Centre	22,310	-
Total loans	23,660	-

The Omarama Soaring Centre loaned the company \$25,000 in November 2015 to assist with the upgrade of the café building. The loan, with a face value of \$23,660 (2015: \$nil), is issued at a nil interest rate. The loan is repayable over 10 years with the annual repayments based on 50% of the annual income that is received from its 5% levy on operation of the Kahu Café business.

The loan is unsecured.

10 Equity

	2016	2015
Contributed capital		
Balance at 1 July	418,706	418,706
Capital contribution	-	-
<i>Balance at 30 June</i>	418,706	418,706
Capital reserve		
Balance at 1 July	798,570	798,570
Capital gain on disposal	-	-
<i>Balance at 30 June</i>	798,570	798,570
Accumulated surpluses		
Balance at 1 July	133,132	90,695
Surplus/(deficit) for the year	19,126	42,436
<i>Balance at 30 June</i>	152,257	133,132
Total equity	1,369,533	1,350,408

11 Commitments

		2017	2016
Commitment type	Explanation and timing		
Commitment to upgrade property, plant and equipment	Upgrade café building to reach building consent, and demolish and replace outside deck, and erect an Archgola canopy	-	75,000
Total commitments		-	75,000

12 Contingent liabilities

There are no contingent liabilities (2015 \$nil).

13 Related-party transactions

Related-party transactions significant to the Company requiring disclosure

Total revenue received from Omarama Soaring Centre Incorporated was \$6,533 (2015: \$10,832), plus rates of \$14,493 (2015: \$16,481), and \$46 (2015: \$3) was owing by Omarama Soaring Centre Incorporated at balance date.

Loan funds received from Omarama Soaring Centre Incorporated totalled \$25,000, with \$23,660 owed at balance date.

Total payments to the Omarama Soaring Centre Incorporated were \$2,018 (2015: \$1,319), to Waitaki District Council were \$22,545 (2015: \$23,314), to Terry Jones were \$1,265 (2015: \$1,324) including director travel reimbursement, and to Bill Gordon were \$455 (2015: \$300) including director travel reimbursement.

All Directors flying from the Omarama airfield 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 a travel reimbursement: Terry Jones \$600 (2015: \$600), Bill Gordon \$300 (2015: \$300), Richard Subtil \$300 (2015: \$nil), Peter McKenzie \$300 (2015: \$300), while recently appointed director Clive Geddes declined a travel reimbursement. This amount of \$1,500 (2015: \$1,200) was owing at balance date.

14 Director Fees

	2016	2015
Bill Gordon	-	-
Terry Jones	-	-
Peter McKenzie	-	-
Richard Subtil	-	-
Clive Geddes	-	-
Total director fees	-	-

15 Events after balance date

There were no significant events after balance date.

16 Explanation of major variances against budget

Explanations for major variances from the Company's budgeted figures in the 30 June 2016 statement of intent are as follows:

Statement of financial performance

Expenditure on accounting was over budget \$2,862 due to extra work on the annual report to comply with new PBE SFR-A reporting standards, also extra work on budgets, leases and licences ahead of a director review.

Expenditure on employee related expenses was over budget \$10,831 due to more work handed over to staff that was previously done by directors.

Expenditure on repairs and maintenance was under budget \$8,026 due to capital improvements to irrigation in previous years resulting in reduced cost on repairs, also staff doing repair work on plant and equipment that was previously contracted out.

Statement of financial position

The 2015-16 budget had been approved prior to building consent issues arising with the café and the decision to upgrade the building, which accounts for unbudgeted expenditure in property, plant and equipment, and the unbudgeted loan from Omarama Soaring Centre.

OMARAMA AIRFIELD LTD

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

The Statement of Intent for the year ended 30 June 2016 had the following performance targets and measures:

1. *Operate and provide planned services within budgeted income.*
 - This has been achieved with the income \$8,600 greater than budget and the expenses being just \$600 over budget.
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 \$19,126 was \$8,000 above budget and a pleasing result allowing further capital investment in the Kahu Café development.
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 company continues to directly employ local people for maintenance and cleaning services, together with other services from local contractors and businesses.
 - The commercial operators on the airfield employ a number of permanent Omarama residents and continue to attract many seasonal workers each summer. 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 many days and nights in Omarama, staying in local accommodation and making use of Omarama's restaurants, hotels, coffee shops and other services.
 - The Regional Gliding Championships and the new format Competition Enterprise 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 40 power planes from all over New Zealand, most with two or more passengers who enjoyed a successful long weekend in Omarama. These pilots also regularly visit the airfield during the year, contributing to our landing fees and other service providers in the town.