

Financial Statements
Omarama Airfield Limited
2020/21

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OMARAMA AIRFIELD LIMITED

COMPANY DIRECTORY AS AT 30 JUNE 2021

Directors	Mr C Geddes Mr T R Jones Mr R A Subtil Mr S M Williamson	Chairman
Shareholders	Waitaki District Council Omarama Soaring Centre Inc	209,353 shares (50%) 209,353 shares (50%)
Registered Office	Omarama Airfield SH 6 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	Nexia Audit Christchurch on behalf of the Auditor-General	

OMARAMA AIRFIELD LIMITED

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

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 ENDED 30 JUNE 2021

1. Introduction

This Statement of Intent has been prepared in accordance with Clauses 9 and 10 in Schedule 8 of the Local Government Act 2002.

It identifies for 2020-21 the activities and intentions of Omarama Airfield Limited for the 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 compiled annually in consultation with the two equal shareholders being 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. each own 50% of the shares issued by the Company. Under the provisions of the Local Government Act 2002 the company is a Council Controlled Organisation.

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

2.2 Nature and Scope of Activities

Omarama Airfield Limited owns the airfield land, infrastructure and common facilities and is responsible for the operation and ongoing development of the facility.

2.3 Objectives

The principal objective of the Company is to provide airfield facilities that support flying activities and encourage aviation opportunities in Omarama.

The principal objective is advanced through:

- Enhancing the airfield infrastructure;
- Providing public access to airfield facilities;

- Supporting commercial operations;
- Hosting gliding courses, events and competitions;
- Hosting general aviation events;
- Hosting non-aviation events that are complementary to the airfield;
- Supporting model flying operations and events;
- Supporting aviation club activities;
- Encouraging and supporting new aviation activity;
- Supporting where appropriate the local community;
- Managing the airfield in compliance with New Zealand aviation law;
- Investigating and pursuing non-aviation revenue enhancing opportunities, and
- Marketing the aviation and recreational opportunities provided by the airfield.

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.
- The overall performance supports shareholder reasons for continued ownership.
- The decisions made enhance the achievement of the Company's long term objectives.
- The Company acts as a good employer and as an environmentally conscious and responsible citizen.
- That a transparent and collaborative relationship is maintained with the shareholders.

3. Reporting and Performance Measures

3.1 Reporting Frequency and Content

A Director of the Company shall attend the meeting at which the Annual Report is presented and may attend when the Half Yearly report is presented to the Council or the Omarama Soaring Centre.

Based on an annual balance date of 30th June the company will in accordance with the provisions of Clauses 8 and 9 of Schedule 8 and Section 64 of the Local Government Act 2002 provide to the shareholders the following reports:

(a) A 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.

(b) A 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.

(c) A 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. The report shall include a commentary on the first six months results and 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.

(d) The Annual Report

Within three months of the end of the financial year, the Directors shall deliver to the shareholders the 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:

- Maintain, operate and provide planned services within budgeted income.
- Achieve a break even or better financial result after prudent provision for asset replacement, depreciation and future trading requirements.
- Update the Company's business plan on an annual basis.
- 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.

(a) 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 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 the investments of the Company.

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

(b) 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.

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 'the role of a director of a council-controlled organisation is to assist the organisation to meet its objectives and any other requirements in its statement of intent' without limitation on 'the other duties that a director of a council-controlled organisation has.' 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 as required by the Local Government Act 2002 and the Companies Act 1993.

The Board acknowledges that it is responsible for the overall control framework of the Company but it recognises that no cost effective internal control system will preclude all errors and irregularities.

(b) The Role of the Shareholders

The Board will ensure that the shareholders are informed of all major developments affecting the Company. The shareholders are provided with a draft Statement of Intent and information is communicated to them via the Half Yearly and Annual Reports or if required special meetings.

The shareholders appoint the directors

(c) Board Appointments

The board comprises four directors and in accordance with the constitution two are appointed by each shareholder.

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 four directors are involved on a day to day basis in the management of the airfield with 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. 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.

The approval of the shareholders will be obtained prior to any such transaction.

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

There are no activities contemplated for which the company seeks local authority compensation.

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 for the supply of goods and services to the Company.

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

OMARAMA AIRFIELD LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021	Budget 2021 (Unaudited)	Actual 2020
Revenue				
Turnover percent		24,238	29,400	60,864
Landing fees		29,904	25,522	30,254
Operator fees		4,744	4,744	5,234
Rents & leases		33,157	32,620	47,361
Other operating income	1	4,244	3,000	11,635
Donations received	2	0	0	50
Interest received		336	1,000	1,113
<i>Total revenue</i>		96,623	96,286	156,510
Expenses				
Accountancy		13,018	10,500	9,752
Audit		7,610	9,750	9,700
Depreciation		50,618	51,000	50,937
Employee related costs	3	23,146	15,000	33,084
Fuel		2,474	3,000	3,544
General expenses		1,333	1,000	895
Insurance		8,135	8,135	8,135
Interest		0	0	0
Power		8,214	7,000	8,714
Professional fees		0	1,000	220
Rates		24,310	24,300	23,981
Repairs & maintenance		17,299	10,000	11,518
Terminal expenses		959	5,000	1,991
Travel		1,500	1,500	1,800
<i>Total expenses</i>		158,619	147,185	164,271
Surplus/(deficit) before tax		(61,996)	(50,899)	(7,760)
Income tax expense	4		0	2,767
Surplus/(deficit) after tax		(61,996)	(50,899)	(10,527)
Other comprehensive revenue & expenses				
Loss on revaluation of infrastructural assets	7	0	0	(9,269)
<i>Total other comprehensive revenue & expenses</i>		0	0	(9,269)
Total comprehensive revenue & expenses		(61,996)	(50,899)	(19,796)

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 2021


	Notes	Actual 2021	Budget 2021 (Unaudited)	Actual 2020
Assets				
Current assets				
Bank accounts & cash	5	145,289	156,404	158,803
Debtors & prepayments	6	13,449	11,662	10,095
Total current assets		158,738	168,066	168,898
Non-current assets				
Property, plant & equipment	7	3,164,147	3,161,407	3,212,407
Total non-current assets		3,164,147	3,161,407	3,212,407
Total assets		3,322,885	3,329,473	3,381,305
Liabilities				
Current liabilities				
Creditors & accrued expenses	8	24,826	22,398	21,251
Loans	9	9,717	2,500	2,500
Total current liabilities		34,543	24,898	23,751
Non-current liabilities				
Loans	9	1,013	5,730	8,230
Total non-current liabilities		1,013	5,730	8,230
Total liabilities		35,556	30,627	31,981
Total assets less total liabilities		3,287,329	3,298,846	3,349,324
Company equity				
Share capital	10	418,706	418,706	418,706
Capital reserve	10	798,570	798,570	798,570
Revaluation Reserve	10	2,012,058	2,012,058	2,012,058
Accumulated surpluses	10	57,995	69,512	119,991
Total company equity		3,287,329	3,298,846	3,349,324

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 27/9/21

Director 
27/9/21

Director 
27/9/21

OMARAMA AIRFIELD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021	Budget 2021 (Unaudited)	Actual 2020
Cash flows from operating activities				
Receipts from operating		93,637	95,286	157,405
Receipts from interest (net)		336	1,000	1,113
Receipts from donations	<u>2</u>	-	-	50
Receipt from tax refund		412	-	256
Payments to suppliers and employees		(94,110)	(96,185)	(107,938)
Income Tax		(2,059)	-	(1,000)
GST (net)		(9,373)	-	1,046
<i>Net cashflow from operating activities</i>		(11,156)	101	50,932
Cashflows from investing and financing activities				
Proceeds from loans		-	-	-
Payments to acquire property, plant, and equipment		(2,358)	-	(6,225)
Repayment of loans		-	(2,500)	(5,430)
<i>Net cash flow from investing and financing activities</i>		(2,358)	(2,500)	(11,655)
Net increase/(decrease) in cash for the year		(13,514)	(2,399)	39,278
Add opening bank accounts and cash		158,803	158,803	119,525
Closing bank accounts and cash		145,289	156,404	158,803

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 2021

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.

There were no changes to accounting policies for the year.

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 valuation as determined by independent valuer Aon every two years for land, buildings and infrastructure, at cost for other assets, 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>	Terminal structure 50 years (2%) roof 15 years (6.67%) fitout 25 years (4%) services 15 years (6.67%) site improvements 5 years (20%)
	Café structure 40 years (2.5%) roof 15 years (6.67%) fitout 15 years (6.67%) services 10 years (10%) site improvements 5 years (20%)
	Workshop structure 50 years (2%) roof 20 years (5%) fitout 30 years (3.33%) services 5 years (20%)
<u>Infrastructure:</u>	Roading 13 years (7.69%) Fencing 13 years (7.69%) Signage 29 years (3.45%) Water Supply 13 years (7.69%)

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

Motor Vehicles 8 years (12.5%)

Electronics 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 2021

1 Other Operating Income

	2021	2020
Covid wage subsidy	1,334	9,896
WDC reimburse extra audit & accounting costs for revaluation	2,910	-
WDC easement for waste water disposal field	-	1,739
Total other operating income	4,244	11,635

2 Grants and donations received

	2021	2020
Donated cash - Omarama Model Aircraft Club	-	50
Total grants and donations received	-	50

Donated goods or services are not recognised.

3 Employee related costs

	2021	2020
Wages	20,887	32,314
Secretarial contractor	2,184	635
Accident compensation	75	135
Total employee related costs	23,146	33,084

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

	2021	2020
Current tax	0	0
Adjustments to current tax in prior years	0	0
Income tax expense	0	0
Relationship between income tax expense and accounting surplus		
Net surplus/(deficit) before tax	(61,996)	(7,760)
Tax at 28%	(17,359)	(2,173)
Plus/(less) tax effects of:		
Non-taxable revenue	0	0
Non-deductible expenses	0	0
Timing differences re depreciation	10,739	10,750
Tax losses carried forward (utilised)	0	(5,810)
Tax losses (not utilised)	(6,620)	0
Income tax expense	0	2,767

Imputation Credits	2021	2020
Opening Balance 1/7/20	15,339	14,400
Taxation Paid	2,059	1,195
Taxation Refunded	(412)	(256)
Closing Balance 30/6/21	16,986	15,339

5 Bank accounts and cash

	2021	2020
Cash on hand	30	10
Trading account	7,340	10,376
Oncall account	15,356	56,344
Serious saver account	122,563	92,072
Total bank accounts and cash	145,289	158,803

6 Debtors and prepayments

	2021	2020
Gross debtors	3,871	824
Provision for impairment	-	-
Net debtors	3,871	824
GST refund due	1,393	1,135
Prepayments	8,186	8,135
Tax refund due	-	-
Total debtors and prepayments	13,449	10,095

7 Property, plant and equipment

	Opening carrying amount	Additions	Disposals	Depreciation & impairment	Closing carrying amount	Current valuation	Source & date of valuation
2019/20							<i>PPE 7 and PPE 8</i>
Land & buildings	3,106,300			(37,516)	3,068,784	3,106,300	Aon 1/7/19
Infrastructure	134,900	6,225		(10,034)	131,091	134,900	Aon 1/7/19
Plant & equipment	15,919			(3,387)	12,532		
Total	3,257,119	6,225	-	(50,937)	3,212,407	3,241,200	
2020/21							
Land & buildings	3,068,784			(37,516)	3,031,268		
Infrastructure	131,091	2,358		(10,049)	123,400		
Plant & equipment	12,532			(3,054)	9,478		
Total	3,212,407	2,358	-	(50,618)	3,164,147		

8 Creditors and accrued expenses

	2021	2020
Creditors	17,125	8,479
Taxation payable	91	1,738
Wages subsidy unused	-	1,334
Accrued expenses	7,610	9,700
Total creditors and accrued expenses	24,826	21,251

9 Loans

	2021	2020
Current portion		
Loan from Omarama Soaring Centre	9,717	2,500
Non-current portion		
Loan from Omarama Soaring Centre	1,013	8,230
Total loans	10,730	10,730

The Omarama Soaring Centre loaned the company \$25,000 in November 2015 to assist with the upgrade of the café building. Per the deed the loan is repayable over 10 years with annual repayments being a minimum of 50% of annual income that the borrower receives from its 5% levy on operation of the café business.

An annual loan repayment of \$7,217 was paid on 20 July 2021.

The loan is unsecured and issued at a nil interest rate.

10 Equity

	2021	2020
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
Revaluation reserve		
Balance at 1 July	2,012,058	-
Gain (loss) on revaluation	-	2,012,058
<i>Balance at 30 June</i>	2,012,058	2,012,058
Accumulated surpluses		
Balance at 1 July	119,991	139,787
Surplus/(deficit) for the year	(61,996)	(19,796)
<i>Balance at 30 June</i>	57,995	119,991
Total equity	3,287,329	3,349,324

11 Commitments

The company has no commitments (2020 \$nil).

12 Contingent liabilities

There are no contingent liabilities (2020 \$nil).

13 Related-party transactions

Related-party transactions significant to the Company requiring disclosure

Total revenue received from Omarama Soaring Centre Incorporated was \$7,150 (2020: \$6,076), plus rates of \$14,401 (2020: \$14,135), plus wages reimbursements of \$14,358 (2020: \$nil), and \$242 (2020: \$171) was owing by Omarama Soaring Centre Incorporated at balance date.

Total payments to the Omarama Soaring Centre Incorporated were \$1,078 (2020: \$968). \$353 (2020: \$nil), plus \$7,217 (2020: \$nil) annual loan repayment was owed to Omarama Soaring Centre Incorporated at balance date. The amount owing on the loan from Omarama Soaring Centre was \$3,513 (2020: \$10,730) at balance date.

Total revenue received from Waitaki District Council was \$3,530 (2020: \$2,049). \$nil (2020: \$nil) was owing by Waitaki District Council at balance date.

Total payments to Waitaki District Council were \$22,778 (2020: \$22,503). \$44 (2020: \$nil) was owed to Waitaki District Council at balance date.

Director Terry Jones received remuneration totalling \$1,250 (2020: \$2,500). \$nil (2020: \$nil) was owed to Terry Jones at balance date.

Directors were paid a travel reimbursement: Clive Geddes \$500 (2020: \$500), Terry Jones \$600 (2020: \$600), Richard Subtil \$350 (2020: \$nil), and Simon Williamson \$350 (2020: \$nil). This amount of \$1,800 (2020: \$1,800) was owing at balance date.

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.

Clive Geddes has a 1/3 interest in MT Syndicate which has a 3.77% shareholding in Sailplane Hangars Ltd. Simon Williamson is the sole director and shareholder of Glenbrook Station (2010) Ltd which has a 5.78% shareholding in Sailplane Hangars. Total revenue from Sailplane Hangars Ltd was \$1,648 (2020: \$1,787) and \$nil (2020: \$nil) was owing at balance date. There were no payments to the Sailplane Hangars Ltd.

Terry Jones' Kea Trust has a 9% shareholding in the Third Hangar Company Ltd. Total revenue from the Third Hangar Company Ltd was \$1,222 (2020: \$1,324) and \$nil (2020: \$nil) was owing at balance date. There were no payments to the Third Hangar Company Ltd.

Terry Jones has a 3.17% shareholding in Omarama Hangar Ltd. Total revenue from Omarama Hangar Ltd was \$1,503 (2020: \$1,619) and \$nil (2020: \$nil) was owing at balance date. There were no payments to Omarama Hangar Ltd.

Terry Jones' Kea Trust owns a chalet on land leased by Omarama Soaring Centre.

14 Director Fees

	2021	2020
Clive Geddes	-	-
Terry Jones	1,250	2,500
Richard Subtil	-	-
Simon Williamson	-	-
Total director fees	1,250	2,500

15 Events after balance date

In August 2021 the Government imposed a nation-wide lockdown at Covid Level 4. At the time of preparing this report the full impact of the lockdown is indeterminate, but is not expected to have a material financial impact on the organisation.



16 Going Concern

Whilst Glide Omarama ceased operations in March 2020, it is being replaced by multiple smaller operators, they hope that after a couple of years they combined will have grown to the original size of Glide Omarama. This has had a negative effect on the 5% income, number of flights and rental of office space in the terminal building. The COVID pandemic has exacerbated this reduction in income, but not by a significant amount. While overseas travel is restricted there will be few overseas visiting glider pilots, but a larger number of New Zealand pilots who can't go overseas will increase their flying in New Zealand and Omarama in particular. It is hoped that COVID alone will not be responsible for a significant reduction in the aviation activity in Omarama. The company has sufficient working capital to continue operating as a going concern.

17 Explanation of major variances against budget

Explanations for major variances from the Company's budgeted figures in the 30 June 2021 statement of intent are as follows:

Statement of financial performance

Employee related costs were \$8,146 over budget as they included the expense of cleaning the terminal of \$4,000 which was budgeted for under Terminal expenses, plus unexpected airfield repair jobs.

Repairs & maintenance was over budget \$7,299 due to the spraying of the airfield of \$6,330 not being budgeted for, and extra costs related to a burst pipe on the airfield.

Balance Sheet

Creditors & accrued expenses were \$9,645 over budget as they included the Omarama Soaring Centre annual loan repayment of \$7,217.

Loans reduced more than expected, \$4,717 over budget, due to the café having a good year with half the 5% levy collected paid towards loan principal per loan agreement.

OMARAMA AIRFIELD LTD

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

The Statement of Intent for the year ended 30 June 2021 had the following performance targets and measures:

1) Operate and provide planned services within budgeted income.

- While COVID-19 and the loss of the large commercial gliding operation has reduced income, the number of movements is now back up to 60% of previous levels and better than budgeted. The higher landing fees have made up for a reduced turnover percentage income and overall the income was \$337 over budget.
- The overall expenses this year were above budget by 7.8% made up of increased accountancy and administration for the revaluation and new operations plus a large expense to maintain the airfield in preparation for the new winch launching facility and additional landing area.

2) Achieve a breakeven or better result after prudent provision for asset depreciation and replacement and for further trading requirements.

- This year the company budgeted to make a \$51,000 loss, but to remain cash flow neutral with the depreciation accounting for that loss. However, with the additional maintenance and administration costs there was a loss of \$11,000 above the budgeted \$51,000 loss and a corresponding reduction in current assets.
- The company has adequate cash reserves and is able to sustain many years of minor cash flow losses, but is expecting that an increase of both commercial and club operations to improve the profitability and cash flow in future years. The Company is promoting additional use of the airfield and developments to increase income.
- An opportunity is being investigated at present to subdivide 8 lots from the company land beside Nimbus Drive with its road and most infrastructure in place already. In time, this development will provide a cash injection that will fund further development of the facilities and activities to enhance the profitability of the airfield into the future.

3) Update the Company's business plan on an annual basis.

- The company's business plan has been updated this year, but some uncertainties remain over the success of the new operations and their support with ongoing COVID-19 travel restrictions reducing overseas visitor numbers.
- The Directors will continue to work with and promote all commercial and recreational aviation users together with promoting other activities on the airfield. Ongoing maintenance and development of the airfield and facilities will be managed to facilitate those activities. Longer term planning will be directed by the success of these operations activities over the coming season and the ongoing COVID-19 travel restrictions.

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, cleaning and secretarial services, together with other services from local contractors and businesses.
- The new commercial and increased club operations continue to use a number of permanent Omarama residents and the summer gliding continues to attract many seasonal visitors each year, all who use local services, dairy, hotels, coffee shops, restaurants and other services.
- The Pink Glider Cafe and Restaurant on the airfield continues to grow in popularity and brings in many visitors while employing additional local staff.
- While overseas visitors will be reduced by the COVID-19 travel restrictions, the clubs and commercial users are promoting their operations within New Zealand as Kiwis return home and will not be traveling away overseas again for this summer at least.
- A large number of the gliding visitors from outside Otago 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 Championships and Christmas camp continue to attract many glider pilots and their family or crew from throughout New Zealand and even some overseas again this year, all staying in Omarama for at least one or two weeks per event, using local town facilities.
- The very successful Youth Glide organisation will continue to hold its exclusive 10-day camp after Christmas. This event includes many parents, helpers and extra instructors as well as the youth, all enjoying the activities and facilities in and around Omarama. There are also additional mini camps throughout the season.
- The airfield has also hosted the commercial skydiving operations from Twizel during poor weather, which brings another group of aviators and visitors to Omarama.
- The airfield will continue to attract an estimated 1,500 visitors per year.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF OMARAMA AIRFIELD LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2021

The Auditor-General is the auditor of Omarama Airfield Limited (the company). The Auditor-General has appointed me, Nathan Breckell, using the staff and resources of Nexia Audit Christchurch, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- The financial statements of the company on pages 10 to 21, that comprise the statement of financial position as at 30 June 2021 the statement of financial performance and statement of cash flows for the year ended 30 June 2021 and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 22 to 23.

In our opinion:

- The financial statements of the company on pages 10 to 21:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) standard; and
- the performance information of the company on pages 22 to 23 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2021.

Our audit was completed on 27 September 2021. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 9 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the company.



Nathan Breckell

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand