

Financial Statements

Omarama Airfield Limited
For the year ended 30 June 2023

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Directory

Omarama Airfield Limited

For the year ended 30 June 2023

Directors

Mr C Geddes (Chairman)
Mr T R Jones
Mr R A Subtil
Mr S M Williamson

Shareholders

Shareholder	Number of Shares
Waitaki District Council	209,353 shares (50%)
Omarama Soaring Centre Inc	209,353 shares (50%)
Total Shares	418,706 shares

Registered Office

Omarama Airfield
SH 6
Omarama
New Zealand

Postal Address

PO Box 1765
Queenstown 9348

Authorised Capital

418,706 Shares

Company Number

DN 411309

Solicitors

Hope Legal & Associates
76 Thames Street
Oamaru

Accountants

McCulloch & Partners
Chartered Accountants

Auditor

Nexia Audit Christchurch
on behalf of the Auditor-General

Entity Information

Omarama Airfield Limited

For the year ended 30 June 2023

Legal name

Omarama Airfield Limited

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.

Statement of Intent

Omarama Airfield Limited

For the year ended 30 June 2023

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 2022-23 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

1.1 Background

Omarama Airfield Limited was formed in 1993 to develop and operate the Omarama Airfield. The Waitaki District Council and Omarama Soaring Centre Inc. each own 50% of the shares issued by the Company. The Local Government Act 2002 defines the company as 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, and if necessary, the equipment that supports flying activities and encourages 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;
- Marketing the aviation and recreational opportunities provided by the airfield;
- The ownership of the equipment essential to secure the operation of the airfield;
- The delivery of the shareholder expectations.

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 and where feasible local supply chains and business services are utilised.
- Assets and liabilities are prudently managed.
- The asset is managed with due regard for the environment with a commitment to reducing the environmental impact of maintenance and operational activities.
- 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 with a strong emphasis on employee safety, welfare and co-operation.
- That a transparent and collaborative relationship is maintained with the shareholders.
- The facility is managed and operated in compliance with the regulations that govern aviation and airfields.

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.
- Establish through the subdivision and sale of residential land on Nimbus Drive a cash reserve to be used, if required, to secure the airfields amenity and operation.

(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.

Statement of Financial Performance

Omarama Airfield Limited

For the year ended 30 June 2023

	NOTES	ACTUAL 2023	BUDGET 2023 (UNAUDITED)	ACTUALS 2022
Revenue				
Turnover Percent		31,039	27,000	25,397
Landing Fees		29,898	30,000	25,155
Operator Fees		5,570	6,000	5,370
Rents & Leases		41,039	38,000	36,664
Other Operating Income	1	696	-	1,304
Donations Received	2	-	-	310
Interest Received		614	-	617
Total Revenue		108,856	101,000	94,818
Expenses				
Accounting & Bookkeeping		19,568	14,644	12,351
Audit		9,700	8,000	7,770
Bad Debts		888	-	-
Depreciation		53,934	50,000	50,311
Employee related costs	3	23,256	21,000	19,926
Fuel		3,794	4,000	3,726
General Expenses		2,534	1,000	976
Insurance		8,294	8,200	8,186
Power		10,153	8,700	5,245
Professional Fees		1,377	-	10,016
Rates		28,195	28,000	27,823
Repairs & maintenance		14,022	10,000	6,622
Terminal Expenses		2,267	5,000	3,874
Travel		2,502	1,800	1,800
Total Expenses		180,485	160,344	158,627
Surplus/(Deficit) before tax		(71,629)	(59,344)	(63,809)
Surplus/(Deficit) after tax		(71,629)	(59,344)	(63,809)
Other comprehensive revenue & expenses				
Loss on Revaluation of Infrastructure	8	-	-	(2,831)
Total Other comprehensive revenue & expenses		-	-	(2,831)
Total comprehensive revenue & expenses		(71,629)	(59,344)	(66,640)

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 and Independent Auditors report.

Statement of Financial Position

Omarama Airfield Limited

As at 30 June 2023

	NOTES	ACTUAL 2023	BUDGET 2023 (UNAUDITED)	ACTUALS 2022
Assets				
Cash & Bank Balances	6	97,536	101,960	121,308
Debtors and Prepayments	7	8,792	2,783	2,779
WIP – Subdivision		11,233	11,000	-
Total Current Assets		117,561	114,743	124,087
Non Current Assets				
Property, Plant and Equipment	8	3,368,693	3,372,626	3,422,626
Total Assets		3,486,254	3,487,369	3,546,713
Liabilities				
Current Liabilities				
Creditors and Accrued Expenses	9	27,447	16,277	16,277
Total Liabilities		27,477	16,277	16,277
Net Assets		3,458,807	3,471,092	3,530,436
Accumulated Funds				
Share Capital	10	418,706	418,706	418,706
Capital Reserves	10	798,570	798,570	798,570
Revaluation Reserves	10	2,321,805	2,321,805	2,321,805
Accumulated Surpluses	10	(80,274)	(67,989)	(8,645)
Total Accumulated Surpluses		3,458,807	3,471,092	3,530,436

Director

Date: 30 September 2023

Director

Date: 30 September 2023



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 and Independent Auditors report.

Statement of Cash Flows

Omarama Airfield Limited

For the year ended 30 June 2023

	NOTES	ACTUAL 2023	BUDGET 2023 (UNAUDITED)	ACTUAL 2022
Statement of Cash Flows				
Cash Flows from Operating Activities				
Receipts from operating		102,896	101,000	95,650
Receipts from interest (net)		614	-	617
Receipts from donations	2	-	-	320
Receipts from tax refund		-	-	59
Payments to suppliers and employees		(115,382)	(110,344)	(107,262)
Income Tax		-	-	(108)
GST (net)		(668)	-	(1,666)
Net Cash Flows from Operating Activities		(12,539)	(9,344)	(12,390)
Cash Flows from Investing and Financing Activities				
Payment to acquire property, plant & equipment		(11,233)	(11,000)	(1,874)
Repayment of Loans		-	-	(9,717)
Net Cash Flows from Investing and Financing Activities		(11,233)	(11,000)	(11,591)
Net Increase (Decrease) in cash for the year		(23,772)	(20,344)	(23,981)
Add opening bank accounts and cash				
Cash & Bank Balances		121,308	121,308	145,289
Closing Bank Accounts & Cash		97,536	100,964	121,308

Explanations of major variances against budget are provided in Note 17.



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 and Independent Auditors report.

Statement of Accounting Policies

Omarama Airfield Limited

For the year ended 30 June 2023

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.

Due to rounding, numbers presented may not add up precisely to totals provided.

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.

Work in Progress

The cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.



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:

Land:

Land is not depreciated.

Buildings:

Terminal

- structure 85 years (2.13%)
- roof 40 years (8.33%)
- fitout 60 years (4.55%)
- services 25 years (8.33%)
- site improvements 35 years (20%)

Café

- structure 85 years (2.7%)
- roof 40 years (8.33%)
- fitout 60 years (8.33%)
- services 25 years (14.29%)
- site improvements 35 years (20%)

Workshop

- structure 70 years (2.13%)
- roof 40 years (5.88%)
- fitout 50 years (3.70%)
- services 25 years (20%)

Infrastructure:

Roading	40 years (10%)
Fencing	40 years (10%)
Signage	40 years (3.85%)

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.



Notes to the Financial Statements

Omarama Airfield Limited

For the year ended 30 June 2023

	2023	2022
1. Other Operating Income		
Summit shoot location fee	-	1,304
Aircraft Owners & Pilots Assoc. NZ - Terminal building & general contribution	696	-
Total Other Operating Income	696	1,304
	2023	2022

2. Grants and donations received

Donated cash - Omarama Model Aircraft Club	-	310
Total Grants and donations received	-	310
	2023	2022

3. Employee related costs

Wages	20,580	17,669
Secretarial contractor	2,626	2,015
Accident compensation	50	242
Total Employee related costs	23,256	19,926

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

	2023	2022
4. Income tax		
Current tax	-	-
Adjustments to current tax in prior years	-	-
Income tax expense	-	-
Net surplus/(deficit) before tax	(71,629)	(66,640)
Tax at 28%	(20,056)	(18,659)
Plus/(less) tax effects of:		
Non-taxable revenue	-	-
Non-deductible expenses	-	-
Timing differences - depreciation	11,524	11,270
Tax losses carried forward (utilised)	-	-
Tax losses (not utilised)	(14,008)	(6,620)
Income tax expense	-	-
Tax Losses to Carry Forward	80,501	50,030



	2023	2022
5. Imputation Credits		
Opening Balance	17,035	16,986
Taxation Paid	108	108
Taxation Refunded	(108)	(59)
Closing Balance	17,034	17,035

	2023	2022
6. Bank accounts and cash		
ANZ Trading Account	14,382	3,660
ANZ Oncall Account	4,948	2,367
ANZ Serious Saver	78,207	115,281
Total Bank accounts and cash	97,536	121,308

	2023	2022
7. Debtors and prepayments		
Gross debtors	7,193	1,848
Provision for impairment		
less Provision for Doubtful Debts	-	-
Net Debtors	7,193	1,848
GST	1,599	931
Total Debtors and prepayments	8,792	2,779



8. Property, plant and equipment

	Opening carrying amount	Gain(loss) on new valuation	Addition/ Disposal	Deprecation & impairment	Closing carrying amount	Current valuation	Source & date of valuation
2021/22						PPE7/PPE8	
Land & buildings	3,031,268	309,747	-	(37,516)	3,303,500	3,303,500	Aon30/6/22
Infrastructure	123,400	(2,831)	-	(9,769)	110,800	105,300	Aon30/6/22
Plant & equipment	9,478	-	1,874	(3,026)	8,326		
Total	3,164,147	306,917	1,874	(50,311)	3,422,626		
2022/23							
Land & buildings	3,303,500	-	-	(41,948)	3,261,552		
Infrastructure	110,800	-	-	(9,970)	100,830		
Plant & equipment	8,326	-	-	(2,015)	6,311		
Total	3,422,626			(53,933)	3,368,693		

2023 2022

9. Creditors and accrued expenses

Creditors	12,174	8,465
Taxation payable	42	42
Accruals	15,230	7,770
Total Creditors and accrued expenses	27,447	16,277
	2023	2022

10. Equity

Capital contributed		
Balance as 1 July	418,706	418,706
Capital contribution	-	-
Balance at 30 June	418,706	418,706
Capital reserves		
Balance as 1 July	798,570	798,570
Capital gain on disposal	-	-
Balance at 30 June	798,570	798,570
Revaluation reserves		
Balance as 1 July	2,321,805	2,321,805



	2023	2022
Gain (loss) on revaluation	-	-
Balance at 30 June	2,321,805	2,321,805
Accumulated surpluses		
Balance as 1 July	(8,645)	57,995
Surplus/(deficit) for the year	(71,629)	(66,640)
Balance at 30 June	(80,274)	(8,645)
Total Equity	3,458,807	3,530,436

11. Commitments

There are no commitments as at 30 June 2023 (2022: \$Nil).

The Resource Consent for the NImbus Place sub-division project was granted by the Waitaki District Council on 10 February 2023. Engineering Approval, subject to Councils Water Services Department approval, was granted in April 2023. The final approval of these plans was provided in August 2023. In July 2023 Project Manager Terramark sought tenders for the projects civil works from six contractors. Four quotes were received and following evaluation the \$191,107.60 (ex GST) Paul Smith Earthmoving tender was accepted. Works are to be completed by Late November 2023. Bridge funding of the project costs has been confirmed by the Waitaki District Council.

The financial contributions due to the Waitaki District Council on the twelve lots have been estimated at \$351,000. The final sum will be determined in August 2023 and an application for payment at sale settlement secured by Consent Order will then be made.

A marketing agreement for the subject lots has been concluded with Tall Poppy Omarama and sales are to commence in September 2023.

12. Contingent liabilities

There are no contingent liabilities or guarantees as at 30 June 2023 (2022: \$Nil).

13. Related-party transactions

Related-party transactions significant to the Company requiring disclosure

Total revenue received from Omarama Soaring Centre Incorporated was \$5,526 (2022: \$5,216), plus rates of \$17,796 (2022: \$17,531), plus wages reimbursements of \$3,575 (2022: \$4,959), and \$1,385 (2022: \$493) was owing by Omarama Soaring Centre Incorporated at balance date.

Total payments to the Omarama Soaring Centre Incorporated were \$3,717 (2022: \$3,608), and \$625 (2022: \$nil) was owing to Omarama Soaring Centre incorporated at balance date.

Total revenue received from Waitaki District Council was \$620 (2022: \$620). \$nil (2022: \$nil) was owing by Waitaki District Council at balance date.

Total payments to Waitaki District Council were \$29,892 (2022: \$26,293). \$nil (2022: \$nil) was owed to Waitaki District Council at balance date.

Director Terry Jones received remuneration totaling \$nil (2022: \$1,250). \$nil (2022: \$nil) was owed to Terry Jones at balance date.

Directors were paid a travel reimbursement: Clive Geddes \$500 (2022: \$500), Terry Jones \$600 (2022: \$600), Richard Subtil \$350 (2022: \$350), and Simon Williamson \$350 (2022: \$350). This amount of \$1,800 (2022: \$1,800) was owing at balance date.

Simon Williamson's landing fees were sponsored by Omarama Soaring Centre and Omarama Airfield Ltd in a scheme that pays for local strip owner's landing fees in lieu of use of their strips for gliders landing out. All other 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 \$1,636 (2022: \$1,580) and \$nil (2022: \$nil) was owing at balance date.

There were no payments to 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 \$1,225 (2022: \$1,181) and \$nil (2022: \$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 \$1,514 (2022: \$1,497) and \$nil (2022: \$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.

	2023	2022
14. Director Fees		
Clive Geddes	-	-
Terry Jones	-	1,250
Richard Subtil	-	-
Simon Williamson	-	-
Total Director Fees	-	1,250

15. Events after balance date

There were no significant events after balance date.

16. Going Concern

The company ran at a \$17,695 loss before depreciation. The company has sufficient working capital to continue operating as a going concern.

17. Explanation of major variances against budget

Statement of financial performance

Professional fees were up \$1,377 on budget due to costs incurred to Hope & Legal for the 2022 audit and a valuation cost paid to Telfer Young for insurance. These items were not budgeted for.

Audit fees are over budget due to the current year audit fee accrual being higher than initially budgeted.

Accounting and Bookkeeping Fees are over budget due to an accrual of 2023 accounting fees, which has not been accrued for previously. Therefore the 2023 figures include costs for 2022 and 2023. A bookkeeper was also engaged in 2023 and these costs were higher than budgeted.



Depreciation is above budget due to a revaluation of assets and residual life completed at 30 June 2022. This has resulted in an increase in accounting depreciation in the current year.

Terminal expenses were below budget as the previous contractor ceased business during the year and a new one was engaged at a lower charge out.



Statement of Service Performance

Omarama Airfield Limited

For the year ended 30 June 2023

The Statement of Intent for the year ended 30 June 2023 had the following performance targets and measures:

1) Maintain, operate and provide planned services within budgeted income.

- As Covid-19 restrictions continued to decrease during the year, income has continued to improve and overall was above budget by 7.8%
- The overall expenditure was greater than budget by 13%.

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 \$59,344 financial loss. The cash flow budget allowing after depreciation was for a reduction of \$20,344 with a closing bank account of \$100,964 – this was nearly achieved with a final bank account of \$97,796.
- The company has adequate cash reserves to sustain cash flow losses, however it is expected that an increase of both commercial and club operations will improve the profitability and cash flow in future years. The Company is promoting additional use of the airfield and developments to increase income.

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

- The business plan has been updated to include the long awaited expansion of the commercial gliding sector that operates for the airfield. The plan will also reflect the proposed increase in courses and events proposed by the Omarama Gliding Club.
- The company is continuing to progress the subdivision of its land on Nimbus Place and has developed a draft medium to long term plan in order to identify the priorities for the use of the proceeds of this project.

4) Enhance the economic benefits to Omarama and the Ahuriri community arising from the operation and development of the airfield as measured by increased patronage of facilities and participation in event.

- 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 continued to attract many seasonal visitors, who all used 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.
- 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.
- There has been a significant increase in the number of overseas glider pilots using the airfield. Many use local accommodation and all use local services and facilities.
- The Regional Championships and Christmas camps continued to attract new glider pilots and their family or crew from throughout New Zealand, all staying in Omarama for at least one or two weeks per event, using local town facilities.
- The very successful Youth Glide organisation as continued with it's exclusive development camps. 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 hosted the commercial skydiving operations from Twizel during poor weather, which brings another group of aviators and visitors to Omarama.

5) Establish through the subdivision and sale of residential land on Nimbus Drive a cash reserve to be used, if required, to secure the airfields amenity and operation.

- The consents for this project have been issued by the Waitaki District Council and tenders for the civil works called for. These works are scheduled to be completed by November 2023 and a sales programme, using Omarama based Tall Poppy, will be commenced in September 2023.



INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF OMARAMA AIRFIELD LIMITED'S FINANCIAL STATEMENTS
AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023**

The Auditor-General is the auditor of Omarama Airfield Limited (the company). The Auditor-General has appointed me, Sam Naylor, 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 20, that comprise the statement of financial position as at 30 June 2023, the statement of financial performance and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on page 21.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; 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); and
- the performance information of the company 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 2023.

Our audit was completed on 2 October 2023. 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.

Other matter - Comparison of forecast financial statements with historical financial statements

Without modifying our opinion, we draw attention to the fact that the Company did not include forecast financial statements in its 2023 statement of intent, as required by the Local Government Act 2002. As a result, no comparison of the forecast financial statements with the historical financial statements was presented in the annual report.

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.

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.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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

**Sam Naylor**

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