

Financial Statements
Omarama Airfield Limited
2016/17

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OMARAMA AIRFIELD LIMITED

COMPANY DIRECTORY AS AT 30 JUNE 2017

Directors	Mr C Geddes Mr T R Jones Mr R A Subtil Mr G E Claridge Mr R W Gordon (Resigned 31 March 2017)	Chairman
Registered Office	Omarama Airfield Omarama New Zealand	
Postal Address	P O Box 284 Queenstown	
Authorised Capital	\$418,706	
Company Number	DN 411309	
Solicitor	Hope Legal & Associates 76 Thames Street Oamaru	
Auditor	Martin Wakefield Chartered Accountant on behalf of the Auditor-General	

OMARAMA AIRFIELD LIMITED

ENTITY INFORMATION FOR THE YEAR ENDED 30 JUNE 2017

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.

4.6Tendering 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 2017

	Notes	Actual 2017	Budget 2017	Actual 2016
Revenue				
Turnover percent		52,415	57,000	56,503
Landing fees		34,431	35,000	35,469
Operator fees		4,524	4,600	4,524
Other operating income	<u>1</u>	243	600	496
Rents & leases		45,378	45,000	41,659
Donations received	<u>2</u>	100	-	1,363
Interest received		600	600	1,764
Total revenue		137,692	142,800	141,778
Expenses				
Accountancy		10,258	15,000	12,562
Audit		5,870	7,900	7,558
Bad debts		-	-	-
Depreciation		24,966	24,000	23,709
Employee related costs	<u>3</u>	22,852	26,000	24,331
Fuel		2,725	3,000	3,036
General expenses		930	1,500	1,119
Insurance		5,551	5,500	5,281
Power		8,216	8,500	7,831
Professional fees		1,009	5,000	1,587
Rates		23,425	24,000	23,759
Repairs & maintenance		8,933	10,000	6,474
Terminal expenses		4,562	3,500	3,904
Travel		1,800	1,800	1,500
Total expenses		121,096	135,700	122,652
Surplus/(deficit) before tax		16,596	7,100	19,126
Income tax expense	<u>4</u>	6,433	1,988	-
Surplus/(deficit) after tax		10,162	5,112	19,126

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 2017

	Notes	Actual 2017	Budget 2017	Actual 2016
Assets				
Current assets				
Bank accounts & cash	<u>5</u>	127,344	102,158	130,038
Debtors & prepayments	<u>6</u>	3,919	10,995	5,056
<i>Total current assets</i>		131,263	113,153	135,094
Non-current assets				
Property, plant & equipment	<u>7</u>	1,286,580	1,292,101	1,272,393
<i>Total non-current assets</i>		1,286,580	1,292,101	1,272,393
Total assets		1,417,843	1,405,255	1,407,487
Liabilities				
Current liabilities				
Creditors & accrued expenses	<u>8</u>	16,988	9,536	14,294
Loans	<u>9</u>	2,500	-	1,350
<i>Total current liabilities</i>		19,488	9,536	15,644
Non-current liabilities				
Loans	<u>9</u>	18,660	18,660	22,310
<i>Total non-current liabilities</i>		18,660	18,660	22,310
Total liabilities		38,147	28,196	37,954
Total assets less total liabilities		1,379,696	1,377,059	1,369,533
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>	162,420	159,783	152,257
Total company equity		1,379,696	1,377,059	1,369,533

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 30 September 2017

Director



Director




OMARAMA AIRFIELD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Actual 2017	Budget 2017	Actual 2016
Cash flows from operating activities				
Receipts from operating		137,194	141,600	138,505
Receipts from interest (net)		600	1,200	1,764
Receipts from donations	<u>2</u>	100	-	1,363
Receipt from tax refund		400	-	211
Payments to suppliers and employees		(99,209)	(111,700)	(95,951)
Income Tax		-	(1,988)	-
GST (net)		(125)	-	(1,931)
<i>Net cashflow from operating activities</i>		38,960	29,112	43,961
Cashflows from investing and financing activities				
Proceeds from loans		-	-	25,000
Payments to acquire property, plant, and equipment		(39,154)	(44,000)	(69,165)
Repayment of loans		(2,500)	(5,000)	(1,340)
<i>Net cash flow from investing and financing activities</i>		(41,654)	(49,000)	(45,506)
Net increase/(decrease) in cash for the year		(2,694)	(19,888)	(1,544)
Add opening bank accounts and cash		130,038	130,038	131,583
Closing bank accounts and cash		127,344	110,150	130,038

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 2017

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

	2017	2016
Huxtables Rural Safari two night stay at airfield	243	-
Refund for power cable access to third hangar	-	496
Total other operating income	243	496

2 Grants and donations received

	2017	2016
Donated cash	100	48
Donated cash for save Kahu Café appeal	-	1,315
Total grants and donations received	100	1,363

Donated goods or services not recognised

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

3 Employee related costs

	2017	2016
Wages	20,306	24,115
Secretarial contractor	2,423	-
Accident compensation	123	216
Total employee related costs	22,852	24,331

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

	2017	2016
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	16,596	19,126
Tax at 28%	4,647	5,355
Plus/(less) tax effects of:		
Non-taxable revenue	-	(368)
Non-deductible expenses	-	-
Timing differences re depreciation	3,198	2,881
Tax losses utilised	(1,411)	(7,868)
Income tax expense	6,433	0

Tax losses brought forward from 2016 of \$5,041 were offset against taxable income and there are no further tax losses available to carry forward.

At balance date imputation credits were \$124 (2016: \$418).

5 Bank accounts and cash

	2017	2016
Cash on hand	90	220
Trading account	3,097	2,256
Oncall account	124,157	127,562
Total bank accounts and cash	127,344	130,038

6 Debtors and prepayments

	2017	2016
Gross debtors	3,409	3,680
Provision for impairment	-	-
Net debtors	3,409	3,680
GST refund due	510	957
Prepayments	-	-
Tax refund due	-	418
Total debtors and prepayments	3,919	5,056



7 Property, plant and equipment

	Land and buildings	Infra- structure	Plant and equipment	Fixtures & fittings	Total
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
Carrying amount at 1 July 2016	1,122,237	134,091	16,064	-	1,272,393
Additions	-	38,654	500	-	39,154
Disposals (net of accumulated depreciatio	-	-	-	-	-
Depreciation expense	(9,332)	(10,836)	(4,799)	-	(24,966)
Carrying amount at 30 June 2017	1,112,905	161,909	11,766	-	1,286,580

8 Creditors and accrued expenses

	2017	2016
Creditors	10,678	14,294
Taxation payable	6,310	-
Accrued expenses	-	-
Total creditors and accrued expenses	16,988	14,294

9 Loans

	2017	2016
Current portion		
Loan from Omarama Soaring Centre	2,500	1,350
Non-current portion		
Loan from Omarama Soaring Centre	18,660	22,310
Total loans	21,160	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 \$21,160 (2016: 23,660), 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.

Since the cafés turnover has been less than anticipated, at the 2017 instalment the directors agreed future annual repayments should be the greater of 50% of the cafés 5% levy or \$2,500 to ensure the loan is paid off over the agreed 10 years.

The loan is unsecured.

10 Equity

	2017	2016
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	152,257	133,132
Surplus/(deficit) for the year	10,162	19,126
<i>Balance at 30 June</i>	162,420	152,257
Total equity	1,379,696	1,369,533

11 Commitments

The company has no commitments (2016 \$nil).

12 Contingent liabilities

There are no contingent liabilities (2016 \$nil).

13 Related-party transactions

Related-party transactions significant to the Company requiring disclosure

Total revenue received from Omarama Soaring Centre Incorporated was \$8,130 (2016: \$6,533), plus rates of \$13,931 (2016: \$14,493), and \$46 (2016: \$46) was owing by Omarama Soaring Centre Incorporated at balance date.

A loan principal repayment of \$2,500 (2016: \$1,350) was made to the Omarama Soaring Centre Incorporated leaving a loan balance of \$21,160 (2016: \$23,660) owing at balance date.

Total payments to the Omarama Soaring Centre Incorporated were \$941 (2016: \$2,018), and to Waitaki District Council were \$22,169 (2016: \$22,545). \$97 (2016: \$nil) was owed to Waitaki District Council at balance date.

Directors were paid a travel reimbursement: Terry Jones \$600 (2016: \$600), Richard Subtil \$300 (2016: \$300), Clive Geddes \$500 (2016: \$nil), and Glen Claridge \$400 (2016: \$nil). This amount of \$1,800 (2016: \$1,500) 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.

14 Director Fees

	2017	2016
Terry Jones	-	-
Richard Subtil	-	-
Clive Geddes	-	-
Glen Claridge	-	-
Bill Gordon	-	-
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 2017 statement of intent are as follows:

Statement of financial performance

Turnover Percent was under budget \$4,585 due to poor weather experienced during the gliding season impacting on operators turnover.

Expenditure on accounting was under budget \$4,742 as extra had been allowed for secretarial duties that subsequently were contracted out to an Omarama local.

Expenditure on employee related expenses was under budget \$3,148 due to less work required on airfield improvements to bring it up to the current standard.

Expenditure on Professional Fees was under budget \$3,991 as legal fees anticipated for the renewal of leases and licences won't be incurred until the 2017/18 year.

Statement of financial position

Creditors were \$7,452 more than budgeted, due to the surplus exceeding budget, resulting in a subsequent increase in the company's tax liability.



OMARAMA AIRFIELD LTD

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2017

The Statement of Intent for the year ended 30 June 2017 had the following performance targets and measures:

1. *Operate and provide planned services within budgeted income.*
 - This has been achieved while the income was 3.5% below budget due to a summer adversely affected by poor weather, the expenses were reduced by 10.7% to keep within the budgeted income.
2. *Achieve a breakeven or better result after prudent provision for asset depreciation and replacement and for further trading requirements.*
 - This year's surplus after tax of \$10,162 was \$5,050 above budget and a pleasing result due to operational savings and efficiencies, even after allowing for poor weather and having to pay tax for the first time after depleting the tax credits this year.
3. *Update the Company's business plan on an annual basis.*
 - The company's business plan is updated annually and evolves to reflect the outcomes of the consultation workshops involving commercial and recreational aviation stakeholders, users and the local community. Longer term planning is also directed by outcomes of the consultation.
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 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 and National 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 at least one or two weeks per event, 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.
 - There have been numerous "fly in" aviation events bringing more visitors to Omarama, including a memorable long weekend with the Tiger Moth Club of New Zealand. The long ANZAC weekend also saw the ever increasingly popular model aircraft event held again this year at Omarama with four days of flying, competitions and public displays. Other events included hosting the motor home and campervan clubs for a 3 day visit in the middle of their South Island rally.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF OMARAMA AIRFIELD LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2017

The Auditor-General is the auditor of Omarama Airfield Limited (the company). The Auditor-General has appointed me, Derily MacLean, using the staff and resources of Martin Wakefield, to carry out the audit of the financial statements and the 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 2017, 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 on pages 10 to 20:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2017; and
 - its financial performance and cash flows for the year then ended;
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) Standard
- the performance information of the company on page 21 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 2017.

Our audit was completed on 26 September 2017. 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, and we explain our independence.

Basis for 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 and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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 there is an intention to liquidate the company or to cease operations, or there is 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 shareholders 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 the 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 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 in 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 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 (Revised): *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.

Derily MacLean

Derily MacLean
Martin Wakefield
On behalf of the Auditor-General
Timaru, New Zealand