

Financial Statements
Omarama Airfield Limited
2021/22

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OMARAMA AIRFIELD LIMITED

COMPANY DIRECTORY AS AT 30 JUNE 2022

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 2022

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 2022

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 2021-22 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. 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 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 and
- The ownership of equipment essential to secure the operation of 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.
- 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.

OMARAMA AIRFIELD LIMITED

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Actual 2022	Budget 2022	Actual 2021
(Unaudited)				
Revenue				
Turnover percent		25,397	25,000	24,238
Landing fees		25,155	30,000	29,904
Operator fees		5,370	5,770	4,744
Rents & leases		36,664	36,896	33,157
Other operating income	1	1,304	0	4,244
Donations received	2	310	0	0
Interest received		617	300	336
Total revenue		94,818	97,966	96,623
Expenses				
Accountancy		12,351	11,000	13,018
Audit		7,770	7,750	7,610
Depreciation		50,311	51,000	50,618
Employee related costs	3	19,926	18,000	23,146
Fuel		3,726	3,000	2,474
General expenses		972	1,000	1,333
Insurance		8,186	8,135	8,135
Interest		0	0	0
Power		5,245	8,500	8,214
Professional fees		10,016	3,000	0
Rates		27,823	26,070	24,310
Repairs & maintenance		6,622	13,000	17,299
Terminal expenses		3,874	5,000	959
Travel		1,800	1,800	1,500
Total expenses		158,623	157,255	158,619
Surplus/(deficit) before tax		(63,805)	(59,289)	(61,996)
Income tax expense	4		0	
Surplus/(deficit) after tax		(63,805)	(59,289)	(61,996)
Other comprehensive revenue & expenses				
Loss on revaluation of infrastructural assets	7	(2,831)	0	0
Total other comprehensive revenue & expenses		(2,831)	0	0
Total comprehensive revenue & expenses		(66,636)	(59,289)	(61,996)

Explanations of major variances against budget are provided in note 18.

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.

OMARAMA AIRFIELD LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	Actual 2022	Budget 2022 (Unaudited)	Actual 2021
Assets				
Current assets				
Bank accounts & cash	5	121,308	122,487	145,289
Debtors & prepayments	6	2,783	13,449	13,449
<i>Total current assets</i>		124,090	135,936	158,738
Non-current assets				
Property, plant & equipment	8	3,422,626	3,124,147	3,164,147
<i>Total non-current assets</i>		3,422,626	3,124,147	3,164,147
Total assets		3,546,717	3,260,083	3,322,885
Liabilities				
Current liabilities				
Creditors & accrued expenses	9	16,277	32,043	24,826
Loans	10	-	-	9,717
<i>Total current liabilities</i>		16,277	32,043	34,543
Non-current liabilities				
Loans	10	-	-	1,013
<i>Total non-current liabilities</i>		-	-	1,013
Total liabilities		16,277	32,043	35,556
Total assets less total liabilities		3,530,440	3,228,040	3,287,329
Company equity				
Share capital	11	418,706	418,706	418,706
Capital reserve	11	798,570	798,570	798,570
Revaluation Reserve	11	2,321,805	2,012,058	2,012,058
Accumulated surpluses	11	(8,641)	(1,294)	57,995
Total company equity		3,530,440	3,228,040	3,287,329

Explanations of major variances against budget are provided in note 18.

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.

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

30/11/22

Director

[Signature]

Director

[Signature]

OMARAMA AIRFIELD LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Actual 2022	Budget 2022 (Unaudited)	Actual 2021
Cash flows from operating activities				
Receipts from operating		95,650	97,666	93,637
Receipts from interest (net)		617	300	336
Receipts from donations	2	320	-	-
Receipt from tax refund		59	-	412
Payments to suppliers and employees		(107,262)	(106,255)	(94,110)
Income Tax		(108)	-	(2,059)
GST (net)		(1,665)	-	(9,373)
<i>Net cashflow from operating activities</i>		(12,389)	(8,289)	(11,156)
Cashflows from investing and financing activities				
Proceeds from loans		-	-	-
Payments to acquire property, plant, and equipment		(1,874)	(11,000)	(2,358)
Repayment of loans		(9,717)	(3,513)	-
<i>Net cash flow from investing and financing activities</i>		(11,591)	(14,513)	(2,358)
Net increase/(decrease) in cash for the year		(23,981)	(22,802)	(13,514)
Add opening bank accounts and cash		145,289	145,289	158,803
Closing bank accounts and cash		121,308	122,487	145,289

Explanations of major variances against budget are provided in note 18.

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 2022

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 2022

1 Other Operating Income

	2022	2021
Covid wage subsidy	-	1,334
Summit Shoot Location Fee	1,304	-
WDC reimburse extra audit & accounting costs for revaluation	-	2,910
Total other operating income	1,304	4,244

2 Grants and donations received

	2022	2021
Donated cash - Omarama Model Aircraft Club	310	-
Total grants and donations received	310	-

Donated goods or services are not recognised.

3 Employee related costs

	2022	2021
Wages	17,669	20,887
Secretarial contractor	2,015	2,184
Accident compensation	242	75
Total employee related costs	19,926	23,146

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

	2022	2021
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	(66,636)	(61,996)
Tax at 28%	(18,658)	(17,359)
Plus/(less) tax effects of:		
Non-taxable revenue	0	0
Non-deductible expenses	0	0
Timing differences re depreciation	11,270	10,739
Tax losses carried forward (utilised)	0	0
Tax losses (not utilised)	(6,620)	(6,620)
Income tax expense	0	0
Imputation Credits	2021	2021
Opening Balance 1/7/21	16,986	15,339
Taxation Paid	108	2,059
Taxation Refunded	(59)	(412)
Closing Balance 30/6/22	17,035	16,986

5 Bank accounts and cash

	2022	2021
Cash on hand	-	30
Trading account	3,660	7,340
Oncall account	2,367	15,356
Serious saver account	115,281	122,563
Total bank accounts and cash	121,308	145,289

6 Debtors and prepayments

	2022	2021
Gross debtors	1,848	3,871
Provision for impairment	-	-
Net debtors	1,848	3,871
GST refund due	935	1,393
Prepayments	-	8,186
Tax refund due	-	-
Total debtors and prepayments	2,783	13,449

7 Property, plant and equipment

	Opening carrying amount	Gain/(loss) on revaluation	Additions / Disposals	Depreciation & impairment	Closing carrying amount	Current valuation	Source & date of valuation
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		
2021/22							
						<i>PPE 7 and PPE 8</i>	
Land & buildings	3,031,268	309,747		(37,516)	3,303,500	3,303,500	Aon 30/6/22
Infrastructure	123,400	(2,831)		(9,769)	110,800	105,300	Aon 30/6/22
Plant & equipment	9,478		1874	(3,026)	8,326		
Total	3,164,147	306,917	1,874	(50,311)	3,422,626	3,408,800	

8 Creditors and accrued expenses

	2022	2021
Creditors	8,465	17,125
Taxation payable	42	91
Wages subsidy unused	-	-
Accrued expenses	7,770	7,610
Total creditors and accrued expenses	16,277	24,826

9 Loans

	2022	2021
Current portion		
Loan from Omarama Soaring Centre	-	9,717
Non-current portion		
Loan from Omarama Soaring Centre	-	1,013
Total loans	-	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. The loan was paid off in full in June 2022.

10 Equity

	2022	2021
Contributed capital		
Balance at 1 July	418,706	418,706
Capital contribution	-	-
<i>Balance at 30 June</i>	<i>418,706</i>	<i>418,706</i>
Capital reserve		
Balance at 1 July	798,570	798,570
Capital gain on disposal	-	-
<i>Balance at 30 June</i>	<i>798,570</i>	<i>798,570</i>
Revaluation reserve		
Balance at 1 July	2,012,058	2,012,058
Gain (loss) on revaluation	309,747	-
<i>Balance at 30 June</i>	<i>2,321,805</i>	<i>2,012,058</i>
Accumulated surpluses		
Balance at 1 July	57,995	119,991
Surplus/(deficit) for the year	(66,636)	(61,996)
<i>Balance at 30 June</i>	<i>- 8,641</i>	<i>57,995</i>
Total equity	3,530,440	3,287,329

11 Commitments

Commitments are 2022 \$nil (2021 \$nil).

A Resource Consent application was lodged in June 2022 with the Waitaki District Council by Terramark, who are acting as agents for Omarama Airfield Ltd, for a potential subdivision. At the time of signing the audit report the resource consents were still not granted.

The project was costed in 2021 at \$395,301 with about half of that being fees and development contributions payable to the Waitaki District Council. These costings will be updated once the application for subdivision consent has been approved and the company will then consider the options for funding the development prior to placing the properties on the market.

12 Contingent liabilities

There are no contingent liabilities (2021 \$nil).

13 Related-party transactions

Related-party transactions significant to the Company requiring disclosure

Total revenue received from Omarama Soaring Centre Incorporated was \$5,216 (2021: \$7,150), plus rates of \$17,531 (\$2021: \$14,401), plus wages reimbursements of \$4,959 (\$2021: 14,358), and \$493 (2021; \$242) was owing by Omarama Soaring Centre Incorporated at balance date.

Total payments to the Omarama Soaring Centre Incorporated were \$3,608 (2021: \$1,078). \$nil (2021: \$353), plus \$nil (2021: \$7,217) annual loan repayment was owed to Omarama Soaring Centre Incorporated at balance date. The amount owing on the loan from Omarama Soaring Centre was \$nil (2021 \$3,513) at balance date.

Total revenue received from Waitaki District Council was \$620 (2021: \$3,530). \$nil (2021: \$nil) was owing by Waitaki District Council at balance date.

Total payments to Waitaki District Council were \$26,293 (2021: \$22,778). \$nil (2021: \$nil) was owed to Waitaki District Council at balance date.

Director Terry Jones received remuneration totalling \$1,250 (2021: \$1,250). \$nil (2021: \$nil) was owed to Terry Jones at balance date.

Directors were paid a travel reimbursement: Clive Geddes \$500 (2021: \$500), Terry Jones \$600 (2021: \$600), Richard Subtil \$350 (2021: \$350), and Simon Williamson \$350 (2021: \$350). This amount of \$1,800 (2021: \$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 \$1,580 (2021: \$1,648) and \$nil (2021: \$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 \$1,181 (2021: \$1,222) and \$nil (2021: \$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 \$1,497 (2021: \$1,503) 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

	2022	2021
Clive Geddes	-	-
Terry Jones	1,250	1,250
Richard Subtil	-	-
Simon Williamson	-	-
Total director fees	1,250	1,250

15 Events after balance date

There were no significant events after balance date.

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 was restricted there were no overseas visiting glider pilots, but a larger number of New Zealand pilots who couldn't go overseas increased their flying in New Zealand and Omarama in particular. COVID alone is not responsible for a significant reduction in the aviation activity in Omarama.

The company ran at a modest \$3,698 loss before depreciation and revaluation loss. COVID restrictions on overseas travel have lifted and overseas visiting pilots are returning. 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 2022 statement of intent are as follows:

Statement of financial performance

Aircraft movements were down for the year resulting in landing fee revenue being down on budget \$4,845.

Professional fees were up \$7,016 on budget due to preliminary costs related to the proposed Nimbus Place subdivision.

Repairs & maintenance was under budget \$6,378 reflecting no unexpected events to give rise to repair expenditure.

Balance Sheet

Debtors & prepayments were under budget \$10,716 due to annual insurances 2022/23 being paid in the year of cover.

Property, plant & equipment were over budget \$298,479 due to the Waitaki District Council required revaluation of 30 June 2022.

Creditors & accruals were under budget \$15,766 largely due to annual insurance invoices for 2022/23 not included.

Cashflow

Payments to acquire Property, plant & equipment were under budget \$9,126 as planned upgrades did not proceed this financial year.

OMARAMA AIRFIELD LTD

STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

The Statement of Intent for the year ended 30 June 2022 had the following performance targets and measures:

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

- COVID-19 continued to restrict activities during the year along with the ongoing loss of the large commercial gliding operation and the national gliding championship being in the North Island this year, the income was down 3.2% on budget.
- The overall expenditure was greater than budget by 0.8%.
- This year has seen some revenue from one new commercial glider instruction business, with their own glider and another potential operator with a self-launching motor glider is considering their options.

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 \$59,289 financial loss allowing for the down turn due to COVID-19. The cash flow budget allowing after depreciation and the repayment a loan from the Omarama Soaring centre was for a reduction of \$22,802 with a closing bank account of \$122,487 – this was nearly achieved with a final bank account of \$121,308, just 1% below budget.
- With the Soaring Centre Loan now repaid, the company will have adequate cash reserves and be able to sustain many years of minor cash flow losses. However it is expecting 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 company's business plan has been updated this year, but some uncertainty remains over the timing and success of the new commercial operations and the return of our normal visitors due to the ongoing effect of COVID-19.
- 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 in particular the development of the airfield and facilities to encourage all forms of gliding operations and aviation activities will be a focus of the Company. Longer term planning will be directed by the success of these operations and activities over the coming seasons.

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 events*

- 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.

- While overseas visitors were reduced by the COVID-19 travel restrictions, the clubs and commercial users continue to promote their operations within New Zealand.
- 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 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 its 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 Youth Glide winch and the local club have nearly doubled the winch launches compared with last year with regular training weekends and youth groups travelling from Queenstown, Twizel and Christchurch.
- 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 company is proceeding with the subdivision of 12 lots from the company land beside Nimbus Drive as it has a Council road frontage and most infrastructure in place already. The survey and design work has been completed and an application for subdivision resource consent has been made to the Waitaki District Council.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF OMARAMA AIRFIELD LIMITED'S PERFORMANCE REPORT AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2022**

The Auditor-General is the auditor of Omarama Airfield Limited (the company).
The Auditor-General has appointed me, Jane Jackman, 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 22, that comprise the statement of financial position as at 30 June 2022 the statement of comprehensive income, statement of changes in equity 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 pages 23 to 24

In our opinion:

- The financial statements of the company on pages 10 to 22:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector); and
- the performance information of the company on pages 23 to 24 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 2022.

Our audit was completed on 30 November 2022. 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.

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.



Jane Jackman

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