Papa Rererangi i Puketapu Ltd
New Plymouth Airport

Annual Report for the year ended 30th June 2022

Philip Cory-Wright	Chair
David Scott	Chief Executive

New Plymouth Airport
192 Airport Drive
New Plymouth 4373
Website: www.nplairport.co.nz

1. Introduction

This report for the year ended 30 June 2022 is presented by Papa Rererangi i Puketapu Ltd (PRIP) in accordance with the requirements of Sections 64 and 65 of the Local Government Act 2002 referencing the company's Statement of Intent and PRIP's monitoring and reporting requirements.

2. Responsibilities

PRIP was established in July 2017 and is 100% owned by New Plymouth District Council (NPDC). The company operates as a Council Controlled Trading Organisation (CTO) through an independent skills-based Board of Directors and employs its own Chief Executive and staff. PRIP operates under a Statement of Intent (SOI) agreed to by its Directors and is consistent with a Statement of Expectations issued by NPDC.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis and to ensure the ongoing safe and successful operation of the Airport. PRIP owns passenger terminals, aircraft hangars, airside infrastructure, car parking areas, roading and underground utilities. These facilities are sited on land occupied under a long-term lease from NPDC.

PRIP's primary objectives are to:

- operate the Airport in full compliance with the regulations set down by the New Zealand Civil Aviation Authority
- ensure that the business is run on a sustainable commercial basis
- optimise the use of its assets
- generate a reasonable rate of return on investment.

The key to this is to ensure the ongoing safe and successful operation of the Airport, whilst also facilitating the growth of tourism and trade by working collaboratively with key stakeholders to sustainably increase passenger numbers.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, leases terminal space and land at the Airport.

The Airport is viewed as an essential infrastructure asset for New Plymouth and has a key role to play in the economic performance, growth and development of the Taranaki region. As part of this, PRIP will work collaboratively with the airlines, NPDC, Venture Taranaki, the Chamber of Commerce, Iwi and other local key stakeholders to work towards the region's common strategic goals.

3. PRIP establishment

There are various agreements that have been established between the Council and PRIP for the ongoing operation of the Airport namely:

- Service Level Agreement
- Loan Facility Agreement
- General Security Deed
- Intergroup Asset Transfer
- Deed of Lease of Airport Land

The Service Level Agreement has changed during the first three years since PRIP was formed and for FY2022 now only encompasses the supply of hardware and software for telecommunications and data services together with operational support. The SLA is currently under review and includes fleet as well.

NPDC has approved a refreshed loan facility of $34.4m comprising Tranche A of $30.4m term facility and a $4m Tranche B working capital type facility. These facilities are intended to support the company in both its core airport business and its efforts to diversify its revenue base as outlined in its Statement of Intent

The Aerodrome certification, operation and use are governed by the New Zealand Civil Aviation Authority (CAA) and NPDC is currently the Aerodrome Operator Certificate (AOC) holder. Under an agreement with the CAA, PRIP manages the Airport on behalf of NPDC as if it was the holder of the Aerodrome Operator Certificate holder in its own right.

4. Executive summary

In the final quarter of FY 2022, the long awaited recovery from the ongoing impact of COVID-19 finally started. In May and June PRIP saw a significant boost in passenger numbers and it is encouraging to see this trend continue through to the start of the new financial year.

Significant challenges remain in place however. Air New Zealand has struggled with its resourcing and this has impacted their schedule. The aviation industry worldwide has been impacted by the challenges of re-hiring stuff let go during the height of the pandemic and New Zealand has not been immune. Air New Zealand have been working through these challenges and the impact thus far has not been significant for PRIP.

Operationally the winter months have presented the usual challenges from a weather perspective and it has been pleasing to see the new facilities cope well under the additional pressure this presents.

PRIP has been reviewing all current leases to ensure all reviews have been completed and with a number of market reviews being done the revenue from our tenants has increased. We have communicated with all tenants to ensure all reviews are completed in terms with their leases.

PRIP has engaged Beca to complete a 10 year masterplan for the Airport. This is expected to be completed by the end of the year and will help provide PRIP with a roadmap as we look for non-aeronautical opportunities moving forward.

The impacts of COVID-19 presented significant challenges for PRIP in FY2022 resulting in a loss of -$1,032,273. Increased passenger numbers, expected to be up to 90% of pre-COVID-19 levels, should see PRIP return to profitability in FY2023.

5. Key personnel

a) Directors

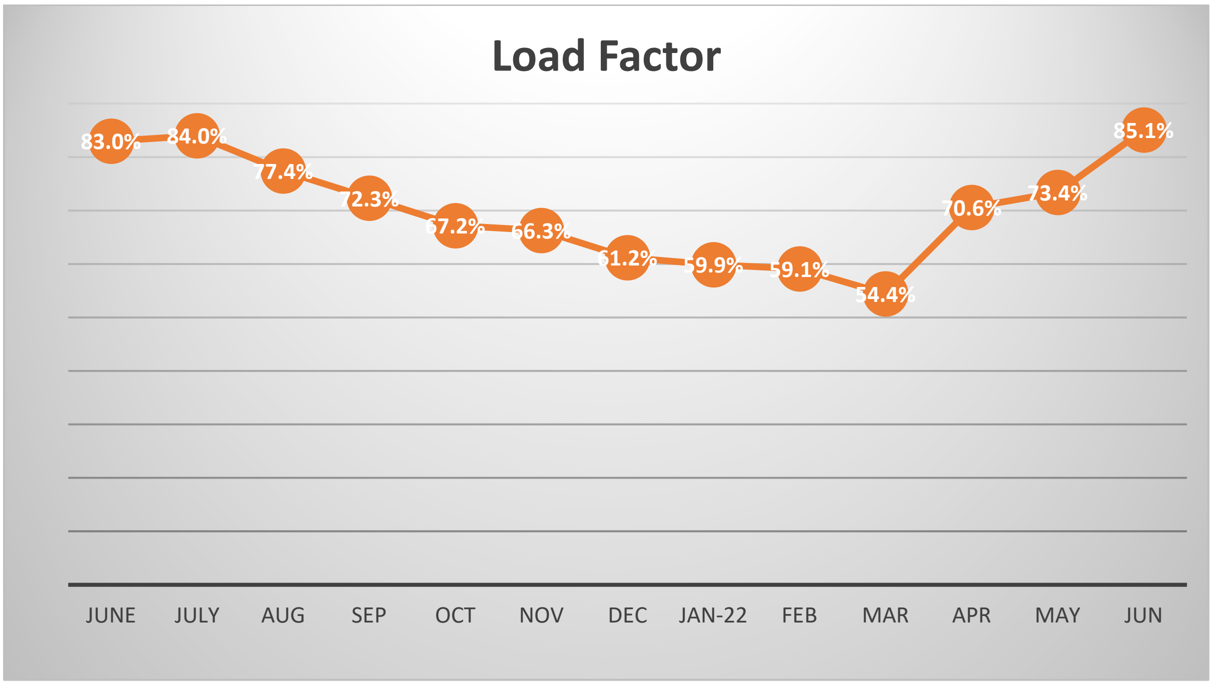
In November 2020, NPDC advised that the tenure of the four current PRIP directors would be extended to ensure continuity in the current environment and create the ability to rotate two directors every 18 months.

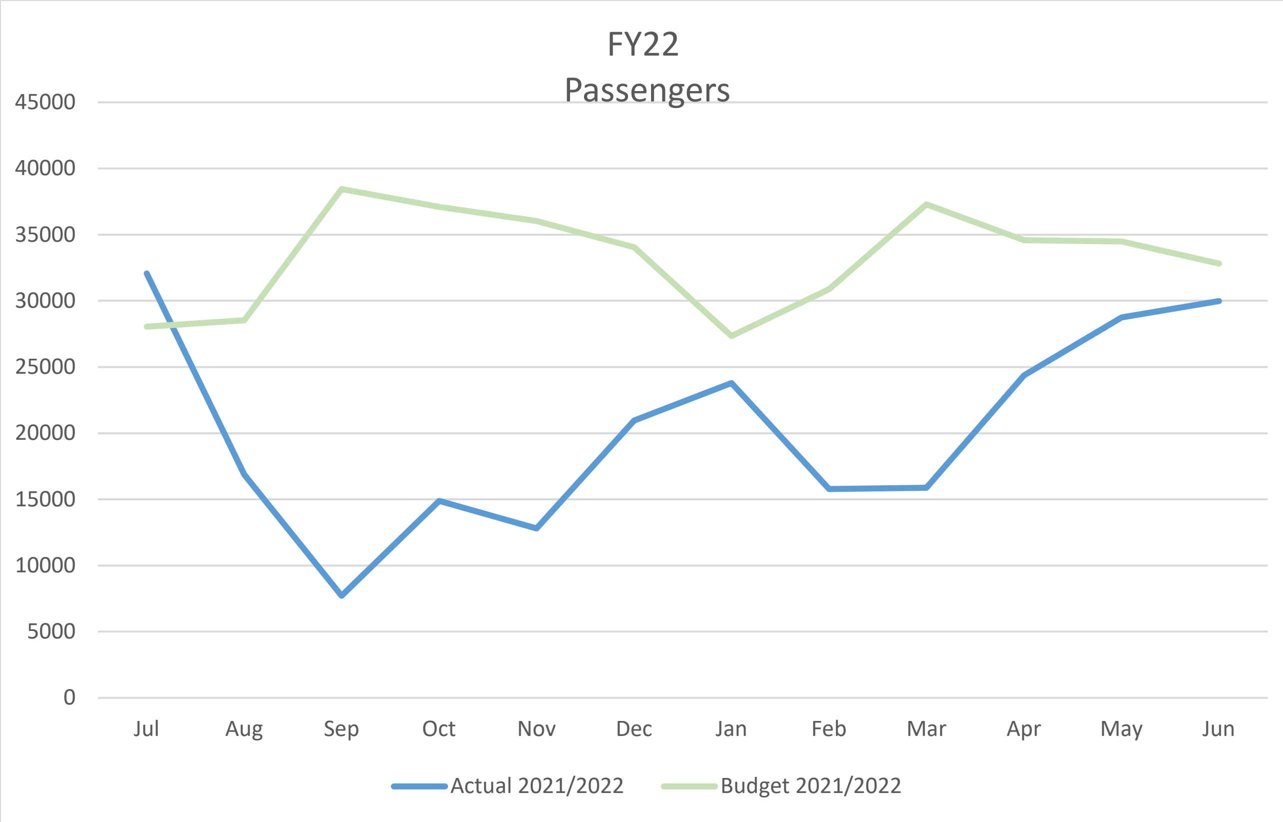
Philip Cory-Wright and Chris Myers have had their tenures to re-align with the standard three year term and will be due for reconsideration in June 2023.

The terms of Rachel Farrant and Shelley Kopu were both extended in December 2021 and will be due for reconsideration in December 2024.

6. Operational summary

A steady increase in both load factors and flight schedules saw PRIP finish the financial year with high passenger numbers. Strong demand for all sectors was evident. International travel played a significant part in the increasing numbers with restrictions being lifted. Both the business and leisure markets are recovering with the travelling public regaining confidence in air travel. The recovery is on track and PRIP is encouraged with the current response from the market.





For much of the year COVID-19 has presented significant challenges to the operation. The main issue has been sickness of staff, both from COVID-19 and the Flu. These challenges have been well managed and the impact on the operation has been minimal.

The existing Airport facilities have been well maintained throughout the period and there has been no diversion of regular passenger transport services resulting from Airport operational disruption.

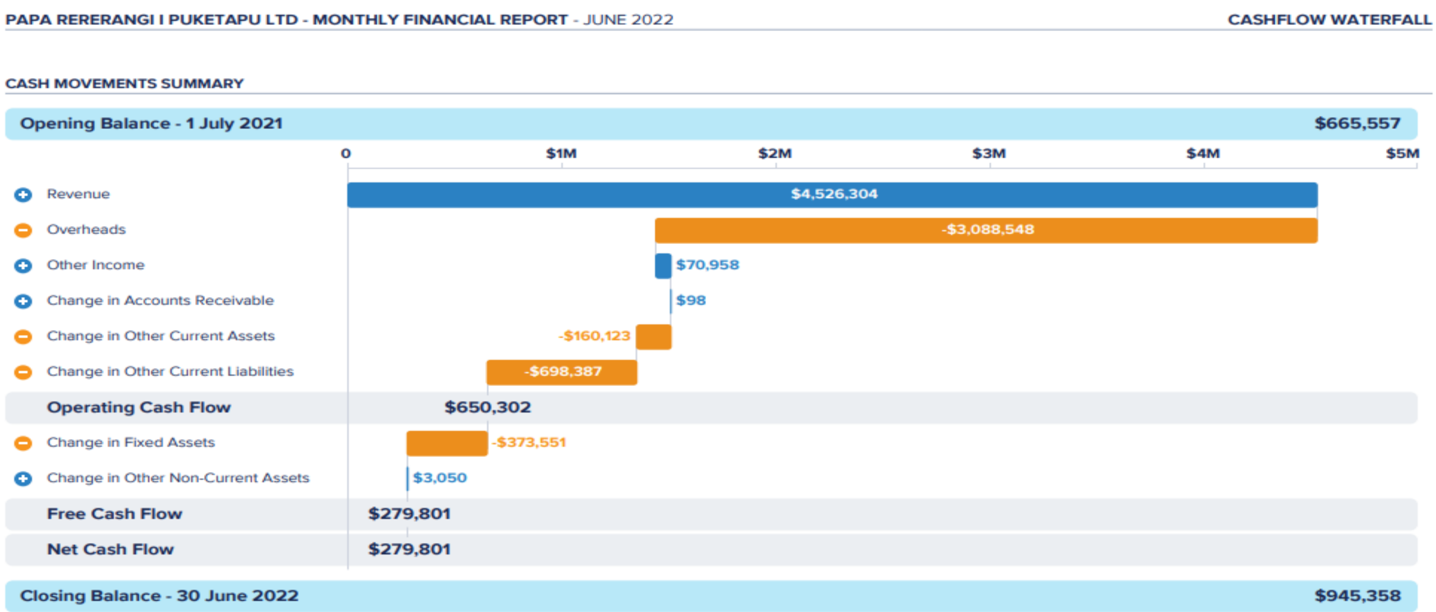
7. Financial summary

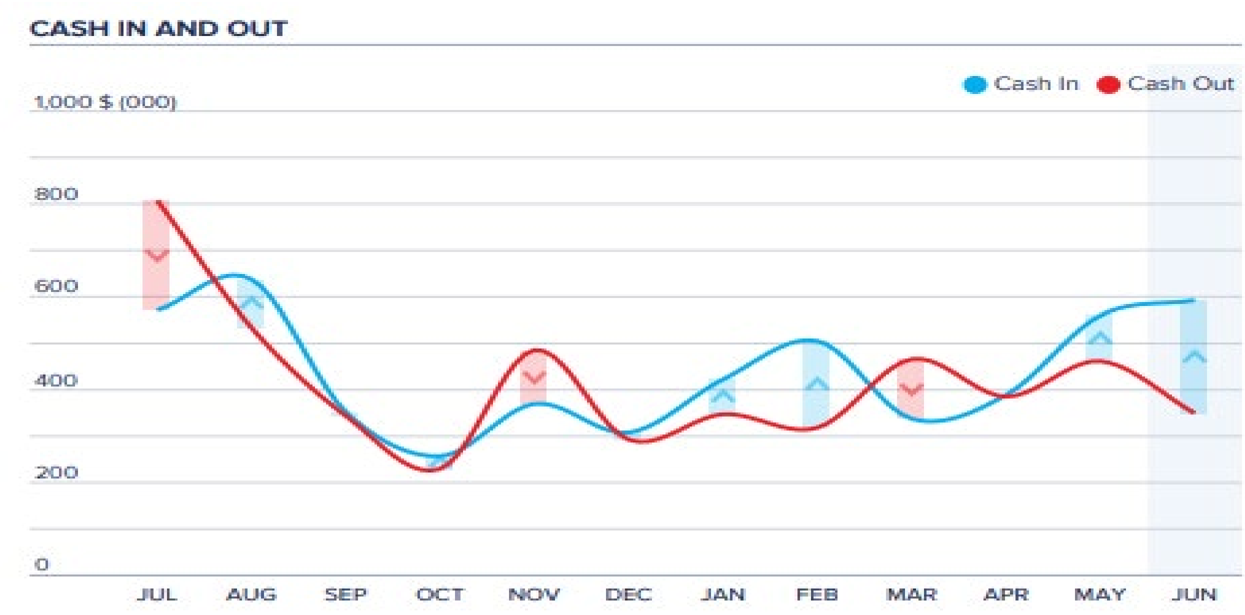
The impact of COVID-19 resulted in revenues being down 35% on the original budget. As mentioned, the final quarter did show the start of a recovery however these impacts resulted in a loss of -$1,032,273 for the year. The flow on from the reduced passenger numbers also impacted other key revenue streams, i.e. car parking and café revenues.

Year End at 30th June 2022	YTD Actual	YTD Budget	Previous YTD actual
Operating revenue	$ 4,632,278	$ 7,105,248	$ 4,524,341
Operating expenditure	$ 3,227,580	$ 3,391,276	$ 3,203,788
EBITDA	$ 1,404,698	$ 3,713,972	$ 1,320,553
Depreciation & interest	$ 2,436,971	$ 2,281,632	$ 2,380,422
Net profit (Loss) before tax	-$ 1,032,273	$ 1,432,340	-$ 1,059,869
Passenger numbers	243,858	399,614	277,610

All operating costs associated with the day-to-day management of the Airport have been met from airport revenue. No drawdowns for capital expenditure were made.

Operating cash flow for the year remained positive and no significant capital works were undertaken during FY2022.





8. Airport terminal tenants

Tenants struggled during FY2022 due to the ongoing nature of the pandemic. Both the cafés and car rental businesses are tied to our passenger numbers and therefore were impacted accordingly.

As the passenger numbers have improved, it has been encouraging to see the flow on effect to the tenants and it is anticipating this will continue through to FY2023.

Two of our terminal tenants closed during FY2022, Ta Tai gift shop and The Hangar Café.

9. Capital projects

The capital program was paused during FY2022, however a number of capital projects are scheduled for the next FY and beyond. A summary of these are as follows:

a) Entrance road redevelopment.

PRIP is currently in the concept design stage of redesigning the entrance road to the terminal building. The purpose of the redesign will be to make the pick-up and drop-off functions of the airport a better and more efficient experience for our customers.

The drop-off area will be more focused on the departure door of the terminal, so that the front of the terminal is less congested. It will also free up an area that has been highlighted for future car park expansion.

b) EV chargers

PRIP has now signed an agreement to have 6 EV charges installed in the Airport carparks. These will be a mixture of fast and slow chargers with charges being located in both the public and staff/corporate parks.

c) Solar opportunities

PRIP believes there are opportunities for solar power generation at the airport and are currently in the process of undertaking a pre-feasibility study. This study is scheduled to be completed by the end of Q1 FY2023 and will be presented to the PRIP board for their consideration.

d) Runway Upgrade

In December 2021, a visual inspection of the airfield pavement surfaces was undertaken by Beca in order to provide an assessment of the current condition of the surfaces and update the 10-year Airfield Pavement Maintenance Plan for the Airport. The inspection highlighted that significant capital works were required on the central 30m width of the sealed runway in 2022-2023, with additional capital works required on Taxiways A1 and B1, and the main apron.

The Airport is developing a capital works programme in association with Beca in order to ensure the works can be undertaken in a cost-effective manner without impacting airport operations. The requirement for this work has been highlighted in the latest Statement of Intent with a forecast capital expenditure of circa $6 million.

10. Sustainability

ACA Level 2 certification

New Plymouth Airport was awarded the ACA Level 2 and is now looking at what’s involved to achieve level 3.
The American Carbon Accreditation consists of 6 levels, Mapping, Reduction, Optimization, Neutrality, Transformation and Transition.

11. Stakeholder relations

NPDC, as the 100% Shareholder, has nominated an advisor who attends the PRIP Board meetings as an observer. The Council's former Deputy Chief Executive, Kelvin Wright holds this position and as well as the Board meeting attendance, Kelvin meets regularly with the Chief Executive of PRIP to ensure strong communications and alignment between the Council and the Airport company. Kelvin is currently CEO of Venture Taranaki.

PRIP management is also working in close collaboration with the Venture Taranaki Trust and the Chamber of Commerce to promote the district from tourism and economic development perspectives. PRIP is a Chamber of Commerce Regional Partner.

PRIP will continue to build upon the strong relationship with Puketapu Hapu that has developed with the Airport over the years and, in particular, with the close involvement during the Airport Terminal Redevelopment project.

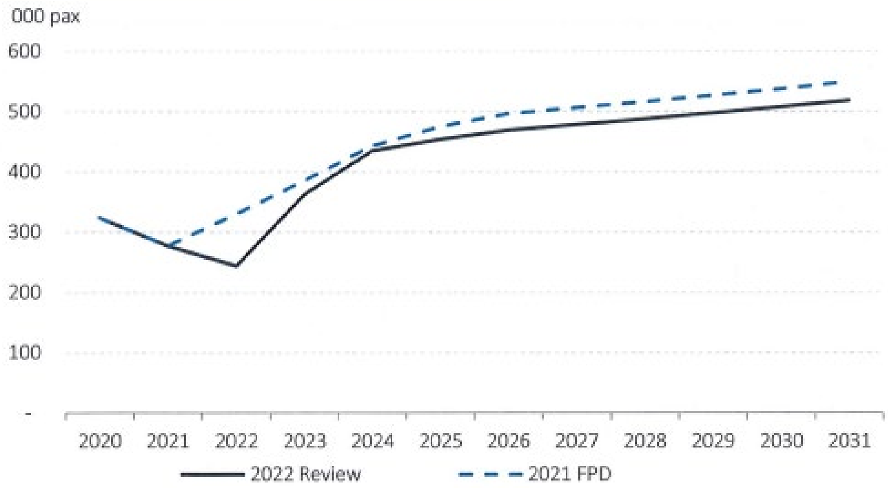
PRIP is aware of the potential that future decisions may impact on local Iwi and Hapu and will ensure an appropriate level of consultation at all times. PRIP is also aware of the statutory obligations of the Council and will act at all times in a manner that is consistent with these obligations and also those obligations pursuant to agreements with third parties, including Iwi, Hapu, or other Maori organisations.

12. Strategic outlook

a) Passenger numbers recovery

PRIP is forecasting 360,000 passengers for FY2023 with numbers steadily increasing to pre COVID-19 within the next 18-24 months.

Figure 1 NPA Pax Movements - 2022 Review vs 2021 FPD



As the above graph shows PRIP has re-forecasted our passenger number and agreed to a revised Final Pricing Determination (FPD) with Air New Zealand. This will enable PRIP to recover the lost earnings due to the pandemic. PRIP has agreed to spread this recovery over 4 years, extending the pricing agreement with Air New Zealand for an additional 2 years.

b) Car parking

PRIP will review its car parking, both from a price and product perspective. There are a number of opportunities which exist where we can offer or customers a better experience when coming to the Airport.

c) Leasing/Property

PRIP continues to review its property strategy and has recently employed a Property Advisor to assist. There are a number of opportunities that exist and these are to be evaluated over the next few months. PRIP is committed to providing a favourable return on its assets while also looking for additional opportunities to diversify income.

Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Prepared by Tandem Group Limited

Contents

Directory

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Company Number

6315607

Companies Act

The Company is registered under the Companies Act 1993.

Registered Office

New Plymouth District Council
84 Liardet Street
NEW PLYMOUTH

Shareholders

New Plymouth District Council	35,000,000 Ordinary

Directors

Philip Cory-Wright (Chair)
Rachel Farrant
Shelley Kopu
Christopher Myers

Auditors

Audit New Zealand on behalf of the Auditor-General

Bankers

Westpac Bank
NEW PLYMOUTH

Solicitors

Auld Brewer Mazengarb & McEwen
NEW PLYMOUTH

Chartered Accountant

Brent Abbott
Tandem Group
NEW PLYMOUTH

Approval of Financial Report

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

The Directors are pleased to authorise the approved financial report including the historical financial statements of Papa Rererangi i Puketapu Limited for period ended 30 June 2022.

APPROVED

For and on behalf of the Board of Directors.

Philip Cory-Wright

Date ....

Rachel Farrant

Date 2 December 2022

Statutory Information

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Entries In the Interest Register

The Directors have declared general disclosure of interest in the following entities:

Philip Cory Wright

Chair	Papa Rererangi i Puketapu Limited
Director	South Port NZ Limited
Director	New Zealand Local Government Funding Agency Limited
Director	Matariki Forests Group
Director	Powerco Limited
Director	NZ Windfarms Limited

Shelley Kopu

Director	Papa Rererangi i Puketapu Limited
Trustee	Te Kotahianga o Te Atiawa
Director	Tui Ora Limited
Board Member	St Marys College
Director	Kopu and Associates Limited
Board member	Youthline

Rachel Farrant

Director	Papa Rererangi i Puketapu Limited
Director & Shareholder via Trust	BDO Wellington Limited
Director & Shareholder via Trust	Fulton Hogan Limited - Ceased October 2021
Director	Fairway Resolutions Limited
Director	The Property Group Limited
Director	Skellerup Holding Limited

Chris Myers

Director	Papa Rererangi i Puketapu Limited
Chairperson	Pricetech Limited t/a MarginFuel
Director	Forever Forests Limited - From October 2021
Trustee	Venture Taranaki

David Scott

Chief Executive	Papa Rererangi i Puketapu Limited

Paul Tench

Safety and Operations Manager	Papa Rererangi i Puketapu Limited

Statement of Service Performance

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Nature of Business

Papa Rererangi i Puketapu Limited (PRIP) is a Council Controlled Organisation whose prime purpose is to operate the New Plymouth Airport on a sustainable commercial basis, and to ensure the ongoing safe and successful operation of the Airport. PRIP owns passenger terminals, aircraft hangars, airside Infrastructure (car parking areas, roading and underground utilities). These facilities are sited on land occupied under a long-term lease from the New Plymouth District Council (NPDC).

Ownership

PRIP's sole shareholder is the New Plymouth District Council.

Performance Targets

	ACTUAL 2021/22	FINAL SOI BUDGET 2021/22	INITIAL SOI BUDGET 2021/22	ACTUAL 2020/21
1. Passenger Numbers				
Passenger Numbers	243,828	365,000	316,000	277,610
Total Passenger Numbers	**243,828**	**365,000**	**316,000**	**277,610**

The Initial SOI Budget was submtted and approved by New Plymouth District Council prior to June 2021, however due to the Covid-19 Lockdown in August 2021 PRIP submitted a further SOI. The Final SOI Budget was submitted and approved by New Plymouth District Council after June 2021. The Board have agreed to report on both for transparency.

The dollar values in note 2 and 3 are rounded to $,000.

	ACTUAL 2021/22	FINAL SOI BUDGET 2021/22	INITIAL SOI BUDGET 2021/22	ACTUAL 2020/21
2. Financial Performance				
Operating Profit				
Operating Revenue	4,632	6,417	5,669	4,558
Other Income	-	-	-	-
Operating Expenditure	(3,328)	(3,015)	(3,015)	(3,199)
Depreciation and Interest	(2,303)	(2,118)	(2,113)	(2,296)
Net Profit before Tax	**(999)**	**1,284**	**541**	**(937)**
Taxation				
Taxation	158	-	-	183
Total Taxation	**158**	**-**	**-**	**183**
Net Profit After Tax	(841)	1,284	541	(754)

	ACTUAL 2021/22	FINAL SOI BUDGET 2021/22	INITIAL SOI BUDGET 2021/22	ACTUAL 2020/21
3. Forecast Statement of Financial Position				
Assets				
Current Assets	1,481	1,373	2,350	1,237
Deferred Tax as Set	-	-	-	-
Property, Plant & Equipment and Other	71,127	66,072	64,424	65,687
Loans Provided	-	47	631	58
Total Assets	**72,608**	**67,492**	**67,405**	**66,982**
Liabilities				
Current Liabilities	499	787	351	922
Current Borrowings	3,296	3,796	3,096	3,296
Non-Current Borrowings	11,800	11,300	11,850	11,800
Deferred Tax Liability	1,765	-	-	152
Total Liabilities	**17,360**	**15,883**	**15,297**	**16,170**
Net Assets	55,248	51,609	52,108	50,812

Explanation of Major Variances to Budget

Statement of Comprehensive Revenue and Expense

Revenue

Covid-19 and the subsequent lockdowns had a significant impact. Passenger numbers were budgeted at 365,000 but actuals were 243,828.

The major revenue streams, landing charges, car parking and café revenues all were lower as a result. Revenue was $4,632,133 which was down 28% on a forecast of $6,417,000.

PRIP requested and received the Wage Subsidy and other government support of $70,081 in FY2022.

Expenses

Operational expenses were over budget due to circa $100,000 written off due to the closure of the terminal tenant The Hangar, consultancy fees were also a contributing factor due to planning requirements and future planning.

Statement of Financial Position

Property, Plant & Equipment and Other

All interest payments were made to council as scheduled however due to the COVID-19 related decreases in passenger, no principal payments were made during FY2022.

COVID-19 IMPACT

The 2020 coronavirus pandemic had a dramatic impact on the aviation sector worldwide and FY2022 has seen a continuation. New variants of the virus caused further lockdowns with our largest market, Auckland, being in lockdown or partial lockdown from August to December.

PRIP forecasted 365k passengers for FY2022 and the year started off promisingly. Passenger numbers and load factors were above target and the travelling public were returning at pre-COVID numbers. This changed in August with the Delta variant with the whole country in lockdown followed by no traffic from Auckland for 12 weeks. Once Auckland re-opened, traffic did not return as hoped with load factors in the 50% range for January-March. As a result the passenger total for FY2022 was 243,828, 33.2% below our original forecast.

The last 3 months of FY 2022 did start to show signs of a recovery. Both passenger numbers and load factors are steadily increasing, which is a positive sign. International boarders are reopening and NPL is starting to see more passengers.

Lower passenger numbers have had a similar impact on other revenue streams. Both car parking and retail revenue have been negatively affected. PRIP did provide various levels of support to our tenants, however there were casualties. One of the terminal tenants was not able to continue due to lack of revenue and had to close.

PRIP has continued to work through various scenarios and has continued to review its economic model. PRIP will also continue to provide and maintain facilities that are safe, secure and welcoming to all users.

4. Operational Performance

To operate an essential infrastructure transport hub for New Plymouth and the Taranaki region and to provide facilities that are safe, efficient and welcoming

KPI	Outcome
• Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline problems.	The existing Airport facilities have been well maintained throughout the year and there has been no diversion of regular passenger transport services resulting from Airport operations.
• Meeting all operating, maintenance, capital expenditure and interest costs from Airport revenue.	All operating costs associated with the day-to-day management of the Airport have been met from Airport revenue. Loans have been made available from NPDC to assist with capital expenditure, with interest also being fully serviced from Airport revenue. Due to the ongoing recovery from the worldwide pandemic (COVID-19) and further lockdown measures during August-December 2021, airport operations have been impacted, passenger numbers and revenue have been lower than forecast in the FY2022 budget.
• Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.	Under an agreement with the Civil Aviation Authority (CAA), PRIP manages the Airport on behalf of the Aerodrome Operator Certificate holder, NPDC. During the period the Airport has been managed in full compliance with the CAA Rule Part 139.

Statement of Comprehensive Revenue and Expense

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

	NOTES	2022	2021
Non-Exchange Revenue			
Wages Subsidy		53,734	49,505
Resurgence Support Payment		16,348	-
Total Non-Exchange Revenue		**70,082**	**49,505**
Exchange Revenue			
Car Parking Revenue		795,998	793,278
Landing Charges Revenue		3,062,336	2,974,493
Rental Revenue		655,626	660,485
Other Revenue		46,345	76,897
Finance Revenue		-	3,469
Investment Revenue		1,746	484
Total Exchange Revenue		**4,562,051**	**4,509,106**
Total Revenue		**4,632,133**	**4,558,611**
Expenses			
Terminal Building Operations		550,006	433,032
Personnel Costs		635,105	699,177
General & Operational Expenditure	4	2,143,008	2,067,565
Total Expenses		**3,328,119**	**3,199,773**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		**1,304,013**	**1,358,838**
Non Operating Expenses			
Interest Costs to Related Parties	4	581,746	549,924
Depreciation & Amortisation Expense		1,721,242	1,746,645
Total Non Operating Expenses		**2,302,988**	**2,296,569**
Surplus before Taxation		**(998,975)**	**(937,731)**
Taxation and Adjustments			
Income Tax Expense	5	(157,911)	(183,676)
Total Taxation and Adjustments		**(157,911)**	**(183,676)**
Surplus (Deficit) after Taxation		**(841,063)**	**(754,055)**
Other Comprehensive Revenue and Expense			
Gain on Property, Plant & Equipment Revaluation		7,047,874	-
Movement in Deferred Tax at Revaluation	5	(1,770,405)	-
Total Other Comprehensive Revenue and Expense		**5,277,470**	-
Total Comprehensive Revenue and Expense		**4,436,406**	**(754,055)**

The accompanying notes form part of these financial statements.

Statement of Financial Position

Papa Rererangi i Puketapu Limited
As at 30 June 2022

	NOTES	30 JUNE 2022	30 JUNE 2021
Assets			
Current Assets			
Cash and Cash Equivalents	6	947,741	668,348
Trade and Other Receivables	7	533,557	560,739
GST Receivable		-	8,557
Total Current Assets		**1,481,298**	**1,237,644**
Non-Current Assets			
Loan Receivables	8	-	57,716
Property, Plant & Equipment, Capital Works & Work in Progress	10	71,127,208	65,687,566
Total Non-Current Assets		**71,127,208**	**65,745,282**
Total Assets		**72,608,506**	**66,982,926**
Liabilities			
Current Liabilities			
Trade and Other Payables	9	390,858	877,231
GST Payable		42,163	-
Employee Entitlements	13	66,064	45,174
Borrowings	12	3,295,927	3,295,927
Provision for Tax		-	-
Total Current Liabilities		**3,795,012**	**4,218,332**
Non-Current Liabilities			
Borrowings	12	11,800,000	11,800,000
Deferred Tax		1,764,933	152,440
Total Non-Current Liabilities		**13,564,933**	**11,952,440**
Total Liabilities		**17,359,946**	**16,170,772**
Net Assets		**55,248,561**	**50,812,154**
Equity			
Share Capital			
NPDC Current Equity	15	49,138,485	49,138,485
Total Share Capital		**49,138,485**	**49,138,485**
Retained Earnings		(2,579,623)	(1,738,560)
Revaluation Reserve		8,689,699	3,412,229
Total Equity		**55,248,561**	**50,812,154**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

	2022	2021
Equity		
Opening Balance	50,812,154	51,566,209
Increases		
Total Comprehensive Revenue & Expense for the year	4,436,406	(754,055)
Total Increases	**4,436,406**	**(754,055)**
Total Equity	**55,248,561**	**50,812,154**

These accompanying notes form part of these financial statements.

Statement of Cash Flows

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

	2022	2021
Operating Activities		
Cash was provided from:		
Receipts from customers	4,526,502	4,222,717
Interest received	641	3,469
Grants received	-	-
Wage subsidy/resurgence support	70,082	11,001
Total Cash was provided from:	**4,597,224**	**4,237,187**
Cash was applied to:		
Payments to suppliers and employees	3,365,904	3,069,440
Interest paid	583,704	723,469
Tax payments	-	(175,075)
Net GST	(2,277)	(16,517)
Total Cash was applied to:	**3,947,331**	**3,601,317**
Net Cash Flows from Operating Activities	649,894	635,870

	2022	2021
Investing Activities		
Cash was provided from:		
Other cash items from investing activities	-	-
Total Cash was provided from:	-	-
Cash was applied to:		
Loans to tenants	-	(150,000)
Payment for property, plant and equipment	373,551	5,397,782
Total Cash was applied to:	**373,551**	**5,247,782**
Net Cash Flows from Investing Activities	(373,551)	(5,247,782)

tandem group

	2022	2021
Financing Activities		
Cash was provided from:		
Proceeds from New Plymouth District Council Loans	-	4,550,000
Total Cash was provided from:	**-**	**4,550,000**
Cash was applied to:		
Other cash items	-	-
Total Cash was applied to:	**-**	**-**
Net Cash Flows from Financing Activities	-	4,550,000

	2022	2021
Cash & Cash Equivalents		
New Increase/ (Decrease) in Cash & Cash Equivalents Held	279,393	(61,911)
Opening Cash & Cash Equivalents Brought Forward	668,348	730,259
Total Cash & Cash Equivalents (Note 6)	**947,741**	**668,348**

Notes to the Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

1. Statement of Accounting Policies

Reporting Entity

Papa Rererangi i Puketapu Limited (PRIP) was established on 3 July 2017. It is a public benefit entity (PBE) Company, incorporated and domiciled in New Zealand. PRIP is a reporting entity for the purposes of the Financial Reporting Act 2013 and its Financial Statements comply with that Act and the Companies Act 1993.

PRIP is a wholly owned subsidiary of the New Plymouth District Council (the Council) and is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

The financial statements for the Airport are for the year ended 30 June 2022.

The financial statements were authorised for issue by the Board on 2 December 2022

Statement of Compliance

The Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The Company is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the Company has no public accountability and is not large as defined in XRB A 1.

Basis of Preparation

These financial statements have been prepared on a going concern basis and the accounting policies, methods of computation and classification have been applied consistently throughout the periods within this report.

The Directors have determined the going concern basis is appropriate based on the following key estimates and judgments:

- Future passenger numbers forecasted to increase and have increased in the latter half of FY2022.
- Major capital programmes are complete, reducing the need to incur borrowings from NPDC at previous levels.
- Cashflow forecasts for the period FY22-25 indicate sufficient cash to meet operational expenditure requirements

Presentation Currency

These financial statements are presented in New Zealand (NZ) dollars ($), which is also the Company's functional currency.

The financial statements are rounded to the nearest dollar.

Changes in Accounting Policies

There have been no new or revised accounting standards, Interpretations and amendments effective during the period which have a material impact on previous accounting periods financial statements that require disclosure.

2. Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Standards Issued

The Company has not adopted new standards early.

PBE IPSAS 39 Employee Benefits

PRIP has evaluated this new standard in relation to Employee Benefits provided by PRIP. By definition of "Employee Benefit", PRIP only provides short-term employee benefits in the form of salaries, wages, paid annual (vesting) and sick leave (non-vesting) and not those post-employment long-term benefits as detailed in the standard. As such there is no further reclassification or re-measurement required.

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. PRIP has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. PRIP does not intend to early adopt the standard.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early adopted permitted. PRIP has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

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Covid 19 Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

Item	Note	2022	2021
Cash and Cash Equivalents	6	PRIP maintained a positive cash balance. Management ensured the cash balance was maintained above $500,000 throughout the year, with an increasing balance at yearend.	PRIP maintained a positive cash balance. Management ensured the cash balance was maintained above $500,000 throughout the year.
Trade Debtors and Other Receivables	7	Trade Receivables represent increased flight activity post-Covid-19 lockdown, with passenger numbers exceeding forecast. Trade Receivables are assessed for impairment per note 7. PRIP has experienced higher bad debt expenses than prior years.	Trade Receivables represent increased flight activity post-Covid-19 lockdown, with passenger numbers exceeding forecast. Trade Receivables are assessed for impairment per note 7.
Financial Instruments	8/18	PRIP evaluated the fair value of financial instruments given the impact of Covid-19. The Loan Receivable to Collab Hospitality Limited has been impaired in full. An allowance for expected credit losses has been recognised against Trade Debtors. The Board considers all financial instruments are recorded at fair value and are recoverable.	PRIP evaluated the fair value of financial instruments given the impact of Covid-19. An allowance for expected credit losses has been recognised against Trade Debtors. The Board considers all financial instruments are recorded at fair value and are recoverable.
Property, Plant and Equipment	10	Covid-19 has had significant impact on global supply availability. In light on the increasing price and demand for construction materials PRIP sought the services of an independent valuer to value the PPE. The Board has agreed that the movement in value of the buildings, land and runways is significant to warrant revaluation.	PRIP has sought the services of an independent valuer to measure the fair value of PPE. The independent valuer has provided PRIP a fair value assessment, which PRIP has accepted. In accepting the fair value report, the Board consider the movement immaterial; as such no valuation has been requested. The independent valuer has noted no major concern from Covid-19 adversely impacting on the fair value of the fixed assets.

Trade and Other Payables	9	Trade Payables reflects a period of no major capital works being undertaken. Due to the Terminal rebuild being complete Covid as had little impact on Trade or Other Payables.	Trade Payables reflect the majority of Terminal Project works completed, resulting in a lower year-end balance
Borrowings	12	PRIP has not drawn funds down from NPDC this financial year and is maintaining payment of all interest invoices. Based on forecasts, PRIP will be in a cash positive position to return principal payments to NPDC.	PRIP is maintaining payment of interest invoices issued on a quarterly basis. With the increase in cashflow inwards, PRIP is forecasting to be in a position to return regular principal payments to NPDC.
Employee Benefit Expenses	13	PRIP received further Covid-19 wage subsidy during 2022. The support was applied to employment costs. It was not necessary to seek a reduction in employee salaries during 2022.	In 2020, PRIP applied for the Wage Subsidy Extension, this was received on 24 June 2020. PRIP recognised $49,505 in 2021 as Other Income and no remaining subsidy is recorded as a liability. No further reduction in salary/wages and directors fees was applicable in 2021. All returned to 100% of the expected rate.
Operating Lease Commitments - Lessor	16	Rent concessions were very limited in 2022. PRIP has cancelled the lease for Collab Hospitality Limited.	PRIP provided rent relief which has been recognised at rent relief concessions, through recognised in the financial statements credit notes being issued. PRIP has been in working with tenants to ensure they are able and willing to fulfil their lease commitments. PRIP; to date no leases have been cancelled.
Key Management Personnel	17	Covid-19 had no effect on Key Management Personnel salaries or staff numbers during 2022.	PRIP directors returned to 100% of their prescribed fee from July 2020.

Goods and Services Tax

These financial statements have been prepared exclusive of GST, except receivables and payables, which are GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to the IRD is included as part of the Receivables or Payables in the Statement of Financial Position.

Impairment Policies

At the end of each reporting period PRIP reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, PRIP estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the greater of market value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

For non-revalued assets, impairment losses are recognised as an expense immediately. For revalued assets, the impairment loss is treated as a revaluation decrease to the extent it reverses previous accumulated revaluation increments for that asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, subject to the restriction that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase to the extent that any impairment losses on the same asset had been previously charged to equity.

Statement of Cash Flow Policies

Operating Activities include cash received from all PRIP's income sources and record the cash payments for the supply of goods and services.

Investing Activities are those activities relating to the acquisition and disposal of non-current assets.

Financial Activities comprise of activities that change PRIP's equity and debt capital structure.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, the Airport has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. In the future, actual experience may differ from those estimates and assumptions.

Significant judgments, estimates and assumptions regarding the value of property, plant and equipment (refer Note 10), have been made by management in preparing these Financial Statements.

Specific Accounting Policies

Specific accounting policies are contained within the relevant notes.

3. Revenue

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable.

Exchange Revenue

Landing fees are fees charged to the users of the Airport's aeronautical facilities. Revenue from landing fees is recognised upon use of the runway. Lease receipts under an operating sub-lease are recognised as revenue on a straight-line basis over the lease term. Interest income is recognised using the effective interest method. Parking revenue is recognised when the parking ticket is paid. Boardroom hire is recognised at the time of hire. PRIP provided rent relief and forgave rents by tenants as a result of Covid-19 reducing the passenger numbers and hence the revenue generation of tenants operations. Rent relief is recognised on a straight line basis over the remaining term of the life, forgiven rents are recognised as a credit against rent revenues.

Non-Exchange Revenue

Non-exchange revenue consists of grants and subsidies. The grant revenue is recognised when the conditions attached to the grant have been complied with. Where there are unfulfilled conditions attached to the grant, the amounts relating to the unfulfilled conditions are recognised as liabilities and released to revenue as the conditions are fulfilled.

4. Expenses

Accounting Policy

All borrowing costs are recognised as an expense in the financial year in which they are incurred.

Interest expenses are accrued on a time basis using the effective interest method. During the year PRIP's, interest rates ranged between 2.83% and 4.11%. (2021: 3.49% and 4.11%)

	NOTES	2022 ($)	2021 ($)
Expenses			
General and Operational Expenditure			
Rescue Fire Service Operations		865,447	840,920
Lease Property Maintenance		79,252	68,901
Directors Fees		175,788	166,952
Director Expenses		10,234	15,753
Overhead Charges (New Plymouth District Council)		54,544	51,832
Audit Fees - Audit New Zealand		40,065	37,953
Bank Fees		919	1,812
Impairment Loss Allowance		56,950	-
Bad Debts Written Off		44,244	465
Other Expenses		815,564	882,978
Total General and Operational Expenditure		**2,143,008**	**2,067,565**
Interest Costs			
Interest Costs to Related Parties		581,746	549,924
Total Interest Costs		**581,746**	**549,924**

5. Income Tax Expense

Accounting Policy

Income tax expense is the aggregate of current period movements, in relation to current and deferred tax. Current tax is the amount of income tax payable, based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. The current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods, in relation to temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available, against which the deductible temporary differences or tax losses can be utilised.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to transactions recognised in other comprehensive income or directly in equity.

	NOTES	2022 ($)	2021 ($)
Income Tax Expense			
Surplus before tax		(998,975)	(937,731)
Income & Deferred Tax			
Tax at 28%		(279,713)	(262,565)
Permanent Differences		121,802	114,661
Prior Period Adjustment		-	(35,772)
Total Tax Expense		(157,911)	(183,676)
Components of Taxation Expenses			
Current Tax		-	-
Deferred Taxation		(157,911)	(183,676)
Total Components of Taxation Expenses		**(157,911)**	**(183,676)**

	NOTES	2022 ($)	2021 ($)
Deferred Taxation			
Balance comprises temporary differences attributable to:			
Property, plant and equipment		(2,400,665)	(517,507)
Employee provisions		12,784	8,179
Other provisions		3,156	1,942
Tax Losses		619,791	354,946
Total Deferred Taxation		**(1,764,934)**	**(152,440)**
Movements			
Opening Balance		(152,440)	(336,117)
Charged to Profit or Loss		157,911	183,677
Charged to Equity		(1,770,405)	-
Closing Balance		**(1,764,934)**	**(152,440)**

6. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents comprise of cash on hand and demand deposits, and other short-term highly liquid investments, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying value of cash at bank and the carrying value of term deposits with maturities less than three months, approximates their fair value.

	NOTES	2022 ($)	2021 ($)
Cash and Cash Equivalents			
Cash at Bank		947,741	668,348
Total Cash and Cash Equivalents		**947,741**	**668,348**

7. Trade and Other Receivables

Accounting Policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. PRIP applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis, by debtor type as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	NOTES	2022 ($)	2021 ($)
Trade and Other Receivables			
Exchange Receivables			
Accounts Receivables		509,164	445,310
Less: Allowance for Credit Losses		(9,809)	(2,077)
Accrued Revenue		24,352	51,280
Other Receivables		-	-
Lease Receivables		-	42,852
Prepayments		9,850	23,374
Total Exchange Receivables		**533,557**	**560,739**
Total Trade and Other Receivables		**533,557**	**560,739**

The expected credit loss rates for receivables at 30 June 2022 are based on industry knowledge on the payment profile of revenue.The loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant. Credit losses as at 30 June 2022 are calculated based on the likelihood and impact of the credit risk exposure.

	NOTES	2022 ($)	2021 ($)
The ageing profile of receivables at year end is detailed:			
Not Past Due		494,746	414,030
Past Due 1 - 30 Days		10,917	24,970
Past Due 31 - 60 Days		3,439	6,184
Past Due >60 Days		63	127
Total The ageing profile of receivables at year end is detailed:		**509,164**	**445,310**

8. Loan Receivables

Accounting Policy

Loans are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Loans are initially recognised at cost, being fair value of the consideration received. Due to the length of the loans they are annually reviewed for impairment against the borrowers ability to service the loan and current market interest rates. If impairment is established it is recognised in other comprehensive revenue and expense statement.

Income earned from the borrowings is recognised as interest within the comprehensive statement of revenue and expenses as it is earned, not paid.

	NOTES	2022 ($)	2021 ($)
Loan Receivables			
Loan - Collab Hospitality		-	57,716
Total Loan Receivables		**-**	**57,716**

Significant Changes

In June 2022 PRIP impaired the entire loan to Collab under provision's allowed in PBE IPSAS 29 sections 68 (b) and (d). Section 68 requires PRIP to have objective evidence and data of impairment losses prior to recognising an impairment allowance, to ensure this requirement is met PRIP prepared an impairment assessment and sought advice from professional consultants.

9. Trade and Other Payables

Accounting Policy

Trade and other payables are measured at the amount payable.

	NOTES	2022 ($)	2021 ($)
Trade and Other Payables			
Exchange Payables			
Trade Creditors		188,584	392,232
Contract Retentions		(19,480)	97,472
Accruals		55,959	53,543
Credit Cards		2,382	2,791
Income in Advance		-	-
Amounts Due to Related Parties		16,029	181,850
Interest Payable to NPDC		147,384	149,343
Total Exchange Payables		**390,858**	**877,231**
Total Trade and Other Payables		**390,858**	**877,231**

10. Plant, Property and Equipment

Accounting Policy

Property, plant, and equipment consists of the following asset classes: land, runway, taxiway and aprons, buildings, general infrastructure, furniture and fittings, airspresso chattels, IT equipment, artwork and work in progress.

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation and impairment losses. All other assets classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than $1,000.

Significant Changes

There were no significant policy changes in 2022

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value and at least every three years.

All other asset groups will be valued with sufficient regularity to ensure their carrying amount does not differ materially from fair value and at least every three years.

Revaluations of PPE will be accounted for on a class-of-asset basis.

The carrying values of revalued assets will be assessed annually to ensure they do not differ materially from the asset fair values. If there is a material difference, then asset classes will be revalued prior to the 3 yearly cycle.

Additions between valuations will be recorded at cost. Cost represents the fair value of the consideration given to acquire the assets, and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

Revaluation increments are credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in comprehensive revenue and expense, in which case, the increase is credited to comprehensive income and expense to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged as an expense in comprehensive income and expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset. On disposal, the attributable revaluation surplus remaining in the revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

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Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the PRIP and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to equity.

Subsequent Costs

Costs incurred subsequent to initial acquisition are capitalised if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to PRIP, and the cost of the item can be measured reliably.

Revaluation and Fair Value Assessments

PRIP undertakes revaluations at least every 3 years of all PPE classes (with the last valuation being undertaken in 2020) and in between source fair value assessments from a qualified valuer. The Board review and assess the fair value assessment to determine if there is a material change in values, should the Board determine there is a material change in values a revaluation would be sought.

PPE was revalued in 2020 and PRIP has undertaken a fair value assessment of all asset classes, except airspresso chattels and IT equipment. The Airspresso Chattels had been valued at time of purchase, October 2020. It is the valuers independent view that as IT Equipment depreciates at a reasonable level, it does not require fair value assessment outside of the formal 3 yearly valuations.

The fair value assessment was undertaken on a depreciated replacement cost basis, except for land that was assessed on a market-based approach. The depreciation model reflects the assets future economic benefits or services potential expected to be consumed by PRIP. Adjustments to the assets have been considered in various types of obsolescence; physical, functional and external obsolescence.

As a result of this fair value assessment a valuation was sourced for buildings, runway infrastructure, and land in 2022. The Board have accepted a material change in the buildings, land and runway classes.

PRIP will undertake a valuation of all asset classes in 2023 as required.

PRIP engaged independent valuer Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), Telfer Young Limited (registered valuers), to undertake the valuation 30 June 2022.

Valuation process and assumptions on Buildings:

- The majority of PRIP buildings are specialised buildings where there is no alternative or active market for the buildings.
- Whether there is local availability of replacement construction resources, materials, labour.
- Information from recent similar assets, published construction cost data and QV Costbuilder information

Valuation process and assumptions of all asset categories, including buildings:

- Asset useful life was obtained by speaking with airport staff, alongside economic life.
- To calculate fair value componentisation was used, which acknowledges that assets maybe made up of several components and that the economic life of material components within should be evaluated.
- Estimates on remaining useful life can be affected by local conditions, i.e weather patterns, air traffic growth.

Depreciation and Amortisation

Depreciation commences when the asset is ready for use, and is charged to comprehensive income and expense on all PPE other than work in progress (WIP) over their estimated useful lives, using the straight-line method (SL). The useful lives and estimated residual values are reviewed at each balance date and amended if necessary. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in comprehensive income and expense.

The useful lives and associated depreciation rates for each class of assets are as follows:

Asset Class	Useful Life
Airspresso Assets	Non-Depreciable - 20 years
Artwork	Non-Depreciable
Buildings	1 - 80 years
Furniture & Fittings	1 - 50 years
General Infrastructure	1 - 100 years
IT Equipment	2 - 6 years
Runway Sub-base	Non-Depreciable
Runway, Taxiway & Aprons	2 - 75 years

The residual value and the useful life of an asset are reviewed, and adjusted if applicable, at the end of each financial year.

When PPE is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset. The net amount is restated to reflect the revaluation.

Estimates and Assumptions Applied In Determining The Value of PPE

Construction costs used for the calculations have been taken from reference to actual recent construction/maintenance contracts carried out at the Airport.

Asset lives have been determined based on their expected economic value and vary depending upon the nature and style of the asset involved. An asset's total life is the asset's age to date, plus its future economic life estimated.

Generally, depreciation has been undertaken on a straight line approach, utilising the remaining life of the asset over its total estimated life. With componentisation, different useful lives have been placed on the various components found at the property, and this process also allows for refurbishment and upgrading that has been undertaken to the various components. Componentisation takes into account the varying economic lives that each component of an asset may have.

Estimates and Assumptions Regarding Finance Leased Assets

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

The Airport leases land which is owned by the Council. In accordance with paragraph 28 of IPSAS 13, at the commencement of the lease term, the Airport recognises the land as an asset in the statement of financial position at fair value with a corresponding credit to equity, as the transaction is effectively an in-substance equity contribution.

The lease term is the non-cancellable period for which the lessee has contracted to lease the asset (see Note 14), together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

The land is owned by the Council, the Crown retains a 50% beneficial interest in the land and any proceeds if it were to be sold in the future. The land cannot be disposed of without prior consent from the Crown.

Papa Rererangi i Puketapu Limited has a renewable 99 year lease over this land at a peppercorn rental of $1 per year. The leasehold interest in the land was last valued as at 30 June 2022 by TelferYoung (Taranaki) Limited in accordance with 2022 International Valuation Standards (Fair value $16,932,879; 2021: $16,207,879).

10. Property, Plant and Equipment Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2022

	OPENING COST	ADDITIONS	DISPOSALS	REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED)	TRANSFERS	CLOSING COST	OPENING ACCUMULATED DEPRECIATION	DEPRECIATION	TRANSFERS	ACCUMULATED DEPRECIATION ON DISPOSAL	ACCUMULATED DEPRECIATION REVERSED ON REVALUATION	CLOSING ACCUMULATED DEPRECIATION	NET BOOK VALUE
Property Plant and Equipment June 2022													
Airspresso	650,000	-	-	-	-	650,000	9,867	13,192	-	-	-	23,059	626,941
Artwork	580,850	-	-	-	-	580,850	-	-	-	-	-	-	580,850
Buildings	29,575,861	-	-	3,536,845	(15,339)	33,097,367	866,988	887,037	(3,704)	-	(1,750,321)	-	33,097,367
Furniture and Fittings	1,705,058	23,026	-	-	13,202	1,741,286	139,459	134,981	1,567	-	-	276,007	1,465,279
General Infrastructure	9,064,284	76,836	-	-	-	9,141,120	302,628	373,583	-	-	-	676,211	8,464,908
IT Equipment	131,919	-	-	-	2,137	134,056	26,312	26,384	2,137	-	-	54,832	79,223
Land	16,207,879	-	-	725,000	-	16,932,879	-	-	-	-	-	-	16,932,879
Runway, Taxiways & Aprons	9,508,855	-	-	338,872	-	9,847,726	410,775	286,062	-	-	(696,837)	-	9,847,726
Work In Progress	18,888	13,147	-	-	-	32,035	-	-	-	-	-	-	32,035
Total Property Plant and Equipment June 2022	67,443,594	113,009	-	4,600,716	-	72,157,319	1,756,029	1,721,238	-	-	(2,447,158)	1,030,109	71,127,208

	OPENING COST	ADDITIONS	DISPOSALS	REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED)	TRANSFERS	CLOSING COST	OPENING ACCUMULATED DEPRECIATION	DEPRECIATION	TRANSFERS	ACCUMULATED DEPRECIATION ON DISPOSAL	ACCUMULATED DEPRECIATION REVERSED ON REVALUATION	CLOSING ACCUMULATED DEPRECIATION	NET BOOK VALUE
Property Plant and Equipment June 2021													
Airspresso	-	650,000	-	-	-	650,000	-	9,867	-	-	-	9,867	640,133
Artwork	421,000	116,768	-	-	43,082	580,850	-	-	-	-	-	-	580,850
Buildings	28,843,566	541,970	-	-	190,326	29,575,861	-	866,988	-	-	-	866,988	28,708,874
Furniture and Fittings	1,475,338	195,013	-	-	34,707	1,705,058	9,382	130,077	-	-	-	139,459	1,565,599
General Infrastructure	6,440,176	2,255,696	-	-	368,412	9,064,284	-	302,628	-	-	-	302,628	8,761,656
IT Equipment	-	131,919	-	-	-	131,919	-	26,312	-	-	-	26,312	105,607
Land	16,207,879	-	-	-	-	16,207,879	-	-	-	-	-	-	16,207,879
Runway, Taxiways & Aprons	8,988,458	520,397	-	-	-	9,508,855	-	410,775	-	-	-	410,775	9,098,080
Work In Progress	64,018	591,396	-	-	(636,527)	18,888	-	-	-	-	-	-	18,888
Total Property Plant and Equipment June 2021	62,440,435	5,003,159	-	-	-	67,443,594	9,382	1,746,647	-	-	-	1,756,029	65,687,566

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11. Capital Commitments

PRIP had no capital expenditure commitments.

12. Borrowings

Accounting Policy

Borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs (if any) associated with the borrowing and subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discount or premium on drawdown.

All borrowing costs are recognised in comprehensive income and expense in the period in which they are incurred.

At inception of the Company, the Council made available to it a non-current loan facility and current loan facility. An initial non-current loan was advanced to PRIP in order to cover the transfer price of the assets purchased from the Council (refer Note 14). Current loan advances have been made during the year for the terminal redevelopment project.

The interest rate on the non-current loan has been set at the Council's cost of funds plus 0.75% per annum, currently 4.11% (2021: 4.11%). The interest rate on the current loan has been set at the Council's cost of funds plus 0.25% per annum, currently 3.21% (2021: 3.49%) per annum

	NOTES	2022 ($)	2021 ($)
Borrowings			
Secured Loans from New Plymouth District Council at Amortised Cost as Classifed			
Current		3,295,927	3,295,927
Non-Current		11,800,000	11,800,000
Total Borrowings		**15,095,927**	**15,095,927**

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13. Employee Benefit Expenses

Accounting Policy

Employee benefits expected to be settled within 12 months of balance date are measured at nominal values, based on accrued entitlements, at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken, at balance date.

Two non-director employees received remuneration and benefits over $100,000 during the year.

	NOTES	2022 ($)	2021 ($)
Employee Benefit Expenses			
Salaries and Wages Accrued		20,406	15,962
Provision for Annual Leave		45,657	29,212
Total Employee Benefit Expenses		**66,064**	**45,174**

14. Related Parties

As the sole shareholder of PRIP, the Council is deemed to be a related party of the Airport.

On 3 July 2017, the Airport entered into an agreement with the Council to transfer its interest in the assets of the New Plymouth Airport to the Company. The agreed transfer price was $15,312,000. The Airport satisfied the transfer price by:

- Issue of 13,000,000 Ordinary Shares at $1 each for $13,000,000
- A secured loan from New Plymouth District Council $2,312,000

In addition to the assets, the Council also leased the Airport land to PRIP under a lease agreement for 99 years at a nominal consideration of $1 per year and with no rights of renewal.

No debts between the parties were written off or forgiven and no transactions between the parties took place at nil or nominal value.

NPDC provides services to PRIP per SLA agreements. These have not been altered during this financial year and are invoiced out periodically. NPDC have invoiced PRIP $188,401.00 excluding interest on loans and charges to NPDC from PRIP $3,000, both net GST.

	NOTES	2022 ($)	2021 ($)
Transactions Occurred Between NPDC and PRIP			
Charges to PRIP by the Council			
Goods and Services provided by NPDC		188,401	299,911
Advance Provided by NPDC		-	4,550,000
Interest Paid to NPDC		581,746	549,924
Total Charges to PRIP by the Council		**770,147**	**5,399,835**
Charges by PRIP to NPDC			
Services Paid during the year		-	-
Car Parking		3,000	3,000
Terminal Lease		-	26,226
Total Charges by PRIP to NPDC		**3,000**	**29,226**

	NOTES	2022 ($)	2021 ($)
Balances Remaining Payable to NPDC at Balance Date			
Borrowings		15,095,927	15,095,927
Interest Payable		147,384	149,343
Outstanding Invoices		16,029	181,850
Total Balances Remaining Payable to NPDC at Balance Date		**15,259,340**	**15,427,120**

Other Related Party Disclosures

Directors are considered to be related parties of PRIP as they have a considerable amount of control over the governance of the entity.

Rachel Farrant is a Director of PRIP, a Director of Fulton Hogan Limited and a Director and Shareholder of BDO Wellington Limited. During the period Fulton Hogan Limited provided services to PRIP. All transactions were within a normal supplier or client/recipient relationship, and on terms and conditions no more or less favourable than those it is reasonable to expect the Company would have adopted in dealing with either party at arm's length in the same circumstances.

15. Share Capital

Share capital for the year of $49,138,485 (2021: $49,138,485) comprises 13,000,000 fully paid ordinary shares issued in 2017, plus the 22,000,000 ordinary shares issued in 2020 and $14,138,485 relating to the financial lease of the land. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

PRIP paid no dividends in the 2022 financial year (2021:nil)

16. Operating Lease Commitments - PRIP as Lessor

Accounting Policy

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Lease Arrangements

Operating commitments as a lessor includes leases that the Airport has with lessee's. These commitments cannot be cancelled until the end of the lease. The lessee may sell their lease to a third party, but PRIP must approve of the transaction. May leases contain rights of renewal, however these are not guaranteed to be taken up.

	NOTES	2022 ($)	2021 ($)
Operating Lease Commitments - PRIP as Lessor			
Non-cancellable Operating Lease Receivables			
No longer than 1 year		589,598	600,698
Longer than 1 year and not longer than 5 years		1,481,618	1,756,718
Longer than 5 years		2,164,231	2,218,925
Total Operating Lease Commitments - PRIP as Lessor		**4,235,447**	**4,576,341**

17. Key Management Personnel

Directors

In November 2020, PRIP management were advised by NPDC that the tenure of the four current directors would be extended to ensure continuity in the current environment and create the ability to rotate two directors every 18 months.

Chief Executive Officer and Airport Operations Manager

Key management personnel includes the Chief Executive Officer and Safety and Operations Manager and Directors.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Board of Directors, Chief Executive Officer and Airport Operations/Safety Manager.

At balance date, the Airport employed 6.3 full-time equivalent employees (FTE). (2021: 7.3).

	NOTES	2022 ($)	2021 ($)
Key Management Personnel Compensation			
Senior Management Team			
Senior Management Team Remuneration		313,836	452,446
Total Senior Management Team		**313,836**	**452,446**
Directors			
Directors Remuneration		175,788	166,952
Total Directors		**175,788**	**166,952**
Total Key Management Personnel Compensation		**489,624**	**619,398**

	NOTES	2022 ($)	2021 ($)
Key Personnel Full Time Equivalents			
Senior Management Team		2	2
Directors		1	1
Total Key Personnel Full Time Equivalents		**3**	**3**

18. Financial Instruments - Assets/Liabilities

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Valuation Techniques

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

	NOTES	2022 ($)	2021 ($)
Financial Instruments - Assets/Liabilities			

	NOTES	2022 ($)	2021 ($)
Loans and Receivables			
Cash and Cash Equivalents		947,741	668,348
Trade Debtors and Other Receivables		533,557	560,739
Total Loans and Receivables		**1,481,298**	**1,229,087**
Financial Liabilities at Amortised Costs			
Trade Creditors and Other Payables		(390,858)	(877,231)
Related Party Loans		(15,095,927)	(15,095,927)
Total Financial Liabilities at Amortised Costs		**(15,486,785)**	**(15,973,158)**
Closing Balance		(14,005,487)	(14,744,071)

19. Contingent Assets and Contingent Liabilities

PRIP had no contingent assets or liabilities at 30 June 2022 (2021 - Nil)

20. Events After the Balance Sheet Date

There are no significant events after balance date 30 June 2022

21. Legislative Compliance

Section 67 of the Local Government Act requires the Company to complete its 30 June 2022 Annual Report by 30 November 2022. Due to delays the Annual Report was completed on 2 December 2022.

Independent Auditor's Report

To the readers of Papa Rererangi i Puketapu Limited's financial statements and performance information for the year ended 30 June 2022

The Auditor-General is the auditor of Papa Rererangi i Puketapu Limited (the Company). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, 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 34, that comprise the statement of financial position as at 30 June 2022, the statement of comprehensive revenue and expense, 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 7 to 9.

In our opinion:

- the financial statements of the Company on pages 10 to 34:
  - 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 the Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Company on pages 7 to 9 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 8 December 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 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 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 6, 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.

Debbie Perera
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand