Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

Prepared by Tandem Group Limited

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Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

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	45,000,000 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 2021

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 2021.

APPROVED

For and on behalf of the Board of Directors.

Philip Cory-Wright

Date 30 September 2021

Rachel Farrant

Date 30th September 2021

Statutory Information

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

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 and Subsidiaries

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 & Associates Limited
Employee	EY Law New Zealand - ceased during period
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
Director	Fairway Resolutions Limited
Trustee	Experience Wellington
Director	The Property Group Limited

Chris Myers

Director	Papa Rererangi i Puketapu Limited
Chairperson	Pricetech Limited t/a MarginFuel
Employee	Contact Energy - ceased December 2020

David Scott

Chief Executive	Papa Rererangi i Puketapu Limited - effective May 2021

Paul Tench

Safety and Operations Manager	Papa Rererangi i Puketapu Limited

Wayne Wootton

Chief Executive	Papa Rererangi i Puketapu Limited - ceased February 2021
Director	New Zealand Airports Association

Richard Buttimore

Operations Manager	Papa Rererangi i Puketapu Limited - ceased 5 November 2020

Statement of Service Performance

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

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 2020/21	BUDGET 2020/21	ACTUAL 2019/20
1. Passenger Numbers			
Passenger Numbers	277,610	227,000	324,214
Total Passenger Numbers	**277,610**	**227,000**	**324,214**

	ACTUAL 2020/21	BUDGET 2020/21	ACTUAL 2019/20
2. Financial Performance			
Operating Profit			
Operating Revenue	4,558,611	3,601,000	4,694,055
Other Income	-	-	-
Operating Expenditure	(3,199,773)	(2,420,000)	(3,436,314)
Depreciation and Interest	(2,296,569)	(2,863,000)	(2,382,152)
Net Profit before Tax	**(937,731)**	**(1,682,000)**	**(1,124,411)**
Taxation			
Taxation	183,676	-	136,484
Total Taxation	**183,676**	**-**	**136,484**
Net Profit After Tax	(754,055)	(1,682,000)	(987,927)

	ACTUAL 2020/21	BUDGET 2020/21	ACTUAL 2019/20
3. Forecast Statement of Financial Position			
Assets			
Current Assets	1,237,644	1,771,000	1,205,489
Deferred Tax as Set	-	61,000	-
Property, Plant & Equipment and Other	65,687,566	59,353,000	62,431,049
Loans Provided	57,716	699,000	212,429
Total Assets	**66,982,926**	**61,884,000**	**63,848,967**
Liabilities			
Current Liabilities	922,405	240,000	1,400,715
Current Borrowings	3,295,927	5,296,000	3,045,927
Non-Current Borrowings	11,800,000	8,290,000	7,500,000
Deferred Tax Liability	152,440	-	336,116
Total Liabilities	**16,170,772**	**13,826,000**	**12,282,758**
Net Assets	50,812,154	48,058,000	51,566,209

Explanation of Major Variances to Budget

Statement of Comprehensive Revenue and Expense

Revenue

An increase in passenger numbers due to Covid-19 lockdown levels reducing has resulted in positive variances against Landing Charges Revenue and Car Parking Revenue. Passenger numbers were budgeted at 227,000 but actuals were 277,610, a positive variance of 50,610 passengers.

Landing Charges Revenue was budgeted at $2.4 million based on passenger numbers, actual passenger numbers resulted in increased revenue of $2.97 million.

Car Parking Revenue was influenced by the increased passenger number activity with a budgeted revenue of $605,844 compared to $793,278 actual.

PRIP requested and received the Wage Subsidy of $49,505 in 2021.

Expenses

Operational expenses were budgeted at reduced operational levels due to expected Covid-19 restrictions. These restrictions didn't eventuate as severely as estimated, as such normal operational expenses were incurred. Notification of the closure of the New Plymouth Air Traffic Control Tower has resulted in unexpected expenditure, with PRIP engaging experts for advice on the consequences and possible alternatives.

Statement of Financial Position

Property, Plant & Equipment and Other

PRIP had increased costs relating to the Terminal redevelopment project, in addition to purchasing tenant Airspresso's assets for $650,000. The impact of these increased costs directly relate to the increase in current and non-current borrowing and the reduction in current assets.

COVID-19 IMPACT

The 2020 coronavirus pandemic had a dramatic impact on the aviation sector worldwide. With the industry essentially coming to a complete halt for a period of time and recovery was always going to be a challenging and drawn-out process. New Plymouth Airport has been no exception.

Despite this, the second half of FY2020/21 saw the domestic market improve beyond our forecast. Domestic passenger numbers for FY2020/21 were 277,610, against a forecast of 227,000. Load factors have been in the high 80% range which has seen Air New Zealand increase its capacity. As of year-end capacity now sits at over 90% of pre-Covid-19 levels.

New Zealand leisure travellers have been travelling domestically while the borders remain closed and while the business market has been slower to recover New Plymouth Airport should see a return to pre COVID-19 domestic numbers towards the end of FY2021/22.

With uncertainty remaining over the re-opening of international borders and the Trans Tasman bubble closing from time to time, predicting a full recovery remains challenging. There are positive signs with vaccine roll-outs both in New Zealand and abroad progressing well.

Lower passenger numbers have had a similar impact on other revenue streams. Both car parking and retail revenue have been negatively affected although they are again performing above forecast due to better-than-expected passenger numbers.

PRIP has continued to work through various scenarios and has reviewed its economic model over the next three years based on minimizing operational expenditure, maximizing revenue, and maintaining a reduced capital works programme. 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. The new terminal opened 17 March 2020 with a smooth changeover from the old terminal and no disruptions to 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/September 2020, airport operations have been impacted, however, passenger numbers and revenue have been higher than forecast in the FY2021 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 2021

	NOTES	2021	2020
Non-Exchange Revenue			
Grant Revenue - NPDC		-	4,900
Grant Revenue - PGF		-	56,762
Wages Subsidy		49,505	68,678
Total Non-Exchange Revenue		**49,505**	**130,340**
Exchange Revenue			
Car Parking Revenue		793,278	863,337
Landing Charges Revenue		2,974,493	3,154,510
Rental Revenue		660,485	499,942
Other Revenue		76,897	42,476
Finance Revenue		3,469	222
Investment Revenue		484	3,228
Total Exchange Revenue		**4,509,106**	**4,563,715**
Expenses			
Terminal Building Operations		433,032	395,182
Personnel Costs		699,177	648,379
General & Operational Expenditure	4	2,067,565	1,980,034
Loss on Disposal of Assets		-	412,719
Total Expenses		**3,199,773**	**3,436,314**
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		**1,358,838**	**1,257,741**
Non Operating Expenses			
Interest Costs to Related Parties	4	549,924	1,049,422
Depreciation & Amortisation Expense		1,746,645	1,332,731
Total Non Operating Expenses		**2,296,569**	**2,382,152**
Surplus before Taxation		**(937,731)**	**(1,124,411)**
Taxation and Adjustments			
Income Tax Expense	5	(183,676)	(136,484)
Total Taxation and Adjustments		**(183,676)**	**(136,484)**
Surplus (Deficit) after Taxation		**(754,055)**	**(987,927)**
Other Comprehensive Revenue and Expense			
Gain on Property, Plant & Equipment Revaluation		-	1,865,049
Movement in Deferred Tax at Revaluation	5	-	(522,214)
Total Other Comprehensive Revenue and Expense		**-**	**1,342,835**
Total Comprehensive Revenue and Expense		**(754,055)**	**354,908**

The accompanying notes form part of these financial statements.

Statement of Financial Position

Papa Rererangi i Puketapu Limited
As at 30 June 2021

	NOTES	30 JUNE 2021	30 JUNE 2020
Assets			
Current Assets			
Cash and Cash Equivalents	6	668,348	730,259
Trade and Other Receivables	7	560,739	227,351
GST Receivable		8,557	72,804
Income Tax Receivable		-	175,075
Total Current Assets		**1,237,644**	**1,205,489**
Non-Current Assets			
Loan Receivables	8	57,716	212,428
Property, Plant & Equipment, Capital Works & Work in Progress	10	65,687,566	62,431,049
Total Non-Current Assets		**65,745,282**	**62,643,478**
Total Assets		**66,982,926**	**63,848,967**
Liabilities			
Current Liabilities			
Trade and Other Payables	9	877,231	1,283,981
Revenue in Advance - Wages Subsidy		-	38,504
Employee Entitlements	13	45,174	78,230
Borrowings	12	3,295,927	3,045,927
Provision for Tax		-	-
Total Current Liabilities		**4,218,332**	**4,446,642**
Non-Current Liabilities			
Borrowings	12	11,800,000	7,500,000
Deferred Tax		152,440	336,116
Total Non-Current Liabilities		**11,952,440**	**7,836,116**
Total Liabilities		**16,170,772**	**12,282,758**
Net Assets		**50,812,154**	**51,566,209**
Equity			
Share Capital			
NPDC Current Equity	15	49,138,485	49,138,485
Total Share Capital		**49,138,485**	**49,138,485**
Retained Earnings		(1,738,560)	(984,505)
Revaluation Reserve		3,412,229	3,412,229
Total Equity		**50,812,154**	**51,566,209**

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 2021

	2021	2020
Equity		
Opening Balance	51,566,209	29,211,301
Increases		
Share capital issued to New Plymouth District Council	-	22,000,000
Total Comprehensive Revenue & Expense for the year	(754,055)	354,908
Total Increases	**(754,055)**	**22,354,908**
Total Equity	**50,812,154**	**51,566,209**

These accompanying notes form part of these financial statements.

Statement of Cash Flows

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

	2021	2020
Operating Activities		
Cash was provided from:		
Receipts from customers	4,222,717	4,756,121
Interest received	3,469	1,023
Grants received	-	61,662
Wage subsidy	11,001	107,182
Total Cash was provided from:	**4,237,187**	**4,925,988**
Cash was applied to:		
Payments to suppliers and employees	3,069,440	2,937,407
Interest paid	723,469	888,901
Tax payments	(175,075)	141,842
Net GST	(16,517)	(174,523)
Total Cash was applied to:	**3,601,317**	**3,793,627**
Net Cash Flows from Operating Activities	635,870	1,132,361

	2021	2020
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)	210,000
Payment for property, plant and equipment	5,397,782	16,192,814
Total Cash was applied to:	**5,247,782**	**16,402,814**
Net Cash Flows from Investing Activities	(5,247,782)	(16,402,814)

	2021	2020

Financing Activities

	2021	2020
Cash was provided from:		
Proceeds from New Plymouth District Council Loans	4,550,000	15,400,000
Total Cash was provided from:	**4,550,000**	**15,400,000**
Cash was applied to:		
Other cash items	-	-
Total Cash was applied to:	**-**	**-**
Net Cash Flows from Financing Activities	4,550,000	15,400,000

	2021	2020

Cash & Cash Equivalents

	2021	2020
New Increase/ (Decrease) in Cash & Cash Equivalents Held	(61,911)	129,547
Opening Cash & Cash Equivalents Brought Forward	730,259	600,712
Total Cash & Cash Equivalents (Note 6)	**668,348**	**730,259**

Notes to the Financial Statements

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

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 2021.

The financial statements were authorised for issue by the Board on 30 September 2021

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
- Major capital programmes are complete, reducing the need to incur borrowings from NPDC at previous levels.
- Cashflow forecasts for the period FY21-24 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.

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.

Covid 19 Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

Item	Note	2021	2020
Cash and Cash Equivalents	6	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.	
Financial Instruments	18	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.	PRIP have evaluated the fair value of the financial instruments given the impact of Covid-19. During this evaluation, PRIP applied to NPDC for loan relief resulting in the issue of shares in exchange for debt. PRIP considers that financial instruments are recorded at fair value and are recoverable.
Property, Plant and Equipment	10	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.	PRIP has recognised the need to seek an independent valuation of PPE held, based on the current global impact of Covid-19. The independent valuer has provided PRIP valuations based on fair value as defined in International Valuation Standards 2020. PRIP has accepted the valuations of fair value and recorded a revaluation against each asset class. The valuer has indicated greater degree of uncertainty due to market disruption and lack of data as a result of Covid-19 on the land asset valuation. There is limited impact expected on DRC values.
Trade and Other Payables	9	Trade Payables reflect the majority of Terminal Project works completed, resulting in a lower year-end balance	
Borrowings	12	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.	Such is the effective of Covid-19 on PRIP's ability to generate income from 26 March 2020, to ensure its ability to repay the borrowings from New Plymouth District Council, New Plymouth District Council voted on 30 June 2020 in favour of converting $22,000,000 of borrowings into shares. New Plymouth District Council was issued 22,000,000 ordinary shares at $1 per share.
Employee Benefit Expenses	13	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	From 30 March 2020 PRIP staff either agreed to a 20% reduction in salary/wages or a 20% reduction in rostered hours effective until 1 June 2020. PRIP also successfully applied for

		as a liability. No further reduction in salary/wages and directors fees was applicable in 2021. All returned to 100% of the expected rate.	the government's wage subsidy; receiving $63,177.60 on 27 March 2020. In addition, PRIP applied for the wage subsidy extension and was granted $44,004.80 on 24 June 2020. The initial wage subsidy has all been recorded as Other Income.
Operating Lease Commitments - Lessor	16	PRIP provided rent relief which has been recognised at rent relief concessions, through credit notes being issued. PRIP is actively working with tenants to ensure they are able and willing to fulfil their lease commitments.	PRIP provided rent relief which has been recognised in the financial statements through credit notes issued. PRIP has been in touch with tenants to ensure they are able and willing to continue their leases with PRIP; to date no leases have been cancelled.
Key Management Personnel	17	PRIP directors returned to 100% of their prescribed fee from July 2020.	From 30 March 2020 PRIP directors agreed to a 20% reduction in directors fee effective until end June 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 3.49% and 4.11%. (2020: 3.69% and 4.11%)

	NOTES	2021	2020
Expenses			
General and Operational Expenditure			
Rescue Fire Service Operations		840,920	784,617
Lease Property Maintenance		68,901	76,691
Directors Fees		166,952	167,534
Director Expenses		15,753	12,908
Overhead Charges (New Plymouth District Council)		51,832	77,274
Audit Fees - Audit New Zealand		37,953	36,925
Audit Fees - Audit New Zealand Prior Year		-	1,671
Bank Fees		1,812	861
Other Expenses		883,443	821,553
Total General and Operational Expenditure		**2,067,565**	**1,980,034**
Interest Costs			
Interest Costs to Related Parties		549,924	1,049,422
Total Interest Costs		**549,924**	**1,049,422**

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	2021	2020
Income Tax Expense			
Surplus before tax		(937,731)	(1,124,411)
Income & Deferred Tax			
Tax at 28%		(262,565)	(314,835)
Permanent Differences		114,661	184,306
Prior Period Adjustment		(35,772)	(5,955)
Total Tax Expense		(183,676)	(136,484)
Components of Taxation Expenses			
Current Tax		-	(10,891)
Deferred Taxation		(183,676)	(125,593)
Total Components of Taxation Expenses		**(183,676)**	**(136,484)**

	NOTES	2021	2020
Deferred Taxation			
Balance comprises temporary differences attributable to:			
Property, plant and equipment		(517,507)	(424,690)
Employee provisions		8,179	17,474
Other provisions		1,942	71,098
Tax Losses		354,946	-
Total Deferred Taxation		**(152,440)**	**(336,117)**
Movements			
Opening Balance		(336,117)	60,504
Charged to Profit or Loss		183,677	125,593
Charged to Equity		-	(522,214)
Closing Balance		**(152,440)**	**(336,117)**

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	2021	2020
Cash and Cash Equivalents			
Cash at Bank		668,348	730,259
Total Cash and Cash Equivalents		**668,348**	**730,259**

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	2021	2020
Trade and Other Receivables			
Exchange Receivables			
Accounts Receivables		445,310	216,601
Less: Allowance for Credit Losses		(2,077)	-
Accrued Revenue		51,280	-
Other Receivables		-	-
Lease Receivables		42,852	-
Prepayments		23,374	10,750
Total Exchange Receivables		**560,739**	**227,351**
Total Trade and Other Receivables		**560,739**	**227,351**

The expected credit loss rates for receivables at 30 June 2021 are based on industry knowledge on the payment profile of revenue. PRIP has no historical credit losses to base expected credit losses from. 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 2021 are calculated based on the likelihood and impact of the credit risk exposure.

	NOTES	2021	2020
The ageing profile of receivables at year end is detailed:			
Not Past Due		414,030	156,804
Past Due 1 - 30 Days		24,970	37,287
Past Due 31 - 60 Days		6,184	9,159
Past Due >60 Days		127	13,351
Total The ageing profile of receivables at year end is detailed:		**445,310**	**216,601**

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.

Terms of Loans

Borrower	Collab Hospitality
Term	6 years
Amount	$60,000
Interest Rate	3.27%
Scheduled Repayments	$922.62

	NOTES	2021	2020
Loan Receivables			
Loan - Collab Hospitality		57,716	60,186
Loan - Airspresso		-	152,242
Total Loan Receivables		**57,716**	**212,428**

Significant Changes

PRIP purchased Airspresso's assets for the considered sum of $650,000 plus GST after the June 2020 balance date. The original loan of $150,000 to Airspresso was utilised in the purchase amount and subsequently capitalised within PRIP's PPE. PRIP have considered whether the conversion of the original loan to Airspresso into an asset purchase constitutes impairment. It is the view of the Board that this transaction does not meet the criteria for impairment.

The Collab loan interest and repayments were deferred due to Terminal Development delays. The new start date of repayments is April 2021, for a term of 6 years. The Collab Loan is now repayable by 16 March 2027.

9. Trade and Other Payables

Accounting Policy

Trade and other payables are measured at the amount payable.

	NOTES	2021	2020
Trade and Other Payables			
Exchange Payables			
Trade Creditors		392,232	638,905
Contract Retentions		97,472	201,431
Accruals		53,543	100,900
Credit Cards		2,791	1,525
Income in Advance		-	-
Amounts Due to Related Parties		181,850	18,333
Interest Payable to NPDC		149,343	322,887
Total Exchange Payables		**877,231**	**1,283,981**
Total Trade and Other Payables		**877,231**	**1,283,981**

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 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

PRIP introduced two new classes of asset; Airspresso and IT Equipment. PRIP chose to identify assets in a new class as these assets serve a different functionality from PRIP's own assets.

During 2020 PRIP accelerated depreciation on PPE to be disposed of due to the Terminal Redevelopment project. No accelerated depreciation was accounted for in 2021.

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 the off-cycle asset classes will be revalued.

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.

Accelerated Depreciation

No accelerated depreciation was recognised in 2021.

Accelerated depreciation was reflected in prior financial periods due to the economic life of the previous terminal building being shortened to reflect the building of a new terminal building. The new terminal building was completed in FY 2020 and capitalised in the same period.

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 3 yearly revaluations of all PPE with the most recent 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, PRIP has undertaken a fair value assessment in 2021, which the Board has accepted, and accepted that there was no material change from the reported values.

PRIP engaged independent valuer Mike Drew, Director (BBS (VPM) ANZIV, MPINZ), Telfer Young Limited (registered valuers), to undertake fair value assessment of the following asset categories as at 30 June 2021.

- Buildings
- Runway Infrastructure
- Equipment and Furniture
- General Infrastructure
- Land

Airspresso Chattels and IT Equipment were excluded from this fair value assessment. 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. 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.

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
Runway Sub-base	Non-Depreciable
Runway, Taxiway & Aprons	2 - 75 years
Buildings	1.1 - 80 years
General Infrastructure	1.5 - 100 years
Furniture & Fittings	1.5 - 50 years
Airspresso Assets	Non-depreciable - 20 years
IT Equipment	3 - 6 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 2021 by TelferYoung (Taranaki) Limited in accordance with 2021 International Valuation Standards (Fair value $16,207,879; 2020: $16,207,879).

10. Property, Plant and Equipment Note

Papa Rererangi i Puketapu Limited
For the year ended 30 June 2021

	OPENING COST	ADDITIONS	DISPOSALS	REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED)	TRANSFERS FROM WORK IN PROGRESS/ CAPITALISED	CLOSING COST	OPENING ACCUMULATED DEPRECIATION	DEPRECIATION	ACCELERATED DEPRECIATION	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	-	-	(636,526)	18,888	-	-	-	-	-	-	18,888
Total Property Plant and Equipment June 2021	**62,440,435**	**5,003,159**	**-**	**-**	**-**	**67,443,594**	**9,382**	**1,746,645**	**-**	**-**	**-**	**1,756,028**	**65,687,566**

	OPENING COST	ADDITIONS	DISPOSALS	REVALUATION GAIN/(LOSS) (EXCLUDING DEPRECIATION REVERSED)	TRANSFERS FROM WORK IN PROGRESS/ CAPITALISED	CLOSING COST	OPENING ACCUMULATED DEPRECIATION	DEPRECIATION	ACCELERATED DEPRECIATION	ACCUMULATED DEPRECIATION ON DISPOSAL	ACCUMULATED DEPRECIATION REVERSED ON REVALUATION	CLOSING ACCUMULATED DEPRECIATION	NET BOOK VALUE
Property Plant and Equipment June 2020													
Airspresso	-	-	-	-	-	-	-	-	-	-	-	-	-
Artwork	-	-	-	(115)	421,115	421,000	-	-	-	-	-	-	421,000
Buildings	3,170,559	57,518	(2,012,755)	20,957	27,607,287	28,843,566	1,355,000	232,572	429,640	(1,767,073)	(250,138)	-	28,843,565
Furniture and Fittings	470,260	7,676	(244,750)	156,689	1,085,463	1,475,338	157,133	85,024	2,026	(145,554)	(89,242)	9,386	1,465,952
General Infrastructure	3,701,142	34,826	(121,447)	(408,142)	3,233,797	6,440,176	333,527	242,184	-	(51,231)	(524,480)	-	6,440,177
IT Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	16,207,879	-	-	-	-	16,207,879	-	-	-	-	-	-	16,207,879
Runway, Taxiways & Aprons	8,811,698	-	-	176,760	-	8,988,458	713,753	341,285	-	-	(1,055,038)	-	8,988,459
Work In Progress	17,859,263	14,552,417	-	-	(32,347,662)	64,018	-	-	-	-	-	-	64,017
Total Property Plant and Equipment June 2020	**50,220,801**	**14,652,437**	**(2,378,952)**	**(53,851)**	**-**	**62,440,435**	**2,559,413**	**901,065**	**431,666**	**(1,963,858)**	**(1,918,898)**	**9,386**	**62,431,049**

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% (2020: 3.69% to 4.33%). The interest rate on the current loan has been set at the Council's cost of funds plus 0.25% per annum, currently 3.49% (2020: 3.69%) per annum

	NOTES	2021	2020
Borrowings			
Secured Loans from New Plymouth District Council at Amortised Cost as Classifed			
Current		3,295,927	3,045,927
Non-Current		11,800,000	7,500,000
Total Borrowings		**15,095,927**	**10,545,927**

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	2021	2020
Employee Benefit Expenses			
Salaries and Wages Accrued		15,962	15,821
Provision for Annual Leave		29,212	62,408
Total Employee Benefit Expenses		**45,174**	**78,229**

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 $72,154.58 excluding interest on loans and charges to NPDC from PRIP $19,500, both net GST.

	NOTES	2021	2020
Transactions Occurred Between NPDC and PRIP			
Charges to PRIP by the Council			
Goods and Services provided by NPDC		299,911	434,507
Advance Provided by NPDC		4,550,000	3,048,618
Interest Paid to NPDC		549,924	1,049,421
Total Charges to PRIP by the Council		**5,399,835**	**4,532,546**
Charges by PRIP to NPDC			
Services Paid during the year		-	4,900
Car Parking		3,000	8,004
Terminal Lease		26,226	-
Total Charges by PRIP to NPDC		**29,226**	**12,904**

	NOTES	2021	2020
Balances Remaining Payable to NPDC at Balance Date			
Borrowings		15,095,927	10,545,927
Interest Payable		149,343	322,887
Outstanding Invoices		181,850	18,333
Total Balances Remaining Payable to NPDC at Balance Date		**15,427,120**	**10,887,147**

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 (2020: $ 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.

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	2021	2020
Operating Lease Commitments - PRIP as Lessor			
Non-cancellable Operating Lease Receivables			
No longer than 1 year		600,698	702,027
Longer than 1 year and not longer than 5 years		1,756,718	2,505,678
Longer than 5 years		2,218,925	6,651,918
Total Operating Lease Commitments - PRIP as Lessor		**4,576,341**	**9,859,623**

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

During this financial year, both the Chief Executive Officer (CEO) and Airport Operations Manager (OM) tendered their resignations. Richard Buttimore (OM) left PRIP on 5 November 2020 and the operations manager role has been shared between the CEO and Safety and Security Manager (Paul Tench). Wayne Wootton (CEO) tendered his resignation in early December 2020 and departed as the CEO 28 on February 2021. Wayne Wootton was contracted as the Acting CEO for the period March to early May 2021 and paid $46,768.70. New CEO David Scott commenced employment in May 2021.

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

At balance date, the Airport employed 7.3 full-time equivalent employees (FTE). (2020: 6.3).

	NOTES	2021	2020
Key Management Personnel Compensation			
Senior Management Team			
Senior Management Team Remuneration		452,446	297,607
Total Senior Management Team		**452,446**	**297,607**
Directors			
Directors Remuneration		166,952	167,533
Total Directors		**166,952**	**167,533**
Total Key Management Personnel Compensation		**619,398**	**465,140**

Termination benefits were paid to the Chief Executive of $125,460 during the year. Termination benefits paid are included in the amounts for Senior Management Team Remuneration. (2020: nil)

	NOTES	2021	2020
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	2021	2020
Financial Instruments - Assets/Liabilities			
Loans and Receivables			
Cash and Cash Equivalents		668,348	730,259
Trade Debtors and Other Receivables		560,739	227,351
Total Loans and Receivables		**1,229,087**	**957,610**
Financial Liabilities at Amortised Costs			
Trade Creditors and Other Payables		(877,231)	(1,283,981)
Related Party Loans		(15,095,927)	(10,545,927)
Total Financial Liabilities at Amortised Costs		**(15,973,158)**	**(11,829,908)**
Closing Balance		(14,744,071)	(10,872,298)

19. Contingent Assets and Contingent Liabilities

PRIP had no contingent assets or liabilities at 30 June 2021 (2020 - Nil)

20. Events After the Balance Sheet Date

On 17 August 2021, New Zealand as a whole entered Alert Level 4 due to community cases of the Covid-19 variant Delta. With immediate effect, flights were canceled except those that operated between 17-19th August 2021 to repatriate residents to their home provinces. Flights resumed on 8 September 2021 when all New Zealand, except Auckland dropped to Alert Level 2.

The initial Alert Level 4 escalation resulted in a 40.8% drop in passenger numbers for August and an expected 86.8% drop for September 2021. The PRIP Board has updated its forecasts, these forecasts demonstrate that PRIP remains profitable.

Conclusion of events from June 2020:

In June 2020, PRIP was notified by Taranaki Regional Council (TRC) that an investigation into alleged illegal dumping of materials from the demolition of the old terminal by a sub-contractor to the main terminal redevelopment contractor was underway.

TRC has advised PRIP that the investigation has been concluded and alleged parties have been charged who have appeared and been convicted in court. TRC has confirmed through correspondence that PRIPand/or representatives of PRIP and the main contractor for the terminal redevelopment have not been charged.

No other fines or other associated costs had been incurred by PRIP.

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 2021

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 the 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 2021, the statement of comprehensive revenue and expenses, 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 2021; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity 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 2021.

Our audit was completed on 30 September 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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 the internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the company’s framework for reporting performance.

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

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 6, but does not include the financial statements and performance information, and our auditor's report thereon.

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

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

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: 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