Hokitika AIRPORT

ANNUAL REPORT

HOKITIKA AIRPORT LIMITED

For The Year Ended 30 June 2015

Independent Auditor's Report

To the readers of Hokitika Airport Limited's financial statements and performance information for the year ended 30 June 2015

The Auditor-General is the auditor of Hokitika Airport Limited (the company). The Auditor-General has appointed me, Bede Kearney, 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 her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 6 to 8 and 10 to 22, that comprise the statement of financial position as at 30 June 2015, the statement of financial performance, 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 page 9.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2015; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.
- the performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 30 June 2015.

Our audit was completed on 28 September 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparation of the performance information for the company.

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

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

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

HOKITKA AIRPORT LIMITED
DIRECTORS REPORT & DECLARATION FOR THE YEAR ENDED 30 JUNE 2015

The Directors of Hokitika Airport Limited have pleasure in presenting the Annual Report together with the audited financial statements of the Company's operations for the year ended 30 June 2015.

Legal Name
Hokitika Airport Limited (the Company)

Type of entity and legal basis
The Company is incorporated in New Zealand under the Companies Act 1993. The Company is a wholly owned subsidiary of Westland Holdings Limited which is controlled by the Westland District Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. The Company was founded in December 2001 and commenced operation on 1 July 2002. The registered office of the Company is at the offices of Cuffs Ltd, 51 Tancred Street, HOKITIKA.

The Company's purpose or mission
The primary objective of the Company is to maximise opportunities for the development of commercial and tourism based aviation in Westland and the promotion of Westland as a destination.

Structure of the Company's operations, including governance arrangements
The Company comprises of a Board of three Directors who oversee the objectives of the Company, a management contractor who oversees the day-to-day operations of the Airport and reporting to the Directors, 1 fulltime manager who oversees the Franz Heliport and 1 part-time employee who provides administration support.

Main sources of the Company's cash and resources
Lease & Service receipts from users of the Hokitika Airport & Franz Heli-Airport are the primary sources of income to the Company.

Principal Activities
The Company's principal activities during the year were:

- Operation of Aerodrome and Cafe at Hokitika Airport;
- Management of Land & Buildings surrounding the Airport as Landlord and
- Operation of Helipads at Franz Josef.

REVIEW OF OPERATIONS

Results for the Year Ended 30 June 2015	**$000**
Net Surplus before Taxation	115
Taxation	32
Net Surplus after Taxation	83

Movements in Equity

Equity (opening balance)	2,700
Dividends Paid to Owners	(10)
Issue of Equity to Owners	-
Surplus after Taxation	83
Equity (closing balance)	2,773

Significant changes in the state of affairs
There has been no significant change in the state of affairs of the company in the year under review.

Directors' interest
Directors have had interests in transactions with the company during the year. Refer note 13 Related Party Transactions.
There were no notices from Directors requesting to use company information received in their capacity as Directors, which would not otherwise be available to them.

Directors
Retirement and appointment of directors for the year were as follows:

Retirement
Nil

Appointment
Nil

Remuneration of Directors
The Directors received the following remuneration during the year:-

L R Singer	$12,000
L J Robinson	$12,000
M Fekkes	$12,000

Remuneration of employees
There were no employees or former employees whose remuneration and benefits package was more than $100,000 during the year.

Indemnity & Insurance
Directors' and Officers' Liability Insurance has been arranged by the company.

Donations
The total amount of donations made by the company during the year is NIL

Auditors
The Auditor-General is appointed under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Audit New Zealand has been appointed to provide these services.

DIRECTORS' DECLARATION

In the opinion of the directors of Hokitika Airport Ltd, the financial statements and notes on pages 6 to 22

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2015 and the results of their operations and cash flows for the year ended on that date
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board

L J Robinson
Chairperson
Date 28/9/15

L R Singer
Director
Date 28-9-15

HOKITKA AIRPORT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Actual 2015 $000	*Actual 2014 $000*
Revenue			
Lease Receipts		202	*200*
Services		452	*372*
Interest Received		3	-
Gain on Disposal of Plant, Property & Equipment		4	-
Total Revenue		661	*572*
Less Expenditure			
Administrative Expenses		247	*251*
Employee Related Costs		46	*31*
Depreciation & Impairment Losses	9	106	*108*
Loss of Dispoal PPE		10	-
Interest Paid		22	*21*
Repairs & Maintenance		115	*61*
Total Expenses	1	546	472
Profit before Income Tax		*115*	*100*
Income tax expense	2	32	28
Profit for the Period		**83**	**72**
Other Comprehensive Income		-	-
Total Comprehensive Income		**83**	**72**

HOKITKA AIRPORT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

		Share Capital $000	Retained Earnings $000	Total $000
Balance 1 July 2014		2,718	(18)	2,700
Profit/(loss) for the period and Total comprehensive income		-	83	83
Dividends to equity holders	3	-	(10)	(10)
Balance 30 June 2015		**2,718**	**55**	**2,773**
Balance 1 July 2013		*2,718*	*(80)*	*2,638*
Profit/(loss) for the period and Total comprehensive income		-	*72*	*72*
Dividends to equity holders	3	-	*(10)*	*(10)*
Balance 30 June 2014		*2,718*	*(18)*	*2,700*

The accompanying accounting policies and notes form an integral part of the financial statements.

HOKITKA AIRPORT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2015

	Note	Actual 2015 $000	*Actual 2014 $000*
EQUITY			
Share capital	3	2,718	*2,718*
Retained Earnings		55	*(18)*
		2,773	*2,700*
represented by:			
CURRENT ASSETS			
Bank accounts and Cash		90	*52*
Tax Refundable		11	*-*
Debtors and other receivables	4	79	*55*
Total current assets		180	*107*
CURRENT LIABILITIES			
Creditors and other payables		60	*41*
Loans	10	67	*67*
Tax Payable		-	*13*
Income in advance		4	*2*
Total Current Liabilites		131	*123*
Working Capital		**49**	***(16)***
NON-CURRENT ASSETS			
Property Plant & Equipment	9	3,225	*3,282*
NON-CURRENT LIABILITIES			
Loans	10	201	*268*
Deferred Tax Liability	2	300	*298*
Total Non-Current Liabilities		501	*566*
		2,773	*2,700*

The accompanying accounting policies and notes form an integral part of the financial statements.

HOKITKA AIRPORT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Actual 2015 $000	*Actual 2014 $000*
Cash flows from operating activities			
Receipts from customers and other sources		640	*552*
Interest received		3	*-*
Payments to suppliers & employees		(417)	*(356)*
Interest Paid		(22)	*(21)*
Income taxes paid		(51)	*(21)*
Net cash flow from operating activities	12	153	*154*
Cash flows from investing activities			
Proceeds from sale of fixed assets		4	*-*
Payments to acquire property, plant and equipment		(52)	*(133)*
Net cash flow from investing activties		**(48)**	***(133)***
Cash flows from financing activities			
Loan Advances		-	*60*
Loan Repayments		(67)	*(72)*
Dividends paid		-	*(10)*
Net cash flow from finanicng activties		**(67)**	***(22)***
Net increase/(decrease) in cash for the year		38	*(1)*
Add opening bank accounts and cash		52	*53*
Closing bank accounts and cash		**90**	***52***
Made up of:			
Current Accounts		90	*52*
Bank Term Investment		-	*-*
		90	***52***

The accompanying accounting policies and notes form an integral part of the financial statements.

HOKITKA AIRPORT LIMITED
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

	ACTUAL 2015 $000	*BUDGET 2015 $000*
Gross revenue	661	*594*
less operating expenditure	546	*500*
Net surplus before taxation	115	*94*
Taxation expense	32	*26*
Net surplus after taxation	**83**	***68***
Opening Equity at 1 July	2,700	*2,638*
Net surplus after taxation	83	*68*
Contributions from owners	-	*-*
Dividends	10	*10*
Total Equity at 30 June	2,773	*2,696*
RETURN ON AVERAGE SHAREHOLDERS FUNDS PRE TAX	4.2%	*0.5-5%*
RETURN ON AVERAGE TOTAL ASSETS PRE TAX	3.4%	*0.5-5%*
RETURN ON AVERAGE SHAREHOLDERS FUNDS AFTER TAX	3.0%	*2.5%*
PERCENTAGE OF SHAREHOLDERS FUNDS TO TOTAL ASSETS	81.4%	*>70%*
PERCENTAGE OF TOTAL LIABILITIES TO TOTAL ASSETS	*18.6%*	*<30%*
DIVIDENDS AS A PERCENTAGE OF AFTER TAX PROFITS	*12.0%*	*14.8%*
COMPLIANCE WITH STATUTORY & REGULATORY COMPLIANCE	NO KNOWN BREACHES	NO BREACHES
STORAGE UNITS OCCUPANCY	ACHIEVED - 89% OCCUPANCY RATE	HIGHEST STORAGE OCCUPANCY RATE POSSIBLE

The accompanying accounting policies and notes form an integral part of the financial statements.

HOKITIKA AIRPORT LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2015

REPORTING ENTITY

Hokitika Airport Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Hokitika Airport Limited is wholly owned by Westland Holdings Limited.
The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002, with the company's ultimate parent being the Westland District Council.
The financial statements of the company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

ACCOUNTING POLICIES APPLIED
BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Company will continue to operate in the foreseeable future.

The financial statements were approved by the board of directors on 28 September 2015

Measurement Base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.
There are no material judgements or estimates applied in these Financial Statements

Goods and Services Tax (GST)

The Company is registered for GST. All amounts in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.
The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied:

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement
Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation
Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	2014/15	**2013/14**
o buildings	12-40 years	12-40 years
o plant and equipment	2-25 years	2-25 years
o runway	0-50 years	0-50 years

IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

Impairment of receivables
The recoverable amount of the Company's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Non-financial assets
The carrying amounts of the Company's non-financial assets, being property plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

FINANCAL INSTRUMENTS
The Company categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost (trade and other payables).

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Trade and other payables
Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Bank accounts and cash
Bank accounts and cash comprise cash on hand, cheque or savings accounts and call deposits held with banks. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade & Other Receivables
Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Interest Bearing Loans
Interest bearing loans are classified as other non-derivative financial instruments.

LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Company's balance sheet. Investment property held under an operating lease is recognised on the Company's balance sheet at its fair value.

PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

REVENUE

Lease
Lease Income from property is recognised in the profit or loss on a straight-line basis over the term of the lease.

Services
Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is determined based on services performed to date as a percentage of total services to be performed.

Interest
Interest Revenue is recorded as it is earned during the year.

LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

INCOME TAX PAYMENTS

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

NEW STANDARDS & INTERPRETATIONS NOT YET ADOPTED

The amendments to the following standards and interpretations are not expected to have a significant impact on the company's operations:

NZ IFRS 9: Financial Instruments – Classification and Measurement (effective for the financial year ending 30 June 2016).

HOKITKA AIRPORT LIMITED
NOTES TO THE ACCOUNTS
AS AT 30 June 2015

1. Nature of Expenses

	2015 $000	*2014 $000*
The following items are included in the expenditure of the company:		
Audit fees to Audit NZ comprising audit of financial statements	13	*12*
Directors' Fees	36	*34*
Donations	-	-
Asset Impairment	-	-
Rental and operating lease costs	25	*25*
Movement in Provision for Doubtful Debts	-	-
Bad Debts Written off	1	*1*

2. Income Tax

	2015 $000	*2014 $000*
Surplus/(deficit) before taxation	115	*100*
Prima facie taxation @ 28%	32	*28*
Plus/(less) taxation effect of permanent differences	-	-
Income Tax Exense	32	*28*
Income Tax expense is represented by		
Current tax	30	*21*
Deferred taxation	2	*7*
	32	*28*
Deferred Taxation Liability		
Balance as at 1 July	298	*291*
Movement Recognised in surplus or deficit	2	*7*
Balance as at 30 June	300	*298*
Deferred tax assets and liabilities are attributable to the following:		
Property, Plant & Equipment (Liability)	301	*298*
Accruals (Asset)	*(1)*	-
	300	*298*

The deferred tax assets & liabilities arise due to temporary timing differences in the deductibility of expenditure. All movements in deferred tax assets & liabilities are recognised in the surplus or deficit.

	2015 $000	*2014 $000*
Imputation Credit Account		
Balance as at 1 July	34	-
Income Tax Payments	41	*21*
Income Tax Payable/(refundable) at year end	(11)	*13*
Balance as at 30 June	64	*34*

3. Share Capital

At 30 June 2015 the company has issued 2,718,056 shares which are fully paid.

All shares carry equal voting rights and the right to share in any surplus on winding up of the company. None of the shares carry fixed dividend rights.

An unimputed dividend of 0.3 cps totalling $10,000 was declared to Westland Holdings Ltd on 20 November 2014 (2014: $10,000)

4. Trade and other receivables

	2015 $000	2014 *$000*
Trade Debtors	77	*55*
GST Receivable	2	-
	79	*55*

For the year ended 30 June 2014 GST of $4K was payable and included in the trade and other paybles figure.

All receivables relate to New Zealand and their status at the reporting date is as follows:-

	Gross Receivable 2015 $000	Impairment 2015 $000	Gross Receivable 2014 $000	Impairment 2014 $000
Not past due	56	-	54	-
Past due 0-30 days	-	-	-	-
Past due 31-120 days	21	-	1	-
Past due 121-360 days	-	-	-	-
Past due more than 1 year	-	-	-	-

5. Contingent Liabilities & Contingent Assets

At 30 June 2015, Hokitika Airport Ltd had the following contingent liabilities.

	2015 $000	2014 *$000*
Guarantees: Ministry of Economic Development	10	*10*

The Contingent Liability is a bond for the mining licence held for the extraction of gravel.

There are no contingent assets. (2014, Nil)

6. Commitments

Capital Commitments: The company has no capital commitments at 30 June 2015 (2014 Nil).

Other Commitments: The company has a contract for painting work which has been completed but has not been invoiced inline with the terms of the contract. Should the company terminate the contract it would be liable up to the value of the work completed which has not been invoiced. The value of the work completed but not invoiced as at 30 June 2015 is $30,000 (2014: Nil).

7. Post Balance Date Events

The Directors are not aware of any events subsequent to balance date that require adjustment in these finanical statements.

8. Employee Disclosure

Hokitika Airport Ltd only has two employees and has $4K current Employee entitlements owing and no noncurrent Employee entitlements at 30 June 2015.(2014: Nil)

9. Property, plant and equipment

	Land Improvement & Buildings	Plant & Equipment	Runways, Roading, Drainage & Lighting	Under Construction	Total
	$000	$000	$000	$000	$000
Cost or deemed cost					
Balance at 1 July 2013	1,410	115	2,400	15	3,940
Additions	58	7	-	9	74
Disposals	-	-	-	-	-
Balance at 30 June 2014	1,468	122	2,400	24	4,014
Balance at 1 July 2014	1,468	122	2,400	24	4,014
Additions	31	27	-	2	60
Disposals	(19)	(9)	-	(1)	(29)
Balance at 30 June 2015	1,480	140	2,400	25	4,045
Depreciation and impairment losses					
Balance at 1 July 2013	280	56	288	-	624
Depreciation for the ye	43	19	46	-	108
Impairment Loss	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 30 June 2014	323	75	334	-	732
Balance at 1 July 2014	323	75	334	-	732
Depreciation for the ye	43	16	46	-	105
Impairment Loss	-	-	-	-	-
Disposals	(9)	(8)	-	-	(17)
Balance at 30 June 2015	357	83	380	-	820
Carrying Amounts					
At 1 July 2013	1,130	59	2,112	15	3,316
At 30 June 2014	1,145	47	2,066	24	3,282
At 1 July 2014	1,145	47	2,066	24	3,282
At 30 June 2015	1,123	57	2,020	25	3,225

Security

At 30 June 2015 all assets are subject to a general registered security. (2014 Nil).

10. Loans & Borrowings

	2015	*2014*
	$000	$000
Term Loan	268	*335*
The term loan is split as follows:-		
Current	67	*67*
Non-current	201	*268*
	268	335

Not later than 1 year	67	*67*
Later than 1 year and not later than 2 years	67	*67*
Later than 2 years and not later than 5 years	134	*184*
Later than 5 years	-	*17*

A General Security exists over the assets and undertakings of Hokitika Airport Ltd. The security is held by Westpac Banking Corporation (NZ Division) and the security interest amounts to $350,0000.

Terms and conditions of loans & borrowings and their balances are as follows:-

	Maturing	**Interest Repricing due**	**2015 $000**	***2014* $000**
Westpac Term Loan - Interest Rate 6.70% (LY: 6.35%)	2019	Variable	223	*274*
Westpac Term Loan - Interest Rate 6.70% (LY: 6.35%)	2019	Variable	45	*61*

(Carrying value is not materially different to Face value)

In managing interest rate risks, the Company aims to reduce impacts of short-term fluctuations on the Company's earning. Over the longer term, however, permanent changes in interest rates will have an impact on profit. At 30 June 2015 it is estimated that a 1% increase in interest rates would decrease the Company's 2016 profit before tax by less than $3,000 (2014: $3,000)

The company has no formal interest rate hedging policy.

11. Operating Leases

At 30 June 2015, Hokitika Airport Ltd has the following commitments that relate to leases.

	2015 $000	**2014 *$000***
Not Later than one year	25	*25*
Later than one year and not later than five years	100	*100*
Later than five years	278	*303*

The company leases land & buildings at Hokitika Airport from Westland District Property Ltd. The lease term is for 21 years commencing 1 July 2002 and is renewable perpetually. The annual lease amount is $100.

The company leases land & building at Franz Josef Heliport from Westland District Property Ltd. The lease term is for 21 years commencing 1 August 2010 and is renewable perpetually. The annual lease amount is $25,000.00

The leased land & buildings above were transfered from Westland District Council to Westland District Property Ltd during the 2010/11 finanical year. The terms of the leases did not change with the change of ownership .

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2015 $000	**2014 $000**
Not later than one year	21	68
Later than one year and not later than five years	44	96
Later than five years	14	96
Total non-cancellable operating leases	79	260

No contingent rents have been recognised during the period.

12. Reconciliation of Net Surplus after Taxation to Net Cashflows from Operating Activities

	2015 $000	**2014 *$000***
Cash Inflow from Operating Activities		
Net (loss)/profit after taxation	83	72
Add/(less) non cash items:		
Depreciation and impairment losses	106	*108*
Increase in deferred tax liability	2	*7*
Total Non-Cash Items	108	*115*
Add/(less) items classified as investment activity:		
Net gain/(loss) on sale of fixed assets	(6)	-
Capital creditors	7	*59*
Total Investing Activity Items	1	*59*
Add/(less) movements in working capital items:		
Increase/(decrease) in accounts payable and accruals	7	*(72)*
Increase/(decrease) in income received in advance	2	*(19)*
Increase/(decrease) in taxation payable	(13)	*1*
Decrease/(increase) in taxation refundable	(11)	-
Decrease/(increase) in receivables and prepayments	(24)	*(2)*
Working Capital Movement - Net	(39)	*(92)*
Net Cash Inflows from Operating Activities	**153**	***154***

13. Transactions with Related Parties

During the year the Company transacted with businesses in which Directors and Shareholders had an interest. These transactions were entered into in the ordinary course of the company's business and on its usual terms and conditions. Details of these interests are as follows:

Director/ Shareholder	Related Party	Type of Transaction	Transaction Amount $000	*Balance 30 June $000*
		1 July 2014 to 30 June 2015		
WDC	Westroads Ltd	Purchase - Maintenance contracting services	17	-
WDC	Westroads Ltd	Sale - Royalties received	2	-
WDC	Westland District Council	Purchase - Rates	22	-
WDC	Westland District Council	Purchase - Oncharged Insurance Costs	13	-
WDC	Westland District Council	Purchase - Licenses & Levies	1	-
WDC	Westland District Council	Sale - Lease receipts	15	-
WDC	Westland Holdings Ltd	Dividends Paid	10	*10*
WDC	Westland District Property Ltd	Purchase - Lease	25	*2*
WDC	Westland District Property Ltd	Purchase - Oncharged Wages & other Costs	44	*3*
WDC	Westland District Property Ltd	Purchase - Management Fees	4	-
WDC	Westland District Property Ltd	Sales - Lease & Storage Costs	7	*1*
		1 July 2013 to 30 June 2014		
WDC	Westroads Ltd	Purchase - Maintenance contracting services	3	-
WDC	Westroads Ltd	Purchase - New Carpark development	18	-
WDC	Westroads Ltd	Sale - Royalties received	29	*16*
WDC	Westland District Council	Purchase - Rates	22	-
WDC	Westland District Council	Purchase - Oncharged Insurance Costs	14	-
WDC	Westland District Council	Purchase - Licenses & Levies	1	-
WDC	Westland District Council	Sale - Lease receipts	15	-
WDC	Westland Holdings Ltd	Dividends Paid	10	-
WDC	Westland District Property Ltd	Purchase - Lease	25	*2*
WDC	Westland District Property Ltd	Purchase - Oncharged Wages & Costs	40	*3*
WDC	Westland District Property Ltd	Purchase - Management Fees	1	-
WDC	Westland District Property Ltd	Sales - Lease & Oncharged Costs	7	-

No related party debts have been written off or forgiven during the year.

Key Management Personnel

The directors are the key management personnel of the company. Their fees are disclosed in note 1 and represent short term employee benefits.

14. Financial Instruments

	2015 $000	2014 $000
The accounting policy for financial instruments has been applied to the items below:		
Loans and receivables		
Cash and cash equivalents	90	*52*
Trade accounts receivable	77	*55*
Financial liabilities at amortised cost		
Trade and other payables	60	*41*
Borrowings	268	*335*

The amounts reported above represent the company's maximum credit exposure for each class of financial instrument. The anticipated contractual cash flows of the financial instruments are not expected to be materially different to the values shown above, and are all anticipated to occur within twelve months of the balance date except borrowings:

	$000
Loan Balance at 30 June 2015	268

	$000
1 Year	83
1 - 2 years	79
3 - 5 years	143
Greater than 5 years	0
Total Cashflow	305

The cash flow figures are based on the total amount of loans drawn down as at 30 June 2015 $268,155

The company has no significant exposure to credit risk, where other receivables are due from government organisations and cash and cash equivalents are held with a reputable organisation.

The approximate weighted average effective interest rate of the financial instruments is as follows:

	2015 %	2014 %
Cash and cash equivalents	2.7	1.4
Borrowings	6.7	6.4

The Directors do not consider there is any significant exposure to interest rate risk.

There are no interest rate options or interest rate swap agreements in place as at 30 June 2015. (2014: NIL.)

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Hokitika Airport Ltd has no exposure to currency risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss.

Financial instruments which potentially subject the company to risk consist principally of cash, trade receivables and various off-balance sheet instruments.

The company invests in high credit quality financial institutions and limits the amount of credit exposure to any one financial institution. Accordingly, the company does not require any collateral or security to support financial instruments with organisations it deals with. There is no significant concentration of receivables with any one customer.

Capital Management

The company's capital includes share capital and retained earnings.

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholde return is also recognised and the Company recognises the need to maintain a balance between higher returns that may be possible with greater gearing and advantages and security afforded by a sound capital position.

The company has a policy of shareholders funds being in the ratio of 50-100% of total assets.