

# INTERIM REPORT

For the six months ended  
31 December 2014

Dunedin  
International  
Airport  
Limited



# DUNEDIN INTERNATIONAL AIRPORT LIMITED

## COMPANY PARTICULARS

### DIRECTORS

S J McLauchlan, BCom, FCA(PP), AF Inst D  
(Chairman & Member – Audit Committee)  
K E Grant, BA, LLB, Dip Law, M Inst D (Chairperson - Audit Committee)  
P A Oakley, BCom, M Inst D  
M Rogers BA(Hons), M Inst D, MNZIM

### CHIEF EXECUTIVE

F J McCall, AFNZIM, M Inst D

### GENERAL MANAGER FINANCE & BUSINESS PERFORMANCE

P Ford, B Com, CA, M Inst D

### GENERAL MANAGER INFRASTRUCTURE & SERVICE DELIVERY

R Roberts, B Eng (Hons)

### MARKETING & COMMUNICATIONS MANAGER

M Crawford, B Com, BA

### REGISTERED OFFICE

Terminal Building, Dunedin International Airport, Momona, Dunedin

**Postal** Private Bag 1922, Dunedin

**Telephone** 03 486-2879

**Facsimile** 03 486-2813

**E-mail** admin@dnairport.co.nz

**Website** [www.flydunedin.com](http://www.flydunedin.com)

### BANKERS

Westpac, 101 George Street, Dunedin

### SOLICITORS

Gallaway Cook Allan, 276 Princes Street, Dunedin

### AUDITORS

Scott Tobin of Audit NZ  
on behalf of the Auditor-General

**STATEMENT OF COMPREHENSIVE INCOME**  
for the six months to 31 December

	Unaudited 6 months to 31 December 2014	Unaudited 6 months to 31 December 2013	Audited 12 months to 30 June 2014
Operating Revenue	6,535,797	6,508,199	12,821,803
Interest Received	14,657	5,489	14,782
Dividend Received	10,576	30,285	40,016
Gain/(Loss) on Investment (unrealised)	33,450	(294,925)	(285,306)
<b>Total Revenue</b>	<b>6,594,480</b>	<b>6,249,049</b>	<b>12,591,295</b>
Audit Fees	40,000	28,555	51,703
Directors Fees	45,000	39,500	84,500
Interest Paid – Term	559,717	607,270	1,221,533
Wages and Salaries	893,930	842,184	1,733,661
Depreciation	1,493,889	1,517,737	3,044,998
Operating Expenses	2,018,646	1,852,482	4,026,669
Loss on Disposal	-	2,902	-
<b>Total Expenses</b>	<b>5,051,182</b>	<b>4,890,630</b>	<b>10,163,064</b>
<b>Operating Surplus before Income Tax</b>	<b>1,543,298</b>	<b>1,358,419</b>	<b>2,428,231</b>
Income Tax	422,757	462,936	579,520
<b>Operating Surplus After Income Tax</b>	<b>1,120,541</b>	<b>895,483</b>	<b>1,848,711</b>
<b>Other Comprehensive Income:</b>			
Unrealised Gain / (Loss) on Cash Flow Hedge	42,366	315,814	447,327
Income Tax on Items of Other Comprehensive Income	(11,863)	(88,429)	(125,252)
<b>Total Other Comprehensive Income</b>	<b>30,503</b>	<b>227,385</b>	<b>322,075</b>
<b>Total Comprehensive Income</b>	<b>1,151,044</b>	<b>1,122,868</b>	<b>2,170,786</b>

**STATEMENT OF CHANGES IN EQUITY**

Equity at the Beginning of Year	45,372,296	44,331,510	44,331,510
Comprehensive Income for period	1,151,044	1,122,868	2,170,786
Distributions to owners:- Final Dividend	1,280,000	(1,130,000)	(1,130,000)
<b>Closing Equity</b>	<b>45,243,340</b>	<b>44,324,378</b>	<b>45,372,296</b>

*The accompanying notes form an integral part of these financial statements*

**BALANCE SHEET  
as at 31 December**

	Unaudited at 31 December 2014	Unaudited at 31 December 2013	Audited at 30 June 2014
<b>Shareholders Equity</b>			
Share Capital	8,800,000	8,800,000	8,800,000
Hedge Reserve	(271,117)	(396,310)	(301,621)
Revaluation Reserve	21,672,638	21,672,638	21,672,638
Retained Earnings	15,041,819	14,248,050	15,201,279
	<b>45,243,340</b>	44,324,378	45,372,296
<b>Current Liabilities</b>			
Payables and Accruals	648,239	720,965	1,166,026
Provision for Taxation	156,402	278,933	264,956
	<b>804,641</b>	999,898	1,430,982
<b>Non Current Liabilities</b>			
Interest Rate Hedge Derivatives	376,551	550,430	326,009
Deferred Taxation	13,142,608	13,621,500	13,506,937
Term Loans	15,500,000	18,000,000	15,500,000
	<b>29,019,159</b>	32,171,930	29,332,946
<b>Total Equity &amp; Liabilities</b>	<b><u>75,067,140</u></b>	<b><u>77,496,206</u></b>	<b><u>76,136,224</u></b>
Represented by:			
<b>Current Assets</b>			
Cash & Cash Equivalents	820,274	560,556	468,771
Receivables and Prepayments	788,418	884,085	591,123
Stock on Hand	31,833	18,601	40,117
	<b>1,640,525</b>	1,463,252	1,100,001
<b>Non Current Assets</b>			
Fixed Assets	72,244,367	74,895,117	73,731,245
Investments	1,182,248	1,137,847	1,147,465
Deferred Taxation	-	-	157,503
	<b>73,426,615</b>	76,032,964	75,036,213
<b>Total Assets</b>	<b><u>75,067,140</u></b>	<b><u>77,496,206</u></b>	<b><u>76,136,224</u></b>

*The accompanying notes form an integral part of these financial statements*

**STATEMENT OF CASHFLOWS**  
for the six months to 31 December

	Unaudited 6 Months to 31 December 2014	Unaudited 6 Months to 31 December 2013	Audited Year to 30 June 2014
Note			
<b>Cash Flows from Operating Activities</b>			
Cash was provided from:			
Receipts from Customers	6,330,447	6,246,713	12,919,784
Interest Received	14,657	5,489	14,782
Dividends Received	10,576	30,285	40,016
Cash was applied to:			
Payments to Suppliers	2,411,315	1,941,730	4,081,197
Payments to Employees	863,298	817,215	1,611,848
Interest Paid	574,157	644,818	1,268,928
Taxation Paid	750,000	445,000	884,450
<b>Net Cash Flows from Operating Activities</b>	<b>1,756,910</b>	<b>2,433,724</b>	<b>5,128,159</b>
<b>Cash Flows from Investing Activities</b>			
Cash was applied to:			
Purchase of Shares	1,333	-	-
Purchase of Fixed Assets	124,074	274,233	560,453
<b>Net Cash Flows from Investing Activities</b>	<b>(125,407)</b>	<b>(274,233)</b>	<b>(560,453)</b>
<b>Cash Flows from Financing Activities</b>			
Dividend Paid	1,280,000	1,130,000	1,130,000
Loans Repaid	-	500,000	3,000,000
<b>Net Cash Flows from Financing Activities</b>	<b>(1,280,000)</b>	<b>(1,630,000)</b>	<b>(4,130,000)</b>
Net Increase/(Decrease) in Cash Held	351,503	529,491	437,706
Plus Opening Cash Brought Forward	468,771	31,065	31,065
<b>Closing Cash Held 31 December 2014</b>	<b>820,274</b>	<b>560,556</b>	<b>468,771</b>

*The accompanying notes form an integral part of these interim financial statements.*

# ABRIDGED NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

## 1. Accounting Policies for Dunedin International Airport Limited

### A. Reporting Entity

The financial statements presented here are for the reporting entity Dunedin International Airport Limited (the Company).

Dunedin International Airport Limited was established under the Airport Authorities Act 1966 and incorporated in New Zealand under the Companies Act 1993.

The registered address of the Company is Terminal Building, Dunedin International Airport, Momona, Dunedin.

The financial statements have been prepared in accordance with the requirements of the NZ GAAP and the Financial Reporting Act 1993.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates.

### B. Significant Accounting Policies

#### **Basis of Accounting**

The financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand Equivalents to IFRSs (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

The accounting policies are listed in full in the annual report of the company and on the company website [www.flydunedin.com](http://www.flydunedin.com).

## 2. Fixed Assets

	Cost	Accumulated Depreciation	Book Value 31/12/2014	Book Value 31/12/2013	Book Value 30/06/2014
<b>At Valuation:</b>					
Land & Improvements	15,211,053	888,398	14,322,655	14,641,321	14,464,324
Runway, Apron, Taxiway	28,101,011	2,955,293	25,145,718	26,330,926	25,786,489
Buildings	25,483,666	1,679,075	23,804,591	24,411,118	24,142,726
<b>At Cost:</b>					
Office Equipment	109,390	91,800	17,590	26,541	20,587
Vehicles	847,906	544,691	303,215	195,232	326,263
Plant & Equipment	10,853,402	2,202,804	8,650,598	9,289,979	8,990,856
<b>Total</b>	<b>80,606,428</b>	<b>8,362,061</b>	<b>72,244,367</b>	<b>74,895,117</b>	<b>73,731,245</b>

### 3. Reconciliation of Net Surplus after Taxation to Cash Flows from Operating Revenue

	<i>6 Months to</i> 31 December 2014	<i>6 Months to</i> 31 December 2013	<i>Year to</i> 30 June 2014
<b>Operating Surplus after Taxation</b>	1,120,541	895,483	1,848,771
<i>Items not involving Cashflows</i>			
(Increase)/Decrease in value of investments	(33,450)	294,925	285,306
Depreciation & Loss on Sale	1,493,889	1,520,639	3,051,921
<i>Other</i>			
Taxation paid	(750,000)	(455,000)	(884,450)
Taxation expense	422,757	462,936	579,520
<i>Impact of changes in working capital items</i>			
(Increase)/Decrease in Accounts Receivable	(197,295)	(261,486)	31,476
Increase/(Decrease) in Accounts Payable	(360,853)	(53,045)	146,490
Increase/(Decrease) in other liabilities	68,788	5,410	59,371
Increase/(Decrease) in provisions	(15,751)	4,166	21,634
(Increase)/Decrease in stock	8,284	9,696	(11,820)
<b>Net Cash Flows from Operating Activities</b>	<b>1,756,910</b>	2,433,724	5,128,159