



# Hamilton Airport

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**Waikato Regional Airport Limited**

Annual Report & Consolidated Financial Statements

For the year ended 30 June 2021

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**Waikato Regional Airport Limited**  
Annual Report & Consolidated Financial Statements  
For the year ended 30 June 2021

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# Waikato Regional Airport Limited

## Results at a Glance

For the year ended 30 June 2021

(all amounts in '000)



Five Year Summary	2017	2018	2019	2020	2021
(all amounts in '000)					
Aeronautical income	\$2,367	\$2,595	\$3,350	\$3,379	\$4,015
Operating revenue	\$7,635	\$8,594	\$10,484	\$12,355	\$17,324
EBITDA excluding Land sales	\$2,436	\$2,871	\$3,964	\$2,838	\$6,931
Net profit before tax	\$4,063	\$2,640	\$3,021	\$5,780	\$37,141
Passenger Activity	317	353	381	304	358
Aircraft movements	129	141	146	116	73
Total Assets	\$103,666	\$107,717	\$124,220	\$132,576	\$197,801
Shareholder Funds	\$82,757	\$84,937	\$97,285	\$105,734	\$173,192
Shareholder Funds Ratio	80%	79%	78%	81%	88%
Net Asset Backing per Share	\$16.64	\$17.08	\$19.56	\$21.55	\$34.82

## Waikato Regional Airport Limited

### Chairman's Foreword

For the year ended 30 June 2021

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The success of the 2021 financial year amidst the backdrop of the greatest challenging times of our generation has paid testament to the progress of our diversification strategy implemented over the past five years. Each business unit responded positively to opportunities presented amongst the uncertain times to produce the most profitable year on record in the 30-year history of the Company and Group.

Our core Airport business performed strongly on the back of a resurgent recovery of domestic tourism and a better than expected return of corporate travel. The second half of the financial year saw passenger activity recover with some months achieving their record levels, exceeding even total passenger volumes from the international era. Overall, the year ended ahead of its 2018 passenger levels which is a significant achievement given the first 4 months were still very much a recovery phase for domestic tourism and corporate travel, with additional airline capacity being progressively injected to the region.

At a time when the industry was very much in a recession, it was a milestone event anywhere in the world to welcome new airline services when Origin Air commenced weekday services to Hamilton in October 2021. The Nelson based airline became our second regular scheduled airline, offering direct services to Palmerston North, a route that had been discontinued by Air New Zealand in March 2020, and no longer considered viable to be serviced by their smallest alternative 50 seat aircraft. Origin Air also introduced a new route between Hamilton and Nelson serviced via a mix of direct services at peak leisure times, complimented by seamless connections through Palmerston North.

Looking more widely around the Airport, it is evident our community has not been immune to the longer-term effects of the pandemic that have already been experienced more severely in the global aviation industry. International pilot academy L3 Harris ended its New Zealand operations in February of this year after a 17-year presence at Hamilton Airport, accounting for around 70% of our annual air traffic movements; and local utility aircraft manufacturer Pacific Aerospace closed its doors after a presence at the Airport that spanned 9 decades. While neither event was ultimately financially damaging to the airport, the profound impacts on the wider regional economy will continue to be significant for some time yet with the loss annually of 300 international students, in addition to a similar number of permanent jobs. Pacific Aerospace has since been purchased by local interests after a global search for a buyer and a small spare parts manufacturing operation has already resumed.

On our doorstep is another reminder of the ongoing consequences of the pandemic and of New Zealand's relative immunity to these. In the first week of the financial year, we received inquiry from the Crown to contract our hotel as a Managed Isolation Facility, one of 31 nationally and 3 in the Waikato. The initial 6-month contract has been through various extensions. This presented a significant change in fortunes for the Hotel business and came at a time when the employer wage subsidy was coming to an end, and with it would have been the need for significant restructuring. Accordingly, the Hotel has been able to make a positive contribution to the Group's net trading profit, something not originally contemplated for several years at the time of purchase given the effective rebuild and start up nature of the improved Hotel property. Under the management of Jet Park Hotels, our hotel and staff have secured accolades by various agencies and guests for service delivery rated continually amongst the very best quality Managed Isolation Hotel experiences nationally.

The demand for asset classes amongst the economic uncertainty inherent in the pandemic recovery saw TPL sell 4.6 hectares of land at prices that have increased consistent with the market. Over 7 hectares were developed with further sales from this development under contract at year end for settlement over the coming 12 months. Generally speaking we saw price growth of around 30% on last year. The strength of trading amongst the remainder of the Group ensured the capital proceeds from land sales were able to be used in new investment opportunities in line with the original property development strategy, rather than as a source of working capital as was originally expected to be the case during 2021.

For the year ended 30 June 2021, the Group reported a gain arising from revaluation of its investment property portfolio of \$34 million, more than doubling its portfolio value. While this is a non-cash valuation gain, it is an important and very positive indicator of the future potential of the Group's non-aeronautical development strategy.

## Waikato Regional Airport Limited

### Chairman's Forward (continued)

For the year ended 30 June 2021

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Hamilton & Waikato Tourism has continued to position the region as a very attractive destination for domestic tourists. The year began with the continuation of the highly successful "Mighty Local" campaign working collaboratively with other local development agencies to encourage Waikato residents to explore their own backyard and support local businesses. At a time where local tourism operators were constrained in their marketing expenditure, these income streams were largely replaced by two key multi-year funded initiatives from Central Government. The Strategic Tourism Asset Protection Partnership provided funding to Hamilton & Waikato Tourism, in addition to certain iconic operators directly. The funding will continue through to the end of the 2021 calendar year. Secondly, Hamilton & Waikato Tourism were appointed as the Lead Entity of the Thermal Explorer Regional Event Fund which is designed to fund new major events in the region and enable existing events to grow and diversify over the next 5 years. The primary goal of both these streams is to fund domestic visitation in the region through new activities and initiatives the region would not otherwise be able to undertake.

We expect the coming year to be remembered for two flagship investment projects:

- Firstly, after not proceeding with construction in June 2020, construction works on our \$15M terminal resilience project have already commenced early in the new financial year. The project will see the building seismically strengthened well in excess of future building code requirements and given a complete renovation to offer a modern customer experience, upgrading the current public areas that have served the region immensely well since the mid-2000s. The works will be staged over an 18-month period, including relocation of operations to the currently unused northern end of the terminal. Ongoing work around the terminal including the carpark will ensure all facets of our infrastructure are renewed and future-proofed to cope with the expected growth in passenger volumes over the next twenty years.

- Secondly, due diligence and planning work by the Group to re-zone 100ha of land to the North of the Airport into a commercial and industrial business park will result in lodging a plan change toward the end of 2021. The opportunity is commercially significant to not only the Airport, but to the region by offering further supply strategically located between the Peacocke growth cell, Cambridge and Te Awamutu whilst being well connected to the State Highway Road network, in addition to the Airport. In tandem with this exercise are workstreams to ensure the current runway extension designation consents can be renewed into the 2030s and that development north of the Airport for aeronautical and for commercial/industrial is effectively managed by an updated masterplan to be completed early 2022.

After navigating a very difficult past year much uncertainty remains, however when approaching the year with a conservative lens, the Group remains confident of continuing strong performance into 2022 due to the ongoing successful delivery and returns from its diversification strategy. With the global virus trends not showing any signs of receding, we expect ongoing strength in domestic business and leisure travel in the absence of any substantial international travel possibilities. Additionally, these global trends and New Zealand's absence of community transmission underpin the importance of the Managed Isolation border facilities: we expect our hotel will remain contracted to the Crown in its current capacity for the vast majority of the coming year.



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Barry Harris  
Chairman

**Waikato Regional Airport Limited**

## Consolidated Statement of Comprehensive Revenue and Expense

Year ended 30 June 2021

		2021 \$ '000	2020 \$ '000
<b>Revenue</b>			
Operating revenue	2A	17,324	12,385
Land sales		8,617	5,875
Other gains	2B	35,682	6,166
		<b>61,623</b>	<b>24,426</b>
<b>Expenses</b>			
Operating expenses		(6,259)	(5,574)
Cost of land sales		(5,586)	(3,608)
Employee benefits expense		(4,134)	(3,938)
Depreciation & amortisation	3A, 3B	(7,942)	(3,368)
Other losses	2B	-	(1,544)
Finance costs		(561)	(614)
		<b>(24,482)</b>	<b>(18,646)</b>
<b>Net surplus/(deficit) before tax</b>		<b>37,141</b>	<b>5,780</b>
Tax (expense)/credit	4A	(1,011)	2,969
<b>Net surplus/(deficit) after tax</b>		<b>36,130</b>	<b>8,749</b>
<b>Other comprehensive revenue &amp; expense</b>			
Revaluation of property, plant & equipment	3A	33,361	-
Tax (expense)/credit	4A	(2,033)	-
<b>Total other comprehensive revenue &amp; expense</b>		<b>31,328</b>	<b>-</b>
<b>Total comprehensive revenue &amp; expense</b>		<b>67,458</b>	<b>8,749</b>

**Waikato Regional Airport Limited**

## Consolidated Statement of Changes in Equity

Year ended 30 June 2021

	Share Capital \$ '000	Retained Earnings \$ '000	Revaluation Reserves \$ '000	Total \$ '000
Opening Balance - 1 July 2019	14,860	25,323	57,102	97,285
Net profit/(loss) after tax	-	8,749	-	8,749
Other comprehensive income	-	-	-	-
Total comprehensive income	-	8,749	-	8,749
Dividends paid to shareholder	-	(300)	-	(300)
<b>Closing Balance - 30 June 2020</b>	<b>14,860</b>	<b>33,772</b>	<b>57,102</b>	<b>105,374</b>
Opening Balance - 1 July 2020	14,860	33,772	57,102	105,374
Net profit/(loss) after tax	-	36,130	-	36,130
Other comprehensive income	-	-	31,328	31,328
Disposal of revalued assets	-	2,287	(2,287)	-
Total comprehensive income	-	38,417	29,041	67,458
Dividends paid to shareholder	-	-	-	-
<b>Closing Balance - 30 June 2021</b>	<b>14,860</b>	<b>72,189</b>	<b>86,143</b>	<b>173,192</b>

The accompanying notes form part of these financial statements


**Waikato Regional Airport Limited**  
Consolidated Statement of Financial Position  
As at 30 June 2021

		2021 \$ '000	2020 \$ '000
<b>Current Assets</b>			
Cash and cash equivalents	5B	975	224
Trade and other receivables		1,309	963
Inventories		116	117
Development property	3C	7,256	9,409
		<b>9,656</b>	<b>10,713</b>
<b>Non Current Assets</b>			
Property, plant and equipment	3A	123,633	95,262
Investment property	3D	63,580	25,376
Intangible & other non-current assets	3B	932	1,225
		<b>188,145</b>	<b>121,863</b>
<b>Total Assets</b>		<b>197,801</b>	<b>132,576</b>
<b>Current Liabilities</b>			
Trade and other payables	4B	4,772	2,784
Employee entitlements		596	388
Provisions	4C	856	-
Borrowings	5B	-	15,888
		<b>6,224</b>	<b>19,060</b>
<b>Non Current Liabilities</b>			
Provisions	4C	626	1,396
Borrowings	5B	11,995	1,739
Deferred tax liability	4A	5,764	4,647
		<b>18,385</b>	<b>7,782</b>
<b>Total Liabilities</b>		<b>24,609</b>	<b>26,842</b>
<b>Net Assets</b>		<b>173,192</b>	<b>105,734</b>
<b>Equity</b>			
Share capital		14,860	14,860
Retained earnings		72,189	33,772
Revaluation reserves	5A	86,143	57,102
<b>Total Equity</b>		<b>173,192</b>	<b>105,734</b>

Authorised for issue by the Board of Directors on 3 November 2022



Barry Harris  
Chairperson - Board of Directors



Margaret Devlin  
Chairperson - Audit & Risk Committee



**Waikato Regional Airport Limited**  
Consolidated Statement of Cash Flows  
Year ended 30 June 2021

	<b>2021</b>	<b>2020</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Operating activities</b>		
Receipts from operations	17,098	13,260
Receipts from land sales	8,637	5,470
Payments to suppliers and employees	(9,877)	(10,104)
Payments for construction of development property	(3,635)	(1,616)
Payment of interest	(528)	(588)
Payment of income taxes	(1,515)	(636)
Net cash from/(used in) operations	<b>10,180</b>	<b>5,786</b>
<b>Investing activities</b>		
Receipts from sale of property, plant and equipment	-	5
Purchases of property, plant & equipment	(1,054)	(6,473)
Purchases of investment properties	(3,753)	(2,108)
Purchases of intangible assets	-	(118)
Acquisition of business combination	-	(500)
Net cash from/(used in) investment activities	<b>(4,807)</b>	<b>(9,194)</b>
<b>Financing activities</b>		
Receipts from/(repayments of) borrowings	(5,632)	3,121
Payments of dividends	-	(300)
Net cash from/(used in) financing activities	<b>(5,632)</b>	<b>2,821</b>
<b>Net change in cash for the period</b>	<b>(259)</b>	<b>(587)</b>
Add opening cash and cash equivalents balance	224	811
<b>Closing cash and cash equivalents attributable to the Group</b>	<b>(35)</b>	<b>224</b>

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## Waikato Regional Airport Limited

### Notes to the Consolidated Financial Statements

Year ended 30 June 2021

#### Section One: About our annual report

This section of notes explains how we have prepared the financial statements and the general accounting policies we have applied. More specific policies and judgments we have made are explained in sections 2-4.

##### 1A Reporting entity

Waikato Regional Airport Limited owns and operates Hamilton Airport. Its consolidated financial statements include the results of the Company and its wholly owned subsidiaries:

- Titanium Park Limited (TPL) conducts commercial and industrial property development around the airport precinct.
- Hamilton & Waikato Tourism Limited (HWT) is the Waikato region's official Regional Tourism Organisation and promotes the region as a business and leisure tourism destination both nationally and internationally.
- Waikato Regional Airport Hotel Limited (WRAHL) which since 2019, has operated and traded as the Jet Park Hamilton Airport Hotel & Conference Centre.

##### 1B Basis of preparation

These consolidated financial statements have been prepared to comply with:

- Companies Act 1993
- Local Government Act 2002
- Airport Authorities Act 1966

The financial statements are prepared in accordance with Generally Accepted Accounting Practice, which in the case of the Group, is the Public Benefit Entity standards for Public Sector organisations that have less than \$30 million annual expenditure ("Tier 2 PBE Standards"). The Group is eligible to apply Tier 2 PBE Standards, including the Reduced Disclosure Regime as it is not publicly accountable or large.

In preparing the consolidated financial statements, transactions including revenues, expenses and loans occurring between entities and balances owing/receivable between entities at year end in the Group have been eliminated. Individual entity financial statements are adjusted if necessary to comply with the Group's accounting policies upon consolidation.

The financial statements are presented in New Zealand Dollars and rounded to the nearest thousand dollars unless otherwise stated. The Group does not routinely enter into material transactions denominated in foreign currencies.

Except as disclosed in the Notes to the Financial statements, all amounts have been recorded using the historical cost measurement basis, on the basis the Group is a going concern. All amounts presented are shown exclusive of GST, except for amounts owing or receivable where the balance is inclusive of GST.

During the year Hamilton & Waikato Tourism was appointed the lead entity for the Thermal Explorer Regional Events Fund, a central government-funded initiative to boost domestic tourism while international borders remain largely closed. HWT acts only as an agent for the fund which represents 8 Central North Island RTOs and Local Authorities, therefore revenues and expenses of the fund's trading activity are excluded from the consolidated results of the Group. Any assets and liabilities held by HWT on behalf of the fund in its capacity as an agent are separately identified in the Notes accompanying these financial statements.

##### Critical estimates and judgments

In preparing financial statements that comply with Tier 2 PBE Standards, the Company has made certain estimates and judgments which have a material impact on the amounts reported, in particular the valuation of Property, Plant & Equipment (Note 3A), impairment of Intangible Assets (Note 3B); cost of Development Property (Note 3C); valuation of investment Property (Note 3D); and provisions and contingencies in respect of Infrastructure Development (Note 4C).

**1C Specific Accounting Policies**

Accounting policies adopted by the Group and critical estimates and judgments made in preparing these financial statements are detailed further in the accompanying notes, in addition to those outlined below.

All accounting policies have been applied consistently to both the current reporting period balances and the comparative amounts, and there have been no changes in accounting policies in the current or previous year. Certain amounts have been restated from previous periods to comply with current year presentation. These changes in presentation have not had any material impact on the amounts previously reported in prior periods. Additionally, there have been no material changes arising from the adoption of newly effective accounting standards.

**(i) Land Sales**

Revenue from sale of development property is recognised when the significant risks and rewards of ownership have passed to the purchaser. This ordinarily coincides with settlement by the purchaser. Upon recognising the sale of development property, the cost of that property and any transaction costs are expensed to net surplus/(deficit).

**(ii) Employee benefit expense & Employee entitlements**

Employee benefit expense includes all salaries, wages, any performance bonuses paid to staff and contributions to post-employment benefit schemes (e.g. Kiwi Saver). The Group's expense also includes PAYE income tax and other deductions made by the Group. Amounts owing to staff, and any deductions collected but not yet paid, are recognised within the Employee entitlements liability. All Employee entitlements including performance bonus schemes are expected to be settled in the next twelve months, so no discounting adjustment is made.

**(iii) Finance Costs**

Finance costs include interest incurred on borrowings and other similar charges. Finance costs are expensed except to the extent they relate to borrowings specifically incurred to finance construction of qualifying assets, in which case the finance costs are capitalised as part of the asset's cost. Qualifying assets typically take more than 6 months to construct. Upon completion of the asset construction, capitalisation of further finance costs ceases.

**(iv) Trade and other receivables**

Trade and other receivables are recorded at their expected realisable value, net of an allowance for balances where collection appears doubtful. Balances receivable by the Group are subject to a provision where there is material uncertainty around collection at 30 June 2021 of \$3,000 (2020: \$53,000).

**(v) Inventory**

Inventories include consumables for use in the Group's operations which are recorded at cost, and goods for re-sale in the Group's retail outlets which are recorded at lower of cost or net realisable value when it is identified the selling price will be less than their cost. There have been no material write downs of inventory in the current or previous period.

**(vii) Impairment of non-financial assets**

All assets not already recorded at fair value are reviewed for indicators of impairment when there are indicators that asset's value may not be recoverable. An impairment loss is recognised when an asset's recoverable value is less than its current carrying value. Impairment losses are recognised in net surplus/(deficit) except to the extent a loss relates to a reduction in the fair value of an asset previously revalued through the Asset Revaluation Reserve, in which case the revaluation reserve is reduced. The recoverable value of an asset is the greater of its disposal value or value in use, being its depreciated replacement cost.

**Waikato Regional Airport Limited**

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**Section Two: About our performance for the year**

This section provides information about how we performed for the year including how we derived our revenue and earnings, and how we performed against our Statement of Intent.

**2A Operating Revenue**

Operating revenue from exchange transactions is recognised when the underlying goods or services have been provided to the customer. Rental income from property leased to customers by the Group is recognised on a straight line basis over the lease term. Amounts received from customers in advance of the underlying goods or services being delivered are deferred initially and recognised as a liability.

Revenue from non-exchange transactions arise when there is no obligation to deliver goods or services directly in return to the funding provider. Revenue is only deferred if there are other substantive performance obligations yet to be met or conditions to return unspent amounts to the funding provider. Included in non-exchange income is government grant revenues recognised for the COVID19 employer wage subsidy. Grant monies received for the extended period covering July and August 2020 were recognised as a liability at 30 June 2020 as not all performance obligations were met to recognise these revenues by 30 June 2020.

	<b>2021</b>	<b>2020</b>
	<b>\$ '000</b>	<b>\$ '000</b>
Aeronautical, landing and passenger charges	4,015	3,379
Leases, rentals and concessions	2,912	2,245
Carparking & retail	2,802	2,438
Hotel trading	5,375	1,995
Other	164	132
<b>Total exchange revenue</b>	<b>15,268</b>	<b>10,189</b>
Regional Tourism Organisation funding	1,888	1,632
Government grants	168	564
<b>Total non-exchange revenue</b>	<b>2,056</b>	<b>2,196</b>
<b>Total operating revenue</b>	<b>17,324</b>	<b>12,385</b>

2C

**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**2A Operating Revenue (continued)**

In addition to its own operating revenue, the Group also receives revenues and incurs expenses in an agency capacity on behalf of other parties. Amounts received in the capacity as an agent, and expenditures incurred in the same capacity, are excluded from the amounts reported in the Statement of Comprehensive Revenue and Expense. The Group entered into the following major agency relationships:

- The Group, via its subsidiary Hamilton & Waikato Tourism Limited, was appointed as the lead entity for the Thermal Explorer Regional Event Fund, a fund administered by HWT on behalf of four Central North Island regional tourism organisations. HWT received funding from the Ministry of Business, Innovation & Employment on behalf of the Fund.
- The Group, in connection with its Hotel operation that traded as a Managed Isolation & Quarantine (MIQ) Facility incurred expenditure on behalf of, and received monies from, the Ministry of Health in connection with providing specialist health and security services to guests during the period of its MIQ contract, in addition to regular hotel accommodation and food and beverage services.

	2021 \$ '000	2020 \$ '000
Thermal Explorer Regional Event Fund	1,250	-
Hotel Managed Isolation & Quarantine Contract	1,148	-
<b>Total agency revenue and expenses</b>	<b>2,398</b>	<b>-</b>

**2B Other gains and (losses)**

		2021 \$ '000	2020 \$ '000
<b>Other gains</b>			
Gain on revaluation of investment property	3D	34,227	6,136
Gain on disposal of property, plant and equipment		14	30
Gain on acquisition of property, plant & equipment	3A	220	-
Reversal of impairment expense from prior periods	2C	1,221	-
		<b>35,682</b>	<b>6,166</b>
<b>Other losses</b>			
Impairment expense	2C	-	(1,484)
Loss on disposal of property, plant and equipment		-	(60)
		<b>-</b>	<b>1,544</b>

**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**2C Impact of COVID19 Pandemic**

For the majority of the financial year all entities within the group had operated in line, or better than expectations and were able to achieve all of the performance measures set in their respective Statements of Intent. The global pandemic's impact was most significantly during the first quarter of the financial year with the following overall major impacts on each entity:

<b>Waikato Regional Airport Limited (Hamilton Airport)</b>	Domestic passenger activity recovered quickly during the first half of the year to pre-COVID monthly levels. Neither Hamilton, nor any cities serviced directly from our airport, were subject to further travel restrictions due to alert level changes resulting in the airport handling more than double its expected passengers. The cessation of the L3 CTS Airline Academy resulted in a significant reduction in air traffic movements in the second half of the year with a resultant impact to aeronautical and landing charges.
<b>Titanium Park Limited</b>	There were no material impacts to the current year trading results as properties subject to previous sale contracts that had been cancelled were re-sold to new purchasers.
<b>Hamilton &amp; Waikato Tourism</b>	HWT were recipients of additional central government grants to fund additional domestic visitation to the region, of which \$0.4m were recognised as income during the period. This offset a reduction in industry contribution funding enabling HWT to maintain its existing level of investment in local tourism.
<b>Waikato Regional Airport Hotel Limited (Jet Park Hotel Hamilton Airport)</b>	Early in the financial year the Hotel was contracted to the Crown as a Managed Isolation Facility, initially for 6 months, the contract has since been renewed into the 2022 year. This enabled the Hotel to trade profitably with a contribution of approximately \$2.0m to Group Net Surplus before Tax, compared to a loss of \$0.7m budgeted in the Statement of Intent.

As a result of the ongoing pandemic response there were no material additional operating expenses incurred however there were some savings in operating costs from the previous year due to cost saving initiatives implemented by the Group during the period, and variable operating costs reducing in line with downturns in activity.

## 2C Impact of COVID19 Pandemic (continued)

The carrying value of assets and liabilities at 30 June 2020 were subject to a high degree of uncertainty due to the absence of market information following the significant events of the Pandemic, being most notably the Alert Level 3 and 4 Lockdown.

- Property, plant and equipment was found to be impaired due to projects for asset work in progress (under construction or development) being suspended without clarity of if or when the projects would resume. In the current year the Group has made decisions to resume these projects resulting in the reversal of all prior year impairment of property, plant & equipment due to there being no changes in scope, additional costs or re-work required in respect of the projects to date. At 30 June 2021, except as detailed below, no further indicators of impairment to Group assets have been identified, with Airport Infrastructure also having been independently valued in the current year resulting in a gain of \$7.3m and land by \$26.1m.
- On the basis of the Group electing to proceed with the Terminal Resilience Project, a significant project with a budget of \$15.0m that will take place over the next two financial years to seismically strengthen the building and deliver an improved customer experience, previous impairments relating to this project were reversed amounting to \$1.2m. As a result of this, the current terminal building assets have a shorter life and this resulted in an additional \$4.5m of depreciation expense being recognised during the year to accelerate the write down the relevant assets and record their effective disposal, with construction work beginning early July 2021.
- Certain Intangible assets were deemed to be impaired at 30 June 2020 on the basis of assumptions around future earnings and benefits indicating the asset value was not recoverable. In the case of assets identified to have been impaired in the previous year, there has been no material change identified in their recoverable values so there has been no further impairment recognised, nor any recovery of previous impairment.
- Investment property was revalued resulting in a gain of \$34.2m being recognised in the current year. This has been based on independent valuations as further described in Note 3D. The valuers indicated there was greater certainty attributed to these valuations compared with the prior year due to reliable, observable market data being available and improved economic forecasts.
- Development property was again assessed for impairment by considering price evidence for commercial and industrial land achieved in post-COVID market transactions. In this regard no impairment was identified however due to the cancellation of certain future property contracts, costs incurred in relation to development for these contracts have been fully impaired.

Impairment and other losses in the recoverability of the Group's assets arising from these assessments over the past two years is summarised below:

Impairment Expense		2021 \$ '000	2020 \$ '000
Property, plant & equipment	3A	1,186	(1,186)
Intangible assets	3B		(165)
Development property			(66)
Accounts Receivable		21	(53)
Inventories		14	(14)
<b>Total Impairment (Expense)/Reversal</b>		<b>1,221</b>	<b>(1,484)</b>

The reversal of impairment expense in the current financial year has been recognised within Other Gains Revenue, refer Note 2B.

**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**2D Our performance against our financial targets set in our Statement of Intent (Our Statement of Service Performance)**

	2021			2020		
	Actual	Target	Met	Actual	Target	Met
	\$ '000	\$ '000		\$ '000	\$ '000	
<b>Earnings performance targets</b>						
Net surplus/(deficit) before tax <i>no less than</i>	(1,572)	(3,700)	✓	n/a	n/a	n/a
Net surplus/(deficit) after tax <i>no less than</i>	n/a	n/a	n/a	(965)	1,200	✗
Earnings before tax, interest, depreciation & amortisation (EBITDA) excl Land Sales <i>of at least</i>	6,931	(500)	✓	2,873	4,000	✗
Earnings before tax, interest, depreciation & amortisation (EBITDA) incl Land Sales <i>of at least</i>	9,962	300	✓	5,140	6,000	✗
Percentage of non-landing charges to total revenue <i>of at least</i>	77%	60%	✓	73%	60%	✓
Land Sales <i>of at least</i>	8,617	4,000	✓	5,875	7,000	✗
Interest coverage ratio <i>of at least</i>	12.4	(4.0)	✓	4.7	4.0	✓
<b>Cash flow and funding performance targets</b>						
Net operating cash flow excl Land sales <i>of at least</i>	5,178	(1,500)	✓	1,932	2,500	✗
Net debt <i>a maximum of</i>	12,030	30,000	✓	17,403	25,000	✓
<b>Shareholder value performance targets</b>						
Shareholder funds to total assets <i>of at least</i>	87%	65%	✓	80%	65%	✓
Net profit after tax, interest and revaluations to total assets <i>of at least</i>	n/a	n/a	n/a	4.6%	1.3%	✓
Net profit after tax, interest and revaluations to total shareholder funds <i>of at least</i>	n/a	n/a	n/a	5.8%	1.0%	✓

All earnings and profitability financial performance targets exclude the effect of land sales (and land cost of sales) and revaluation gains and losses recognised in net surplus/(deficit) after tax unless otherwise stated. Refer Note 2C for further details around the impact of COVID19 on the Group's ability to meet its performance targets during 2020.



**2D Our performance against our non-financial targets set in our Statement of Intent (Our Statement of Service Performance)**

Performance Target	Comment	Met	
		2021	2020
<b>Facilitate health &amp; safety meetings every 2 months with representatives from each company department.</b>	Health & Safety committee meetings are undertaken on a monthly basis	✓	✓
<b>Zero WorkSafe notifiable accidents/injuries.</b>	There were no notifiable incidents in either 2021 or 2020	✓	✓
<b>Independently review and audit the health and safety system each year.</b>	An independent audit of the Group's health and safety framework was undertaken and all recommendations were implemented	✓	✓
<b>To achieve airport certification standards required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.</b>	The airport continues to meet all relevant CAA certification standards	✓	✓
<b>Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).</b>	There have been no incidences of scheduled flights being operationally impacted by controllable events	✓	✓
<b>Facilitate noise management meetings every 4 months in accordance with the noise management plan.</b>	Regular meetings have been facilitated every 4 months	✓	✓

**2D Our performance against our non-financial targets set in our Statement of Intent (Our Statement of Service Performance)**

Performance Target	Comment	Met	
		2021	2020
Titanium Park Limited			
Finalise subdivision plans for the 4th Stage of Titanium Park's Central Precinct	Plans were finalised and construction commenced during the year.	n/a	✓
Complete construction of the 4th Stage of Titanium Park's Central Precinct and 2nd Stage of Southern Precinct.	Construction of both precinct developments was completed and land sales settled	✓	n/a
Develop a masterplan for Titanium Park's Northern Precinct and prepare a private plan change submission to Waipa District Council	The masterplan was completed however the project was halted due to the Group's financial constraints arising from COVID19 and resumed during 2021.	✗	✗
Hamilton & Waikato Tourism			
Achieve 5% growth in visitor nights and visitor expenditure (as measured by key MBIE Tourism statistics)	Growth in these metrics was on track for the 2020 year until the travel restrictions imposed due to COVID19 effectively halted Tourism.	n/a	✗
Jet Park Hotel Hamilton Airport (Waikato Regional Airport Hotel Limited)			
Complete a refurbishment program (both internally and externally) that will allow the hotel to be accredited to a Qualmark 4 Star standard	Extensive refurbishment work was undertaken and the property gained Qualmark 4 Star and Silver Enviro accreditations.	n/a	✓
Implement a recovery plan to enable a steady return to pre-COVID key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.	The hotel's contract to operate as a Managed Isolation Facility was continued throughout the financial year so it did not resume operations as a regular trading hotel.	✗	n/a

### **Section Three: About our assets**

This section provides information about the assets we own, how much they are worth and how we value and report them on an ongoing basis.

## **3A Property, Plant and Equipment**

### **Classes of Asset**

Property plant and equipment comprises the following classes of assets:

- Land owned by the Group for use in its own operations or retained for strategic purposes
- Buildings owned by the Group for use in its own operations or retained for strategic purposes
- Airport infrastructure, including runways, taxiways, apron areas, reticulated systems, internal roading and carparking
- Other plant and equipment, including motor vehicles, general plant and equipment, computer & IT equipment and furnishings

### **Initial recognition**

Items of property, plant and equipment are recognised initially at cost. Assets under construction (work in progress) are recognised at cost and are not depreciated until available for use.

### **Subsequent measurement**

- Land is revalued to fair value determined from market based evidence of similar land.
- Buildings and Airport infrastructure are revalued on an optimised depreciated replacement cost basis, except for the Airport Hotel & Conference Centre building which is valued on a market value basis.

Valuations are undertaken when the Group estimates there has been a material change in fair value, and at least every 5 years. All valuations are undertaken by independent, professional valuers with experience in the types of assets the group owns. Telfer Young Waikato undertake land valuations (last valuation: 2021), Beca Valuations Limited undertake all building and airport infrastructure (last valuations: buildings 2019, infrastructure 2021), except for the Airport Hotel Buildings which are valued by Jones Lange LaSalle (last valuation: 2020).

In applying the optimised depreciated replacement cost basis for determining fair value of buildings, assets in relation to Hamilton Airport's former handling of international air services have been optimised to nil fair value as the Group has no plans or ability to realise the economic benefits and service potential of these assets in the foreseeable future.

Changes in fair value including impairment losses are recognised within Other comprehensive revenue & expense except where a revaluation results in a carrying value below the asset's cost, in which case decreases below cost are recognised in net surplus/(deficit) for the period.

### **Depreciation**

Except for land, the cost or valuation of all items of property, plant and equipment are depreciated over their estimated useful lives on a straight line basis at the following rates:

- Buildings - 4-59 years
- Airport infrastructure - 4-79 years
- Other plant and equipment - 2-50 years

### **Disposals**

Upon disposal of an asset, any gain or loss arising between the disposal proceeds and carrying value is recognised in net surplus/(deficit). Any revaluation reserve attributable to the asset is transferred directly to retained earnings.

**3A Property, Plant and Equipment (continued)**

	Land	Buildings	Airport Infrastructure	Other Plant & Equipment	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Cost/Valuation</b>					
Cost/Valuation at 1 July 2019	45,206	26,442	23,600	6,077	101,325
Additions	1,117	3,565	755	1,113	6,550
Disposals	-	(13)	-	(555)	(568)
Revaluation	-	-	-	-	-
Cost/Valuation at 30 June 2020	46,323	29,994	24,355	6,635	107,307
Cost/Valuation at 1 July 2020	46,323	29,994	24,355	6,635	107,307
Additions	-	563	268	653	1,484
Disposals	-	(4,516)	-	(48)	(4,564)
Revaluation	26,098	-	(583)	-	25,515
Cost/Valuation at 30 June 2021	72,421	26,041	24,040	7,240	129,742
<b>Depreciation</b>					
Accumulated Depreciation 1 July 2019	-	(65)	(4,592)	(3,838)	(8,495)
Depreciation Expense	-	(690)	(1,621)	(558)	(2,869)
Disposals	-	3	-	502	505
Revaluation	-	-	-	-	-
Impairment 2C	-	(1,186)	-	-	(1,186)
Accumulated Depreciation 30 June 2020	-	(1,938)	(6,213)	(3,894)	(12,045)
Accumulated Depreciation 1 July 2020	-	(1,938)	(6,213)	(3,894)	(12,045)
Depreciation Expense	-	(5,425)	(1,633)	(591)	(7,649)
Disposals	-	4,516	-	37	4,553
Revaluation	-	-	7,846	-	7,846
Impairment 2C	-	1,186	-	-	1,186
Accumulated Depreciation 30 June 2021	-	(1,661)	-	(4,448)	(6,109)
<b>Carrying Value</b>					
30 June 2020	46,323	28,056	18,142	2,741	95,262
30 June 2021	72,421	24,380	24,040	2,792	123,633

At 30 June 2021, buildings of \$1,306,000 (2020: \$13,000) remained under construction and were not in use or depreciated. There were no other assets under construction (2020: airport infrastructure of \$497,000; other plant & equipment \$250,000).

Included in additions to buildings year ended 30 June 2021 were assets acquired in a non-exchange transaction for no consideration. These were recognised initially at their fair value upon acquisition of \$220,000, with the corresponding revenue included within Other Gains.

Depreciation of \$7,649,000 for the year ended 30 June 2021 includes \$4,516,000 of accelerated depreciation due to a revision of the useful life of certain building assets that will be disposed early in the following year in connection with the Group's Terminal Resilience Project.

# Waikato Regional Airport Limited

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

### 3B Intangible and other assets

Intangible and other assets comprise:

- Aeronautical designations are consents issued by local authorities that provide regulatory protection for the Group to undertake activities such as extend the airport runway and install approach lighting on neighbouring properties. Assets are recognised initially at the cost obtaining consent from the local authorities, and amortised on a straight line basis over the period of the consents which are between 10 and 15 years (up to 5 years remaining). These assets have been designated as being held in non-cash generating units as the principal purpose is to protect and enhance the future service potential of the airport, over and above generating an economic return.

- Other intangibles have arisen primarily from the acquisition of other business around the airport. They reflect the benefit to the Group of acquiring these businesses with standing contracts and customers and are amortised on a straight line basis over the length of the remaining lives of the contracts which are normally up to 3-6 years. During the year ended 30 June 2020, \$606,000 of other intangible assets were recognised in a business combination transaction. These assets are designated as being held in cash generating units as these businesses were acquired for the purpose of generating a profit, rather than to enhance the service potential of the aeronautical business.

- Other assets that are recognised initially at the cost of acquisition and amortised on a straight line basis over the expected life of the underlying asset.

	Aeronautical Designations \$ '000	Other Intangibles \$ '000	Other Assets \$ '000	Total \$ '000
<b>Cost</b>				
Cost at 1 July 2019	1,394	394	184	1,972
Additions	-	732	-	732
Disposals	-	-	-	-
Cost at 30 June 2020	1,394	1,126	184	2,704
Cost at 1 July 2020	1,394	1,126	184	2,704
Additions	-	-	-	-
Disposals	(335)	(8)	-	(343)
Cost at 30 June 2021	1,059	1,118	184	2,361
<b>Amortisation</b>				
Accumulated Amortisation 1 July 2019	(660)	(27)	(128)	(815)
Amortisation Expense	(163)	(327)	(9)	(499)
Impairment Expense	-	(165)	-	(165)
Disposals	-	-	-	-
Accumulated Amortisation 30 June 2020	(823)	(519)	(137)	(1,479)
Accumulated Amortisation 1 July 2020	(823)	(519)	(137)	(1,479)
Amortisation Expense	(95)	(188)	(10)	(293)
Disposals	335	8	-	343
Accumulated Amortisation 30 June 2021	(583)	(699)	(147)	(1,429)
<b>Carrying Value</b>				
30 June 2020	571	607	47	1,225
30 June 2021	476	419	37	932

**Waikato Regional Airport Limited**

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**3C Development Property**

The Group, through its subsidiary Titanium Park Limited, undertakes the development of commercial and industrial property for sale. Land held by the Group for development is recognised initially at cost, or carrying value on the date it is designated for development if previously held as Investment property, or Property, plant and equipment. The balance of Development Property includes the costs of land plus costs such as roading and utilities infrastructure as well as consents from regulatory authorities needed to develop subdivisions and interest capitalised on borrowings used to finance development.

Development property is carried at the lower of its cost or its fair value less cost to sell. Fair value less cost to sell is determined by the Group based on contracted future sales prices, and estimates of market value of land not committed to future sale, taking into account sales activity of comparable properties and typical costs incurred in completing sales.

	2021 \$ '000	2020 \$ '000
Opening balance	9,409	10,858
Development costs capitalised	3,497	1,977
Reclassification to investment property	(227)	-
Less cost of development property sold	(5,423)	(3,426)
	<b>7,256</b>	<b>9,409</b>

At 30 June 2021, the Group has 13.9 hectares (2020: 19.1 hectares) available for development and sale.

**3D Investment property**

Investment properties are land and buildings owned by the Group and held for capital appreciation, or primarily for earning rental income under operating leases. Investment properties are recognised initially at cost then subsequently measured to fair value annually, with changes recognised in net surplus/(deficit).

Fair value is determined by independent, professional valuers Telfer Young Waikato who have experience in the type of Investment properties owned by the Group. Valuations are derived from comparable market data for similar properties.

	2021 \$ '000	2020 \$ '000
Opening balance	25,376	17,132
Acquisitions & additions	3,750	2,108
Reclassification from development property	227	-
Changes in fair value	34,227	6,136
	<b>63,580</b>	<b>25,376</b>

During the year ended 30 June 2021, \$227,000 of development property was redesignated as investment property due to it now being retained for leasing purposes by the Group.

#### Section Four: About our obligations and commitments

This section details the future liabilities and commitments we have, and how we have measured and calculated them.

#### 4A Income Tax

Income tax is recognised in net profit/(deficit) except to the extent it relates to items recognised in equity. Income tax expense for the period comprises current tax and deferred tax. Current tax is the estimated income tax payable based on the current period taxable income, plus any adjustments to income tax payable in respect to prior periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of 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 losses used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Income Tax Expense		2021 \$ '000		2020 \$ '000
Net surplus/(deficit) before tax		37,141		5,780
Income tax at Group's tax rate	28.0%	(10,400)	28.0%	(1,618)
Effect of tax exempt income	(26.4%)	9,805	(32.9%)	1,899
Effect of expenditure non-deductible for tax purposes	3.9%	(1,454)	21.8%	(1,259)
Adjustments in respect of prior periods	(0.3%)	122	(1.7%)	99
Current tax expense	5.2%	(1,927)	15.2%	(879)
Effect of change in legislation for building depreciation	-	-	0.0%	2,825
Effect of temporary differences (deferred tax expense)	(2.5%)	916	(17.7%)	1,023
Total tax expense	2.7%	(1,011)	(51.4%)	2,969

Movement in Deferred Tax Assets/(Liabilities)	1 July 2019	Recognised in Surplus	Recognised in OCRE	Business Combination	30 June 2020
Property, plant and equipment	(8,402)	3,586	-	-	(4,816)
Intangible assets	(7)	34	-	(169)	(142)
Employee entitlements	21	19	-	-	40
Other	62	209	-	-	271
	(8,326)	3,848	-	(169)	(4,647)

	1 July 2020	Recognised in Surplus	Recognised in OCRE	Business Combination	30 June 2021
Property, plant and equipment	(4,816)	951	(2,033)	-	(5,898)
Intangible assets	(142)	42	-	-	(100)
Employee entitlements	40	42	-	-	82
Other	271	(119)	-	-	152
	(4,647)	916	(2,033)	-	(5,764)

**Waikato Regional Airport Limited**

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**4B Trade and other payables**

Trade and other payables are recorded initially at their fair value. All amounts are interest free, and expected to be settled in the next accounting period.

	2021 \$ '000	2020 \$ '000
Trade payables and accrued expenses	1,683	1,305
Revenue received in advance	793	664
Thermal Explorer Regional Events Fund agency liability	1,082	-
Income tax payable	1,214	815
	<b>4,772</b>	<b>2,784</b>

**4C Provision for Infrastructure Development**

Due to the nature of property development undertaken by the Group via its subsidiary Titanium Park Limited, the Group has a number of actual and potential future obligations to construct (or contribute to the construction of) water supply and reticulation, waste water facilities and roading infrastructure around the Hamilton Airport precinct.

Provisions are recognised at the Group's best estimate of future costs in relation to commitments where a present obligation has arisen, discounted for the expected timing of the construction or contribution being made. The initial cost of a provision is capitalised as part of the asset to which it relates with subsequent changes in the provision due to discounting reflected in net surplus/(deficit).

	2021 \$ '000	2020 \$ '000
Opening balance	1,396	632
Additional obligations and commitments capitalised	181	743
Provision utilised	(140)	(5)
Other changes recognised in net surplus/(deficit)	45	26
	<b>1,482</b>	<b>1,396</b>

**Presentation in Financial Statements**

Current Liability	856	-
Non Current Liability	626	1,396
	<b>1,482</b>	<b>1,396</b>

During the year ended 30 June 2020, the Group was able to extend certain consents by up to 5 years meaning it could defer \$632,000 of obligations that were previously classified liabilities. Accordingly, these obligations have been classified as non-current liabilities at 30 June 2020 and 2021.



**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**4C Infrastructure Development (continued)**

Contingent liabilities are recognised where there is less certainty about the timing, amount or likelihood of a future commitment, and when no present obligation exists. The Group's best estimate of the potential future commitment is disclosed where practicable, but not included within its balance sheet.

Contingent liabilities	2021 \$ '000	2020 \$ '000
Waipa District Council - water supply upgrade contribution	690	690
NZTA State Highway 21 - intersection upgrade contribution	unknown	unknown

The potential costs in relation to the NZTA State Highway 21 Intersection cannot be reliably estimated as the eventual intersection design is dependent on future traffic flow and generation which are outside the control of the Group.

**4D Commitments**

At 30 June 2021, the Group had contractual commitments for capital expenditure of \$11,221,000 (2020: \$851,000).

**4E Events subsequent to balance date**

Subsequent to balance date, the Group obtained shareholder support to enter into a major transaction via its subsidiary Titanium Park Limited. TPL has entered into joint development agreements with adjacent properties that may result in additional infrastructure obligations for water and roading totalling between \$6 and \$10 million. The actual amount of the infrastructure obligations (if any) are dependent on the outcome of a private plan change application expected to be notified during 2023.

In August 2022, the Group acquired a 1.25% shareholding in Pyper Vision Limited, a company developing fog dispersal and UAV (unmanned aerial vehicle) technologies for \$250,000.

## Waikato Regional Airport Limited

### Notes to the Consolidated Financial Statements

Year ended 30 June 2021

#### Section Five: About how we are funded and our shareholder value

This section gives information about our shareholders including their shareholdings and how their interest in the Group has grown in value.

#### 5A Equity

##### Share Capital

The shareholding of Waikato Regional Airport Limited at 30 June 2021 was:

	Ordinary Shares	Percentage
Hamilton City Council	2,486,752	50.0%
Waipa District Council	777,110	15.6%
Waikato District Council	777,110	15.6%
Matamata Piako District Council	777,110	15.6%
Otorohanga District Council	155,422	3.2%
	<b>4,973,504</b>	<b>100.0%</b>

There were no changes in shareholding during the year (2020: none). All shares are fully paid and carry equal rights to vote and share the net assets of the Company. The shares have no par value, nor any fixed dividend rights.

##### Asset Revaluation Reserve

The accumulated, unrealised gains in asset revaluation are accumulated in the Asset revaluation reserve and are attributable the following asset classes:

	2021 \$ '000	2020 \$ '000
Land	60,810	34,712
Buildings	5,546	7,832
Airport Infrastructure	19,787	14,558
	<b>86,143</b>	<b>57,102</b>

**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**5B Cash and Borrowings**

Cash and cash equivalents comprise cash on hand and bank accounts held with reputable retail banks in New Zealand. This balance also includes overdraft facilities used for working capital purposes and set off facilities between account balances among Group entities.

Borrowings are longer term debt facilities held with retail banks in New Zealand used to finance capital and investment requirements.

<b>Borrowings</b>	<b>2021 \$ '000</b>	<b>2020 \$ '000</b>
Current portion - due within 12 months	-	15,888
Non-current portion - due between 12 and 24 months	-	1,739
Non-current portion - due between 24 and 36 months	11,995	-
<b>Total drawn borrowing facilities</b>	<b>11,995</b>	<b>17,627</b>
Undrawn bank overdraft facilities	400	1,050
Undrawn term borrowing facilities	17,005	6,303
<b>Total unutilised borrowing and overdraft facilities</b>	<b>17,405</b>	<b>7,353</b>

The weighted average interest rate on borrowings at year end was 2.74% (2020: 3.58%). All borrowings and overdraft facilities are held with the Bank of New Zealand and are secured by way of a general security agreement and mortgages over certain land, buildings, investment properties.

<b>Cash and cash equivalents</b>	<b>2021 \$ '000</b>	<b>2020 \$ '000</b>
Cash and bank/(bank overdraft) balances held by the Group	(35)	224
Cash and bank balances held in capacity as agent	1,010	-
<b>Total cash and cash equivalents</b>	<b>975</b>	<b>224</b>

The Group, via its subsidiary Hamilton & Waikato Tourism, held cash of \$1,010,000 at 30 June 2021 (2020: none) in an agency capacity on behalf of the Thermal Explorer Regional Events Fund. The corresponding liability is recognised as a component of trade and other payables in Note 4B.

**Waikato Regional Airport Limited**

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**Section Six: Corporate Governance and Management**

Section Six provides details about remuneration provided to the Group's Directors and Key Management Personnel, as well as details of transactions that took place with related parties

**6A Related parties**

The following transactions took place with entities and individuals related to the Group

	2021 \$ '000	2020 \$ '000
<b>Remuneration</b>		
Directors	199	187
Number of directors	9	9
Key management personnel	1,164	959
Number of personnel (full time equivalent)	6	6
<b>Other</b>		
Transactions in which directors declared an interest	249	152

Transactions carried out between the Group and its related parties arise from interests declared by directors. These transactions were for purchases of IT-related goods and services (2021: \$133,000, 2020: \$152,000) and utility infrastructure (2021: \$116,000, 2020: nil) in the normal course of the Group's business.

**Waikato Regional Airport Limited**

Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**6B Directors Holding Office**

	<b>Director Fees</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$ '000</b>	<b>\$ '000</b>
<b>Waikato Regional Airport Limited</b>		
Barry Harris (Chair)	49	48
Annabel Cotton	30	29
Simon Craddock (appointed November 2020)	18	-
Carlos Da Silva (retired November 2020)	12	29
Margaret Devlin	30	29
Kate Searancke (appointed November 2020)	18	-
<b>Hamilton &amp; Waikato Tourism Limited</b>		
Annabel Cotton - Chair	18	18
Simon Douglas (retired December 2019)	-	6
Steven Gow	12	12
Richard Leggat	12	12
Mark Morgan	-	-
Karleen Turner Puriri (retired December 2019)	-	6

The Directors of the Parent Company (WRAL) are also the Directors of subsidiaries Titanium Park Limited and Waikato Regional Airport Hotel Limited under a common Board of Directors. The Directors receive no separate remuneration from these subsidiaries.

In addition to Director Fees paid, Margaret Devlin received payment for other advisory services of in 2020 of \$3,000 (2021: none) Annabel Cotton received an additional \$5,000 (2020: \$5,000) for Chairing the Group's Audit & Risk Committee.

**Waikato Regional Airport Limited**

## Notes to the Consolidated Financial Statements

Year ended 30 June 2021

**6C Employee Remuneration**

The numbers of employees outlined below received remuneration including salaries and performance bonuses exceeding \$100,000:

	2021	2020
\$360,000-\$369,999	1	-
\$260,000-\$269,000	-	1
\$200,000-\$209,999	1	-
\$180,000-\$189,999	1	1
\$170,000-\$179,999	1	1
\$150,000-\$159,999	-	1
\$130,000-\$139,999	1	-
\$100,000-\$109,999	2	-

**6D Auditor**

Pursuant to the Local Government Act 2002, Audit New Zealand is the auditor of the Group on behalf of the Auditor General. Audit New Zealand were paid \$169,000 for the audit of the Group and subsidiary financial statements (2020: \$139,000).