



**Financial Report for the Period**

**1 July 2022**

**to**

**30 June 2023**



## Index to the Financial Statements

STATEMENT OF SERVICE PERFORMANCE	2
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	3
STATEMENT OF CHANGES IN EQUITY	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7
AUDIT REPORT	19

# STATEMENT OF SERVICE PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2023

## **Purpose:**

This report has been prepared in accordance with PBE FRS 48 Service Performance Reporting. Space Ops NZ's purpose is to deliver sustainable, innovative services to the global space market.

## **Vision:**

In an industry that calls for a high-trust operating environment, we aim to be highly trusted. We aim to source and develop world class expertise within SpaceOps and the contractors we engage with.

SpaceOps NZ's vision is to utilise our strategic advantages to profitably and sustainably:

- provide space operations services and facilities
- create and develop new opportunities in the space sector, and
- foster space activity within New Zealand.

## **Strategy:**

The strategy of SpaceOps NZ is growth within both the Hosting and the Leasing business and diversification into new streams of revenue

We aim to maintain and expand the infrastructure to provide for a growing revenue stream and diversification of current revenue streams

Actions to Date:

Revenue	Revenue has increased 41% from 2022 to 2023. (Note: Space Ops NZ is in its first full year of operation)
Growth	During the 2023 financial year SpaceOps, has undertaken negotiations to acquire and manage the Warkworth Ground Station, which will allow for further revenue stream diversification. Subsequent to 30 June 2023, SpaceOps was successful in acquiring the Warkworth Ground Station which will aid in the Space mission' and Geodsis support.  Awarua Satellite Ground Station expanded through the purchase of 27 ha of additional land this financial year to meet the growing demand for hosting customers' antennas. (Note: Space Ops NZ is in its first full year of operation this year)

# STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD ENDED 30 JUNE 2023

Redacted under Local Government Official Information and Meetings Act 1987 s7 (2)(h)

<u>Revenue</u>	Notes	2023 (12 months)	2022 (9 months)
<b>Operating Revenue</b>			
<b>Total Operating Revenue</b>		1,395,168	954,828
<b>Other Revenue</b>			
Gain on Fixed Assets		-	-
<b>Total Other Revenue</b>		463,461	337,907
<b>Total Revenue</b>	2	1,858,629	1,292,735
<b><u>Expenditure</u></b>			
<b>Operating Expenditure</b>		299,099	141,491
<b>Marketing</b>		44,936	5,841
<b>Overhead Expenditure</b>			
Audit Fees		53,189	19,430
Employee Expense	3	751,402	380,075
Interest Expense		12,080	2
Foreign Exchange		36,067	-
Depreciation	7	49,760	24,947
Occupancy Expense		45,359	21,212
Other Overheads		322,189	101,105
<b>Total Overhead Expenditure</b>		1,270,045	546,771
<b>Total Expenditure</b>		1,614,080	694,103
<b>Net Surplus before Tax</b>		244,548	598,632
<b>Tax Expense</b>	4	68,911	167,681
Other Comprehensive Revenue and Expenditure		-	-
<b>Total Comprehensive Revenue and Expense</b>		175,637	430,951

The accompanying accounting policies and notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	2023 (12 months)	2022 (9 months)
<b>Balance at 1 July</b>	430,951	-
Total Comprehensive Revenue and Expense	175,637	430,951
<b>Total comprehensive revenue and expense for the year ended 30 June</b>	<b>606,588</b>	<b>430,951</b>
	12	
<b>Share Capital</b>		
Open Balance 1 July 2022	486,533	-
Share Capital issued during the year	586,055	486,533
<b>Total Share Capital</b>	<b>1,072,588</b>	<b>486,533</b>
	12	
<b>Balance at 30 June</b>	<b>1,679,176</b>	<b>917,484</b>
Attributable to:		
Equity holders of the company	1,679,176	917,484
	12	
<b>Balance at 30 June</b>	<b>1,679,176</b>	<b>917,484</b>

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2023

	Notes	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	716,000	34,824
Trade and Other Receivables	6	488,102	1,897,903
Stock		6,317	900
<b>Total Current Assets</b>		<b>1,210,419</b>	<b>1,933,627</b>
<b>Non-current Assets</b>			
Deferred Tax Asset	4	13,291	7,355
Property, Plant & Equipment	7	1,780,235	1,453,846
Assets Under Construction	8	266,702	27,931
<b>Total Non-current Assets</b>		<b>2,060,228</b>	<b>1,489,132</b>
<b>TOTAL ASSETS</b>		<b>3,270,647</b>	<b>3,422,760</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	274,081	610,199
Employee Entitlements	3	84,655	55,071
Income Tax Payable	4	74,567	175,036
Income Received in Advance	10	517,761	277,139
Short Term Loans		640,407	1,387,831
<b>Total Current Liabilities</b>		<b>1,591,471</b>	<b>2,505,275</b>
<b>TOTAL LIABILITIES</b>		<b>1,591,471</b>	<b>2,505,275</b>
<b>NET ASSETS</b>		<b>1,679,176</b>	<b>917,484</b>
<b>Equity and Reserves</b>			
Share Capital		1,072,588	486,533
Retained Earnings		606,588	430,951
<b>TOTAL EQUITY</b>	12	<b>1,679,176</b>	<b>917,484</b>

John Yaldwyn - Chair

Peter Heenan - Director

# STATEMENT OF CASH FLOWS

## FOR THE PERIOD ENDED 30 JUNE 2023

	2023	2022
Note	0	0
<b>Cash Flow From Operating Activities</b>		
Receipts from Customers	3,330,424	159,826
Interest Received	-	-
Payments to suppliers	(914,291)	(201,238)
Payments to employees	(721,818)	(325,004)
Interest Paid	(24,022)	-
Tax Payments	(175,315)	-
Net GST Movement	31,526	(171,014)
<b>Net cash flow from operating activities</b>	<b>1,526,504</b>	<b>(537,430)</b>
<b>Cash Flow From Investing Activities</b>		
Purchases of fixed assets	(614,921)	(1,453,091)
Purchases of intangibles	-	-
<b>Net cash flow from investing</b>	<b>(614,921)</b>	<b>(1,453,091)</b>
<b>Cash Flow From Financing Activities</b>		
Issue of share capital	-	486,533
Borrowings	(230,409)	1,538,813
<b>Net cash flow from investing</b>	<b>(230,409)</b>	<b>2,025,346</b>
Net Increase / (Decrease) in cash and cash equivalents	681,175	34,825
Cash and cash equivalents at the beginning of the year	34,825	-
<b>Cash and cash equivalents at the end of the year</b>	<b>5 716,000</b>	<b>34,825</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

### 1. Statement of Accounting Policies

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#### Reporting Entity

Space Operations New Zealand Ltd is a New Zealand registered companies under the Companies Act 1993, and is deemed to be a Council Controlled Organisations under section 6 of the Local Government Act 2002.

The registered office for Space Operations New Zealand Ltd is 143 Spey Street, Invercargill.

#### Basis of Preparation

The group financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). Space Operations New Zealand Ltd is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > \$2m and < \$30m.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Space Operations New Zealand Limited is New Zealand dollars.

#### Measurement Base

The financial statements have been prepared on an historical cost or fair value basis as per the policies below.

#### Summary of Significant Accounting Policies

The following particular accounting policies, which materially affect the measurement of the results and financial position, have been applied:

#### Revenue

Revenue is measured at the fair value of consideration received.

The revenue earned by Space Operations New Zealand Ltd is recognised in the period it is earned. Hosting and Leasing contracts can be billed for block periods of time. Any time that has not yet lapsed is treated as income in advance and held in the balance sheet. The revenue is held as a liability until the period of earning it has been reached.

Revenue from the rendering of installation/build services is recognised by reference to the stage of completion at the balance sheet date, based on the actual service provided.

Interest revenue is recognised using the effective interest method.



### **Revenue in Advance**

Revenue in advance is recognised where amounts received are in excess of the amounts recognised as revenue.

### **Expenditure**

All expenditure is recognised as incurred unless the liability is known and can be reasonably estimated, in which case the expenditure is accrued.

### **Foreign Exchange Transactions**

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### **Goods and Services Tax (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

### **Income Tax**

Income tax expense in relation to the profit or loss for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

### **Equity**

Equity is the shareholders interest in Space Operations New Zealand Ltd, as measured by total assets less total liabilities. Equity was contributed to Space Operations New Zealand by Southland Regional Development Agency Limited to allow Space Operations to maximise growth opportunities, which will provide financial returns to Southland Regional Development Agency Ltd and benefit Southland.

### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### Trade and other receivables

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

A receivable is considered impaired when there is evidence that Space Operations New Zealand Limited will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

### Property, Plant and Equipment

Property, plant, and equipment consists of the following asset classes: antenna, buildings, furniture and fittings, IT equipment, plant and equipment, site development, tools and equipment and land.

All assets classes are measured at cost, less accumulated depreciation and impairment losses.

#### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Space Operations New Zealand Ltd and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Work in progress is recognised at cost less impairment and is not depreciated

#### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

#### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Space Operations New Zealand Ltd and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

#### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	3.0% - 7.0%	3.0 - 14.3 years
Furniture and Fittings	15.60%	6.4 years
IT Equipment	0.0 % - 10%	10.0 years or more
Antenna	10.00%	10.0 years
Site Development	7.0% - 10%	10.0 years - 14.3 years
Plant	7.00%	14.3 years
Tools and Equipment	10.00%	10.0 years
Motor Vehicles	13.50%	13.5 years
Land	0.00%	

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

An annual review for impairment is also undertaken on all assets and any impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

## Impairment of Property, Plant and Equipment

Property, plant and equipment held that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit

### Value in use for non-cash generating assets

Value in use is the present value of the asset's remaining service potential. Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

## Leases

### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and benefits incidental to ownership of an asset. Payments under these leases are recognised as expenses in the Statement of Comprehensive Revenue and Expense in periods in which they are incurred.

Lease incentives received are recognised

## Payables

Short-term payables are recorded at the amount payable.

## Financial Instruments

Space Operations New Zealand Limited is party to financial instruments as part of its normal operation. These financial instruments give rise to financial assets and liabilities and include cash and on-call deposits, accounts receivable, investments, and accounts payable, deposits held, other financial liabilities and financial guarantees. They also include equity interests in other entities.

All financial instruments are recognised in the Statement of Financial Position on the basis of Space Operations New Zealand Ltd's general and, where applicable, particular accounting policies. All financial instruments disclosed in the Statement of Financial Position are recorded at fair value or amortised cost. Revenue and expenditure arising from these financial instruments is recognised in the Statement of Comprehensive Revenue and Expense.

## Statement of Cash Flows

Cash includes cash and cash equivalents as defined above.

Operating activities include cash received from all revenue sources of Space Operations New Zealand Limited and cash payments made for the supply of goods and services.

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

Financing activities comprise the change in equity and debt capital structure of Space Operations New Zealand Limited.

## Personnel Costs

### Salaries and Wages

Salaries and wages are recognised as an expense as employees provide services.

#### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date. No liability is recognised for sick leave.

#### Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

#### Use of Judgements and Estimates

The preparation of financial statements to conform to NZ IFRS 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. Revision to estimates are recognised prospectively.

#### Judgements:

- Revenue (timing of revenue is assessed under Tier 2 PBE RDR guidance, Note 2)

#### Assumptions:

- Property, Plant and Equipment (includes assumptions around useful life of assets, Note 7)

## 2. Total Operating Revenue

	2023	2022
<b>Exchange and Non Exchange Revenue</b>		
Exchange Revenue	1,858,629	1,292,735
Non Exchange Revenue	-	-
<b>Total Revenue</b>	<b>1,858,629</b>	<b>1,292,735</b>

## 3. Personnel Expenditure

	2023	2022
<b>Employee Remuneration</b>		
Salaries and wages*	699,276	314,449
KiwiSaver Contributions	22,542	10,556
Increase/(decrease) in employee entitlements	29,584	55,071
<b>Total</b>	<b>751,402</b>	<b>380,075</b>

At 30 June 2023 there were 4 full-time employees (2022: 6 full-time equivalents)

	2023	2022
<b>Employee Entitlements</b>		
Salaries and Wages	35,997	27,612
Annual and other leave entitlements	48,658	27,459
<b>Total Employee Entitlements</b>	<b>84,655</b>	<b>55,071</b>

## 4. Income Tax

	2023	2022
<b>Surplus / (Deficit) for the year</b>	244,548	598,632
Non deductible expenditure	1,563	229
<b>Income tax at 28%</b>	<b>68,911</b>	<b>167,681</b>
Temporary differences	5,935	7,355
<b>Tax expense after adjusting for deferred tax asset</b>	<b>74,846</b>	<b>175,036</b>
<b>Plus / (Less) effect of:</b>		
Balance brought forward	175,036	-
Tax (paid) / refunded	(175,315)	-
<b>Income Tax Liability</b>	<b>74,567</b>	<b>175,036</b>

### Deferred Tax Asset

	Recognised in	
	Profit or Loss	Equity
<b>Balance at 1 July 2021</b>	-	-
Movements:		
Provisions	7,355	-
<b>Balance at 30 June 2022</b>	<b>7,355</b>	-
<b>Balance at 1 July 2022</b>	7,355	-
Movements:		
Provisions	5,935	-
<b>Balance at 30 June 2023</b>	<b>13,291</b>	-

## 5. Cash and Cash Equivalents

Space Operations New Zealand Ltd banks with Westpac and the funds are held in cheque accounts.

	2023	2022
Cheque accounts	716,000	34,824
<b>Total Cash and Cash Equivalents</b>	<b>716,000</b>	<b>34,824</b>

## 6. Trade and other Receivables

	Note	2023	2022
Trade Receivables		395,902	1,738,382
Accrued Revenue		88,594	159,521
Related Party Receivables	14	-	-
GST Receivable		3,606	-
<b>Total trade and other receivables</b>		<b>488,102</b>	<b>1,897,903</b>
Receivables from exchange transactions		484,496	1,897,903
Receivables from non-exchange transactions		3,606	-

The aging profile of receivables at year end is detailed below

Not Past Due	418,772	1,354,310
Past Due 1 - 60 Days	60,283	281,292
Past Due 61 - 120 Days	-	92,105
Past Due > 120 Days	5,441	170,196
<b>Total trade and other receivables</b>	<b>484,496</b>	<b>1,897,903</b>

No provision for doubtful debts has been applied.

## 7. Property, Plant and Equipment

	Buildings	Furniture & Fittings	IT Equipment	Ground Station Equipment	Site Development	Motor Vehicle	Land	Total
<b>Cost</b>								
Balance at 1 July 2021	-	-	-	-	-	-	-	-
Purchased from parent entity	136,913	6,244	54,143	136,352	23,981	-	130,000	487,633
Additions	335,883	-	-	225,284	429,994	-	-	991,161
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2022	472,796	6,244	54,143	361,636	453,975	-	130,000	1,478,794
<b>Cost</b>								
Balance at 1 July 2022	472,796	6,244	54,143	361,636	453,975	-	130,000	1,478,794
Additions	27,275	1,934	7,610	4,709	2,270	20,500	311,851	376,149
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2023	500,070	8,178	61,753	366,346	456,245	20,500	441,851	1,854,943
<b>Accumulated Depreciation</b>								
Balance at 1 July 2021	-	-	-	-	-	-	-	-
Depreciation expense	5,632	590	249	15,885	2,591	-	-	24,947
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2022	5,632	590	249	15,885	2,591	-	-	24,947
<b>Accumulated Depreciation</b>								
Balance at 1 July 2022	5,632	590	249	15,885	2,591	-	-	24,947
Depreciation expense	11,344	1,102	388	31,024	5,671	231	-	49,760
Disposals	-	-	-	-	-	-	-	-
Balance at 30 June 2023	16,976	1,693	637	46,909	8,263	231	-	74,708
<b>Carrying amounts</b>								
At 30 June 2022	467,164	5,654	53,894	345,751	451,384	-	130,000	1,453,846
At 30 June 2023	483,094	6,486	61,116	319,436	447,982	20,269	441,851	1,780,235

## 8. Assets Under Construction

Property, plant and equipment in construction by class is detailed below:

	2023	2022
Opening Balance	27,931	-
Additions	238,771	27,931
Transfers/Disposals	-	-
Closing Balance	266,702	27,931

Work in Progress relates to the building of a new antenna - AWA-4.

## 9. Trade and other Payables

	Note	2023	2022
<b>Payables under exchange transactions</b>			
Trade Payables		159,697	24,595
Related Party Payables and accrued expenses	14	35,774	427,895
Accrued Expenses		78,610	51,259
<b>Total trade and other payables under exchange transactions</b>		<b>274,081</b>	<b>503,749</b>
GST Payable		-	106,450
<b>Total Payables</b>		<b>274,081</b>	<b>610,199</b>

## 10. Income Received in Advance

	2023	2022
<b>Income received in advance under exchange transactions</b>		
Income Received in Advance	517,761	277,139
<b>Total Income Received in Advance under exchange transactions</b>	<b>517,761</b>	<b>277,139</b>

## 11. Commitments

	2023	2022
<b>Operating Leases as Lessee</b>		
Expenditure on operating leases as lessee	18,800	20,724

Operating leases relate to the lease of the building and vehicles.

	2023	2022
Not later than one year	-	30,460
Later than one and not later than five years	-	30,532
Later than five years	-	-
<b>Total Operating Lease Commitments</b>	<b>-</b>	<b>60,992</b>

### Operating Leases as Lessor

Revenue on operating leases as lessor	1,395,168	954,828
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Operating leases relate to the provision of ground station services.

	2023	2022
Not later than one year	1,324,095	1,301,302
Later than one and not later than five years	2,244,408	2,584,486
Later than five years	22,673	-
<b>Total Operating Lease Commitments</b>	<b>3,591,176</b>	<b>3,885,788</b>

### Capital Commitments:

There are no capital commitments as at 30 June 2023 (2022: nil).



## 12. Equity

	Attributable to equity holders of the Company			Total
	Ordinary Share Capital	Total Share Capital	Retained Earnings	
<b>Balance at 1 July 2021</b>	-	-	-	-
Profit/(loss) after tax			430,951	<b>430,951</b>
Share capital issued	486,533	<b>486,533</b>	-	<b>486,533</b>
Share capital uncalled	-	-	-	-
Distribution to Shareholders	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>486,533</b>	<b>486,533</b>	<b>430,951</b>	<b>917,484</b>
<b>Balance at 1 July 2022</b>	<b>486,533</b>	<b>486,533</b>	<b>430,951</b>	<b>917,484</b>
Profit/(loss) after tax			-	-
Share capital issued	586,055	<b>586,055</b>	175,637	<b>761,692</b>
Share capital uncalled	-	-	-	-
Distribution to Shareholders	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>1,072,588</b>	<b>1,072,588</b>	<b>606,588</b>	<b>1,679,176</b>

All ordinary shares have equal voting rights and no par value.

## 13. Financial Instruments

### Financial Instrument Categories

	Notes	2023	2022
<b><u>Loans and Receivables</u></b>			
Cash and cash equivalents	5	716,000	34,824
Trade and other receivables	6	488,102	1,897,903
<b>Total Loans and Receivables</b>		<b>1,204,102</b>	<b>1,932,728</b>
<b><u>Financial Liabilities at Amortised Cost</u></b>			
Trade and other payables	9	274,081	503,749
<b>Total Financial Liabilities at Amortised Cost</b>		<b>274,081</b>	<b>503,749</b>

#### Credit Risk

Credit risk is the risk that a third party will default on its obligations to Space Operations New Zealand Ltd, causing it to incur a loss. Space Operations New Zealand Ltd's credit risk arises from bank deposits and receivables.

Space Operations New Zealand Ltd manages this risk by holding deposits with banks that have a minimum AA-credit rating.

Security is not required for the provision of goods and services but regular monitoring of balances outstanding is undertaken. Refer to note 6 for information relating to receivables credit aging profile.

Maximum credit exposure is limited to the amounts stated in loans and receivables above.

#### Liquidity Risk

Space Operations New Zealand Ltd is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash in on call accounts.

Space Operations New Zealand Limited manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

All assets and liabilities of the group are due immediately.

Space Operations New Zealand Ltd's objectives when managing capital are ensure the current requirements of the organisation are met.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investments.

Westpac holds the organisation's cash and short-term deposits, and the funds are available on a daily basis. The interest rates are as set by Westpac on a daily basis and earn interest at rates set out in note 6.

#### Foreign Exchange and Currency Risk

Foreign Exchange and Currency Risk is the risk that changes in the currency markets could mean significant movements in the exchange rates between currencies. Space Operations New Zealand Ltd is exposed to foreign exchange or currency risk through their lease of Awarua Ground Station to overseas customers.

#### Off Balance Sheet Financial Instruments

Space Operations New Zealand Ltd does not have any off-balance sheet financial instruments.

#### Fair Values

The fair value of each class of financial instrument is the same as the carrying value in the Statement of Financial Position.

## 14. Related Parties

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Southland Regional Development is the sole shareholder of Space Operations New Zealand Limited  
Ian Collier and Peter Heenan are directors of Space Operations New Zealand and Southland Regional Development Agency Ltd.

Space Operations New Zealand Limited had the following related party transactions:

	2023	2022
<b>Southland Regional Development Agency</b>		
Revenue	-	-
Expense	70,508	60,000
Receivables	-	-
Payables	35,774	427,895

No related party transactions have been written off or were forgiven during the 2023 year (2022: nil).

	2023	2022
<b>Key Management personnel compensation</b>		
Directors		
Full-time equivalent members	3	2
Remuneration	40,000	-

Senior Management Team, including the Chief Executive

<b>Total compensation paid to key management personnel</b>	218,125	109,692

Redacted under Local Government Official Information and Meetings Act 1987 s7 (2)(f)(ii)

## 15. Post Balance Date Events

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On 4th July 2023 Space Operations NZ Limited took over the ownership of Warkworth Station.

## 16. Contingent Liabilities and Contingent Assets

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There are no contingent assets or liabilities as at 30 June 2023 (2022: Nil).



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF SPACE OPERATIONS NEW ZEALAND LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of Space Operations New Zealand Limited ('the Company'). The Auditor-General has appointed me, Peter Taylor, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information of the Company, on his behalf.

#### Opinion

We have audited:

- the financial statements of the Company on pages 3 to 18, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.
- the performance information of the Company on page 2.

In our opinion:

- The financial statements of the Company on pages 3 to 18:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduce Disclosure Regime (RDR), and
- the performance information of the Company presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2023.

Our audit was completed on 3 October 2023. This is the date at which our opinion is expressed. The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

#### Basis for our opinion

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

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



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

#### **Other matter**

The statement of service performance for the year ended 30 June 2022, was not audited.

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

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

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

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

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

#### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of *readers*, taken on the basis of these financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and performance information of the entities or business activities within the Company to express an opinion on the financial statements and the performance information. We are responsible solely for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Independence**

We are independent of the Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners*, issued by New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in blue ink, appearing to read 'Peter Taylor', written over a light blue horizontal line.

Peter Taylor  
KPMG  
On behalf of the Auditor-General  
Christchurch, New Zealand