

INTERIM REPORT

For the Six-Month Period Ended
31 December 2023

NELSON AIRPORT LIMITED



NELSON AIRPORT
Good things start here.

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DIRECTORS' AND CHIEF EXECUTIVE REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

We are delighted to share with you the highlights of our operational and strategic performance for the first half of the 2023/24 financial year.

Despite the ongoing impact of airline capacity (as a result of Covid-19) on the aviation industry, NAL has demonstrated resilience and adaptability, delivered strong operational and financial performance while pursuing strategic initiatives and maintaining high standards of safety and customer service.

Our passenger numbers continue to recover towards the record pre-COVID levels experienced in 2018 & 2019, which was also the period that Jetstar last serviced the regions. The recovery reflects the strength of our regional market, the attractiveness of our destination, and the effectiveness of our marketing campaigns. Our revenue has increased by 6.4% compared to the same period last year, driven by increased aeronautical, property, and retail income. However, our operating expenses also increased on last year primarily as a result of inflation impacting our business and the broader economy. This resulted in a lower NPAT than last year's record half-year result, \$1.83m vs \$2.05m a reduction of 10.7% which is one of our strongest results to date delivering a healthy balance sheet and positive cash flow.

We have made good progress in our capital works programme, preparing and reviewing tenders for various projects that will enhance our infrastructure, facilities, and services. These include major works in the Airport House Pathway and Private Car Park improvements, thermal improvement work in the back-of-house area, and Hangar 27 strengthening work. We have also completed minor enabling works, such as runway pavement repairs, terminal roof repairs, and security fencing upgrades.

In addition to our operational and financial achievements, we have strengthened our relationships with our key stakeholders, including airlines, iwi, local authorities, and community groups. We have collaborated with Air New Zealand on a successful joint marketing campaign, which boosted our passenger numbers and promoted our region. We have also launched a noteworthy sponsorship partnership with Nelson Tasman Hospice, supporting their Trees of Remembrance campaign and raising funds for their valuable services. Furthermore, we have maintained a high profile in the media, showcasing our emergency response capabilities and highlighting our achievements and challenges.

Demand for tenancies at the airport continues to be strong with all lettable space occupied and two new tenant buildings nearing completion at the end of the period under review.

Our work to deliver the 2050 Master Plan continues to make strong progress with Project 2-Zero's Notice of Requirement and Private Plan Change (PC30) progressing steadily through the application process ahead of a May 2024 Hearing.

We have continued our focus on the customer experience and were pleased to see efforts rewarded with an "Excellent" customer satisfaction rating in our most recent customer survey. Insights from this survey continue to drive improvements efforts, including more activities and installations taking place in the terminal.

Looking ahead we expect passenger volume growth to be muted in the short term due to constraints in the airlines' ability to add capacity. Our focus on customer service will continue as we complete projects designed to further improve the experience through the airport.

The airport's resilience is a significant focus as we know that natural events are more common today and the need to make our airport resilient to adverse events is a priority.

The financial performance for the second half of the current financial year is forecast to be more conservative than that reported for the first half. Increased repairs and maintenance is planned to coincide with the warmer and lighter summer months. However, revenue is expected to be maintained at current levels and the full year forecast remains positive with an estimated Net Profit before Tax of \$4.6m.

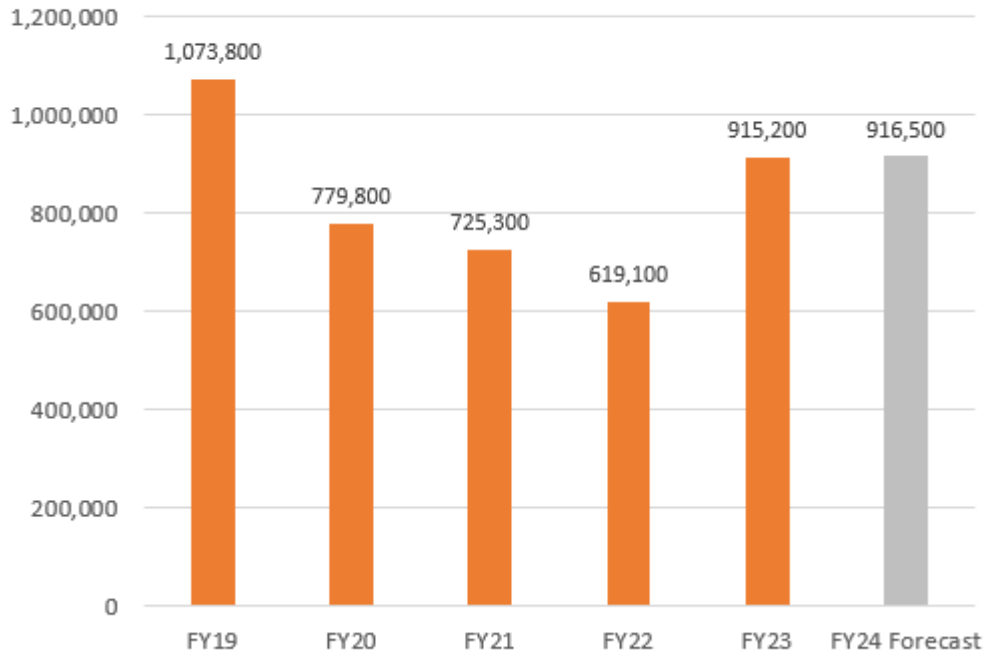
Thank you for your continued interest and investment in NAL.

Six-month period ended 31 December	2023	2022	Variance
Total Revenue	\$8.80m	\$8.27m	+6.4%
(EBITDA)	\$5.61m	\$5.31m	+5.6%
Net Profit before Tax	\$2.57m	\$2.85m	-10.0%
Total Assets	\$147.4m	\$149.2m	-1.2%
Equity	\$104.3m	\$102.6m	+1.7%
Passenger Numbers	457,281	457,214	0.0%

OVERVIEW

The following graphs show a simple comparison of total passengers by financial year for the last five years.

Passengers per Financial Year



Note: FY19 included Jetstar operating out of Nelson.

Quinton Hall
Chair

Mark Thompson
Chief Executive

SERVICE PERFORMANCE REPORT

For the Six-Month Period Ended 31 December 2023

NAL has developed six strategic areas to improve business performance and encourage growth. These strategic areas are underpinned by a series of activities and key performance indicators.

The following table provides a commentary of achievement towards the targets published in the 2023/24 Statement of Intent.

STRATEGIC AREA	MEASURE	TARGET	PROGRESS
People, Culture and Values	Annual employee engagement survey to be undertaken	Maintain a "Great" ¹ result	Employee survey due in May 2024.
	Maintain a formal training and development programme for employees	Achieve 10 hrs/FTE of ongoing personal development	On track
Health, Safety and Risk	Meet all our obligations and standards under Civil Aviation Act Rules	No "major" ² findings	Achieved
	Have a behavioural based safety culture where everyone is responsible for safety on the airport and uses the SMS daily	Top 20 risk register reviewed fortnightly by Senior Leadership Team One key risk reviewed at every Board meeting. Board Safety walks scheduled quarterly	On track
	Have an NAL-facilitated Health and Safety Committee in place	Minimum of 9 safety meetings with all major airside and landside PCBUS ³	On track
	Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Approval of Noise Management and Monitoring Plan by NANEAC ⁴	Achieved
Infrastructure and Property	Maintain an asset management system to manage the condition, criticality, and life cycle of all assets	Main apron rehabilitation project completed	Not achieved. Deferred until FY2025.
	Attract commercial investment in developments that deliver our vision	New rental car base project completed by 30 June 2024	Achieved
Financial Results	Manage financial performance to ensure we are optimising returns	Total Operating Revenues \$18.1m EBITDA ⁵ \$10.4m	Revenue down by 4.8% to budget EBITDA is on budget

¹ Employee Engagement Survey Net Promoter Score between 30 - 70

² An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or effectiveness of that system.

³ Person Conducting a Business or Undertaking

⁴ Nelson Airport Noise Environment Advisory Committee

⁵ Earnings before interest, taxes, depreciation, amortisation, and other non-operating income/expenses

STRATEGIC AREA	MEASURE	TARGET	PROGRESS
	Annual Audit	Achieve an unqualified audit opinion	Achieved
Customers and Stakeholders	Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain "Excellent" result in FY24 Customer Satisfaction Survey	Customer survey planned for April 2024
	Appoint cultural advisor and provide plan for iwi engagement and strategic partnership opportunities	Implement one iwi partnership outcome by June 2024	Achieved
Environmental Sustainability	Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030	Achieve Level 2 Airport Carbon Accreditation	Not achieved
	Zero carbon emission	Complete feasibility study for green energy production on airport by June 2024	On track

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Revenue	2	8,796	8,274
Operating costs	3	(2,220)	(2,038)
Administration expenses	3	(1,006)	(927)
Depreciation and amortisation	3	(2,094)	(2,036)
		(5,320)	(5,000)
Profit before Financing and Investing		3,477	3,274
Interest revenue		11	6
Movement in unhedged derivative financial liability - revenue / (expense)		(50)	272
Finance costs	3	(872)	(724)
Net Financing Income		(911)	(446)
Gain on sale of fixed assets		-	23
Investing Income		-	23
Profit before Tax		2,566	2,851
Income tax expense	9	(733)	(802)
Profit after Tax		1,834	2,049
Other Comprehensive Income			
Gain on asset revaluation		-	-
Tax on asset revaluation		-	-
Total Comprehensive Income		1,834	2,049

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Opening Retained Earnings		21,142	19,539
Total profit for the period		1,834	2,049
Distributions to Equity Holders		(100)	-
Balance of disposed asset transferred from asset revaluation reserve		-	71
Retained Earnings as at Period End		22,876	21,659
Opening Asset Revaluation Reserve		79,064	78,614
Gain on asset revaluation		-	-
Balance of disposed asset transferred to retained earnings		-	(99)
Movement in deferred tax on disposed asset transferred to retained earnings		-	28
Asset Revaluation as at Period End		79,064	78,543
Share capital		2,400	2,400
Closing Equity as at Period End		104,339	102,601

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	Dec 2023 \$000s	Jun 2023 \$000s
Assets			
Current Assets			
Trade and other receivables	7	1,698	975
Cash and cash equivalents	8	278	172
Other current assets		83	88
Derivative financial assets	11	-	675
Total Current Assets		2,059	1,909
Non-Current Assets			
Property, plant and equipment	5	145,209	145,198
Intangible assets		85	100
Derivative financial assets	11	-	365
Total Non-Current Assets		145,294	145,663
Total Assets		147,353	147,572
Liabilities			
Current Liabilities			
Trade and other payables	10	1,202	2,470
Current income tax liability		1,003	1,418
Employee entitlements		443	538
Interest bearing loans	12	331	26,802
Total Current Liabilities		2,978	31,227
Non-Current Liabilities			
Deferred tax	9	13,236	13,739
Interest bearing loans	12	26,800	-
Total Non-Current Liabilities		40,036	13,739
Total Liabilities		43,014	44,966
Net Assets		104,339	102,605
Equity			
Issued share capital		2,400	2,400
Retained earnings		22,876	21,142
Asset revaluation reserve		79,064	79,064
Total Equity		104,339	102,605

For and on behalf of the Board



Quinton Hall
Chair
21 February 2024



Darren Mark
Director
21 February 2024

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CONDENSED STATEMENT OF CASH FLOWS

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from airport users		8,356	7,952
Interest received		11	6
		<u>8,367</u>	<u>7,957</u>
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(3,784)	(2,983)
Interest paid		118	(724)
Income tax paid		(1,652)	(525)
Net GST movement		23	82
		<u>(5,294)</u>	<u>(4,150)</u>
Net Cash Flows from Operating Activities	4	3,073	3,807
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Sale of property, plant and equipment		1	27
		<u>1</u>	<u>27</u>
<i>Cash was disbursed to:</i>			
Purchase of property, plant and equipment		(1,997)	(2,730)
Purchase of intangible assets		-	(4)
		<u>(1,997)</u>	<u>(2,734)</u>
Net Cash Flow from Investing Activities		(1,997)	(2,706)
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Increase in term loans		37,432	6,275
		<u>37,432</u>	<u>6,275</u>
<i>Cash was disbursed to:</i>			
Dividend paid		(1,300)	(1,100)
Decrease in term loans		(37,103)	(6,223)
		<u>(38,403)</u>	<u>(7,323)</u>
Net Cash Flow from Financing Activities		(971)	(1,048)
Net increase / (decrease) in cash and cash equivalents		(106)	53
Opening cash and cash equivalents		172	141
Closing cash and cash equivalents		278	194

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the Six-Month Period Ended 31 December 2023

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Nelson Airport Limited is an Airport Company pursuant to Section 3 of the *Airport Authorities Act 1996* and is a Council Controlled Trading Organisation under Section 6 of the *Local Government Act 2002*. Nelson Airport Limited is registered under the *Companies Act 1993*.

Nelson Airport Limited is a wholly owned subsidiary of Infrastructure Holdings Limited. The shares in Infrastructure Holdings Limited are held by both Tasman District Council (50%) and Nelson City Council (50%). Neither of these entities has the ultimate control over Infrastructure Holdings Limited or Nelson Airport Limited.

Nelson Airport Limited operates and manages the Nelson regional airport. The major activities are the provision of facilities for aircraft landing and servicing, and the airline and landside processing of passengers and freight to and from the aircraft.

The unaudited interim financial statements for Nelson Airport Limited are for the six-month period ended 31 December 2023.

BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with *Generally Accepted Accounting Practice* in New Zealand as required by the *Companies Act 1993*, *Financial Reporting Act 2013* and financial reporting standards adopted by Chartered Accountants Australia and New Zealand.

The interim financial statements are presented in New Zealand dollars. The interim financial statements are prepared on the basis of historical cost with the exception of property, plant and equipment which is measured at fair value.

- The unaudited interim financial statements have been prepared in accordance with the *New Zealand Equivalent to International Accounting Standard No. 34* (Interim Financial Reporting) and should be read in conjunction with the previous annual report.
- There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the previous annual report. To ensure consistency with the current period, comparative figures have been restated where appropriate.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in New Zealand dollars and all values are rounded to the nearest thousand dollars. This may result in some rounding calculation differences in financial statements and notes. The functional currency of Nelson Airport Limited is New Zealand dollars (NZ\$).

2. REVENUE

	Dec 2023	Dec 2022
	\$000s	\$000s
Contract Revenue		
Aeronautical charges	4,917	4,596
Ground transport revenue	1,621	1,739
Advertising revenue	109	118
Sundry income	0	-
Total Contract Revenue	6,647	6,453
Other Revenue		
Ground transport revenue	666	488
Retail revenue	212	193
Property revenue	1,245	1,140
Sundry income	27	0
Total Other Revenue	2,150	1,821
Total Revenue	8,796	8,274

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

3. EXPENSES

a) Operating Costs

	Dec 2023	Dec 2022
	\$000s	\$000s
Employee entitlements	1,462	1,231
Other operating expenses	755	755
Loss on disposal of assets	2	51
	2,220	2,038

b) Administration Costs

	Dec 2023	Dec 2022
	\$000s	\$000s
Auditors remuneration	80	31
Directors' fees	87	89
Insurance and rates	487	434
Other administration expenses	352	373
	1,006	927

c) Depreciation and Amortisation

	Dec 2023	Dec 2022
	\$000s	\$000s
Depreciation	2,079	2,020
Depreciation – right of use assets	1	2
Amortisation of intangible assets	15	14
	2,094	2,036

d) Finance Costs

	Dec 2023	Dec 2022
	\$000s	\$000s
Interest expense	871	723
Interest expense – lease liabilities	0	0
	872	724

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

4. RECONCILIATION OF COMPREHENSIVE INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Dec 2023 \$000s	Dec 2022 \$000s
Net Profit for the Period	1,834	2,049
<i>Add / (less) non-cash and non-operating items:</i>		
(Gain) / loss on disposal of assets	2	28
Depreciation and amortisation	2,094	2,036
Value of donated assets received	(27)	-
Movement in deferred taxation	(504)	(153)
Movement in derivative financial instrument	1,040	(272)
Tax on asset revaluation	-	-
<i>Movement in working capital:</i>		
(Increase) / decrease in other current assets	5	(23)
(Increase) / decrease in receivables	(723)	(579)
Increase / (decrease) in current tax payable	(416)	430
Increase / (decrease) in payables	(232)	291
Net cash flows from operating activities	3,073	3,807

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

5. PROPERTY, PLANT & EQUIPMENT

31 December 2023	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Motor Vehicles \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation									
Balance as at 1 July 2023	42,448	59,848	26,477	17,703	763	1,348	486	806	149,880
Reclassification	-	43	91	-	31	-	-	(164)	-
Additions	-	18	43	42	94	8	-	1,887	2,093
Disposals	-	-	-	(1)	(1)	-	-	-	(2)
Balance as at 31 December 2023	42,448	59,909	26,612	17,744	886	1,357	486	2,529	151,971
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2023	-	1,651	1,707	698	281	97	249	-	4,682
Depreciation	-	812	825	288	64	69	21	-	2,080
Disposals	-	-	-	(0)	-	-	-	-	(0)
Balance as at 31 December 2023	-	2,462	2,532	986	345	166	270	-	6,761
Net Book Value as at 31 December 2023	42,448	57,446	24,080	16,758	541	1,191	216	2,529	145,209

31 December 2022	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Motor Vehicles \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation									
Balance as at 1 July 2022	42,448	58,056	25,249	16,887	452	151	455	2,313	146,012
Reclassification	-	1,870	389	282	92	1,251	-	(3,883)	(0)
Additions	-	8	8	2	29	32	-	2,655	2,734
Disposals	-	-	(49)	-	(3)	(99)	(4)	-	(155)
Balance as at 31 December 2022	42,448	59,935	25,597	17,170	570	1,336	451	1,085	148,591
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2022	-	96	1	3	216	101	206	-	624
Depreciation	-	785	824	341	32	18	23	-	2,022
Disposals	-	-	-	-	(2)	(97)	(1)	-	(100)
Balance as at 31 December 2022	-	881	825	344	246	22	228	-	2,546
Net Book Value as at 31 December 2022	42,448	59,054	24,771	16,826	324	1,313	223	1,085	146,045

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

VALUATION

As at 30 June 2023, Nelson Airport Limited reviewed its tangible and intangible assets and established that there were no indications of impairment. Therefore, no independent external revaluations were conducted since 30 June 2022.

Residential and commercial land was valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$3,048,000).

Leasehold aerodrome land, upon which the airport is situated, was vested by the Crown to be held in trust by Nelson City Council. Nelson Airport Limited has a renewable 60-year lease over this land at a peppercorn rental. The leasehold interest in airport land was valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$39,400,000).

Buildings were valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$57,644,398).

Airfield infrastructure was valued as at 30 June 2022 by Beca Limited in accordance with International Valuation Standards, NZ International Accounting Standards, specifically NZ IAS16, and Property Institute of New Zealand Guidance Papers for Valuers and Property Professionals (fair value \$25,244,518).

Landside infrastructure was valued as at 30 June 2022 by Beca Limited in accordance with International Valuation Standards, NZ International Accounting Standards, specifically NZ IAS16, and Property Institute of New Zealand Guidance Papers for Valuers and Property Professionals (fair value \$16,753,948).

Both Duke & Cooke Limited and Beca Limited are independent registered valuers.

6. INTANGIBLE ASSETS

Dec 2023	Original Cost \$000s	Accum Amortisation \$000s	Opening WDV \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing WDV \$000s
Software	100	79	20	-	-	1	4	15
Other Intangibles	180	100	80	-	-	-	10	70
Total	279	179	100	-	-	1	15	85

Dec 2022	Original Cost \$000s	Accum Amortisation \$000s	Opening WDV \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing WDV \$000s
Software	96	66	30	4	-	-	8	26
Other Intangibles	180	79	100	-	-	-	6	94
Total	275	145	130	4	-	-	14	121

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

7. TRADE AND OTHER RECEIVABLES

	Dec 2023 \$000s	Jun 2023 \$000s
Trade receivables – contract revenue	1,251	854
Trade receivables – other revenue	107	60
Accrued debtors	0	0
Prepayments	339	60
	1,698	975

8. CASH AND CASH EQUIVALENTS

	Dec 2023 \$000s	Jun 2023 \$000s
Cash on hand	12	10
Bank Balance	266	162
	278	172

9. INCOME TAX

Components of Income Tax Expense

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Current tax expense	1,236	955
Prior years tax under / (over) provided	-	-
Deferred tax expense	(504)	(153)
	733	802

Relationship between Tax Expense and Accounting Profit

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Operating Profit before Taxation	2,566	2,851
Prima facie tax @ 28%	719	798
Adjustment for timing and taxation differences	504	153
Adjustment for permanent differences	14	3
Prior years tax under / (over) provided	-	-
Adjustments for deferred tax	(297)	66
Adjustments for deferred tax – property, plant and equipment	(207)	(220)
Income Tax Expense	733	802

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Deferred Tax

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Property, Plant and Equipment		
Opening balance	(13,510)	(13,773)
Charged to profit and loss	207	220
Charged to asset revaluation reserve	-	-
Closing balance	(13,303)	(13,553)
Employee Entitlements		
Opening balance	50	41
Charged to profit and loss	6	6
Closing balance	56	47
Derivative Financial Liability		
Opening balance	(291)	(262)
Charged to profit and loss	291	(76)
Closing balance	-	(338)
Other Provisions		
Opening balance	12	1
Charged to profit and loss	(1)	4
Closing balance	11	5
Total	(13,236)	(13,839)

10. TRADE AND OTHER PAYABLES

	Dec 2023 \$000s	Jun 2023 \$000s
Trade payables	595	855
Trade payables (related parties)	149	33
Dividend payable	-	1,200
Accruals	133	136
GST liability	320	215
Income received in advance	5	30
	1,202	2,470

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 2023 \$000s	Jun 2023 \$000s
Derivative Financial Assets		
Interest rate swaps		
Current portion	-	675
Non-current portion	-	365
	-	1,040

Nelson Airport Limited cancelled its interest rate swap contracts on 6th October 2023 leaving a nil balance at 31 December 2023 (2022: \$19,000,000).

The notional principal amounts of outstanding floating to fixed interest rate swap contracts as at the 6th October 2023 totalled \$19,000,000 (2022: \$19,000,000).

Their fair value at cancellation date was an asset of \$623,911 (June 2023: asset of \$1,039,520).

The weighted average fixed interest rate on swaps held at balance date was 3.63% (June 2023: 3.63%).

The movement in the interest rate swaps has been recognised as a movement in profit or loss within finance costs.

12. INTEREST BEARING LOANS

	Dec 2023 \$000s	Jun 2023 \$000s
Repayable as follows:		
Less than 1 year	330	26,795
Between 1 and 5 years	26,795	-
	27,125	26,795
Finance Lease Liabilities		
Less than 1 year	1	7
Between 1 and 5 years	5	-
	6	7

On the 6th October 2023, Nelson Airport Limited secured a loan facility with Infrastructure Holdings Limited. The applicable interest rate at balance date was charged at a blended rate of 6.104% with a loan balance of \$27,125,000.

Nelson Airport Limited continues to hold a line of credit with Westpac which has reduced to \$4,400,000 from the 24th November 2023 (previously \$35,000,000). The interest rate applying to this loan facility at balance date was 6.5% (June 2023: 7.20%). These funds are available and drawn down as required. This loan is secured by a general security agreement over assets and undertakings of Nelson Airport Limited and used to finance short term operation costs.

13. TRANSACTIONS INVOLVING PARENT ENTITIES

TRANSACTIONS WITH SHAREHOLDERS

Nelson Airport Limited is a 100% wholly owned subsidiary of Infrastructure Holdings Limited (IHL). IHL is jointly owned by Nelson City Council (NCC) (50%) and Tasman District Council (TDC) (50%).

The company paid interest on their loan facility to IHL amounting to \$258,037 (2022: Nil) with the payable balance as at 31 December 2023 of \$141,374 (2022: Nil).

Nelson Airport Limited paid rates, maintenance, consents, fees and facility hire costs to NCC amounting to \$431,829 (2022: \$310,059) while receiving income of \$12,333.53 (2022: \$4,600) and the balance included as owing in trade payables as at 31 December 2023 is \$1,517 (2022: \$20,357).

The Company is liable to pay a peppercorn rent to the Nelson City Council, if requested, in respect of aerodrome reserve land.

TRANSACTIONS WITH ENTITIES OWNED BY PARENT ENTITIES

Nelmac Limited is a 100% subsidiary of Nelson City Council. Nelson Airport Limited paid grounds maintenance and other fees to Nelmac Limited amounting to \$61,565.61 (2022: \$48,452) and the balance included as owing in trade payables as at 31 December 2023 was \$5,120 (2022: \$6,670).

Nelson Regional Development Agency Limited is wholly owned by the Nelson City Council. Nelson Airport Limited paid costs of Nil (2022: \$17,250) and the balance included as owing in trade payables as at 31 December 2023 was Nil (2022: Nil).

Port Nelson Ltd is jointly owned by Nelson City Council (50%) and Tasman District Council (50%). Nelson Airport Limited paid costs of \$923 (2022: Nil) and the balance included as owing in trade payables as at 31 December 2023 was Nil (2022: Nil).

TRANSACTIONS WITH ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL

During the period, Nelson Airport Limited paid \$142 (2022: Nil) for travel expenses to Vertus Group Ltd, of which Quinton Hall, NAL Chair, is a director and shareholder.

Nelson Airport Limited paid \$18,630 (2022: \$2,807) for director fees to Findex NZ Ltd, of which Darren Mark, NAL Audit & Risk Chair, is a senior partner.

Nelson Airport Limited paid \$923 (2022: Nil) for travel expenses to Port Nelson Limited, of which Matthew McDonald, NAL Director, is the General Manager of Operations.

Nelson Airport Limited paid \$22,964 (2022: \$21,362) for an annual membership to NZ Airport Association Inc, of which Matt Clarke, NAL Director, is the Chair.

With the exception of a peppercorn rent in relation to the aerodrome land all related party transactions are at arms-length and were charged on normal terms and conditions and outstanding accounts are payable on normal trading terms. No related debts have been written off or provided for as doubtful. All related party balances are unsecured.

14. DISTRIBUTIONS TO SHAREHOLDERS

No interim dividend has been declared for the period ending 31 December 2023. The final dividend for the 2022/23 financial year of \$1,200,000 was accrued as at 30 June 2023 and paid to shareholders on 04 July 2023.

15. CONTINGENCIES

There are no material contingent liabilities to record as at 31 December 2023.

16. EVENTS AFTER BALANCE DATE

There were no significant events after balance date 31 December 2023.

17. CAPITAL COMMITMENTS

Nelson Airport Ltd has \$1,186,884 worth of contractual commitments for property, plant and equipment as at 31 December 2023 (2022: \$23,306).

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the board of directors on 21 February 2024.

COMPANY DIRECTORY

Directors

Quinton Hall - Chair
Darren Mark - Audit & Risk Chair
Emma Ihaia - Health & Safety Chair
Matthew Clarke
Matthew McDonald

Registered Office

Nelson Airport Management Offices
Trent Drive, Nelson 7011
Telephone 03-547-3199
Email office@nelsonairport.co.nz

Senior Leadership Team (as at 31 December 2023)

Chief Executive Officer	Mark Thompson
Chief Financial Officer	Adrian Ferris
Commercial	Simon Barr
Communications and Marketing	Beth Catley
Customer Service	Michael Jukes
Facilities and Assets	Jonathan Truslove
Operations	Jesse Woods
Support Services	Tania Mitchell

Auditor

Audit New Zealand, on behalf of the Auditor-General

Accountant

Johnston Associates Chartered Accountants

Banker

Westpac Banking Corporation

Lawyer

Ford Sumner Lawyers