



**ANNUAL REPORT
TE PŪRONGO Ā-TAU**

2024

VISION, PURPOSE AND MISSION

Our Vision – Tō Tātou Tirohanga Whakamua

To be a world-class airport where zero-emissions aircraft operate.

Kia noho hei taunga rererangi o te ao e whakahaere ana i ngā waka rererangi kore tuku.

Our Purpose - Tō Tātou Whāinga Matua

To contribute to a sustainable and prosperous Nelson-Tasman

Kia tāpae atu ki a Whakatū-Aorere hei wāhi whakauka, tōnui hoki.

Our Mission - Tā Tātou Kaupapa

Nelson Airport provides sustainable airport infrastructure that connects Nelson-Tasman to the world.

E whakarato ana te Taunga Rererangi o Whakatū i ngā hanganga taunga rererangi e noho ai a Whakatū-Aorere ki te ao whānui.

Nelson Airport facilitates business opportunities by optimising the use of land and developing commercial facilities.

E whakahaere ana te Taunga Rererangi o Whakatū i ngā ara pakihi mā te arotau i te whakamahinga o te whenua me te whanake whare arumoni.

Nelson Airport supports excellent experiences that add to visitor satisfaction.

E tautoko ana te Taunga Rererangi o Whakatū i ngā wheako pai e whakanui ana i ngā painga ki ngā manuhiri.

OUR VALUES Ō TĀTOU UARA

INTEGRITY

TEAMWORK

CONTINUOUS IMPROVEMENT

OPENNESS

SAFETY

ACCOUNTABILITY

NGĀKAU PONO

MAHITAHĪ

WHAKAPAI AKE

NGĀKAUNUI

MARUTAU

NOHO HAEPAPA



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DIRECTORS' REPORT

TE PŪRONGO A NGĀ KAITOHU

For the Year Ended 30 June 2024

OVERVIEW - TIROHANGA WHĀNUI

It is a pleasure to reflect and report on the year to 30 June 2024, in which we have achieved another strong financial result while continuing to deliver a broad programme of initiatives to improve customer satisfaction, resilience and safety across Nelson Airport.

At \$11.1 million, Operating Profit (or EBITDA) is \$1.5m (15.6%) up on the previous financial year. This is a record result for the company, and is particularly pleasing to have achieved during a period of flat travel demand against a backdrop of high interest rates, slow economic growth, rising airfares and aircraft reliability challenges. Passenger numbers for the 2024 financial year were 915,600, compared with 915,200 in FY23.

It has been a year of improvement across all areas of the airport. The completion of two new buildings was significant, being the first new builds that Nelson Airport has undertaken for individual tenants. Several long-standing legacy issues have been resolved, including the elimination of asbestos in the World War II-era Hangar 2 through an extensive renovation by the tenant. We have undertaken seismic assessments across our property portfolio and completed strengthening of Hangar 27. Upgrades at both ends of the terminal have made these areas safer and more functional, while greatly improving the look and feel of the terminal surrounds.

Resilience and future proofing were a particular focus, with our Project 2-Zero planning application progressing to a hearing in May. A major stormwater upgrade began in the financial year, and more infrastructure resilience works are planned. We started work towards our first voluntary climate disclosure report, which will provide an important foundation for our climate resilience planning and transparency around our climate risks.

The commencement of the airport eBus service was much anticipated by our customers, and has proven popular as a sustainable, affordable transport choice for airport workers and visitors.

Our relationships with Ngā Iwi o te Tau Ihu o te Waka a Māui matured significantly through the adoption of a Māori Partnership Plan and preparation of a Cultural Framework document that is now out for consultation.

The Walk the Runway event and Plane Spotting photographic competition received high levels of community interest and involvement, and we have also maintained our "Excellent" customer satisfaction rating with a slight lift in the 2024 net promoter score.

Our thanks go to outgoing Chief Executive Officer Mark Thompson, who retired in June, for his extensive contribution to both these results and the performance of Nelson Airport over the past three years.



OUR BOARD

From left to right:

Matthew Clarke

Darren Mark

Emma Ihaia

Quinton Hall

Matthew McDonald

HIGHLIGHTS OF THE PAST 12 MONTHS INCLUDE



Customers and Stakeholders

Maintained an “Excellent” customer satisfaction score in our annual passenger survey, with an increased net promoter score of 54.



Finance

Operating Profit (EBITDA) of \$11.1 million, supported by strong revenues and cost management, was \$1.5m higher than FY23. Total Revenues were \$17.8m.



Health, Safety and Risk

Completed Health, Safety and Wellness review and progressed recommendations for further improvements.



Project 2-Zero

Progressed through submission and pre-hearing processes to the May hearing by an independent panel.



Infrastructure and Property

Several major upgrades completed, including the comprehensive refurbishment of the WWII building known as Hangar 2, a new base of operations for a rental car tenant, seismic strengthening of tenant offices and hangar on McLaren Drive, significant pedestrian and vehicle safety upgrades and new bike facilities.



People, Culture and Values

Achieved a significant improvement in the FY24 employee engagement survey, showing our commitment to a strong culture and working environment.

PHOTO BY GRANT NEWMAN

HEALTH, SAFETY AND RISK

HAUORA, HAUMARU ME TE TŪRARU

The safety of our staff, customers, employees, tenants, contractors and other visitors remains our highest priority. Nelson Airport had a single Lost Time Injury (LTI) where an employee suffered a sprain.

The Board established a Health, Safety and Wellness (HSW) Committee to bring added focus to managing risk effectively and keeping everyone that uses the airport safe. The Committee commissioned an external review of NAL's HSW system to identify further opportunities for best practice. The review had strong engagement from staff and stakeholders and observed that NAL is high performing on system effectiveness and maturity. We are progressing a range of recommendations from this review.

The Board continues to receive a comprehensive health and safety report monthly and undertakes quarterly site walks with the Senior Leadership Team to ensure they understand the operational risks that are managed daily in the dynamic airport environment.

Safety Management System (SMS)

Internal up-skilling and continuous improvement of our SMS remains a key focus. Operational management received on-site SMS training and further training is lined up for FY25 for the wider staff group.

Regular engagement with tenants and operators through both Airside and Landside Safety and Security Forums enabled transparent information flow and collaboration. The reporting of hazards and incidents by third parties remains strong as a result.

Our regular attendance at industry safety and security forums ensures we remain current on developments, best practice, and challenges and successes from across the airport industry.

Airside Operations

The airport Rescue Fire Service was renamed the Airport Emergency Service (AES), which aligns with other airports around New Zealand and acknowledges the team's increased responsibilities and broader involvement in airside operations. While the AES team continue to enhance their emergency response capabilities (new equipment, increased personnel, simulation training) in line with their primary responsibility, they are also heavily involved in maintaining the serviceability of our airfield infrastructure (inspections, contractor management, works oversight), providing medical response to customers, and managing wildlife.

Wildlife Management

Bird strikes are a significant risk to aircraft activity and considerable focus is placed on managing this risk. We deploy a range of proactive methods to manage both bird population and behaviour where it poses a threat to aviation. New control methods in recent years to reduce food sources for birds in the vicinity of the airport precinct have proven successful and we continue to increase the scope of this application to ensure the safety of aircraft operations.

The New Zealand Aviation Hazard Wildlife Group recognised Nelson Airport, along with Dunedin Airport, as having the most improved strike rate year-on-year for the year to December 2023.

In the 2023 calendar year we maintained a low incident rate (as defined by the Civil Aviation Authority risk ratings) and a downward trend in strikes for the year. Our bird strike rate of 3.5 (measured per 10,000 aircraft movements) is below the industry average of 4.8.

The Nelson Airport Noise Environment Advisory Committee (NANEAC)

The committee brings together representatives from the airport, aviation operators and the community for regular meetings to discuss the management of airport noise experienced in neighbouring residential areas. The noise monitor we installed on Point Road has proven beneficial in understanding and investigating the impact of aircraft noise on our community. NANEAC has recently refined the noise management process to monitor ongoing compliance. Monthly meetings are held to review key inputs, such as aircraft movements and engine testing records, and ensure accuracy of information and transparent reporting.

PEOPLE, CULTURE AND VALUES

TĀNGATA, AHUREA ME NGĀ UARA

In May 2024, we conducted our annual employee engagement survey, achieving a "Good" rating. This reflects the significant focus the organisation has placed on building employee satisfaction in FY24.

There were changes within our Senior Leadership Team in the financial year, including the resignation of chief executive Mark Thompson. A recruitment process for a new chief executive was underway at the time of writing the Annual Report.

In June 2024, one of our Airport Emergency Service team marked 40 years of service as an airport firefighter. This significant milestone was celebrated with a lunch for current and former colleagues, along with presentation of a plaque.



INFRASTRUCTURE AND PROPERTY

HANGANGA ME NGĀ RAWA

We have made significant progress on a range of infrastructure and property initiatives during the financial year, contributing to improved safety, resilience and customer experience across the airport precinct.

Some of the notable improvements include:

- Seismic strengthening of a hangar and offices
- Built a 2,000m² base of operations for a rental car tenant, representing the first stage of development in the airport’s southern precinct
- Lodged a resource consent application for the bridging of Jenkins Creek, the development of future carparking areas, and further development of the southern precinct
- Began significant stormwater improvements that will see 300m of replacement pipe installed from the runway to a detention basin
- Landscape work around the terminal to improve footpaths, lighting and safety
- Built a new hangar for a private aircraft owner in the general aviation precinct
- Addition of new bike shelters and a dedicated rubbish/recycle compound
- Works to facilitate the new public eBus service
- Introduction of Licence Plate Recognition cameras for more efficient vehicle movements
- Thermal comfort improvements in the terminal
- Began refurbishment of terminal lifts
- Resurfacing of Tangmere Place (since renamed Dakota Street)

Runway Extension

The ability to safely and sustainably operate, maintain, upgrade and extend facilities and infrastructure is vital for Nelson Airport’s role in supporting the region’s growth, connectivity, resilience and prosperity.

During the financial year, Project 2-Zero progressed through submission and pre-hearing phases to a hearing by an independent panel of commissioners in May. Project 2-Zero is central to the rollout of the airport’s 2050 Master Plan. It aims to alter the airport’s existing designations and zoning in the Nelson Resource Management Plan to provide the planning framework needed to support our future operations – including the ability to extend the airport’s main runway to the north within the next 10 – 15 years.



FINANCIAL RESULTS

NGĀ HUA PŪTEA

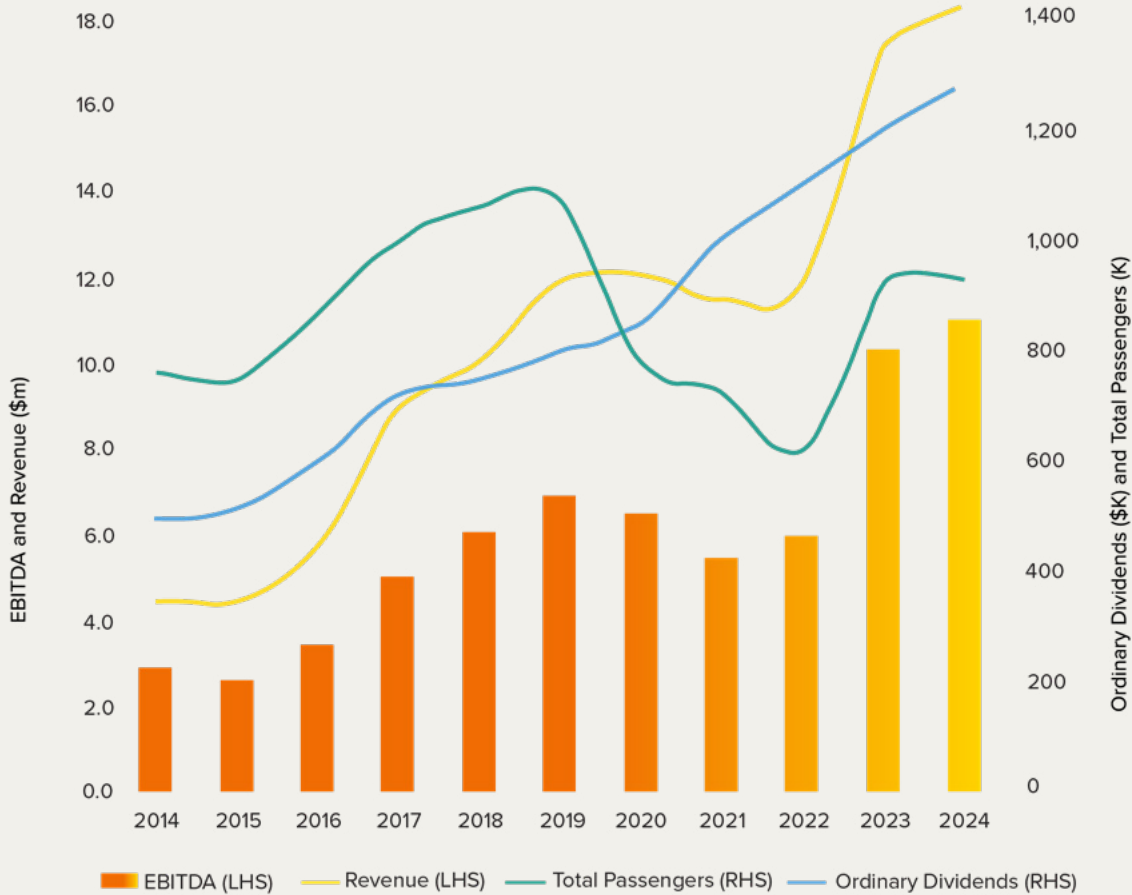
Financial performance was strong overall. Total Revenue at \$17.8m was up 6.6% on the FY23 result (\$16.7m). Passenger numbers remained flat due to softening economic conditions and capacity constraints across the domestic network, with total passenger numbers for FY24 reaching 915,600, compared with 915,200 in the previous year.

Revenue growth combined with cost management led to a 15.6% lift (\$1.5m) on FY23 Operating Profit (EBITDA). Net Profit Before Tax was \$4.94m. However, the after-tax result has been negatively impacted by the Government’s

removal of tax depreciation on commercial buildings. This tax change resulted in a one-off non-cash impact on Nelson Airport, leading to a post-tax deficit of \$3.67m.

The strong overall financial performance supported the declaration and payment of the largest dividend paid by the airport to date, of \$1.3m (up 8.3% from FY23).

NELSON AIRPORT - KEY PERFORMANCE INDICATORS



CUSTOMERS AND STAKEHOLDERS

NGĀ KIRITAKI ME TE HUNGA WHAI PĀNGA

Our annual customer satisfaction survey, carried out in March and April 2024, showed a lift in satisfaction for the third year running. The overall in-terminal net promoter score (NPS) of 54 was a two-point increase on the 2023 result, maintaining our customer satisfaction rating of “Excellent” in line with the NPS scoring hierarchy. Airline check-in, restrooms and the Customer Service desk again topped the facility ratings with high satisfaction scores.

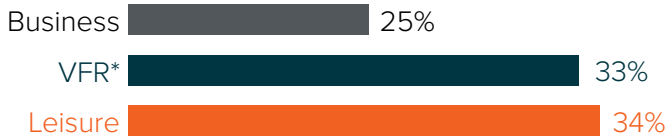


SURVEY SNAPSHOT

NELSON MARKET



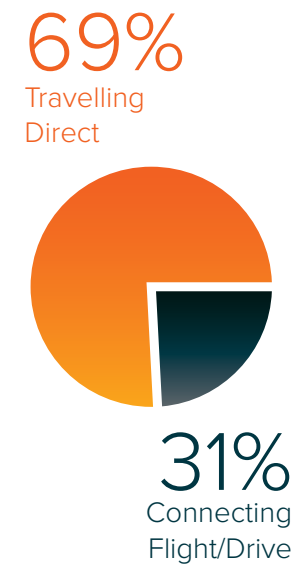
TRAVEL REASON



HIGH TRAVEL CONFIDENCE



DIRECT VS INDIRECT



*Visiting friends and relatives

Communications and Marketing

We collaborated on marketing activity with partners such as the Nelson Regional Development Agency, Air New Zealand, Originair and Sounds Air to promote our region and stimulate flight demand.

Our sponsorship activity included both financial and in-kind support for a wide range of charitable causes and community organisations, including:

- Nelson Tasman Hospice
- Nelson Marlborough Rescue Helicopter
- Nelson Giants
- Brook Waimārama Sanctuary
- Big Brothers Big Sisters of Nelson-Tasman
- Nelson Arts Festival
- No. 23 Squadron, Air Training Corps
- Nelson Regional Development Agency
- Te Ara o Hine Rēhia exhibition
- Te Mana Kuratahi
- Nelson Aero Club

In November 2023 we launched the inaugural Nelson Airport Trees of Remembrance campaign in support of Nelson Tasman Hospice, filling the terminal with sponsored Christmas trees

funded and decorated by local businesses. This campaign raised \$40,000 for hospice. We also provided support to Te Mana Kuratahi and Ngā Kapa Haka Kura Tuarua in FY24, and installed supporting displays in the terminal for these national schools kapa haka events, including kapa haka photography by local photographer Melissa Banks.

Iwi Partnerships

The development of a Māori Partnerships Plan, presented to the regional Iwi General Managers Forum in November 2023, was a significant milestone in our efforts to build relationships with Ngā Iwi o te Tau Ihu o te Waka a Māui. Building on the partnerships plan, we have also worked with iwi engagement and design consultants on a Cultural Framework document that is intended to guide the rollout of cultural design elements across the airport precinct. This document is in the final draft stage and is with iwi for review.

Training for airport employees in te reo Māori me ōna tikanga (Māori language and cultural practice) has continued, with nine airport employees completing a course since this training became available in 2022. In April 2024, airport senior leadership and some board members attended a two-day cultural confidence workshop.

ENVIRONMENTAL SUSTAINABILITY

WHAKAUKA TAIAO

We have begun work towards our first voluntary climate disclosure report, carrying out a series of workshops in March and April 2024 to assess the airport’s climate-related risks. While Nelson Airport is not a climate-reporting entity for the purposes of the Climate Related Disclosures legislation, we have committed to voluntary reporting from FY25.

We are committed to improving our sustainability performance, building on the strong foundation of the terminal’s energy efficient design (utilising passive ventilation, light harvesting and structural timber that reduced embedded carbon). From this year, we will combine both climate disclosure and sustainability reporting in a separate stand-alone report, to be released in the final quarter of the 2024 calendar year.

Sustainability initiatives over the past year include:

- Independent measurement of emissions
- Continued composting scheme for Nelson Airport and two major airport tenants
- Applied for and gained (August 2024) Level 1 of Airport Carbon Accreditation with Airports Council International
- Introduction of public eBus services at the airport
- Sustainability and carbon minimisation measures considered in all construction/ civil projects
- Move towards LED and solar lighting in buildings and carparks

Building resilience to climate change

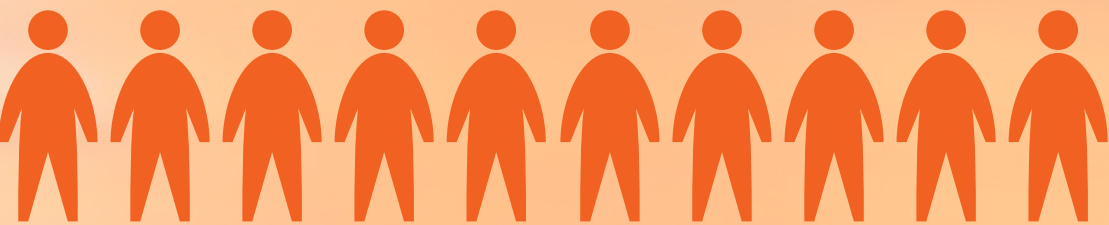
Surrounded by water, our location will present challenges as we plan and develop for climate change and sea level rise whilst also improving our operational resilience. Notable works this year include:

- Identification of physical and transitional risks for climate adaptation
- Planned programme of infrastructure improvements
- Started work on the first major stormwater infrastructure project for 80 years
- Engagement with the Nelson City Council Climate Adaptation community consultation process

“We have committed to voluntary climate disclosure reporting from FY25.”



NELSON AIRPORT BY THE NUMBERS



915,600

Nelson Airport’s passengers for the 12 months to 30 June 2024

 1347m of sealed runway		118.8h of operational land area	
 1.4 million pax, the terminal capacity per annum	 1000+ total carparks	 \$163 million, our total asset value	
 26 FTE*, our employees (30 total)		 1,090,846, the total number of seats flown for the 12 months to 30 June 2024	



PHOTO BY MONACO HEWETSON



OUTLOOK

TE ANGANGA

We anticipate many of the economic and operational challenges we faced in the 2024 financial year will continue into FY25. We have forecast a modest 2% lift in passengers but acknowledge economic conditions, along with the costs and reliability of air travel, are risks to demand through the coming period.

Working with partners such as the Nelson Regional Development Agency (NRDA), airlines, other airports and regional tourism organisations will be key to stimulate demand for travel and bring people to experience our wonderful region.

Other key priorities for the coming year include:

- Confirmation of our Project 2-Zero plan change and notice of requirement, which is important preparation for a zero-carbon aviation future
- Develop our first voluntary Climate Disclosure Report
- Progress cultural design enhancements to the airport

- Enhance the food and beverage offering in the terminal
- Secure consent for the bridging of Jenkins Creek and associated development
- Progress plans for aircraft apron pavement remediation
- Implement health, safety and risk management improvements from FY24 review
- Introduce Sunflower Lanyard scheme to support passengers with hidden disabilities
- Maintain a strong balance sheet

Our purpose, **to contribute to a sustainable and prosperous Nelson-Tasman**, continues to drive our actions and decisions. Our vision, **to be a world-class airport where zero-emissions aircraft operate**, inspires us to work towards an even better future for our community and wider industry.

Quinton Hall
Chair

Darren Mark
Audit and Risk Chair

SERVICE PERFORMANCE REPORT 2023/24

Nelson Airport sets performance goals in its Statement of Intent. The following table reports achievement against the goals set in the 2023/24 Statement of Intent.

Customers and Stakeholders

Measure		Target	Result
	Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain “Excellent” ¹ result in FY24 customer satisfaction survey	Achieved
	Appoint cultural advisor and provide plan for iwi engagement and strategic partnership opportunities	Implement one iwi partnership outcome by June 2024	Achieved

¹ Net Promoter Score scale: >0 = “good”; >20=“favourable”; >50=“excellent”; >80=“world class”.

Financial Results

Measure		Target	Result
	Manage financial performance to ensure we are optimising returns	Total Operating Revenues \$18.1m EBITDA ² \$10.4m	Not achieved – Actual \$17.8m Achieved - \$11.1m
	Annual Audit	Achieve an unqualified audit opinion	Achieved

² Earnings before interest, taxes, depreciation, amortisation and other non-operating income/expenses.

SERVICE PERFORMANCE REPORT 2023/24

Health, Safety and Risk

Measure		Target	Result
	Meet all our obligations and standards under Civil Aviation Act rules	No “major” ³ findings	Achieved
	Have a behavioural based safety culture where everyone is responsible for safety on the airport and uses the Safety Management System (SMS) daily	Top 20 risk register reviewed fortnightly by Senior Leadership Team	Not achieved. Health, safety and risk was reviewed at every SLT meeting but we adjusted our approach to review a smaller number of risks in greater detail at each session.
		One key risk reviewed at every Board meeting	Achieved
		Board safety walks scheduled quarterly	Achieved
	Have an NAL-facilitated Health and Safety Committee in place	Minimum of 9 safety meetings with all major airside and landside PCBUS ⁴	Achieved
	Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Approval of Noise Management and Monitoring Plan by NANEAC	Achieved

³ 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.

⁴ Person Conducting a Business or Undertaking

SERVICE PERFORMANCE REPORT 2023/24

People, Culture and Values

Measure		Target	Result
	Annual employee engagement survey to be undertaken	Maintain a “Great” ⁵ result	Not achieved – achieved a “Good” result
	Maintain a formal training and development programme for employees	Achieve 10 hrs/FTE of ongoing personal development	Achieved

⁵ Net Promoter Score scale: >0 = needs improvement; 0-30 =good; 30-70 =great; 70-100 = excellent.

Infrastructure and Property

Measure		Target	Result
	Maintain an asset management system to manage the condition, criticality, and life cycle of all assets	Main apron rehabilitation project completed	Not achieved - project paused for six months due to staff changes. Work has now recommenced.
	Attract commercial investment in developments that deliver our vision	Deliver new rental car base of operations project by 30 June 2024	Achieved

Environmental Sustainability

Measure		Target	Result
	Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030	Level 2 Airport Carbon Accreditation	Not achieved – Unanticipated delay in gaining Level 1 accreditation due to verification agency’s processing timeframes and departure of Sustainability Manager. This impacted ability to move on to Level 2. Gained Level 1 accreditation in August 2024
	Zero carbon emission	Complete feasibility study for green energy production on airport by June 2024	Not achieved – Study deferred pending resolution of land use discussions associated with runway extension



ANNUAL REPORT FINANCIALS

TE PŪRONGO PŪTEA Ā-TAU

FOR THE YEAR ENDED 30 JUNE 2024

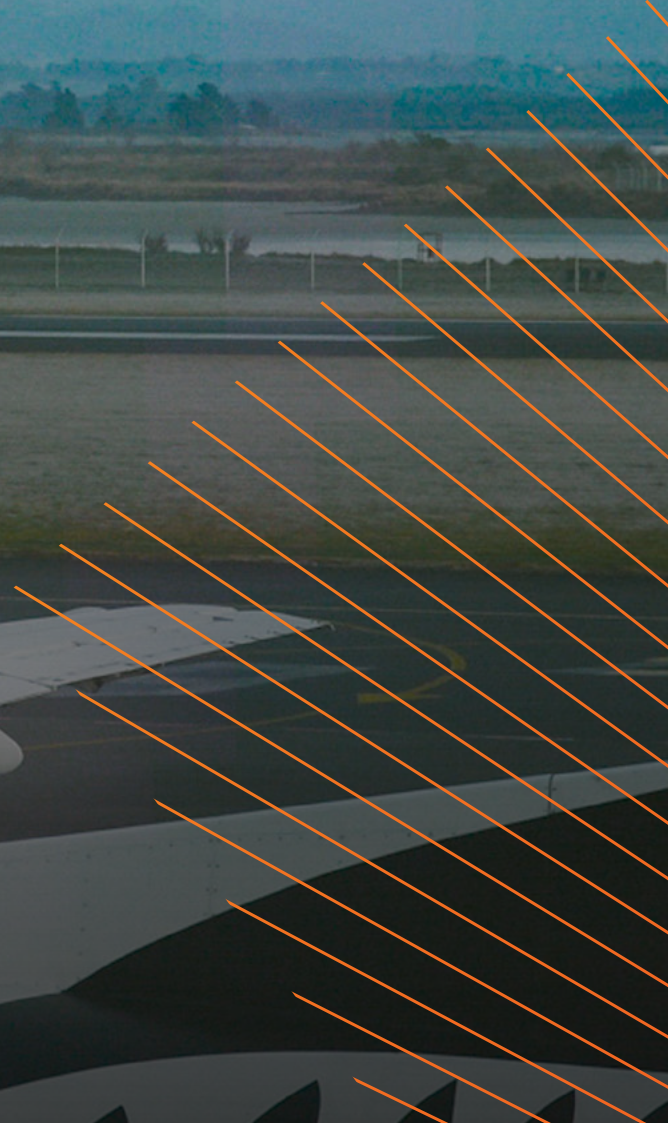




Photo by
Jayden Day Anthonise

ANNUAL REPORT

For the Year Ended 30 June 2024

The directors have pleasure in presenting to the shareholders the Annual Report and audited financial statements of Nelson Airport Limited (“the company”) for the year ended 30 June 2024.

NATURE OF BUSINESS

Airport operating company.

VISION AND PURPOSE

Nelson Airport Limited’s Vision is:

To be a world class airport where zero emissions aircraft operate.

Nelson Airport Limited’s Purpose is:

To contribute to a sustainable and prosperous Nelson Tasman.

DIRECTORS’ REGISTER OF INTERESTS

Entries in the interest register during the year include:

Director Quinton Hall – Chair:

- EQMade Ltd (Director and Shareholder)
- Vertus Group Ltd (Director and Shareholder)
- AQ29 Ltd (Director and Shareholder)
- Jucy Group 2002 Ltd (Director) (Appointed April 2023)
- Gymnastics New Zealand (Chair)
- Infrastructure Holdings Limited (Director) (Appointed Jan 2023)
- MV Group Limited (Director and Shareholder)

Director Darren Mark – Audit and Risk Committee Chair:

- Infrastructure Holdings Limited (Director) (Appointed Jan 2023)
- Findex Nelson / Findex NZ Ltd (Senior Partner)
- Titipounamu Investments Ltd (Director and beneficial Shareholder)
- E R Freeman Ltd (Director)
- Bowater Holdings Ltd (Director)
- Bowater Motors Ltd (Director)
- Bowater Properties Ltd (Director)
- Te Awa Nominees Ltd (Director)
- WHK Services Tasman Ltd (Director)
- West Yates and Partners Nominee Company Ltd (Director)
- Te Oramamaku Holdings Ltd (Director)
- Maitai Trustee Company Ltd (Director) + various other trustee Co’s in Darren’s professional capacity
- Tasman Bays Heritage Trust (Trustee)

- RG & EF MacDonald Trust Board (Trustee)
- Project Janszoon Trust Company Limited (Director) (Appointed April 2024)

Director Matt Clarke:

- Wellington International Airport Ltd (Chief Executive Officer)
- Wellington Airport Noise Treatment Limited (Director)
- WellingtonNZ (Director)
- Whare Manaakitanga Ltd (Director)
- New Zealand Airports Association (Chair)

Director Matthew McDonald:

- Port Nelson Ltd (General Manager, Operations)
- Nelson Diocesan Trust Board (Trustee)
- Nelson Marine Precinct Limited (Director) (Appointed March 2024)

Director Emma Ihaia – Health, Safety and Wellness Committee Chair

- Castalia Strategic Advisors (Senior Advisor)
- Electricity Invercargill Limited (Director) (Ceased June 2024)
- Fifeshire Foundation (Deputy Chair)
- Link Economics Limited (Sole Director and Shareholder)
- Pylon Limited (Director) (Ceased June 2024)

Directors holding office in the year:	2024 Remuneration	2023 Remuneration
Quinton Hall - Chair	\$51,400	\$39,034
Darren Mark - Chair Audit and Risk Committee	\$32,400	\$28,790
Matthew Clarke	\$28,900	\$27,746
Matthew McDonald	\$28,900	\$27,746
Emma Ihaia - Chair Health, Safety and Wellness Committee	\$31,400	\$19,234

BOARD ATTENDANCE



Board attendance levels during the year were as follows

Director	Position	Tenure	Meetings Attended	Of a possible
Q Hall	Chair	Full Year	10	10
D Mark	Chair Audit and Risk	Full Year	10	10
M Clarke	Director	Full Year	10	10
M McDonald	Director	Full Year	10	10
E Ihaia	Chair Health, Safety and Wellness	Full Year	10	10

ACTIVE COMMITTEES

Committee	Composition	Meetings Held
Nelson Airport Noise Environment Advisory Committee	Representatives: Nelson Airport Ltd – 2 x management; Nelson City Council – 1; Scheduled commercial airlines – 2; Airways New Zealand – 1; General aviation – 2 x fixed wing and 1 x rotary wing; Community representatives – 3; Aviation maintenance provider – 3; Acoustic consultant - 1.	2

ACTIVE COMMITTEES

Employee Remuneration

The number of employees or former employees who received remuneration and other benefits of \$100,000 or more for the year ended 30 June 2024 was as follows:

Remuneration	Number of Employees 2024	Number of Employees 2023
\$100,000 – 110,000	2	-
\$110,001 - \$120,000	1	-
\$130,001 - \$140,000	-	1
\$140,001 - \$150,000	1	-
\$160,001 - \$170,000	-	2
\$180,001 - \$190,000	1	-
\$200,001 - \$210,000	-	1
\$270,001 - \$280,000	-	1
\$290,001 - \$300,000	1	-

Donations

Donations paid during the year were \$1,659 (2023: \$41,032).

For and on behalf of the Board

Quinton Hall
Chair

Darren Mark
Chair Audit and Risk

STATEMENT OF COMPREHENSIVE INCOME

TAUĀKĪ WHIWHINGA WHĀNUI

For the Year Ended 30 June 2024

	Note	2024 \$000s	2023 \$000s
Revenue	2	17,842	16,699
Increase on asset revaluation			38
		17,842	16,737
Operating costs	3	4,606	5,326
Administration expenses	3	2,111	1,763
Depreciation and amortisation	3	4,213	4,238
Decrease on asset revaluation		262	-
		11,192	11,328
Profit before Financing and Investing		6,650	5,409
Interest Revenue		21	14
Fair Value Movement on Derivative		(50)	105
Finance Costs	3	(1,678)	(1,448)
Net Financing Income		(1,707)	(1,329)
Gain on Sale of Fixed Assets		0	23
Investing Income		0	23
Profit before Tax		4,943	4,103
Income tax expense	4	8,610	1,394
Profit/(Loss) after Tax		(3,667)	2,709
Other Comprehensive Income			
Gain on asset revaluation		13,841	755
Tax on asset revaluation		(3,818)	(212)
Total Other Comprehensive Income:		10,023	544
Total Comprehensive Income		6,356	3,253

The Statement of Accounting Policies and Notes form an integral part of and should be read in conjunction with these financial statements

STATEMENT OF CHANGES IN EQUITY

TAUĀKĪ PANONI I TE MANA TAURITE

For the Year Ended 30 June 2024

	Note	2024 \$000s	2023 \$000s
Opening Retained Earnings		21,142	19,539
Total Profit/(Loss) for the Year		(3,667)	2,709
Balance of Disposed Asset Transferred from Asset Revaluation Reserve		68	94
Distributions to Equity Holders		(1,300)	(1,200)
Retained Earnings as at Year End		16,243	21,142
Opening Asset Revaluation Reserve		79,064	78,614
Gain on Asset Revaluation		10,023	544
Balance on Disposed Asset Transferred to Retained Earnings		(93)	(131)
Movement in Deferred Tax on Disposed Asset Transferred to Retained Earnings		26	37
Asset Revaluation Reserve as at Year End		89,020	79,064
Share Capital	10	2,400	2,400
Closing Equity as at Year End		107,663	102,606

The Statement of Accounting Policies and Notes form an integral part of and should be read in conjunction with these financial statements

STATEMENT OF FINANCIAL POSITION

TAUĀKĪ TŪNGA AHUMONI

For the Year Ended 30 June 2024

	Note	2024 \$000s	2023 \$000s
Assets			
Current Assets			
Trade and Other Receivables	7	1,183	975
Cash and Cash Equivalents	8	71	172
Other Current Assets		79	88
Derivative Financial Assets		-	675
Total Current Assets		1,333	1,909
Non Current Assets			
Property, Plant and Equipment	5	158,888	144,873
Intangible Assets	6	2,300	425
Derivative Financial Assets		-	365
Total Non Current Assets		161,188	145,663
Total Assets		162,521	147,572
Liabilities			
Current Liabilities			
Trade and Other Payables	12	2,673	2,470
Current Income Tax Liability		943	1,418
Employee Entitlements		516	538
Interest Bearing Loans	13	106	26,802
Total Current Liabilities		4,237	31,227
Non Current Liabilities			
Deferred Tax	4	23,921	13,739
Derivative Financial Liabilities		-	-
Interest Bearing Loans	13	26,700	-
Total Non Current Liabilities		50,621	13,739
Total Liabilities		54,858	44,966
Net Assets		107,663	102,606
Equity			
Issued Share Capital	10	2,400	2,400
Retained Earnings		16,243	21,142
Asset Revaluation Reserve		89,020	79,064
Total Equity		107,663	102,605

For and on behalf of the Board

Quinton Hall, **Chair**
25 September 2024

Darren Mark, **Chair Audit and Risk**
25 September 2024

The Statement of Accounting Policies and Notes form an integral part of and should be read in conjunction with these financial statements

STATEMENT OF CASH FLOWS

TAUĀKĪ RERENGA PŪTEA

For the Year Ended 30 June 2024

	Note	2024 \$000s	2023 \$000s
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from airport users		17,723	16,682
Interest received		21	14
		17,744	16,696
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(6,460)	(6,207)
Interest paid		(1,677)	(1,448)
Income tax paid		(2,722)	(712)
Net GST Movement		(78)	50
		(10,937)	(8,318)
Net Cash Flows from Operating Activities	14	6,807	8,378
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Sale of property, plant and equipment		5	28
		5	28
<i>Cash was disbursed to:</i>			
Purchase of property, plant and equipment		(6,602)	(3,709)
Purchase of Intangible Assets		(5)	(4)
		(6,607)	(3,713)
Net Cash Flow from Investing Activities		(6,602)	(3,685)
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Increase in term loans	15	74,229	9,812
Receipt from termination of interest rate swap		990	-
		75,219	9,812
<i>Cash was disbursed to:</i>			
Dividends paid		(1,300)	(1,100)
Decrease in term loans	15	(74,225)	(13,374)
		(75,525)	(14,474)
Net Cash Flow from Financing Activities		(306)	(4,662)
Net increase/(decrease) in cash and cash equivalents			
		(101)	31
Opening cash and cash equivalents		172	141
Closing cash and cash equivalents		71	172

The Statement of Accounting Policies and Notes form an integral part of and should be read in conjunction with these financial statements

1. STATEMENT OF
ACCOUNTING POLICIES

a) 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.

The company operates and manages the Nelson regional airport. The primary activities include supporting a diverse range of businesses that service passenger or aircraft requirements or require access to air services or airport land and building infrastructure.

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.

The financial statements for Nelson Airport Limited are for the year ended 30 June 2024. The financial statements were authorised for issue by Nelson Airport Limited on 25 September 2024.

b) Basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993. Nelson Airport Limited complies with Parts 3 and 4 of the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

Nelson Airport Limited is a reporting entity preparing general purpose financial statements. It has elected to adopt the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) – Reduced Disclosure Regime (RDR), which allows this entity to adopt the reduced disclosure requirements of the For-Profit Accounting Standards (i.e. Nelson Airport Limited is a Tier 2 entity as issued by New Zealand External Reporting Board (XRB)) on the basis it is a non-large, for-profit, public-sector entity.

Measurement Base

The financial statements are prepared on the basis of historical cost, except property, plant and equipment as identified in specific accounting policies below.

Functional and Presentation Currency

The financial statements are presented 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\$).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

Accounting Standards, interpretations and amendments not yet effective

In May 2024, XRB introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements (effective for reporting periods beginning on or after 1 January 2027). This standard replaces NZ IAF 1 Presentation of Financial Statements. Nelson Airport Limited has not yet assessed the impact of NZ IFRS 18.

There are no other accounting standards that are not yet effective that will have a material impact on Nelson Airport Limited’s financial statements.

c) Significant Accounting Estimates and Judgements

The preparation of these financial statements requires Nelson Airport Limited to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates.

The principal areas of judgement in preparing these financial statements are set out here.

i) Valuation of Property, Plant and Equipment

The basis of valuation for Nelson Airport Limited’s land and improvements (including leasehold aerodrome land), buildings, airfield infrastructure, and landside infrastructure assets is fair value by independent valuers where the company does not have the internal expertise. The basis of the valuations includes assessment of optimised depreciated replacement cost and other market-based information in accordance with asset valuation standards. The major inputs and assumptions that are used in the valuations that require judgement include capital replacement values and life assumptions for each asset, direct comparison assumptions, market rent assessments and the application of discount rates.

Judgements must be made about whether costs incurred relate to bringing an asset to its working condition for its intended use, and therefore are appropriate for capitalisation as part of the cost of the asset. The determination of the appropriate life for a particular asset requires management to make judgements about, among other factors, the expected future economic benefits of the asset and the likelihood of obsolescence. Revaluations are carried out by independent valuers with sufficient regularity, at least once every five years, to ensure that the carrying value does not materially differ from the fair value at balance date. The carrying value of property, plant and equipment and the valuation

methodologies used in the latest revaluation undertaken and the key assumptions and inputs are disclosed in Note 5.

ii) Impairment Assessment

As at 30 June 2024, an assessment was carried out as a valuation cross check to determine the appropriateness of the carrying values of Nelson Airport Limited’s assets.

Nelson Airport Limited’s forecasts are based on its 10-year financial forecast model.

Relevant factors include any remaining or future restrictions on domestic and international travel, public demand and behaviour with respect to travel and airline scheduling.

Material changes in any of these factors might have an impact, positive or negative, on Nelson Airport Limited’s estimates of income and cash flows used to support the valuations, fair value assessments and impairment considerations as at 30 June 2024. The company has taken a prudent approach to passenger forecasting.

The assessment, effective 30 June 2024, included the following major assumptions:

- Revenue is largely dependent on passenger numbers. The company has conservatively projected growth in passenger numbers, with a recovery to 1 million per annum projected by 2028. A growth rate of 3.0% has been applied to cashflows after the forecast period.
- Forecast free cashflows for the period FY2025 - FY2026 reflect agreed pricing with airlines following the company’s 2021 Airline Pricing Consultation. Following this period, a probable transition to forecast CPI has been applied, consistent with the path of the historical growth rates.
- The discount rate (Nelson Airport Limited’s pre-taxation Weighted Average Cost of Capital) applied to the company’s pre-taxation free cash flows was 11.9%.

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

The assessment concluded that the adopted carrying values of the property, plant and equipment are appropriate.

d) Property, plant and equipment

Land and improvements (including leasehold aerodrome land), buildings, airfield infrastructure, and landside infrastructure assets are measured at fair value. An independent valuer is engaged to provide a valuation if management does not have sufficient expertise to perform the valuation. The fair values are recognised in the consolidated financial statements and are reviewed at the end of each reporting period to ensure that the carrying values are not materially different from their fair values.

Any revaluation increase arising on the revaluation of land, buildings and infrastructure assets is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising from the revaluation of land, buildings, leasehold improvements and infrastructure assets is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and infrastructure assets is charged to profit or loss.

On subsequent sale or retirement of revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net

of any related deferred taxes, is transferred directly to retained earnings. Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Additions not yet subject to independent valuation, including capital work in progress, are recorded at cost.

The depreciable amount of an asset is determined based on its useful life. Management estimates the following rates and methods of depreciation to reflect the pattern in which the assets' future economic benefits are expected to be consumed by Nelson Airport Limited.

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

The following rates reflect the range applied to various assets within their categorisations:

			Straight line	Diminishing value
Buildings		Terminal	0.0% - 3.7%	
Buildings		Hangars and other buildings	0.0% - 33.3%	
Airfield Infrastructure		Runways, taxiways and aprons	0.0% - 50.0%	
Landside Infrastructure		Pavements, utilities and other infrastructure	0.0% - 50.0%	
Equipment		Parking meters, security and vehicles		8.0% - 67.0%
Fixtures and fittings		Furniture, computers, and fittings		10.0% - 80.4%

The residual value, useful lives and depreciation rates of assets are reassessed annually. The above rates have been adjusted to reflect amounts used in the fixed asset register.

Capital work in progress is not depreciated. The total cost is transferred to the relevant asset category on the completion of the project and subsequently depreciated.

e) Intangible Assets

Project 2-Zero Planning Change and Change of Designation Costs

Costs relating to plan changes and change of designation are capitalised on the basis of the costs incurred to give effect to changes and enable future development. Costs incurred that are not directly attributable to enabling these changes are expensed.

Software Acquisition and Development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Branding

New branding costs are capitalised on the basis of the costs incurred.

The carrying amount of an intangible asset with a finite life is amortised over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the profit or loss.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

	Straight line	Diminishing value
Computer Software		50.0%
Branding	10% - 12.5%	8.0% - 50.0%

Work in progress is not amortised.

f) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. NAL applies the simplified approach to measuring expected credit losses

which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss and the exposure at default.

The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, the industry the debtor operates in, and broader economic conditions at reporting date.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows discounted at the effective interest rate calculated at initial recognition. No provision has been made for expected credit losses in FY2024 (nil:2023).

g) Share Capital

Ordinary shares

Ordinary shares are classified as equity.

Dividends

Dividends are recognised when the shareholder's right to receive payment is established.

h) Interest Bearing Borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, which is determined to be an asset that takes a period of greater than one year to get ready for its intended use, are capitalised as part of the cost of the asset.

i) Employee Entitlements

A liability for annual leave is accrued and recognised in the Statement of Financial Position. The liability is calculated on an actual entitlements basis at current rates of pay. These include salaries and wages accrued up to balance date, alternate days earned but not yet taken, and annual leave earned but not yet taken up to balance date.

j) Trade and Other Payables

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

k) Revenue

Revenue is recognised as the amount of consideration expected to be received in exchange for providing services or transferring promised goods to a customer.

Aeronautical Charges

Aeronautical charges are recognised as revenue in the period in which the airport facilities are used.

Property Revenue

Nelson Airport Limited leases certain buildings and properties. As Nelson Airport Limited retains substantially all the risks and benefits of ownership these are treated as operating leases. Lease income is recognised in the profit or loss on a straight-line basis over the term of the lease. Any payments received for periods after balance date are accrued as lease income in advance.

Ground Transport Revenue

Ground transport revenue includes:

- Car parking fees, which are principally

recognised as revenue and are charged on an hourly and daily basis, the satisfaction of the performance obligation is over time. Revenue is measured based on published transaction prices. The exception to this is fixed parking lease/licence payments, with income for periods after balance date accrued as lease income in advance.

- Revenue from partner rental car companies is recognised as revenue on an accrual basis in accordance with agreements.

Advertising Revenue

Advertising revenue is recognised on a straight-line basis over the term of the lease where the airport is the lessor.

l) Expenses

Net Financing Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method and interest receivable on funds invested as it accrues.

Short Term Leases and Lease of Low Value Assets

The lease of any short-term leases or assets of a low value are recognised as an expense as incurred.

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 the income tax payable in respect to prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

NOTES TO THE FINANCIAL STATEMENTS

TĀPIRI KI TE TAUĀKĪ AHUMONI

For the Year Ended 30 June 2024

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 bases 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 that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises 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 are charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity and other comprehensive income.

m) 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, Inland Revenue is included as part of receivables or payables in the balance sheet.

The net GST paid to or received from Inland Revenue, including the GST relating to investing and financing activities, is classified within operating cash flow in the Statement of Cash Flows.

n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

TĀPIRI KI TE TAUĀKĪ AHUMONI

For the Year Ended 30 June 2024

2. REVENUE

	2024 \$000s	2023 \$000s
Contract Revenue		
Aeronautical Charges	9,856	9,187
Ground Transport Revenues	3,196	3,197
Advertising Revenue	226	249
Total Contract Revenue	13,278	12,633
Other Revenue		
Ground Transport Revenues	1,488	1,360
Retail Revenue	446	411
Property Revenues	2,602	2,294
Sundry Income	27	1
Total Other Revenue	4,563	4,066
Total Revenue	17,842	16,699

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

3. EXPENSES

a) Operating Costs

	2024 \$000s	2023 \$000s
Employee Entitlements	2,869	2,592
Other Operating Expenses	1,691	2,524
Loss on Disposal of Assets	46	210
	4,606	5,326

b) Administration Costs

	2024 \$000s	2023 \$000s
Auditor's Remuneration - Financial statements	78	64
Auditor's Remuneration - Disclosure Accounts	20	20
Directors' Fees	173	167
Insurance and Rates	977	863
Other Administration Expenses	863	649
	2,111	1,763

c) Depreciation and Amortisation

	2024 \$000s	2023 \$000s
Depreciation	4,183	4,201
Depreciation - Right of Use Assets	1	3
Amortisation of Intangible Assets	29	34
	4,213	4,238

d) Finance Costs

	2024 \$000s	2023 \$000s
Interest Expense	1,677	1,448
Interest Expense - Lease Liabilities	1	-
	1,678	1,448

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

4. INCOME TAX

Components of Income Tax Expense

	2024 \$000s	2023 \$000s
Current Tax Expense	2,246	1,859
Deferred Tax Expense	6,364	(465)
	8,610	1,394

Relationship between Tax Expense and Accounting Profit

	2024 \$000s	2023 \$000s
Operating Profit Before Taxation	4,943	4,103
Prima Facie Tax @ 28%	1,384	1,149
Adjustment for Timing and Taxation Differences	827	468
Adjustment for Permanent Differences	35	242
Adjustments for Deferred Tax	(330)	9
Adjustments for Deferred Tax - Property, Plant and Equipment	6,694	(474)
Income Tax Expense	8,610	1,394

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

Deferred Tax

	2024 \$000s	2023 \$000s
Property, Plant and Equipment		
Opening Balance	(13,510)	(13,773)
Charged to Profit and Loss	497	474
Impact from Removal of Depreciation on Buildings (Charged to Profit and Loss)	(7,191)	-
Charged to Asset Revaluation Reserve	(3,818)	(212)
Closing Balance	(24,021)	(13,510)
Employee Entitlements		
Opening Balance	50	41
Charged to Profit and Loss	50	9
Closing Balance	100	50
Derivative Financial Liability		
Opening Balance	(291)	(262)
Charged to Profit and Loss	291	(30)
Closing Balance	-	(291)
Other Provisions		
Opening Balance	12	1
Charged to Profit and Loss	(11)	11
Closing Balance	1	12
Total	(23,921)	(13,739)

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

5. PROPERTY, PLANT AND EQUIPMENT

2024	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Motor Vehicles \$000s	Fixtures and 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	482	149,555
Reclassification - WIP	-	1,428	91	999	84	-	5	(2,607)	-
Additions	-	376	57	274	131	7	5	3,931	4,781
Movement in Asset Revaluation	207	4,226	267	971	-	-	-	-	5,671
Disposals	-	(5)	(0)	(151)	(21)	-	-	(17)	(194)
Balance at 30 June 2024	42,655	65,873	26,892	19,796	957	1,357	496	1,789	159,814
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2023	-	1,651	1,707	698	281	97	249	-	4,682
Reclassification of Opening Balances	-	-	-	-	-	-	-	-	-
Depreciation	-	1,629	1,659	587	136	133	41	-	4,185
Decrease on asset revaluation	-	160	3	768	-	-	-	-	931
Disposals	-	(2)	-	(22)	(10)	-	-	-	(33)
Movement in Asset Revaluation	-	(3,439)	(3,369)	(2,032)	-	-	-	-	(8,839)
Balance at 30 June 2024	-	-	-	-	407	230	289	-	926
Net Book Value at 30 June 2024	42,655	65,873	26,892	19,796	550	1,127	207	1,789	158,888

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

2023	Land & Improvements	Buildings	Airfield Infrastructure	Landside Infrastructure	Equipment	Motor Vehicles	Fixtures and Fittings	Capital Work in Progress	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cost or Valuation									
Balance as at 1 July 2022	42,448	58,056	25,249	16,887	452	151	455	2,217	145,916
Reclassification - WIP	-	2,093	609	561	225	1,264	36	(4,788)	-
Additions	-	8	8	2	104	32	-	3,053	3,207
Movement in Asset Revaluation	-	(309)	662	410	-	-	-	-	762
Disposals	-	-	(51)	(156)	(19)	(99)	(5)	-	(330)
Balance at 30 June 2023	42,448	59,848	26,477	17,703	763	1,348	486	482	149,555
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2022	-	96	1	3	216	101	206	-	624
Depreciation	-	1,586	1,705	695	82	92	44	-	4,205
Decrease on asset revaluation	-	278	-	-	-	-	-	-	278
Disposals	-	-	(0)	0	(17)	(97)	(1)	-	(115)
Movement in Asset Revaluation	-	(309)	-	-	-	-	-	-	(309)
Balance at 30 June 2023	-	1,651	1,707	698	281	97	249	-	4,682
Net Book Value at 30 June 2023	42,448	58,197	24,771	17,005	481	1,251	238	482	144,873

The net carrying amount of property, plant and equipment includes the following amounts held under finance lease: Equipment \$5,649 (2023: \$6,901).

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

Valuation

Residential and commercial land was valued as at 30 June 2024 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 \$2,965,000).

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 2024 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 \$39,690,000).

Buildings were valued as at 30 June 2024 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 \$65,873,035).

Airfield infrastructure was valued as at 30 June 2024 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 \$26,891,694).

Landside infrastructure was valued as at 30 June 2024 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 \$19,796,216).

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

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

The following table summarises the valuation approaches used by the respective valuers.

Asset classification and description	Valuation approach
Land Commercial and Residential Land	Commercial and Residential land is valued on a market sales comparison basis, with one property valued on a hypothetical subdivision approach.
Leasehold Land Lessee’s leasehold interest in airport land vested in the Nelson City Council and under peppercorn rental	Market value existing use approach, using a present value calculation of the benefit of the ground lease over its duration using a discount rate indicated by market activity. This is cross checked with any comparable market sales of leasehold interests.
Buildings Specialised buildings used for identified airport activities including terminal Non-specialised buildings including hangars, offices, garages and storage units	Optimised depreciated replacement cost (ODRC) - the cost of constructing a modern equivalent asset at current market-based input cost rates, adjusted for the remaining useful life of the assets (depreciation). Indexing has been used as part of the ODRC method used to revalue specialised buildings by Duke & Cooke. Income Capitalisation Approach - Establish a market rental after considering both existing leasing arrangements and evidence of local industrial market rentals and adjusting for location and building quality.
Airfield Infrastructure Airside pavements including main runway, taxiways, and aprons	Optimised depreciated replacement cost (ODRC) - the cost of constructing a modern equivalent asset (as described for Specialised Buildings above).
Landside Infrastructure Landside pavements including roads and carparks. Utilities including stormwater, wastewater and supply. Other infrastructure (fencing, lighting etc.)	Optimised depreciated replacement cost (ODRC) - the cost of constructing a modern equivalent asset (as described for Specialised Buildings above).
Equipment Parking meters, security equipment, and vehicles	Cost less depreciation.
Fixtures and Fittings Furniture, office equipment, computers, and fixtures	Cost less depreciation.

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

6. INTANGIBLE ASSETS

2024	Original Cost	Accum Amortisation	Opening Carrying Amount	Additions	Reclassifications	Disposals	Amortisation	Closing Carrying Amount
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Software	100	79	20	5	-	1	8	17
Other Intangibles	180	100	80	-	-	-	20	60
Work in Progress	324	-	324	1,899	-	-	-	2,223
Total	604	179	425	1,904	-	1	28	2,300

2023	Original Cost	Accum Amortisation	Opening Carrying Amount	Additions	Reclassifications	Disposals	Amortisation	Closing Carrying Amount
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Software	96	66	30	4	-	-	13	21
Other Intangibles	179	79	100	-	-	-	20	80
Work in Progress	96	-	96	324	-	96	-	324
Total	371	145	226	328	-	96	33	425

7. TRADE AND OTHER RECEIVABLES

	2024 \$000s	2023 \$000s
Trade Receivables - Contract Revenue	974	854
Trade Receivables - Other Revenue	119	60
Accrued Debtors	31	-
Prepayments	59	60
	1,183	975

8. CASH AND CASH EQUIVALENTS

	2024 \$000s	2023 \$000s
Cash on Hand	6	10
Bank Balance	65	162
	71	172

9. FINANCIAL INSTRUMENTS

	Fair value through profit or loss		Amortised cost	
	2024 \$000s	2023 \$000s	2024 \$000s	2023 \$000s
Financial Assets				
Cash and Cash Equivalents	-	-	71	172
Derivatives	-	1,040	-	-
Trade and Other Receivables	-	-	1,093	914
	-	1,040	1,164	1,086
Financial Liabilities				
Trade and other Payables	-	-	853	889
Finance Lease Liability	6	7	-	-
Loans and Borrowings	-	-	26,800	26,795
	6	7	27,653	27,684

10. SHARE CAPITAL

Ordinary Shares

All 2,400,000 authorised shares (2023: 2,400,000) have been issued, are fully paid up and have no par value. All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

Kiwi Share

The Minister of Transport holds a Kiwi Share on behalf of the Crown. A Kiwi Share is one fully paid special rights redeemable preference share having the rights and limitations specified in Clause 3 of the First Schedule of Nelson Airport Limited’s constitution.

Distributions to Shareholders

Nelson Airport Limited will use its best endeavours to pay an annual ordinary cash dividend to shareholders that is both higher than

that declared in the previous financial year and is at a level that delivers an annual growth rate of higher than the Consumer Price Index for the last published annual period.

An interim one-off dividend was paid in July 2023 to the Shareholder (IHL) to support establishment costs. On 30 June 2024 a dividend of \$1,200,000 was declared and accrued at year end, with payment made following balance date on 4 July 2023. Dividends totalled \$1,300,000 for FY24.

11. CONTINGENCIES

There are no material contingencies to record as at the date of this Annual Report (2023: nil).

12. TRADE AND OTHER PAYABLES

	2024 \$000s	2023 \$000s
Trade Payables	820	855
Trade Payables (Related Parties)	33	33
Dividends Payable	1,200	1,200
Accruals	407	136
GST Liability	131	215
Income Received in Advance	82	30
	2,673	2,470

13. INTEREST BEARING LOANS

	2024 \$000s	2023 \$000s
Repayable as follows:		
Less Than 1 Year	100	26,795
Between 1 and 5 Years	26,700	-
	26,800	26,795
Finance Lease Liabilities		
Less Than 1 Year	6	7
	6	7

Nelson Airport has access to credit facilities via its parent company Infrastructure Holdings Limited (IHL) held with Westpac. This arrangement provide access to a working capital facility with a limit of \$4.4m. There was a balance of \$100,000 drawn at year end.

Non-current core debt is provided via IHL and is sourced from the Local Government Funding Agency (LGFA). The debt is governed by an intercompany loan agreement and is repayable on 13 months’ notice. The balance owing at year end was \$26.7m.

Overall available funding is managed at a group level that considers the needs of Port Nelson and Nelson Airport (refer to the IHL financial statements for more detail).

(2023: Nelson Airport had a line of credit with Westpac for up to \$35m, of which \$26.8m had been drawn at balance date. These facilities were closed as part of the refinancing project in October 2023.)

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

The blended interest rate applying to the IHL loan facility at balance date was 6.07% (2023: 7.20%) and the interest rate on the credit facility was 6.5%.

The total cash outflow paid towards finance leases during the year was \$1,783 (2023: \$4,069).

Interest Rate Risk

Nelson Airport Limited’s operations expose it to a variety of financial risks which it seeks to manage through the application of its Treasury Policy. This policy provides guidance to management on carrying out appropriate financial risk management activities. Up until recently, this included the use of derivative financial instruments. However, Nelson Airport cancelled its derivative contracts in October 2023 and refinanced its debt through IHL. IHL now manages interest rate risk on behalf of the Group. Nelson Airport does not enter speculative trades.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate owing to changes in market interest rates. Nelson Airport’s exposure to fair value interest rate risk is with its bank current account balances. Interest on borrowings from IHL is charged at a pass-through rate equivalent to average interest rate paid on IHL debt attributed to Nelson Airport. These are not accounted for at fair value and fluctuations in interest rates do not have an impact on the carrying amount of the financial instruments recognised in the statement of financial position.

Cash Flow Interest Rate Swap Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. At call cash deposits and borrowings at variable interest rates expose Nelson Airport to cash flow interest rate risk.

To mitigate interest rate risk, Nelson Airport has completed agreements with IHL whereby IHL has entered into a series of forward start swaps in respect of its own borrowing to on-lend to Nelson Airport. The swaps are in IHL’s name and accounted for by IHL. The effect of the swaps is to fix the rate for a significant portion of the on-lending that IHL provides to Nelson Airport. However, the remainder of Nelson Airport’s borrowing from IHL is at floating rate. As IHL charges Nelson Airport a weighted average interest rate based on its total lending to Nelson Airport, including hedging, effectively the whole IHL loan is at floating rate (albeit moderated by the hedging entered into by IHL).

NOTES TO THE FINANCIAL STATEMENTS
TĀPIRI KI TE TAUĀKĪ AHUMONI
For the Year Ended 30 June 2024

14. RECONCILIATION OF REPORTED PROFIT AFTER TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2024 \$000s	2023 \$000s
Net Profit / (Loss) for the Year	(3,667)	2,709
Add/(Less) non cash and non operating items:		
(Gain)/Loss on Disposal of assets	46	187
Depreciation and Amortisation	4,213	4,238
Net Decrease/(Increase) on asset revaluation	262	(38)
Reclassification of Work In Progress as expense	17	96
Movement in deferred taxation	6,364	(465)
Movement in derivative financial instrument	50	(105)
Movement in working capital:		
(Increase)/Decrease in other current assets	8	(23)
(Increase)/Decrease in receivables	(206)	(31)
Increase/(Decrease) in current tax payable	(475)	1,147
Increase/(Decrease) in payables	195	662
Net cash flows from operating activities	6,807	8,378

15.CASH FLOWS FROM
FINANCING - TERM LOANS

As a result of the establishment of IHL as Nelson Airport Limited’s (NAL) holding company in the current year, IHL now carries out the treasury function on behalf of the subsidiary companies. NAL repaid its direct borrowings, and borrowed firstly from Westpac through

IHL, then from the Local Government Funding Agency through IHL. Cash Flows relating to term loans are reported on a gross basis, so each of these drawing-down and repayments is captured in these amounts.

16.TRANSACTIONS WITH RELATED PARTIES

Transactions with Shareholder and Parent Entities

Nelson Airport Limited is owned by Infrastructure Holdings Limited (100%), who is jointly owned by Nelson City Council (50%) and Tasman District Council (50%).

During the year, transactions between Nelson Airport Limited and its shareholder and parent entities included:

	2024 \$000s	2023 \$000s
Infrastructure Holdings Limited:		
Interest Expense	(1,260)	-
Management Fees	(173)	-
Dividends declared	(1,300)	-
Nelson City Council:		
Services Provided	20	-
Rates and other services	(1,274)	(613)
Dividend declared	-	(600)
Tasman District Council:		
Dividend declared	-	(600)

Year end balances with Shareholder and Parent Entities

At year-end the following outstanding balances with shareholder and parent entities were recorded as an asset / (liability):

	2024 \$000s	2023 \$000s
Infrastructure Holdings Limited:		
Dividend payable	(1,200)	-
Interest payable	(134)	-
Management fees payable	(14)	-
Borrowings	(26,800)	-
Nelson City Council:		
Dividend payable	-	(600)
Rates and other services payable	(357)	(22)
Tasman District Council:		
Dividend payable	-	(600)

A peppercorn rent in respect of airport land is chargeable to Nelson Airport Limited by Nelson City Council.

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 \$120,305 (2023: \$78,076), while receiving income of \$75 (2023: nil). The balance included as owing in trade payables as at 30 June 2024 was \$9,478 (2023: \$11,286).

Nelson Regional Development Agency Limited is wholly owned by Nelson City Council. Nelson Airport Limited paid costs of nil to the Agency (2023: \$6,153), while receiving income of \$6,900 (2023: nil). The balance included as owing in trade payables as at 30 June 2024 was nil (2023: \$403).

Port Nelson Limited is 100% owned by Infrastructure Holdings Limited. Nelson Airport Limited paid waste disposal and other fees to Port Nelson Limited amounting to \$1,107 (2023: nil), while receiving income of nil (2023: nil). The balance included as owing in trade payables as at 30 June 2024 was \$174 (2023: nil).

Transactions with entities related to key management personnel

Nelson Airport Limited paid \$1,107 (2023: nil) to Port Nelson Limited, of which Matthew McDonald was the General Manager during the year.

Nelson Airport Limited paid \$53,487 (2023: \$28,790) to Findex NZ Ltd, of which Darren Mark was Senior Partner during the year.

Nelson Airport Limited paid \$142 (2023: \$2,075) to Vertus Group Ltd, of which Quinton Hall was Director and Shareholder during the year.

Nelson Airport Limited paid \$50,648 (2023: \$17,789) to NZ Airports Association, of which Matthew Clarke was Chair during the year.

Nelson Airport Limited paid the following compensation to key management personnel (Directors and the Chief Executive, Mark Thompson) for services rendered:

	2024	2023
Key management personnel compensation	\$ 474,028	\$ 415,071

With the exception of the peppercorn rent charged by Nelson City Council to Nelson Airport Limited, all related party transactions 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.

17. CAPITAL COMMITMENTS

Nelson Airport Limited has \$2,062,000 worth of contractual capital commitments for property, plant and equipment as at 30 June 2024 (2023: \$1,141,007).

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

18. OPERATING LEASES

Nelson Airport Limited owns and leases out several commercial properties on land around the airport precinct. This includes ground leases for buildings owned by tenants, buildings and terminal space in buildings it owns, and some minor agreements for small spaces such as carparks.

In order to manage the risk to the underlying assets used by these tenants, Nelson Airport Limited employs a dedicated commercial manager to monitor its assets, perform inspections of leased properties and, where appropriate, include return to original state clauses in lease agreements.

Nelson Airport Limited has non-cancellable operating lease arrangements with lessees of the terminal and other land and buildings of the airport. Due to the variable nature of these agreements, the future value of these operating lease payments cannot be reliably estimated.

The lease arrangements are renewed on a periodic basis as disclosed in the lessors' individual contracts and many are subject to regular rent reviews.

In 2024 lease revenue received in association with the non-cancellable operating lease arrangements amounted to \$3,476,000 (2023: \$3,207,278).

Future non-cancellable lease revenue from existing leases:

Future non-cancellable lease revenue from existing leases	2024 \$000s	2023 \$000s
Lease revenue within 12 months	\$2,870	\$ 2,976
Lease revenue between 1-5 years	\$ 5,461	\$ 5,169
Lease revenue thereafter	\$ 4,011	\$ 566
Total	\$12,342	\$8,711

19. EVENTS AFTER BALANCE DATE

There have been no significant events after balance date that materially impact Nelson Airport Limited's financial position or viability as a going concern.

20. SHAREHOLDERS' STATEMENT OF INTENT

The company was required to deliver a completed Statement of Intent to its shareholders by 30 June 2024 under Part 3(b) of Schedule 8 of the Local Government Act 2002. The 2024/25 Statement of Intent was completed and forwarded to Nelson Airport Limited's shareholder on 13 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

TĀPIRI KI TE TAUĀKĪ AHUMONI

For the Year Ended 30 June 2024

21.VARIANCE - 2023/24 ACTUALS TO 2023/24 STATEMENT OF
INTENT FINANCIAL FORECASTS

Statement of Comprehensive Income

	Sol Forecast (\$m)	2023/24 Actuals (\$m)	Variance (\$m)	Variance (%)	Note
Total Operating Revenues	18.1	17.8	-0.3	-1	1
Total Operating Expenses	(7.6)	(6.7)	1.0	-12	2
EBITDA before Other Income / Expenses	10.4	11.1	0.7	7	
Depreciation & Amortisation	(4.5)	(4.2)	0.3	-7	3
Other Income / (Expense)	(0.6)	(0.2)	0.4	67	
EBIT	5.3	6.6	1.4	27	
Finance (Expense) / Income	(1.5)	(1.7)	-0.2	14	
Profit before Income Tax	3.7	4.9	1.3	35	
Income Tax	(1.3)	(8.6)	-7.3	543	4
Net Profit after Tax	2.4	(3.7)	-6.1	-252	

Explanatory Notes

1. Passenger numbers were down by approximately 3% on budget.
2. The budgeted deconstruction of some buildings did not occur.
3. Subsequent revaluations and asset review resulted in an increase in depreciation in FY24.
4. The Government decision in March 2024 to remove depreciation from commercial buildings resulted in a significant deferred tax expense.

NOTES TO THE FINANCIAL STATEMENTS

TĀPIRI KI TE TAUĀKĪ AHUMONI

For the Year Ended 30 June 2024

21.VARIANCE - 2023/24 ACTUALS TO 2023/24 STATEMENT OF
INTENT FINANCIAL FORECASTS (CONT)

Statement of Financial Position

	Sol Forecast (\$m)	2023/24 Actuals (\$m)	Variance (\$m)	Variance (%)	Note
Current Assets	1.3	1.3	0.0	3	
Property, Plant and Equipment	153.1	158.9	7.6	5	5
Intangible Assets	0.1	2.3	2.2	2,247	
Other Non-current Assets	0.4	0	-0.4	-100	
Total Assets	154.9	162.5	7.2	5	
Current Liabilities	5.1	4.3	-0.9	-17	
Total Loan Finance	32.4	26.6	-5.8	-18	6
Total Other Non-current Liabilities	13.8	23.9	10.0	73	7
Total Liabilities	51.4	54.9	3.4	7	
Total Net Assets	103.5	107.7	3.8	4	
Total Equity	103.5	107.7	3.9	4	

Explanatory Notes

5. 2024 valuations resulted in higher gains to land, buildings and infrastructure assets.
6. There was a delay in the start of some capital projects.
7. The Government decision in March 2024 to remove depreciation from commercial buildings resulted in a significant deferred tax liability.

21.VARIANCE - 2023/24 ACTUALS TO 2023/24 STATEMENT OF
INTENT FINANCIAL FORECASTS (CONT)

Statement of Cash Flows

	Sol Forecast (\$m)	2023/24 Actuals (\$m)	2023/24 Actuals Including GST (\$m)	Variance (\$m)	Variance (%)	Note
Cash Opening Balance	0.2	0.2	0.2	0.0	0.0	8
Cash In						
Cash from Operations	20.6	17.7	20.4	-0.2	-1	
Cash drawn from Loan Facility	10.8	74.2	74.2	63.4	585	9
Other Assets / Liabilities	0.4	0.0	0.0	-0.4	-100	
Total Cash Inflows	31.9	92.0	94.6	62.8	197	
Cash Out						
Operational Expenses	8.6	6.5	7.0	-1.7	-20	10
Income Tax Paid	1.8	2.7	2.7	0.9	48	
Dividends	1.2	1.3	1.3	0.1	8	
Capital Expenditure	12.3	6.6	7.6	-4.7	-38	11
GST Paid (Received)	0.7	0.1	1.2	0.5	78	
Loan Repayments	7.2	75.9	75.9	68.7	954	9
Total Cash Outflows	31.9	93.1	95.7	63.8	200	
Cash Closing Balance	0.2	0.1	(0.9)	-1.1	-620	

8. The Statement of Intent Forecast is made on a GST inclusive basis whereas the 2023/24 Actuals are displayed on a GST exclusive basis. To provide for meaningful comparison for the variance analysis the 2023/24 figures have been grossed-up to include the GST element (the third column in the table above).
9. This reflects the gross re-financing of borrowing from Westpac to IHL October 2023.
10. This reflects significant cost savings over budget, for example deconstruction costs did not occur.
11. Capital expenditure was delayed on selected projects including the main apron remediation.



Independent Auditor's Report

To the readers of Nelson Airport limited's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Nelson Airport Limited (the company). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, 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 30 to 60, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 22 to 25.

In our opinion:

- the financial statements of the company on pages 30 to 60:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; 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 New Zealand equivalents to International Financial Reporting Standards; and
- the performance information of the company on pages 22 to 25 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 2024.

Our audit was completed on 25 September 2024. 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, we comment on other 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.

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 and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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 the 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 there is an intention to liquidate the company or to cease operations, or there is 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 the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

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

AUDITOR'S REPORT
TE PŪRONGO KAIAROTAKE
For the Year Ended 30 June 2024



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 the 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 the 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 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 the 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 the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 21 and 26 to 29, but does not include the financial statements and performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

AUDITOR'S REPORT
TE PŪRONGO KAIAROTAKE
For the Year Ended 30 June 2024



In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the New Zealand Auditing and Assurance Standards Board.

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

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

COMPANY DIRECTORY

TE PAPATOHU

Directors

Quinton Hall - Chair
Darren Mark – Chair Audit and Risk
Matthew Clarke
Matthew McDonald
Emma Ihaia

Registered Office

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

Senior Leadership Team

As at 30 June 2024

Chief Executive Officer
Commercial Manager/Acting CE
Chief Financial Officer
Operations Manager
Communications and Marketing
Facilities and Assets
Support Services
Customer Services Manager

Mark Thompson (ceased June 24)
Simon Barr
Adrian Ferris (commenced Dec 23)
Jesse Woods (commenced Dec 23)
Beth Catley
Jonathan Truslove
Tania Mitchell
Mike Jukes (commenced Sep 23)

Auditor

Ernst Young – On behalf of the Auditor General

Accountant

Johnston Associates Chartered Accountants

Banker

Westpac Banking Corporation

Lawyer

Ford Sumner Lawyers



