

TE PŪRONGO Ā-TAU ANNUAL REPORT

2025



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.

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

Nelson Airport supports excellent experiences that add to visitor satisfaction.

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

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.

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

Our Values

O Tatou Uara

Integrity

Teamwork

Continuous Improvement

Openness

Safety

Accountability

Ngākau Pono

Mahitahi

Whakapai ake

Ngākaunui

Marutau

Noho haepapa





Contents

Chair and Chief Executive Report	6
Service Performance Report	22
Company Directory	26
Annual Report Financials	28
Statement of Comprehensive Income	34
Statement of Changes in Equity	35
Statement of Financial Position	36
Statement of Cash Flows	38
Notes to the Financial Statements	40
Auditor’s Report	70



Chair and Chief Executive Report

YEAR ENDED
30 JUNE
2025

Overview Tirohanga Whānui

Tēnā koutou katoa. Greetings to you all.

We're delighted to share our financial result for the 2025 financial year, alongside progress on planning and investment in airport infrastructure, customer experience improvements, community engagement and sustainability. The achievements are pleasing given a difficult economic and operational environment that resulted in reduced passenger numbers and aeronautical revenue.

At \$11.2m, Operating Profit was up on the previous financial year. This is a robust result and, given the challenges, is a testament to the collective efforts of the airport leadership team to ensure prudent financial management. Passenger numbers for the 2025 financial year were 858,128, compared with 915,600 in FY24.

Improvements in airport infrastructure included the first two of six stages of a \$10 million apron reconstruction. Project 2-Zero progressed through the adoption of recommendations from the Independent Hearing Panel, a significant milestone in the journey to future-proof our region's connectivity. A successful resource consent application for a bridge over Jenkins Creek and southern development area also sets us up well for the future.

We have maintained an "Excellent" customer satisfaction rating in FY25 and continued to improve the customer experience through

the appointment of a new cafe operator and introduction of the Hidden Sunflower Disabilities scheme to support our customers with hidden needs.

The adoption of our first Climate Report was a major step towards building both our resilience to climate effects and transparency around our commitment to a more sustainable future.

We're proud of the engagement we have had with a wide range of partners and stakeholders throughout the year, including Ngā Iwi o te Tau Ihu o te Waka a Māui, airport operators, community partners such as Nelson Tasman Hospice, Big Brothers Big Sisters of Nelson Tasman and many others. We recognise the importance of building closer relationships with some of our nearest neighbours, and this work is underway.

Finally, we'd like to acknowledge the service of outgoing board member Matthew McDonald. Matt served as a director from 2017 to 2025, providing valuable guidance and strategic oversight over a period of significant change and development for the airport, including the completion of the new terminal.

Board Members

FROM LEFT TO RIGHT

Matthew Clarke

Darren Mark

Emma Ihaia

Quinton Hall

Matthew McDonald (Resigned 1 July 2025)





Highlights of The Past 12 Months

Customers and Stakeholders



Maintained an ‘Excellent’ customer satisfaction score in our annual passenger survey.

Health, Safety and Risk



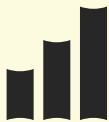
Developed a Risk Management Framework, refined our risk register, and onboarded a new safety management software system.

Project 2 Zero



Independent Hearing Panel recommended acceptance in full, subsequently confirmed by Nelson City Council and Nelson Airport.

Finance



Total Revenues (\$18.5m) and Operating Profit (EBITDA) (\$11.2m).

People, Culture and Values



Strong annual engagement score of 4.23 out of 5.

Infrastructure and Property



Completed the first two stages of the \$10 million apron reconstruction project.



Health, Safety and Risk

Hauora, Haumaru Me Te Tūraru

The safety of every person working at or visiting Nelson Airport is a core priority of the business and we're pleased to report there were no airport employee Lost Time Injuries this year. Continuous improvement in health, safety and risk remains a key focus. We have implemented a range of improvements based on the recommendations of a Health, Safety and Wellness review undertaken in the previous financial year, including:

- Adopting a risk-based approach for developing, reviewing and updating Standard Operating Procedures (SOPs)
- Developing SOPs for Customer Service Officer at-risk tasks
- De-escalation training for customer service staff
- Training Matrix completed for Customer Service and Airport Emergency Service (AES) roles
- Wellness initiatives plan in place for calendar year 2025
- Wellness reporting included in Board Management Report

We further engaged with Health, Safety and Wellness (HSW) experts to review our contractor management system and recommendations will be implemented this year.

Safety Management System (SMS)

We have reviewed and consolidated our existing risk register. This resulted in greater oversight, ownership and manageability of the risks encountered in a dynamic airport environment. An improved risk management framework was also developed, ensuring consistent application of risk assessment and management protocols, alongside new safety management software to digitise our systems and processes. A desktop review of the SMS Manual was conducted and the improvements identified will be progressed over the coming 12 months.

Airport Emergency Service

The Airport Emergency Service (AES) has continued to grow its emergency response capabilities through training and development. A new online New Zealand-based training provider allows us to create high quality training content and share with other airports (and vice versa). All personnel undertook realistic live fire training and received firearm/pyrotechnic launcher training alongside the development of a dedicated SOP. AES remain instrumental in maintaining the serviceability of our airfield infrastructure (inspections, contractor management, works oversight), providing medical response to customers, and managing wildlife.



People, Culture and Values

Tāngata, Ahurea Me Ngā Uara

In May 2025, we conducted our annual employee engagement survey, achieving an overall engagement mean score of 4.23 out of 5. We continue to invest in the professional growth of our people through training and development. The average development hours per full-time equivalent (FTE) increased from 73 to 81, and we expanded use of our dedicated online training platform for all staff. The online platform is particularly beneficial for our shift-based employees, who have limited ability to attend off-site training during work time.

I was appointed as Chief Executive and started in October 2024. A senior leadership team restructure took place in June 2025 to streamline our reporting structure. There was no reduction in headcount as a result of the changes.

CEO
Brendan Cook





Infrastructure and Property

Hanganga Me Ngā Rawa

While passenger numbers and aeronautical revenues have been constrained, we recognise the continued importance of investing in our infrastructure for the future of the region's connectivity. The \$10 million Apron Project has progressed through the first two of six stages to improve efficiency, safety and experience for customers and operators.

Stormwater upgrades have improved our resilience to severe weather events, and more work is planned in coming years. Terminal upgrades have increased thermal comfort for airport workers and visitors, through new air conditioning systems and installation of a wind-break in front of the terminal doors.

Apron Project

The first stage of the total reconstruction of the airport apron began in November 2024, with stage 2 completed in June 2025. Spanning more than 20,000m², this project addresses aged infrastructure where aircraft park, refuel, and embark/disembark passengers, ensuring it is fit-for-purpose for decades to come. Once complete it will deliver a range of safety enhancements for our airline partners and customers, as well as customer experience improvements.

To date, the Apron Project has involved:

- 6,600m² expansion, consisting of full-depth pavement construction, surface asphaltting and southern apron taxiway realignment.

- 5,500m² reconstruction, removing and replacing the old apron (aircraft parking area) with a high-spec structural design, and delivery of two new code-C aircraft stands suitable for all our airline partners, with four more stands to come.
- 200m of new drain installation to provide increased resilience during extreme weather events.

Proactive communication and transparency with stakeholders has led to great outcomes and enabled us to carry out this disruptive project with minimal impact to airline operations.

Stormwater Upgrades

A total of 300 metres of culverts have been installed between the runway and the detention pond to improve airfield drainage. We commissioned and completed an in-depth analysis of the Hangar 1 and Hangar 3 stormwater catchment area, which will inform further stormwater improvements in future years to address periodic flooding of these low-lying areas in severe rain events.

Photographed by
Jonathan Oliver



Runway Extension

The Project 2-Zero planning application to update the airport's zoning and planning framework, allowing for a future northern runway extension, reached a major milestone. The Independent Hearing Panel, having considered all the evidence and hundreds of public submissions, recommended the application should be confirmed in full.

Following confirmation of the Private Plan Change (PPC30) by the Nelson City Council in late 2024, and of the Notice of Requirement by Nelson Airport in February 2025, three parties lodged appeals with the Environment Court and mediation took place in August 2025. We have had ongoing dialogue with the appellants and other stakeholders in early 2025 and will work through the Environment Court process in the coming year.

Protecting an ability to extend the runway in 10 – 15 years' time through appropriate planning mechanisms is vital to future-proofing air connections for the future.

Jenkins Bridge and Southern Development Area

A key part of our 2050 Masterplan is the development of land at the southern end of the airport precinct for airport-related industry to ensure sufficient land is available for businesses wanting to operate from the airport. In November 2024, the Nelson City Council granted resource consent allowing us to open up a landlocked area of airport land on the other side of Jenkins Creek via new vehicle and pedestrian bridges from Trent Drive.



Financial Results

Ngā Hua Pūtea

Total Revenue at \$18.5m was up 3.9% on the FY24 result (\$17.8m). However, passenger numbers were down on the previous year due to softening economic conditions and schedule reductions across the domestic network. Total passenger numbers declined to 858,307, compared with 915,641 in the previous year. Strong performance in other areas of the business helped reduce the impact of these reductions.

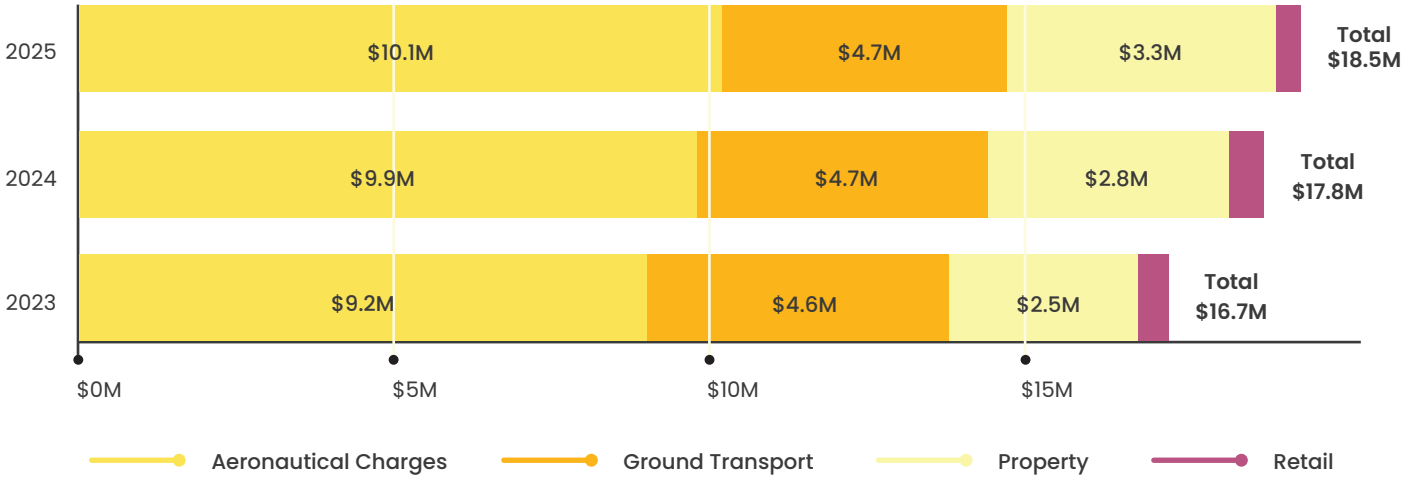
Revenue growth combined with cost management led to an improvement on FY24 Operating Profit (EBITDA). Statutory profit after tax of \$3.24m was the second highest in the company’s history.

The overall financial performance supported the declaration of an increased dividend. A dividend of \$1.4m was declared in August 2025, up 7.7% on FY24 (\$1.3m). As the dividend was declared after the financial year ended, it is not reflected in these financial statements.

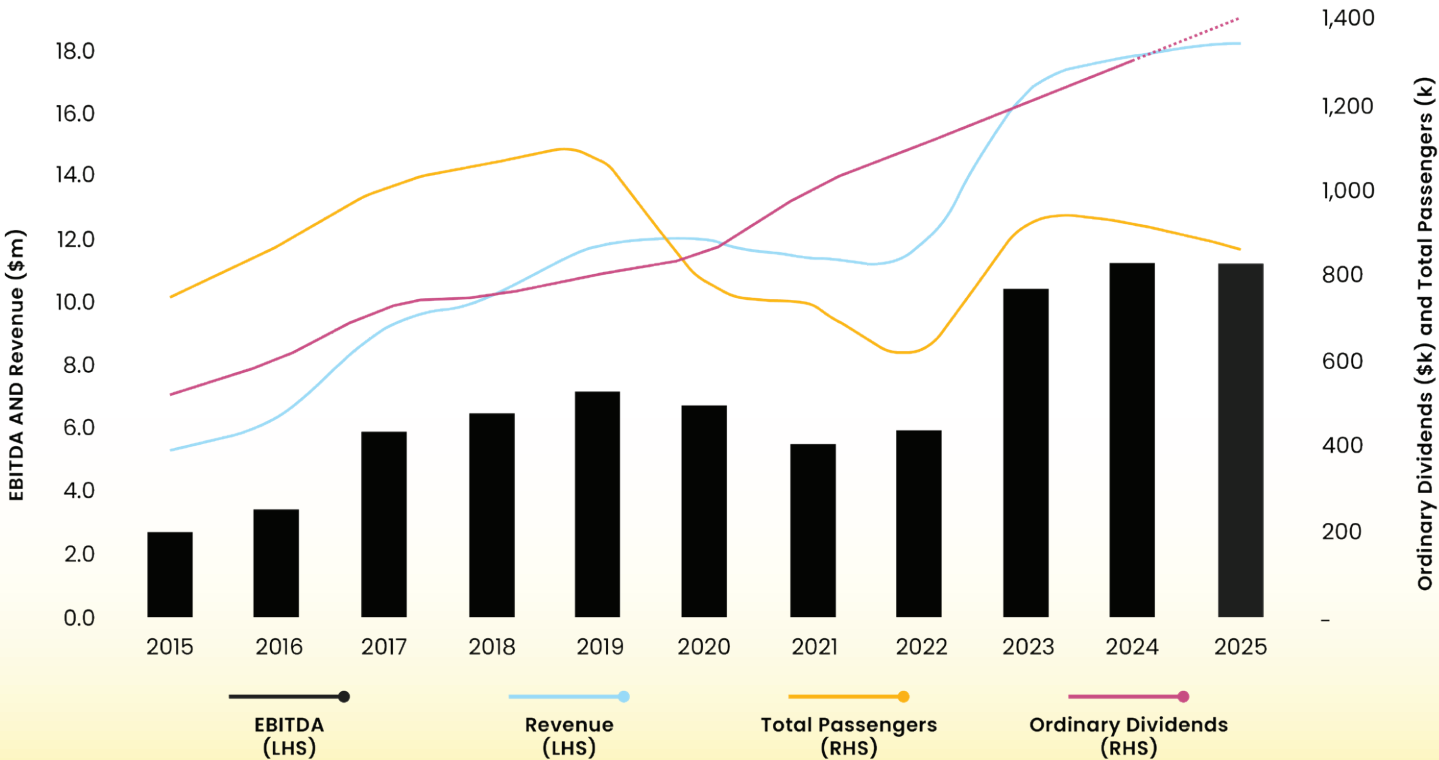


▼
The overall financial performance supported the declaration of an increased dividend.
▲

Revenue Growth



Key Performance Indicators





Customers and Stakeholders

Ngā Kiritaki Me Te Hunga Whai Pānga

Our annual customer satisfaction survey, carried out in March and April 2025, maintained an “Excellent” satisfaction score for the third year running. The overall in-terminal net promoter score (NPS) was 51, similar to the previous year’s result and assessed as “Excellent” in line with the NPS scoring hierarchy. Airline check-in, the Customer Service desk, Restrooms and Overall Airport Ambience and Environment topped the facility ratings with high satisfaction scores.

The introduction of the Hidden Disabilities Sunflower in April supports our commitment to inclusivity and access for all travellers, by providing a discreet way for customers to signal a need for extra assistance or care when wearing a sunflower lanyard.

New Airport Café

Following a competitive tender process, we appointed a new operator for the main terminal bar and café in September 2024. Operating currently as Fuel to Fly, the new operator has been working on plans for a significant redevelopment to provide a combined café/bar, with construction planned for late 2025. Changes in the food and beverage offer have already resulted in higher sales and improved customer satisfaction ratings for the terminal café.

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. An active shoulder-season and off-season promotional programme with Sounds Air supported the airline in successfully growing passengers on its Nelson routes by 46% over the financial year.

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
- Nelson Aero Club
- Whenua Iti
- Fresh FM
- Nelson Tasman Chamber of Commerce
- Tasman Bay Guardians

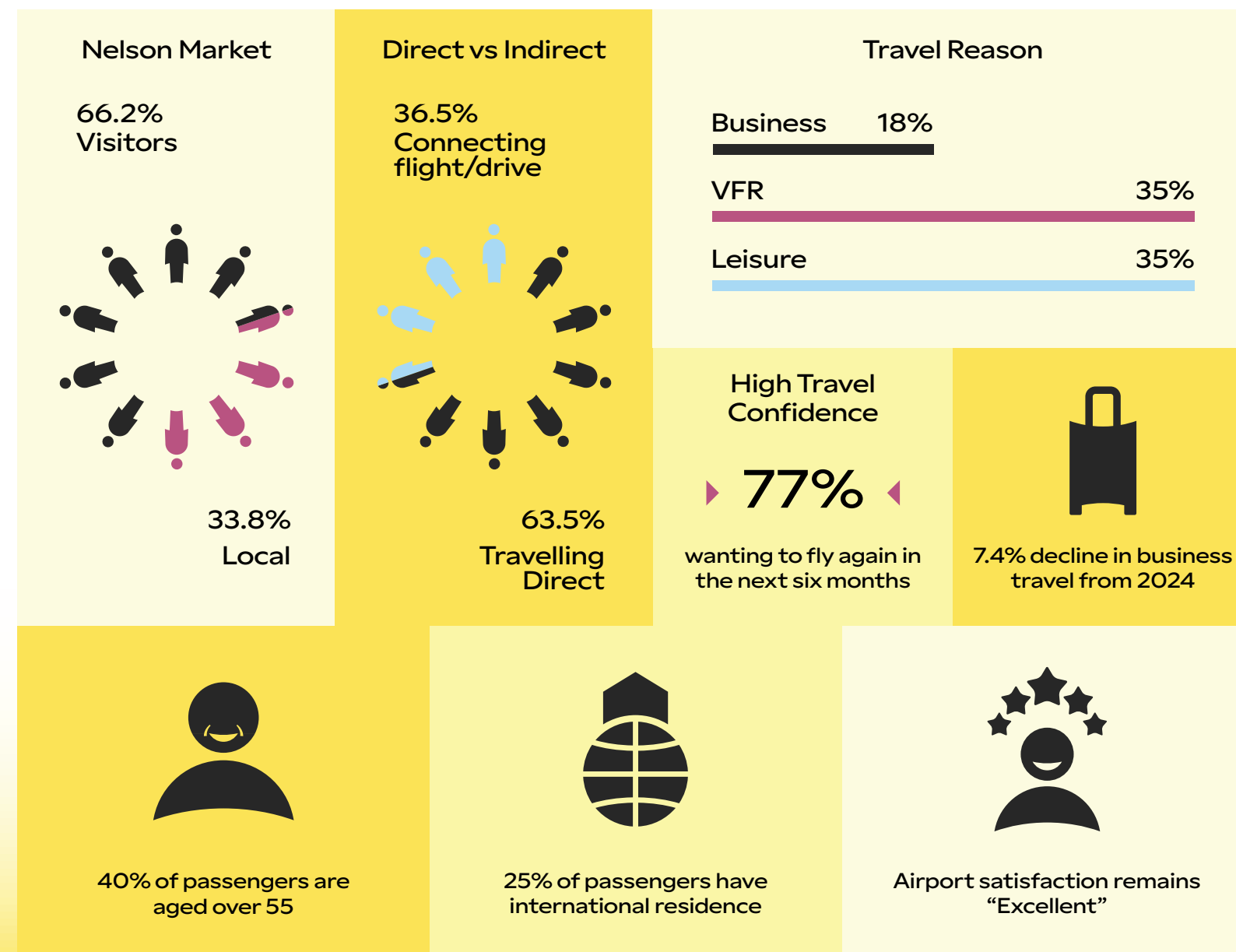
Iwi Partnerships

Work is underway on a significant cultural artwork within the terminal through a grant agreement with Kōpū lead agency Te Atiawa Manawhenua Ki Te Tau Ihu Trust. The installation of an arrival/departure tomo inspired by waka motifs is now in detailed design phase with installation planned by the end of the 2025 calendar year. We provide regular email updates to iwi on all airport news and developments of significance, and in September will present the first in a new series of in-person regular biennial updates to the Iwi CEO Forum. Training for airport employees in te reo Māori me ōna tikanga (Māori language and cultural practice) continues through Te Ataarangi ki Te Tauihu o Te Waka a Māui.

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. In FY25 the committee received Nelson Airport’s five-yearly independent Air Noise Compliance Audit, which provides a quality assurance check of the methodology used to assess compliance with the airport’s operative noise contours. Recommendations for further improvements to the methodology will be implemented in the coming financial year.

Survey Snapshot





Environmental Sustainability

Whakauka Taiao

Although Nelson Airport is not required to report under the Climate Related Disclosures legislation, we published our first voluntary sustainability report (covering the 2024 financial year) in September. We're continually improving our knowledge in this area and plan to share a sustainability report every year, with the goal of being fully compliant with the External Reporting Board's Climate Standards NZ CS1, 2 and 3 by FY26.

Sustainability initiatives over the past year include:

- Continuing to integrate waste minimisation into our capital projects. Rather than taking old airfield apron surfacing to landfill we are recycling this material to construct access roads and upgrade our perimeter walkway track. Other material from the apron remediation project is being reused or recycled by our contractors.
- Focussing on employee commute by taking part in local initiatives with other businesses in the region, helping our staff have greater access to active transport options via the WorkRide programme and participating in the 2025 Aotearoa Bike Challenge.
- Staff volunteer day to restore īnanga spawning habitat in Jenkins Creek with Tasman Bay Guardians and Fulton Hogan.
- Improving waste and recycling bin signage in the terminal to reduce recycling contamination.

- Expanding our composting programme to include coffee cups. This resulted in 7.6 tonnes of coffee cups being diverted from landfill between July 2024 and May 2025. Unfortunately the local provider ceased offering this service in May 2025.

Building Resilience to Climate Change

Notable works this year include progress on our programme of drainage and stormwater upgrades to mitigate flooding issues, with \$1.3m spent on infrastructure this year.



Outlook Te Anganga

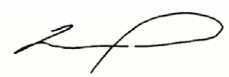
We're proud of all that has been achieved in the 2025 financial year, and look forward to continuing to invest in our region's air transport connections in the coming year.

We don't anticipate growth in passenger numbers in the next 12 months. However, we believe the decline in airline capacity for Nelson Airport has reached its low point. The outlook for the coming financial year therefore is for more of the same, with a similar level of aircraft movements and passenger numbers.

We expect a return to moderate growth from FY27 onwards as the New Zealand economy improves and Air New Zealand begins to rebuild the capacity of its domestic fleet. We're committed to supporting the growth of our regional airlines, and the success of all on-airport businesses.

In the coming year our focus will remain on ensuring Nelson Airport's infrastructure is resilient, fit for purpose and can meet the region's needs for a long time to come. Alongside our physical infrastructure, we intend to maintain high levels of customer service and satisfaction, community pride and an outstanding first impression for visitors to Nelson-Whakatū.

Quinton Hall
Board Chair



2 September 2025

Brendan Cook
Chief Executive



2 September 2025



Service Performance Report 2024/25

We have developed six strategic areas to improve business performance and encourage growth. The strategic areas are underpinned by a series of activities and key performance indicators.

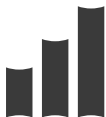
The following table provides commentary on achievement of the targets published in the 2024/25 Statement of Intent.

Health, Safety and Risk



Measure	Target	Result
Meet all our obligations and standards under Civil Aviation Act Rules	No “major” findings ¹ Annual independent audit of SMS completed	Achieved
Facilitate an effective and transparent forum with engaged stakeholders jointly driving safety and operational improvements	Complete external audit of H&S risks, governance compliance processes and procedures	Achieved

Financial Results



Measure	Target	Result
Manage financial performance to ensure we are optimising returns while also maintaining a strong balance sheet	EBITDA ² \$11.58m	Not Achieved - \$11.23m
	Gross Leverage Ratio ³ <3.5x	Achieved - 2.5x
	Funds from Operations/Debt ⁴ >18%	Achieved - 27%

People, Culture & Values



Measure	Target	Result
Annual employee engagement survey to be undertaken	Complete the employee engagement survey by 30th June 2025	Achieved
Maintain a formal training and development programme for all employees	Increase the development hours per FTE	Achieved

Customers and Stakeholders



Measure	Target	Result
Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain “Excellent” result in next Customer Satisfaction Survey	Achieved
Deliver on Māori Partnership plan	Adopt the Cultural Framework and commence implementation	Achieved

¹ 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.

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

³ Total third-party debt at year end/EBITDA before other income and expenses (maintained at <3.5)

⁴ Total third-party debt at period end/Equity at period end (maintained at > 18%)

Service Performance Report 2024/25

Infrastructure and Property

Measure	Target	Result
Maintain an asset management system to manage the condition, criticality and life cycle of all assets	Rehabilitation project stage 1 commenced on main apron	Achieved
Ensure planning framework enables delivery of master plan	NoR and PC30 confirmed ⁵	Achieved
	Consents achieved for bridging of Jenkins Creek	Achieved

Environmental Sustainability

Measure	Target	Result
Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030	Climate Disclosure reporting initiated	Achieved
Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Review recommendations of 2024 Five-year Noise Audit and prepare a plan for those recommendations that are to be implemented	Achieved

⁵ Notice of Requirement (NoR) and Plan Change 30 (PC30) relates to Project 2-Zero



Company Directory

Te Papatohu

Registered Office

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

Directors

Quinton Hall	Board Chair
Darren Mark	Chair Audit & Risk and Remuneration Committee
Matthew Clarke	
Matthew McDonald	(Resigned July 25)
Emma Ihaia	Chair Health, Safety & Wellness Committee

Senior Leadership Team

Chief Executive	Brendan Cook (commenced Oct 24)
Chief Executive (acting)	Simon Barr (Jul – Oct 24)
Commercial Manager	Simon Barr
Chief Financial Officer	Adrian Ferris
Operations Manager	Jesse Woods
Communications and Marketing	Beth Catley
Facilities and Assets	Marius Coetzee
Support Services	Tania Mitchell
Customer Services Manager	Mike Jukes

Auditor

Ernst & Young
On Behalf of the Auditor General

Accountant

JAS Accounting & Advisory Services Limited

Banker

Westpac Banking Corporation

Lawyer

Ford Sumner Lawyers
Russell McVeagh



Annual Report Financials

Te Pūrongo Pūtea Ā-Tau

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 2025.

Nature of Business
Airport operating company.

Director	Committee & Position	Board Meetings Attended	Tenure	Remuneration	
				2025	2024
Quinton Hall	Board Chair	10/10	May 22 – Current	\$53,816	\$51,400
Darren Mark	Audit & Risk – Chair Remuneration – Chair	10/10	May 22 – Current	\$33,913	\$32,400
Emma Ihaia	Health, Safety & Wellness – Chair	10/10	October 22 – Current	\$32,876	\$31,400
Matt Clarke	Director	10/10	June 13 – Current	\$30,258	\$28,900
Matthew McDonald	Director	10/10	March 17 – 30 June (resigned 1 Jul 25)	\$30,258	\$28,900

YEAR ENDED
30 JUNE
2025



Photographed by
**Gowreesan
Pulendrarajah**



Directors’ Register of Interests

The following are particulars of interest register entries by the company directors pursuant to the Companies Act 1993 section 211(e) during this financial year:

Quinton Hall

Vertus Group Ltd	Director and Shareholder
Jucy Group 2022 Ltd	Director
MV Group Limited	Director and Shareholder
Gymnastics New Zealand	Chair
Infrastructure Holdings Limited	Director

Emma Ihaia

Castalia Strategic Advisors	Senior Advisor
Fifeshire Foundation	Deputy Chair
Link Economics Limited	Sole Director and Shareholder
Competition Law and Policy Institute of New Zealand	Deputy Chair (Appointed August 2024)

Matthew McDonald

Port Nelson Ltd	Chief Executive Officer
Nelson Diocesan Trust Board	Trustee and Director
Nelson Marine Precinct Limited	Director

Matt Clarke

Wellington International Airport Ltd	Chief Executive Officer
Wellington Airport Noise Treatment	Director
Whare Manaakitanga Ltd	Director
New Zealand Airports Association	Chair
Jean Batten Street Limited	Director (Appointed March 2025)
Meitaki Ltd (Incorporated in Rarotonga)	Director

Darren Mark

Findex Nelson / Findex NZ Ltd	Senior Partner
Infrastructure Holdings Limited	Director
Port Nelson Limited	Director (Appointed April 2025)
Titipounamu Investments Ltd	Chair
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
Te Oramamaku Holdings Ltd	Director
West Yates and Partners Nominee Company Ltd	Director
Maitai Trustee Company Ltd + various other trustee Co’s in Darren’s professional capacity	Director
Tasman Bays Heritage Trust	Trustee
RG & EF MacDonald Trust Board	Trustee
Project Janszoon Trust Company Limited	Director
Whangarei Rollforming Limited	Director

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

Employees Remuneration

The number of current or former employees who received remuneration and other benefits of \$100,000 or more for the year ended 30 June 2025 was as follows:

Remuneration	Number of Employees 2025	Number of Employees 2024
\$100,000 – \$110,000	1	2
\$110,001 – \$120,000	3	1
\$120,001 – \$130,000	2	—
\$130,001 – \$140,000	1	—
\$140,001 – \$150,000	—	1
\$160,001 – \$170,000	1	—
\$180,001 – \$190,000	1	1
\$190,001 – \$200,000	1	—
\$200,001 – \$250,000	1	—
\$290,001 – \$300,000	—	1

Donations

Donations paid during the year were \$1,002 (2024: \$1,659).



Statement of Comprehensive Income

YEAR ENDED
30 JUNE
2025

	Notes	2025 000's	2024 000's
Revenue	1.1	18,466	17,842
Subtotal of Revenue		18,466	17,842
Operating Costs	1.3	4,857	4,606
Administration Expenses	1.3	2,452	2,111
Depreciation and Amortisation	1.3	5,067	4,213
Decrease on Asset Revaluation		—	262
Subtotal of Expenditure		12,377	11,192
Profit Before Financing and Investing		6,089	6,650
Interest Revenue		28	21
Fair Value Movement on Derivative		—	(50)
Finance Costs	1.3	(1,607)	(1,678)
Net Financing Income		(1,580)	(1,707)
Gain on Sale of Fixed Assets		—	0
Investing Income		—	0
Profit/(Loss) Before Tax		4,509	4,943
Income Tax Expense	1.4	1,268	8,610
Profit/(Loss) After Tax		3,241	(3,667)
Other Comprehensive Income			
Gain on Net Asset Revaluation		—	13,841
Tax on Net Asset Revaluation		—	(3,818)
Total Other Comprehensive Income		—	10,023
Total Comprehensive Income		3,241	6,356

Statement of Changes in Equity

YEAR ENDED
30 JUNE
2025

	Notes	2025 000's	2024 000's
Opening Retained Earnings		16,243	21,142
Total Profit/(Loss) for the Year		3,241	(3,667)
Balance of Disposed Asset Transferred from Asset Revaluation Reserve		12	68
Distributions Equity Holders		—	(1,300)
Retained Earnings as at Year End		19,496	16,243
Opening Asset Revaluation Reserve		89,020	79,064
Gain on Asset Revaluation		—	10,023
Balance on Disposed Asset Transferred to Retained Earnings		(17)	(93)
Movement in Deferred Tax on Disposed Asset Transferred to Retained Earnings		5	26
Asset Revaluation Reserve as at Year End		89,008	89,020
Share Capital	4.1	2,400	2,400
Closing Equity as at Year End		110,904	107,663

Statement of Financial Position

YEAR ENDED
30 JUNE
2025

	Notes	2025 000's	2024 000's
Assets			
Current Assets			
Trade and Other Receivables	3.1	1,357	1,183
Cash and Cash Equivalents	3.0	201	71
Other Current Assets		120	79
Total Current Assets		1,679	1,333
Non Current Assets			
Property, Plant and Equipment	2.1	160,958	158,888
Intangible Assets	2.3	3,170	2,300
Total Non Current Assets		164,128	161,188
Total Assets		165,806	162,521
Liabilities			
Current Liabilities			
Trade and Other Payables	3.2	2,974	2,673
Current Income Tax Liability		424	943
Employee Entitlements	4.3	507	515
Interest Bearing Loans	3.3	4	106
Total Current Liabilities		3,910	4,237
Non Current Liabilities			
Deferred Tax	1.4	23,192	23,921
Interest Bearing Loans	3.1	27,800	26,700
Total Non Current Liabilities		50,992	50,621
Total Liabilities		54,902	54,858
Net Assets		110,904	107,663

Equity

	Notes	2025 000's	2024 000's
Issued Share Capital	4.1	2,400	2,400
Retained Earnings		19,496	16,243
Assets Revaluation Reserve		89,008	89,020
Total Equity		110,904	107,663

For and on Behalf of the Board

Quinton Hall
Board Chair

Darren Mark
Chair Audit and Risk


2 September 2025


2 September 2025



Statement of Cash Flow

YEAR ENDED
30 JUNE
2025

	Notes	2025 000's	2024 000's
Cash Flows from Operating Activities			
<i>Cash was Provided from:</i>			
Receipts from Airport Users		18,296	17,723
Interest Received		28	21
		18,324	17,744
<i>Cash was Disbursed to:</i>			
Payments to Suppliers and Employees		(7,375)	(6,460)
Interest Paid		(1,607)	(1,677)
Income Tax Paid		(2,515)	(2,772)
Net GST Movement		90	(78)
		(11,408)	(10,937)
Net Cash Flows from Operating Activities	4.4	6,916	6,807
Cash Flows from Investing Activities			
<i>Cash was Provided from:</i>			
Sale of Property, Plant & Equipment		2	5
		2	5
<i>Cash was Disbursed to:</i>			
Purchase of Property, Plant & Equipment		(6,518)	(6,602)
Purchase of Intangible Assets		(68)	(5)
		(6,586)	(6,607)
Net Cash Flows from Investing Activities		(6,584)	(6,602)
Cash Flows from Financing Activities			
<i>Cash was Provided from:</i>			
Increase in Term Loans		3,199	74,229
Receipt from Termination of Interest Rate Swap		—	990
		3,199	75,219

Cash Flows from Financing Activities (continued)

<i>Cash was Disbursed to:</i>		
Dividends Paid	(1,200)	(1,300)
Decrease in Term Loans	(2,200)	(74,225)
	(3,400)	(75,525)
Net Cash Flows from Financing Activities	(201)	(306)
Net Increase/(Decrease) in Cash and Cash Equivalents	130	(101)
Opening Cash and Cash Equivalents	71	172
Closing Cash and Cash Equivalents	201	71

Photographed by
Matthew Murray



Notes to Financial Statements

Reporting Entity

Nelson Airport Limited is registered under the Companies Act 1993 as an Airport Company pursuant to Section 3 of the Airport Authorities Act 1966. 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.

The company is a wholly owned subsidiary of Infrastructure Holdings Limited, which is jointly owned by Tasman District Council and Nelson City Council (each holding a 50% share). Neither council has ultimate control over the Company or its parent entity. Nelson Airport is defined as a Council Controlled Trading Organisation (CCTO) under Section 6 of the Local Government Act 2002.

The financial statements for the year ended 30 June 2025 were authorised for issue by the Board of Nelson Airport Limited on 2 September 2025.

Significant Accounting Policies

Basis of Preparation

These financial statements comply with the Financial Reporting Act 2013 and have been prepared in accordance with Generally Accepted Accounting Practice, including New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). Nelson Airport Limited is a Tier 2 for-profit entity as issued by New Zealand External Reporting Board (XRB) on the basis it is not a large for-profit public entity. Nelson Airport has elected to apply NZ IFRS (RDR) and has applied the disclosure concessions.

Functional and Presentation Currency

These financial statements are presented in New Zealand dollars (functional currency) and rounded to the nearest thousand. GST is excluded, except for trade receivables and trade payables, which are stated inclusive of GST.

Basis of Measurement

The financial statements are prepared under the historical cost convention, except for property, plant and equipment which are revalued in accordance with the accounting policies disclosed in Property, Plant and Equipment (note 2.1).

Changes in Accounting Policies

There have been no changes to the accounting policies adopted in the preparation of the financial statements. All policies are consistent with the previous financial year.

Accounting Standards, Interpretations and Amendments Not Yet Effective

The External Reporting Board (XRB) has introduced NZ IFRS 18 Presentation and Disclosure in Financial Statements, effective from 1 January 2027, which replaces NZ IAS 1 Presentation of Financial Statements. This future standard is not expected to have a material impact on the current or future reporting periods.

Nelson Airport Limited has not adopted any new accounting standards that may have a material impact on its financial statements for the current reporting period.

Significant Accounting Estimates, Assumptions and Judgements

The preparation of these financial statements requires the use of certain accounting estimates and assumptions based on the most recent and reliable information. Actual results may differ from these estimates.

Nelson Airport Limited classifies properties leased to third parties under operating leases as property, plant and equipment. Further information is included in Property, Plant and Equipment (note 2.1).

Other principal areas requiring significant accounting judgments, estimates, and assumptions in the preparation of these financial statements are listed below with reference to the applicable notes:

- Revenue (note 1.1)
- Operating Leases (note 1.2)
- Income Tax (note 1.4)
- Financial Instruments (note 3.0)
- Provisions (note 4.2)
- Contingencies (note 4.6)

There are no estimates and assumptions in the view of the Directors that have a significant risk of causing material misstatements to the carrying amounts of assets and liabilities within this reporting period.



1.0 Revenue and Expenses

1.1 Revenue

	2025 000's	2024 000's
Contract Revenue		
Aeronautical Charges	10,142	9,856
Ground Transport Revenue	3,204	3,196
Advertising Revenue	248	226
Sundry Income	-	0
Total Contract Revenue	13,594	13,279
Other Revenue		
Ground Transport Revenue	1,472	1,488
Retail Revenue	343	447
Property Revenue	3,041	2,602
Sundry Income	16	27
Total Other Revenue	4,872	4,564
Total Revenue	\$18,466	\$17,842

1.1.1 Contract Revenue Recognition

Revenue from operations captured within the scope of Revenue Recognition (NZ IFRS 15) are recognised once the performance obligation is satisfied at the agreed transaction price and control of the goods or services transferred.

Aeronautical Charges

Landing and terminal facility services are provided to airlines on demand under the published regulatory prices for that period. Depending on the service being provided, the transaction price is calculated based on a fixed per passenger rate, fixed landing charges, or by weight. These charges are invoiced monthly in arrears.

Ground Transport Parking

Revenue from public car park and transport facility users is generated through a tiered fee structure, where charges are determined by the length of their stay. This revenue is recognised over time as customers concurrently receive the benefit of using the airport car park.

Commercial operators are charged fixed prices on exit from the carpark in accordance with their individual agreements. These charges are invoiced monthly and paid in arrears.

Advertising Revenue

The services supplied in generating advertising revenue is recognised on a straight-line basis over the term of the contract.

1.1.2 Other Revenue Recognition

Revenue streams from operations that are outside of the scope of Revenue Recognition (NZ IFRS 15) are also contracted under agreements, including lease arrangements which should be read in conjunction with Operating Leases (note 1.2).

Ground Transport Other

Fixed parking lease and licence payments that are paid in advance are accrued as prepaid lease income. Parking leases that are charged based on activity are invoiced monthly and paid in arrears.

Variable concession income from commercial operators is recognised as revenue on an accrual basis based on turnover of the concessionaire as part of their lease agreements.

Retail Revenue

Rent from terminal retail operations is recognised on a straight-line basis over the term of the operating lease where the airport is lessor. Variable concession income is recognised as revenue on an accrual basis based on turnover of the concessionaire as part of their lease agreements.

Property Revenue

Property revenue relates to rent and recoveries derived from operating leases of property and various building tenancies and are recognised on a straight-line basis over the term of the lease.



1.2 Operating Leases

Nelson Airport Limited owns and leases 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 and performs inspections of leased properties.

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 per the lessors’ individual contracts and many are subject to regular rent reviews.

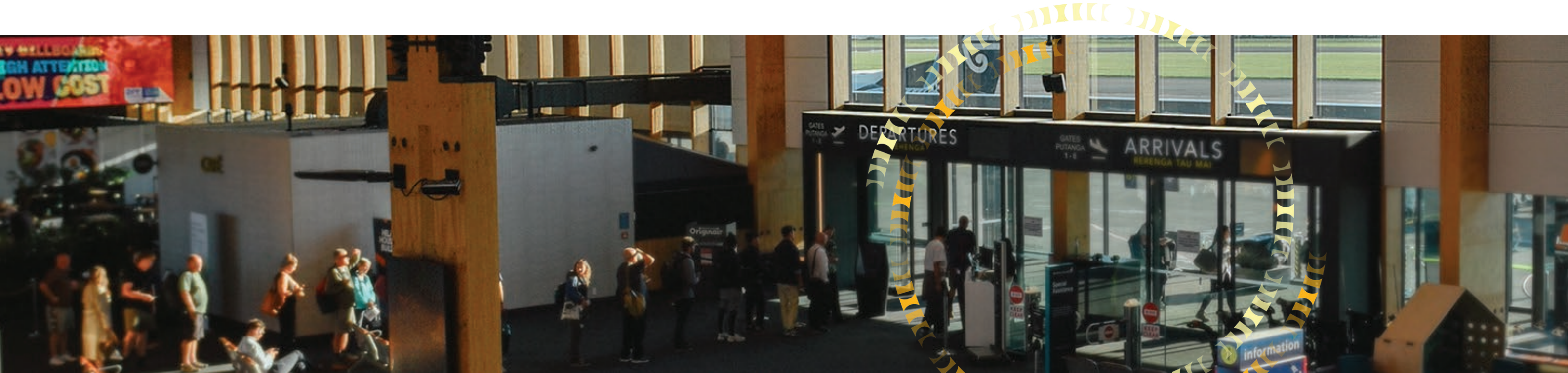
In 2025 lease revenue received in association with the non-cancellable operating lease arrangements amounted to \$3,192,095 (2024: \$3,476,000).

Future non-cancellable lease revenue from existing leases:

	2025 000's	2024 000's
Lease revenue within 12 months	\$3,003	\$2,870
Lease revenue between 1-5 years	\$6,265	\$5,461
Lease revenue thereafter	\$3,735	\$4,011
Total	\$13,003	\$12,342

1.3 Expenses

	2025 000's	2024 000's
Operating Costs		
Employee Entitlement	2,878	2,869
Other Operating Expenses	1,906	1,691
Loss on Disposal of Assets	73	46
	4,857	4,606
Administration Cost		
Audit Fees - Financial Statements	95	78
Audit Fees - Disclosure Accounts	26	20
Director Fees	181	173
Insurance & Rates	1,080	977
Other Administration Expenses	1,070	863
	2,452	2,111
Depreciation and Amortisation		
Depreciation	5,040	4,184
Amortisation of Intangible Assets	28	29
	5,067	4,213
Finance Costs		
Interest Expense	1,607	1,677
	1,607	1,678



1.4 Income Tax

1.4.1 Current Tax

Components of Income Tax Expense

	2025 000's	2024 000's
Current Tax Expense	1,997	2,246
Deferred Tax Expense	(729)	6,364
	1,268	8,610

Relationship Between Tax Expense and Accounting Profit

	2025 000's	2024 000's
Operating Profit Before Taxation	4,509	4,943
Prima Facie Tax at 28%	1,263	1,384
Plus/(Less) Taxation Effect of:		
Revenue not Assessable for Tax Purposes	—	291
Expenses not Deductible for Tax Purposes	5	(256)
Impact of Removal of Depreciation on Buildings	—	7,191
Total Income Tax Expense	1,268	8,610

The income tax expense reflects the current year's payable tax, adjusted for deferred tax arising from temporary differences between accounting and tax values of assets and liabilities, and any unused tax losses.

1.4.2 Deferred Tax

	2025 000's	2024 000's
Property, Plant and Equipment		
Opening Balance	(24,021)	(13,510)
Charged to Profit or Loss	774	497
Impact from Removal of Depreciation on Buildings (Charged to Profit or Loss)	—	(7,191)
Charged to Asset Revaluation Reserve	—	(3,818)
Closing Balance	(23,247)	(24,021)
Employee Entitlements		
Opening Balance	100	50
Charged to Profit or Loss	(45)	50
Closing Balance	55	100
Derivative Financial Instrument		
Opening Balance	—	(291)
Charged to Profit or Loss	—	291
Closing Balance	—	—
Other Provisions		
Opening Balance	1	12
Charged to Profit or Loss	(1)	(11)
Closing Balance	—	1
Total	(23,192)	(23,921)

Deferred tax assets and liabilities are recognised for temporary differences at the rate expected to apply when the assets are recovered, or liabilities are settled (currently 28%). The tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

2.0 Assets

2.1 Property, Plant and Equipment

2.1.1 Recognition and Measurement

Property, Plant and Equipment are the assets held by Nelson Airport Limited for the purpose of carrying on its business activities on an ongoing basis. They are initially measured at cost and subsequently measured at fair value. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefit will flow to Nelson Airport Limited and the items can be reliably measured.

Nelson Airport Limited performs impairment assessments annually to determine whether the carrying amount of any asset exceeds its recoverable amount. The recoverable amount is estimated annually based on projected future cash flows specific to the asset. Based on this review, the Company concluded there were no indications of impairment.

Photographed by
Joe Bailey



2025

Cost or Valuation

	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
Balance as at 1 July 2024	42,655	65,873	26,892	19,796	957	1,357	496	1,788	159,814
Reclassification of Opening Balances	—	—	—	—	—	—	—	(50)	(50)
Reclassification - WIP	—	627	1,402	744	71	—	—	(2,843)	(0)
Additions	—	68	5	131	74	11	32	6,895	7,216
Disposals	—	—	—	(29)	(25)	—	—	(25)	(78)
Balance at 30 June 2025	42,655	66,568	28,299	20,642	1,077	1,368	528	5,766	166,901

Accumulated Depreciation and Impairment Losses

Balance as at 1 July 2024	—	(0)	0	0	407	230	289	—	926
Depreciation	—	1,826	1,978	937	146	117	36	—	5,040
Disposals	—	—	—	(0)	(22)	—	—	—	(22)
Balance at 30 June 2025	—	1,826	1,978	937	530	346	325	—	5,944

Net Book Value at 30 June 2025	42,655	64,742	26,321	19,705	547	1,022	203	5,766	160,958
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2024

Cost or Valuation

	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
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	1,356	496	1,788	159,814

Accumulated Depreciation and Impairment Losses

Balance as at 1 July 2023	—	1,651	1,707	698	281	97	249	—	4,682
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	—	(0)	0	(0)	407	230	289	—	926

Net Book Value at 30 June 2024	42,655	65,873	26,892	19,796	549	1,126	207	1,788	158,887
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2.1.2 Fair Value

At each reporting date, Nelson Airport Limited assesses whether the carrying amounts of assets reflect fair value. Where the carrying value of Property, Plant and Equipment materially differs from fair value, the assets are revalued. Revaluation gains or losses are recognised in the revaluation reserve. If a loss exceeds the revaluation reserve balance, the excess is recognised in profit or loss.

2.1.3 Revaluations

Revaluation gains are recognised in equity through other comprehensive income and credited to the asset revaluation reserve to the extent they reverse any previous revaluation losses.

Revaluation decreases are first offset against any related reserve for the asset in equity. Residual losses are recognised in profit or loss. On disposal, any remaining attributable revaluation surplus, net of any related deferred tax, is transferred directly to retained earnings.

Photographed by
Bishal Raika
Magar



2.2 Valuation Basis

2.2.1 Land and Buildings

Nelson Airport Limited’s land and buildings are assessed annually and were last valued on 30 June 2024 by independent registered valuers, Duke and Cooke Limited.

As at 30 June 2025, there were no indicators of material fair value movement and therefore no formal revaluation was conducted.

Residential and Commercial Land

The valuation of commercial and residential land is determined using a market sales comparison approach, with one property assessed based on a hypothetical subdivision methodology.

As of 30 June 2024, the fair value of these assets was estimated at \$2,965,000.

Leasehold Aerodrome Land

Relates to the lessee leasehold interest in airport land vested by the Crown held in trust by Nelson City Council under a renewable 60-year lease over this land at a peppercorn rental.

The valuation of the ground lease is determined using a market value approach, applying a present value calculation of the benefit over the lease term using a discount rate indicated by market activity. This is further verified against comparable market sales of leasehold interests.

As of 30 June 2024, the fair value of this leasehold interest was estimated at \$39,690,000.

Specialised and Non-specialised Buildings

Buildings specifically used for airport activities, such as the terminal, are valued using Optimised Depreciated Replacement Cost (ODRC). This method evaluates 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 is used as part of the ODRC method when revaluing specialised buildings.

Non-specific buildings such as hangars, offices and storage units are valued using the Income Capitalisation Approach to establish market rent after considering both existing leasing arrangements and evidence of local industrial market rentals and adjusting for location and building quality.

As of 30 June 2024, the fair value of specialised and non-specialised buildings was estimated at \$65,873,035.

2.2.2 Airfield and Landside Infrastructure

Nelson Airport Limited’s airfield and landside infrastructure are assessed annually and were last valued on 30 June 2024 by independent registered valuers, Beca Limited.

As at 30 June 2025, there were no indicators of material fair value movement and therefore no formal revaluation was conducted.

Airfield Infrastructure

Airfield infrastructure such as airside pavements including main runway, taxiways, and aprons are valued using ODRC – the cost of constructing a modern equivalent asset (as described for specialised buildings above).

As of 30 June 2024, fair value of airfield infrastructure was estimated at \$26,891,694.

Landside Infrastructure

Landside infrastructure encompasses pavements, including roads and carparks, along with utilities such as stormwater, wastewater, and supply networks. It also includes other infrastructure assets such as fencing, lighting, and other related facilities. The ODRC valuation method (as described for specialised buildings above) is used.

As of 30 June 2024, fair value of landside infrastructure was estimated at \$19,796,216.

2.2.3 Equipment, Fixtures & Fittings and Motor Vehicles

Equipment, including office equipment, fixtures and fittings and motor vehicles are initially recognised at cost, including directly attributable acquisition or capitalisation costs, less accumulated depreciation and any impairment losses.

Photographed by
Jayden Day
Anthonise



2.3 Intangible Assets

2025

	Original Cost \$000s	Accum. Amortisation \$000s	Opening NBV \$000	Opening Reclassification \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing NBV \$000s
Software	96	80	17	—	—	42	42	7	10
Other Intangibles	180	120	60	—	—	26	—	21	65
Work in Progress	2,223	—	2,223	50	890	(68)	—	—	3,095
Total	2,499	199	2,300	50	890	—	42	28	3,170

2024

	Original Cost \$000s	Accum. Amortisation \$000s	Opening NBV \$000	Opening Reclassification \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing NBV \$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	29	2,300

Work in Progress

Intangible work in progress is capitalised when the economic benefit from the asset can be utilised.

Software Acquisition and Development

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining software are recognised as an expense when incurred.

Project 2-Zero Plan and Designation Cost Changes

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.

Branding

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

Photographed by
Caleb Velluppillai



2.4 Depreciation and Amortisation

2.4.1 Depreciation

Depreciation is charged to profit or loss from the date an asset is available for use and is applied to all property, plant and equipment excluding work in progress. Rates and methods are determined by management’s estimation of the assets’ useful life to reflect the pattern in which the assets’ future economic benefits are expected to be consumed by Nelson Airport Limited.

Depreciation rates reflect the range applied to various assets within their categories as follows:

Buildings	Terminal	1.9% – 3.7%	Straight Line
Buildings	Hangars and other buildings	1.7% – 33.3%	Straight Line
Airfield Infrastructure	Runways, taxiways and aprons	1.3% – 50.0%	Straight Line
Landside Infrastructure	Pavements, utilities and other infrastructure	1.3% – 50.0%	Straight Line
Equipment	Parking hardware, security and vehicles	8.0% – 67.0%	Diminishing Value
Fixtures and Fittings	Furnitures, flight information displays and fittings	10.0% – 80.4%	Diminishing Value

2.4.2 Amortisation

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life and recognised in the profit or loss. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised.

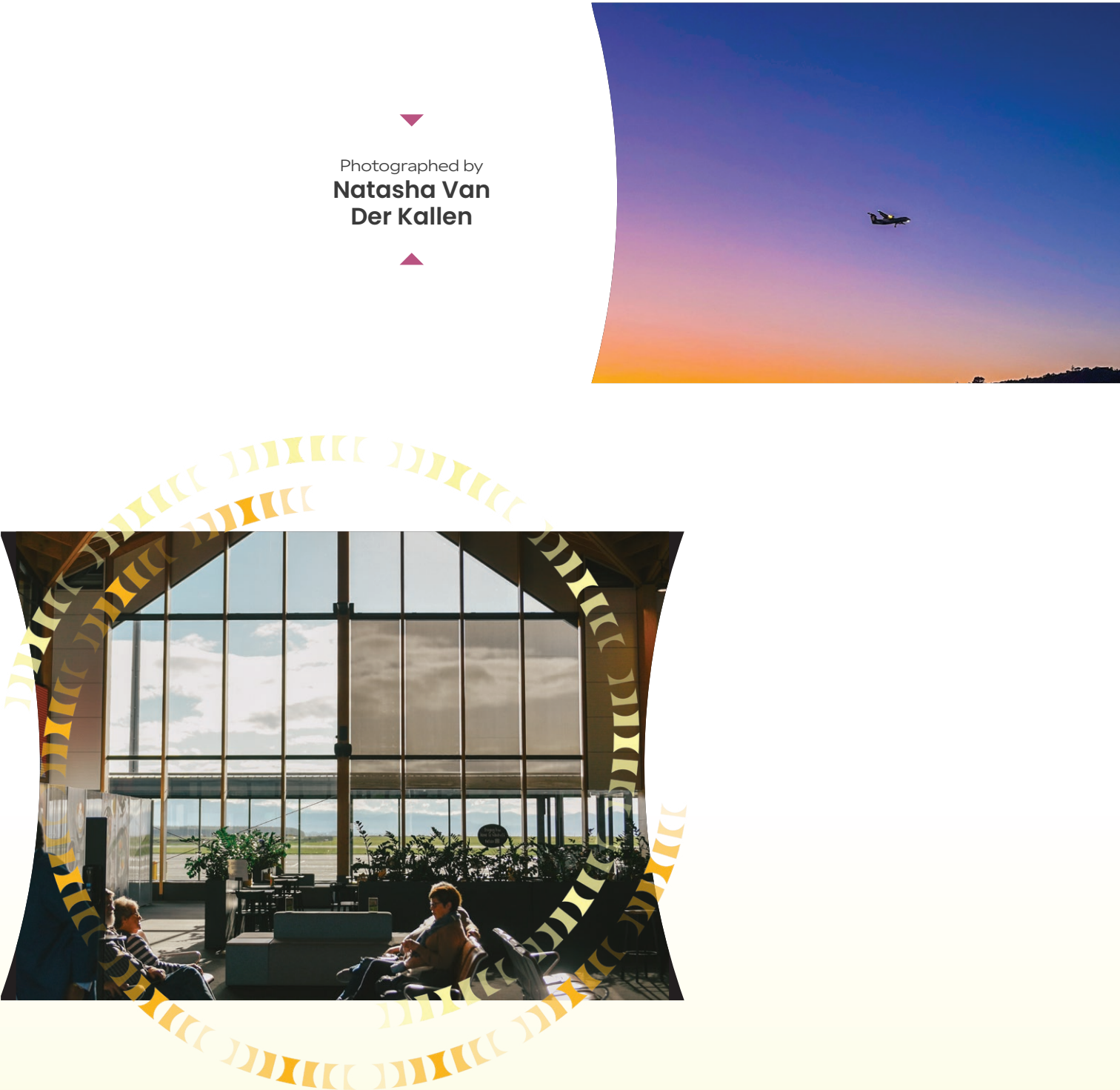
Amortisation rates of intangible asset classes have been estimated as follows:

Software	50.0%	Diminishing Value
Branding	10.0% – 12.5%	Straight Line
Website	8.0% – 50.0%	Diminishing Value

2.5 Capital Commitments

Nelson Airport Limited has \$5,341,419 worth of contractual capital commitments for property, plant and equipment as at 30 June 2025 (2024: \$2,062,000).

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



3.0 Financial Instruments

Financial Assets

	Amortised Cost	
	2025 000's	2024 000's
Cash and Cash Equivalents	201	71
Trade and Other Receivables ¹	1,295	1,093
	1,496	1,164

Financial Liabilities

	Amortised Cost	
	2025 000's	2024 000's
Trade and Other Payables ²	2,558	853
Finance Lease Liability	4	6
Loans and Borrowings	27,800	26,800
	30,362	27,659

1. Excludes prepayments and accruals when comparing to Trade and Other Receivables note.
2. Excludes income received in advance, accruals, dividends and GST payable when comparing to Trade and Other Payable note.

3.1 Trade and Other Receivables

	2025 000's	2024 000's
Trade Receivables – Contract Revenue	1,077	974
Trade Receivables – Other Revenue	218	119
Accrued Debtors	18	31
Prepayments	45	59
	1,357	1,183

Trade and other receivables are initially recognised at fair value through Profit or Loss (FVTPL) and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. Nelson Airport Limited 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 the 2025 reporting period (2024: nil).

3.2 Trade and Other Payables

	2025 000's	2024 000's
Trade Payables	2,365	820
Trade Payables (Related Parties)	193	33
Dividends Payable	—	1,200
Accruals	281	407
GST Liability	70	131
Income Received in Advance	65	82
	2,974	2,673

Trade and other payables are initially measured at fair value through Profit or Loss (FVTPL) and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the company prior to balance date which are unpaid.

3.3 Interest Bearing Loans

	2025 000's	2024 000's
Repayable as follows:		
Less Than 1 Year	—	100
Between 1 and 5 Years	27,800	26,700
	27,800	26,800
Finance Lease Liabilities		
Less Than 1 Year	4	6
	4	6

3.3.1 Financing Costs

Nelson Airport Limited, in conjunction with Port Nelson Limited, are party to a group funding arrangement with their parent company Infrastructure Holdings Limited. The underlying debt is sourced from the Local Government Funding Agency (LGFA) and Westpac Banking Corporation Limited. These loans are secured against the assets and undertakings of Nelson Airport Limited, Port Nelson Limited and the uncalled capital of Infrastructure Holdings Limited.

Nelson Airport Limited has access to a multi-option credit bank facility with Westpac via its parent company Infrastructure Holdings Limited. This arrangement provides access to a working capital facility which at balance date had a limit of \$3.4 million. There was a nil balance at year end. The interest rate applicable to this credit facility at balance date was 4.57% (2024: 6.50%).

Non-current core debt is provided via Infrastructure Holdings Limited 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 \$27.8 million.

The blended interest rate applying to this loan facility at balance date was 5.35% (2024: 6.07%).

3.3.2 Interest Rate Risk

Infrastructure Holdings Limited now manages interest rate risk on behalf of the group. Nelson Airport Limited does not enter speculative trades.

3.3.3 Interest Bearing Borrowings

Interest bearing borrowings are initially recognised at fair value less attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets for a period of one year or greater to be ready for its intended use are capitalised as part of the cost of the asset.

4.0 Other Information

4.1 Share Capital

4.1.1 Ordinary Shares

All 2,400,000 authorised shares (2024: 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.

4.1.2 Kiwi Share

The Minister of Transport holds a single share in Nelson Airport Limited, 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.

4.2 Provisions

At balance date, Nelson Airport Limited had no provisions requiring recognition.



4.3 Employee Entitlements

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and other benefits in the period and related services rendered. Annual leave has been calculated on an accrued basis at current rates of pay.

4.4 Reconciliation of Cash Flows from Operating Activities

	2025 000's	2024 000's
Net Profit / (Loss) for the Year	3,241	(3,667)
Add/(Less) Non Cash and Non Operating Items:		
(Gain)/Loss on Disposal of Assets	73	46
Depreciation and Amortisation	5,067	4,213
Net Decrease/(Increase) on Asset Revaluation	—	262
Reclassification of Work in Progress as Expense	25	17
Movement in Deferred Taxation	(729)	6,364
Movement in Derivative Financial Instrument	—	50
Movement in Working Capital:		
(Increase)/Decrease in Other Current Assets	(40)	8
(Increase)/Decrease in Receivables	(176)	(206)
Increase/(Decrease) in Current Tax Payable	(519)	(475)
Increase/(Decrease) in Payables	(27)	195
Net Cash Flows from Operating Activities	6,916	6,807

4.5 Transactions with Related Parties

4.5.1 Transactions with Shareholder and Parent Entities:

Nelson Airport Limited is a wholly owned subsidiary of Infrastructure Holdings Limited, which is jointly owned by Nelson City Council (50%) and Tasman District Council (50%).

	2025 000's	2024 000's
Infrastructure Holdings Limited:		
Services Provided	2	—
Interest Expense	(1,660)	(1,260)
Management Fees	(204)	(173)
Dividends Declared	—	(1,300)
Nelson City Council:		
Services Provided	14	20
Rates and Other Services	(825)	(1,274)

4.5.2 Year-end Balances with Shareholders and Parent Entities

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

	2025 000's	2024 000's
Infrastructure Holdings Limited:		
Dividend Payable	—	(1,200)
Interest Payable	(145)	(134)
Management Fees Payable	(20)	(14)
Borrowings	(27,800)	(26,800)
Nelson City Council:		
Rates and Other Services Payable	(18)	(357)

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

4.5.3 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 \$180,390 (2024: \$120,305), while receiving income of \$63 (2024: \$75).

The balance included as owing in trade payables as at 30 June 2025 was \$10,595 (2024: \$9,478).

Port Nelson Limited is 100% owned by Infrastructure Holdings Limited. Nelson Airport Limited paid costs of nil to Port Nelson Limited (2024: \$1,107), while receiving income of nil (2024: nil).

The balance included as owing in trade payables as at 30 June 2025 was nil (2024: \$174).

4.5.4 Transactions with Entities Related to Key Management Personnel

Key management personnel comprise of the Chief Executive Officer and board of directors who have a direct influence on the company’s strategic direction and overseeing management.

Nelson Airport Limited paid nil (2024: \$1,107) to Port Nelson Limited, of which Matthew McDonald was the Chief Executive Officer during the year.

Nelson Airport Limited paid \$54,680 (2024: \$53,487) to Findex NZ Ltd, of which Darren Mark was Senior Partner during the year.

Nelson Airport Limited paid nil (2024: \$142) to Vertus Group Ltd, of which Quinton Hall was Director and Shareholder during the year.

Nelson Airport Limited paid \$19,573 (2024: \$50,648) to NZ Airports Association, of which Matthew Clarke was Chair during the year.

Nelson Airport Limited paid the following compensation for services rendered:

	2025	2024
Key Management Personnel Compensation	\$461,079	\$474,028

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.

4.6 Contingencies

There were no contingent assets or liabilities as at 30 June 2025 (2024: nil).

4.7 Events After Balance Date

A dividend of \$1,400,000 for the year ended 30 June 2025 (2024: \$1,300,000) was declared on 1 August 2025 and subsequently paid to Infrastructure Holdings Limited.

4.8 Comparison of Forecast to Actual Results

The company prepares an annual Statement of Intent which is approved by the board and incorporates financial and performance measures for the ensuing year.

A comparison of the company’s actual results for the year ended 30 June 2025 with those targets are as follows.

4.8.1 Statement of Comprehensive Income

	Sol Forecast (\$m)	2024/25 Actuals (\$m)	Variance (\$m)	Variance (%)	Note
Total Operating Revenues	19.1	18.5	(0.6)	(3%)	1
Total Operating Expenses	(7.5)	(7.3)	0.2	(3%)	2
EBITDA before Other Income/ Expenses	11.6	11.2	(0.4)	(4%)	
Depreciation & Amortisation	(4.1)	(5.1)	(1.0)	24%	3
Other Income/(Expense)	0.0	0.0	0.0	0%	
EBIT	7.5	6.1	(1.4)	(19%)	
Finance (Expense)/Income	(2.2)	(1.6)	0.6	(28%)	
Profit before Income Tax	5.3	4.5	(0.8)	(15%)	
Income Tax	(2.0)	(1.3)	0.7	(37%)	4
Net Profit after Tax	3.3	3.2	(0.1)	(2%)	

Explanatory Notes

- 1. Aeronautical revenue down due to decreased passenger numbers.
- 2. In line with expectation.
- 3. Sol Forecast carried out prior to FY24 year-end asset revaluations and fixed-asset review. Subsequent revaluations and asset review resulted in an increase in depreciation in FY25.
- 4. Larger deferred tax balance as at end of FY24, flowing through FY25 tax expense.

4.8.2 Statement of Financial Position

	Sol Forecast (\$m)	2024/25 Actuals (\$m)	Variance (\$m)	Variance (%)	Note
Current Assets	1.5	1.7	0.2	12%	
Property, Plant & Equipment	162.6	164.1	1.5	1%	5
Total Assets	164.1	165.8	1.7	1%	
Current Liabilities	4.1	3.9	(0.2)	(5%)	
Total Loan Finance	40.2	27.8	(12.4)	(31%)	6
Total Other Non-current Liabilities	13.2	23.2	10.0	76%	7
Total Liabilities	57.5	54.9	(2.6)	(5%)	
Total Net Assets	106.6	110.9	4.3	4%	
Total Equity	106.6	110.9	4.3	4%	

Explanatory Notes

- 5. Includes intangibles.
- 6. Loan finance balance at 30 June 2025 lower due to less capital additions than forecast.
- 7. Sol forecast was carried out prior to 2024 valuations. Resulted in an increase to Deferred Tax not forecast.

4.8.3 Statement of Cashflows

	Sol Forecast (\$m)	2024/25 Actuals (\$m)	2024/25 Actuals Including GST (\$m)	Variance (\$m)	Variance (%)	Note
Cash Opening Balance	0.2	0.1	0.1	(0.1)	(65%)	8
Cash In						
Cash from Operations	21.9	18.3	21.1	(0.8)	(4%)	9
Cash drawn from Loan Facility	14.5	4.3	4.3	(10.2)	(70%)	10
Other Assets/Liabilities	0.0	0.0	0.0	0.0	0%	
Total Cash Inflows	36.4	22.6	25.4	(11.0)	(30%)	
Cash Out						
Operational Expenses	8.1	7.4	8.5	0.4	5%	
Income Tax Paid	2.4	2.5	2.5	0.1	5%	
Dividends	1.3	1.2	1.2	(0.1)	(8%)	
Capital Expenditure	22.1	6.6	7.6	(14.5)	(66%)	11
GST Paid (Received)	(0.7)	(0.1)	0.6	1.3	(180%)	12
Loan Repayments	3.1	4.9	4.9	1.8	58%	13
Total Cash Outflows	36.3	22.5	25.2	(11.1)	(30%)	
Cash Closing Balance	0.3	0.2	0.2	(0.1)	(33%)	

Explanatory Notes

8. The Statement of Intent Forecast is made on a GST inclusive basis whereas the Actuals are displayed on a GST exclusive basis. To provide for meaningful comparison for the variance analysis the figures have been grossed up to include the GST element (the third column in the table above).
9. Operating cash forecast was based on higher forecast passenger activity levels.
10. Capital expenditure profile delayed v forecast for selected projects.
11. Capital expenditure profile delayed v forecast for selected projects.
12. As per variances previously noted.
13. Principal and interest. Less cash outflow than forecast provided additional opportunity for loan repayments. Cash balances are maintained at minimal levels whilst the MOCL finance facility remains active.



4.8.4 Key Ratios and Indicators

	SOI Forecast	Actual	Note
Working Capital (\$ x 1,000,000)	(2.6)	(2.2)	14
Return on Equity	3.10%	2.9%	
Shareholders’ Funds to Total Assets Ratio	0.6	0.7	
Leverage Ratio	3.5	2.5	15
Interest Cover Ratio	5.30	6.94	16
Funds from Operations/Debt	18.5%	27%	15

Explanatory Notes

- 14. More current assets and less current liabilities at year end than forecast
- 15. Loan finance balance at 30 June 2025 lower due to less capital additions than forecast
- 16. Less debt on average over financial year, leading to lower interest expense





INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NELSON AIRPORT LIMITED'S FINANCIAL STATEMENTS AND SERVICE PERFORMANCE REPORT FOR THE YEAR ENDED 30 JUNE 2025

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 service performance report of the company on his behalf.

We have audited:

- the financial statements of the company on pages 34 to 69, that comprise the statement of financial position as at 30 June 2025, 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 service performance report of the company on pages 22 to 24.

Opinion

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025; 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 Reduced Disclosure Regime; and
- the service performance report:
 - accurately reports, in all material respects, the company's actual performance compared against the performance targets and other measures by which the company's performance can be judged in relation to the company's objectives in its statement of intent for the year ended 30 June 2025; and
 - has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 2 September 2025. This is the date at which our opinion is expressed.



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 for the audit of the financial statements and the service performance report* 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 service performance report

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

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

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

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

Responsibilities of the auditor for the audit of the financial statements and the service performance report

Our objectives are to obtain reasonable assurance about whether the financial statements and the service performance report, 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 service performance report.



Shape the future with confidence

For the budget information reported in the financial statements and the service performance report, 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 service performance report.

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 service performance report, 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 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 service performance report 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the service performance report, including the disclosures, and assess whether the service performance report achieves its statutory purpose of enabling the company's readers to judge the actual performance of the company against its objectives in its statement of intent.

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.



Shape the future with confidence

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 all of the information included in the annual report other than the financial statements and the service performance report, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the service performance report, 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 service performance report 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 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 (including International Independence Standards) (New Zealand)* 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

