ANNUAL REPORT 2016

FLY PALMY

PALMERSTON NORTH AIRPORT LIMITED

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Joint Report

The Chairman and Chief Executive's joint report for the year ended 30 June 2016

Overview

The Directors and Management Team are pleased to present the 2015/16 Annual Report which reports on Palmerston North Airport Limited's (PNAL) results and progress over the last year in meeting strategic and business objectives.

From a financial perspective, a surplus after tax of $0.805 million was achieved, 21.6% ahead of the previous financial year and 34.3% ahead of PNAL's Statement of Intent target for the financial year.

The launch of air services by Jetstar was a highlight for the year, along with the construction of the new arrivals/ departures wind lobby, and the expansion of the Secure Car Park.

Passenger volumes increased by 10.5% compared to the prior year to an all-time domestic record of 515,727 passengers. Passenger growth was driven primarily by the launch of Jetstar services on the Palmerston North – Auckland route. Passenger growth for the five-month period from 1 February 2016, the date Jetstar commenced operation, was 21% compared to the same period last year.

Major capital investments undertaken during the year included the third and final stage of the three year runway overlay programme, which has increased the life of the runway by an estimated 20 years.

PNAL continues to pursue development of its property holdings. The first development, the construction of a purpose built facility for Thrifty Car Rentals on Airport Drive was completed in November 2015. Planning is well advanced for further development across PNAL's commercial landholdings on Airport Drive.

Financial

Surplus after tax was $0.805 million, 21.6% ahead of the previous financial year, and 34.3% ahead of PNAL's Statement of Intent target for the financial year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) was $2.4 million, 16% above the previous financial year and 13% above the Statement of Intent target.

Revenue of $5.5 million increased 11.7% on the previous financial year, and was 9.4% ahead of the Statement of Intent.

Aeronautical revenue of $3.04 million was 16.8% higher than the previous financial year. The strong revenue performance was driven by the launch of Jetstar services and an aeronautical pricing review with revised pricing, effective from December 2015.

Non-aeronautical revenue of $2.48 million increased 6% compared to the previous financial year, and was 4% above the Statement of Intent target. Non-aeronautical revenue represented 45% of total revenue and consists of concessionaire's payments, advertising, property and land rental and car parking.

Total operating and administration expenditure of $3.1 million was 8.8% above the previous financial year and 6.7% above the Statement of Intent. Additional expenditure was driven primarily by resourcing requirements associated with the launch of Jetstar services and a greater focus on commercial opportunities.

Depreciation charges of $1.1 million were 47% above the previous financial year and 31% above the Statement of Intent. The increased depreciation charges were a consequence of the significant asset revaluation which occurred in June 2015. This change was not included in the Statement of Intent which was completed prior to the revaluation.

Finance charges at $0.3 million were 21% below the previous financial year and 28% below the Statement of Intent. This was achieved through lower than expected borrowings and lower interest rates achieved from restructuring of the Company's debt.

A small loss on sale was recorded on a surplus property sold.

PNAL's balance sheet remains strong with shareholder's equity of $49.8 million and debt of $6.1 million.

All banking covenants have been met during the financial year.

Net cash flow from operating activities was $1.5 million.

Capital expenditure of $2.73 million was incurred during the financial year and related to Stage Three of the runway overlay project, construction of the Thrifty Car Rental building, Secure Car Park works, the construction of the terminal wind lobby and expanded arrivals area. Capital expenditure was 82% of the Statement of Intent target, primarily due to the deferment of the terminal LED project and Stage II Car Park works until the new financial year. A surplus property was sold for $0.3m and a contract is in place for another property for $0.6m.

A dividend of 3.50 cents per share will be made for the financial year ended 30 June 2016.

Aeronautical

Capacity growth on scheduled services was primarily driven by Jetstar who launched four times daily Palmerston North – Auckland services in February 2016. Originair launched Palmerston North – Nelson services in August, and after suspending services in March, plans are in place to recommence scheduled operations in September 2016.

PNAL's Visitor Development Strategy continues to focus on the development of inbound and outbound demand to and from the central region via the Palmerston North Airport gateway.

We welcomed our 500,000th traveller for the year in June 2016. Total passengers increased by 10.5% compared to the prior year, to an all-time domestic record of 515,727 passengers. Passenger growth was driven primarily by the launch of Jetstar services on the Palmerston North – Auckland route. Passenger growth for the five-month period from 1 February 2016, the date Jetstar commenced operation, was 21% compared to the same period last year.

Our "Fly Palmy" consumer brand continues to represent convenience, connectivity, regional loyalty and personality. The brand's objectives include creating awareness amongst our inbound and outbound travellers alike on the convenience of using Palmerston North Airport as the gateway to the central region.

PNAL continues to work with regional tourism partners, wholesalers, Air New Zealand, Jetstar and Originair in the development of inbound and outbound product.

Commercial

PNAL continues to identify and target growth opportunities in both aeronautical and non-aeronautical activities. Resourcing is now in place which has enabled a greater focus on non-aeronautical opportunities especially.

Planning for the commercialisation of Airport Drive land holdings has been a major focus of the PNAL management team during the financial year. Promotion under the name Ruapehu Business Park has commenced with planning of property development initiatives on both the airside and landside of Airport Drive well advanced.

The development of aeronautical support services located at Palmerston North Airport remains a strategic priority. This includes pilot and aviation technical training and engineering support services.

With clarity now provided by the District Plan Airport Zone provisions, PNAL is also actively pursuing a range of non-aeronautical commercial activities for which proximity to the airport and the associated business activity may be advantageous.

Planning continues for the introduction of Boeing 737-400 freighter services by Freightways in conjunction with New Zealand Post. Both organisations have identified the comparative advantage that Palmerston North Airport offers as a freight and logistics gateway to the central and lower North Island. Freighter services to Auckland and Christchurch will operate five nights per week from August 2016.

Infrastructure / Airport Operations

Continuous improvement in the airport experience for travellers and other airport users has been a key driver of the Stage I and II terminal infrastructure projects.

Stage I works involved the construction of the terminal wind lobby which has improved the experience for arriving and departing passengers alike while relieving congestion around the departures area, and providing for the simultaneous boarding of multiple flights.

Stage II works, scheduled for completion in July, involve the conversion of the former international arrivals area into an expanded arrivals hall.

Rental car kiosks will be relocated to the expanded area making rental car pick up a more convenient experience.

The relocated arrivals door, adjacent to this area will improve flows for arriving passengers, while two bag carousels will provide greater operational flexibility and ensure flights arriving simultaneously can be accommodated more easily.

Stage I car park improvements have included the creation of an additional 50 carparks within the Airport's Secure Car Park. Planning is advanced on Stage II and III car park works which will further increase parking capacity whilst improving the pick-up and drop-off experience for airport users.

This year's airside improvements have again been substantial with Stage III of the runway resurfacing programme successfully completed during the February-March period. This was a major project by PNAL standards which was managed by Higgins Contractors Limited. At a total project cost of $3 million over the last three years, the runway life is now expected to be increased by up to 20 years.

All Part 139 and other statutory requirements relating to the airport and its operations were met during the financial year. These were supported by continuing monthly internal audits and quality control checks undertaken by an independent body.

PNAL continues to maintain a strong focus on health, safety and environment issues. We work with other organisations involved in providing services on the airport to ensure we continue to provide a safe and secure environment for all airport users.

Our People

Three new team members were welcomed during the financial year. George Clark was appointed to the new position of Commercial Manager, Brent Lawry was appointed to the new position of Terminal Supervisor, while Sonya Rook assumed the Financial Accountant role, replacing Andrew Ross.

Long serving director, Ormond Stock retired from the Board in September and was replaced by Murray Georgel. The Board has established a separate Audit & Risk Committee, with Jon Nichols appointed the Chair of that committee.

The Future Outlook

Palmerston North Airport's future outlook as a major New Zealand regional airport is bright, with forecasted passenger growth, investment in freight & logistics capabilities, along with planned growth in non-aeronautical business activities assisting to reinforce our position of strength.

PNAL's visitor development priorities will continue to focus on the development of relationships with tourism and business partners, including airline and our Regional Tourism Organisations.

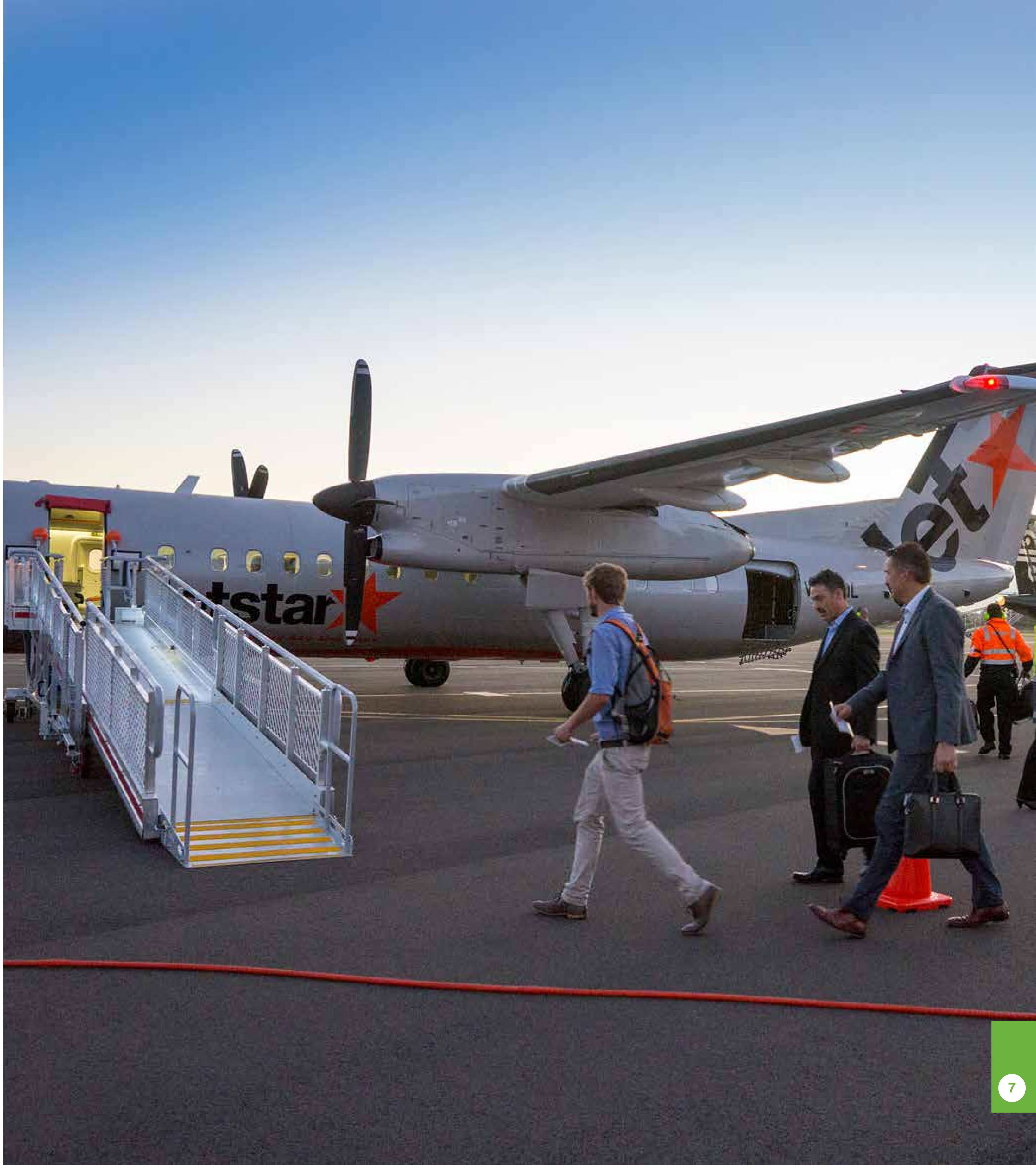
Additional terminal and car park improvement initiatives are planned to accommodate the anticipated growth in passenger volumes and business activity while further improving our Airport's attractiveness as the Airport of choice for the central region.

The successful introduction of Boeing freighter services by Freightways and New Zealand Post will also be a focus for PNAL.

Ruapehu Business Park related activity will gather momentum with a range of property development initiatives commencing during the 2016/17 financial year.

Derek Walker
Chairman

David Lanham
Chief Executive



Corporate Report

For the Year Ended 30 June 2016

Palmerston North Airport Limited is a 'Council-Controlled Trading Organisation' pursuant to the Local Government Act 2002.

Principal Activities

The principal activities of the Company during the year were:

- to provide airport facilities and services to airlines and airport users (both commercial and non-commercial) through the ownership and operation of Palmerston North Airport.

Ownership

Palmerston North Airport Ltd (PNAL) is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is 100% owned by the Palmerston North City Council (PNCC).

Financial Report

Here are the financial results for the year under review. Details of these financial results are shown on pages 15 to 18.

	2016 Actual	2016 SOI	2015 Actual
Performance			
Revenue	5,522,881	5,049,240	4,942,760
EBITDA	2,390,513	2,116,655	2,064,206
Net Profit after tax	805,433	599,971	662,348
Passengers	515,727	471,000	466,557

	2016 Actual	2016 SOI	2015 Actual
Financial Position			
Cash and Cash Equivalents	288,431	122,735	163,113
Current Assets	1,413,908	504,077	518,475
Property, Plants & Equipment	61,527,507	45,431,750	61,012,395
Shareholder Funds	49,809,520	36,564,077	49,304,587

Company's Affairs

The Directors regard the state of the Company's affairs to be satisfactory. Details of the year under review are included in the joint Chairman's and Chief Executive's Report and the statutory accounts of the Company published herewith.

Directors

Retirements

The following Director retired during the 2015/16 financial year
O Stock 29 September 2015

Appointments

During the 2015/16 financial year the following Director was appointed to the Board
M Georgel 27 October 2015

Directors' remuneration

The amount of $82,134 per annum in 2016 and $76,500 per annum in 2015 was paid, or due and payable, to members of the Board as authorised by the shareholder as follows:

	Gross Amount 2016	Gross Amount 2015
Walker D N	25,474	22,948
Gillespie G F	14,194	13,388
Stock O B	3,347	13,388
Nichols J	15,194	13,388
Adlam J	14,194	13,388
Georgel M	9,731	0
	82,134	**76,500**

No other remuneration or benefits other than reimbursement of expenses has been paid or given to Directors.

Directors' indemnity and insurance

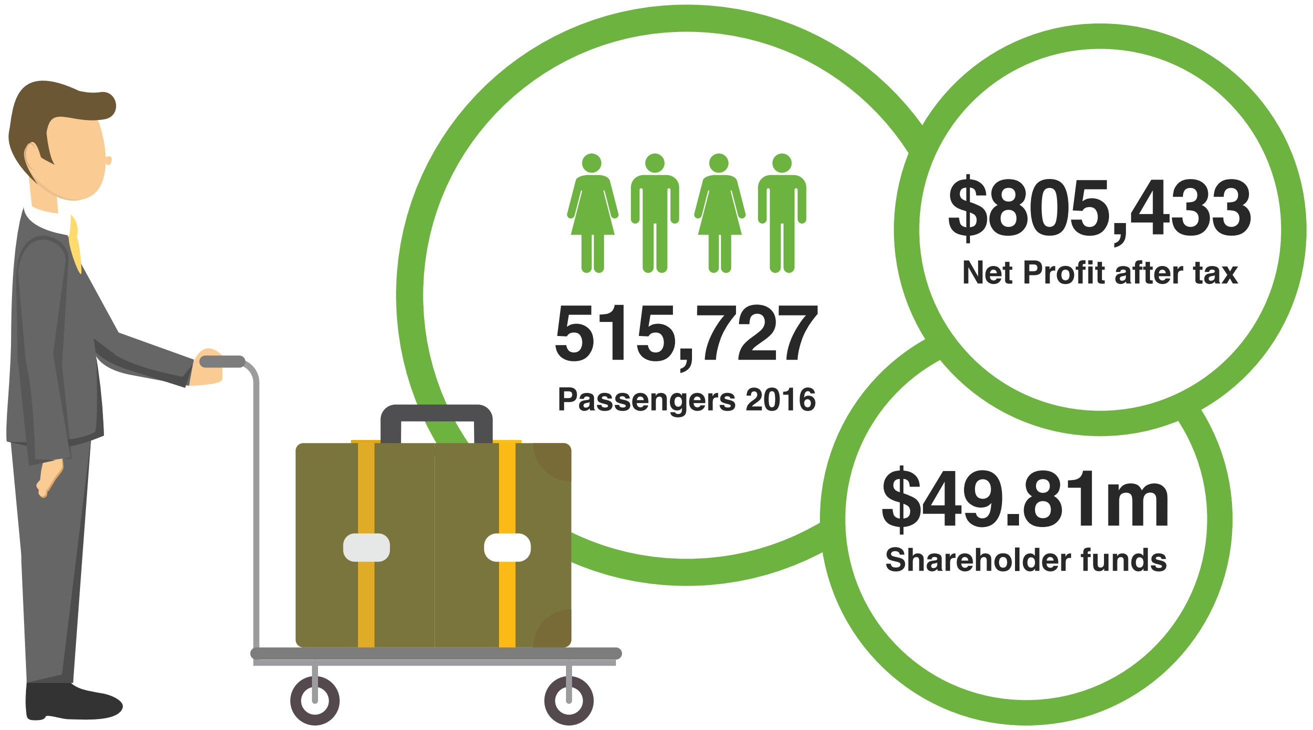
The Company is responsible for the payment of the Directors' indemnity insurance premiums.

Use of company information by Directors

There were no notices from Directors of the Company requesting to use company information received in their capacity as Directors that would not otherwise have been available to them.

Shareholding by Directors

During the year there were no shareholding transactions involving the Directors.



Directors' interests

During the course of the financial year to 30 June 2016, Directors declared interest in the following entities:

Interest	Nature of Interest	Relationship to PNAL
Mr. D N Walker		
Director	Elmira Consulting Limited	None
Shareholder	Elmira Consulting Limited	None
Director	Third Bearing Limited	None
Shareholder	Third Bearing Limited	None
Director	TBL Investments Limited	None
Shareholder	TBL Investments Limited	None
Consultant	Palmerston North City Council	Shareholder & Supplier
Director	BCC Limited & Subsidiaries	None
Director	Speirs Group Limited & Subsidiaries	Customer
Director	Wilson Cook Limited	None
Trustee	Wildbase Recovery Community Trust	None
Mr. G F Gillespie		
Director	Tui Products	None
Director & Shareholder	Max Fashions	None
Mr. J E Nichols		
Director	Port of Napier Limited	None
Chair	Centralines Limited	None
Director	Nichols Consulting Limited	None
Shareholder	Nichols Consulting Limited	None
Director	Hastings District Council Audit Subcommittee	None
Ms. J Adlam		
Trustee	The Sustainability Trust	None
Board Member	Tautoko Services	None
Coach	The Ice House	None
Coach	Business Changing	None
Chair	Brava Limited	None
Director	Fresh Focus Limited	None
Director	Lifeland Developments Ltd	None
Shareholder	Lifeland Developments Ltd	None
Mr M Georgel		
Shareholder	NV Enterprises Ltd	None
Director	NV Enterprises Ltd	None
Director	Xenos Ltd	None
Shareholder	Xenos Ltd	None
Director	BCC Limited	None
Director	Manawatu Investment Group Ltd	None
Director	MIG Nominee No.1 Ltd	None
Director	Central Regions' Technical Advisory Services Ltd	None
Trustee	Sir Patrick Higgins Charitable Trust	None
Director	Calf Smart Ltd	None
Trustee	Medical Museum Trust	None

All Directors are indemnified under the Directors and Officers Liability Insurance Policy.

Details of the related party transactions made during the year are shown in Note 21 of the Notes to the Financial Statements.

Schedule of Board meeting attendance

Director	Number of meetings	Number of meetings attended
Mr D N Walker	12	12
Mr O Stock	3	3
Mr G F Gillespie	12	11
Mr J Nichols	12	12
Ms J Adlam	12	12
Mr M Georgel	8	8

Remuneration of employees

The number of employees, who are not Directors, whose total remuneration and benefits exceeded $100,000 in the financial year were:

	2016	2015
$100,000 - $110,000	1	0
$210,000 - $220,000	0	1
$230,000 - $240,000	1	0

Auditors

As provided for by Section 70 of the Local Government Act 2002, Audit New Zealand, on behalf of the Auditor-General, is hereby re-appointed as Auditor to the Company.

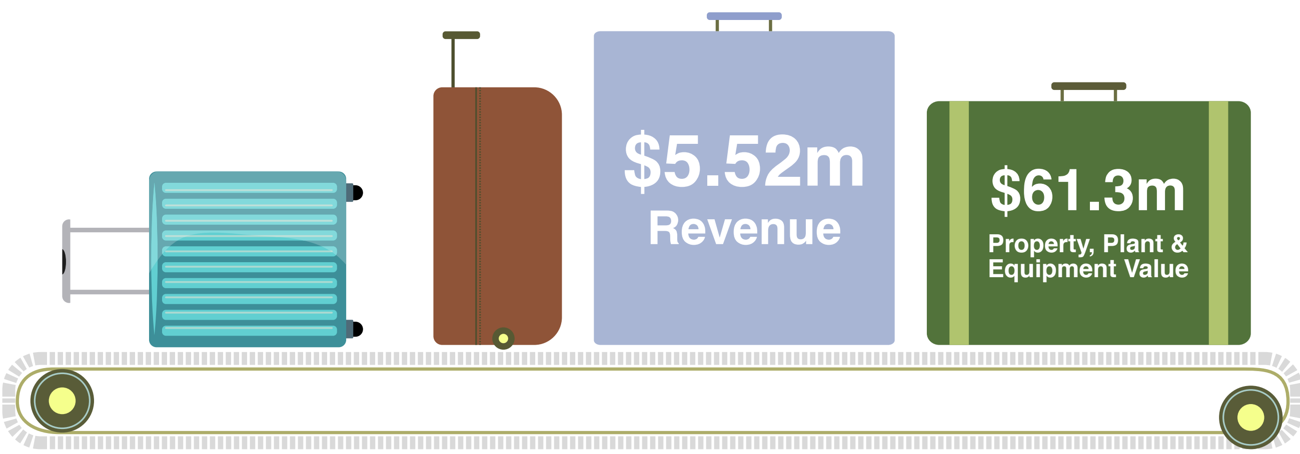
Auditor's remuneration of $26,500 (GST exclusive) for the 2016 annual audit is reflected in the financial statements as due and payable.

Donations

The Company made donations of $1,600 this year (2015: nil).

Audit and Risk Committee

The company established an Audit and Risk Committee in February 2016. The committee is responsible for overseeing the financial accounting and audit activities of the Company, including reviewing the adequacy and effectiveness of internal controls, meeting with and reviewing the performance of the external auditors, reviewing the consolidated financial statements and making recommendations on financial and accounting policies.



Welcoming Jetstar NZ Domestic services

On the 1st February 2016, Palmerston North Airport and the wider region welcomed the first regional Jetstar flight from Auckland to Palmerston North.

The 50-seat Dash 8 Q300 aircraft now flies four times daily on the popular Palmerston North to Auckland route.

The arrival of Jetstar has meant more competitive regional fares for both inbound and outbound travellers and an increase in flight frequency to over 40 flights a day into or ex Palmerston North Airport.

As a consequence of increased choice in flights and pricing, passenger volumes have grown by over 21% versus the same period last year.

Travellers using the new service include corporates, students, sporting groups, visiting friends and relatives, families and leisure passengers traveling to Auckland or connecting to or from an international flight.

Following the launch, Palmerston North Airport's consumer brand Fly Palmy was quick to embrace the new airline partner, reminding locals and regional neighbours alike of the benefits of commencing their travels from Palmerston North Airport. Start Near Go Far.






Service Performance

For the Year Ended 30 June 2016

- The Company's Statement of Intent, against which performance is judged, is dated June 2015.
- The Company is trading as Palmerston North Airport Limited.
- The ratio of consolidated shareholder funds to total assets has been maintained above 70%, inclusive of revaluations of land and buildings.
- Palmerston North Airport has been maintained as an airport certificated pursuant to Civil Aviation Rule Part 139 and has achieved satisfactory audits during the period.
- All obligations under the Resource Management Act and the District Plans of the Palmerston North City Council and Manawatu District Council have been met.

Above is a graph of how Total Assets and Shareholder funds have grown since 2002.

Our Vision - What We Want To Be

Our Company Vision is to grow shareholder and regional economic value by operating a safe, efficient, attractive and profitable airport that serves the Central Region.

Vision statement 1

All persons visiting or using the airport are our customers.

We will provide quality services that are welcoming, and that enhance the convenience and enjoyment of travellers and those greeting them or bidding them farewell.

Vision statement 2

Businesses serving the airport are our customers.

We will provide an efficient, commercial environment and work in close cooperation with our partners and stakeholders to ensure our mutual success.

Vision statement 3

The safety and security of our people, customers and partners is our critical concern.

We will meet and exceed all standards and regulations relating to airport operations.

Vision statement 4

Our people are the key to our success.

We will meet our goals through the skill, commitment, resourcefulness and hard work of everyone at Palmerston North Airport. We will facilitate their development and recognise their achievements.

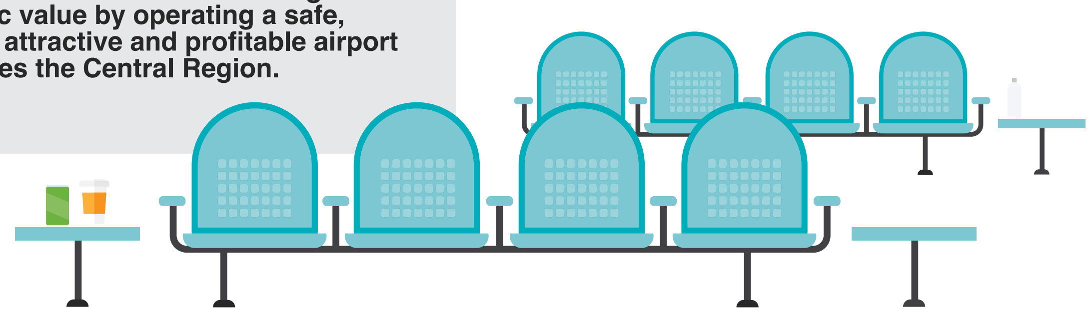
Vision statement 5

Shareholder value is our key business objective.

We will operate a successful enterprise that allows us to invest in the future. This benefits all our stakeholders: customers, partners, owners and staff.

Objective:

To grow the shareholder's and regional economic value by operating a safe, efficient, attractive and profitable airport that serves the Central Region.



Performance Measures

For the Year Ended 30 June 2016

	2016 Actual	2016 SOI	2015 Actual
1. Ratio of net surplus before interest/tax/revaluations to Total Assets	2.00%	2.7%*	2.10%
2. Ratio of net surplus after tax to consolidated shareholders funds inclusive of revaluation reserve	1.62%	1.6%	1.34%
3. Interest cover ratio of net surplus before Interest tax and depreciation to Interest, at or above:	7.87	5.03	3.37
4. Maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above $35m	$49.8m	$36.5m	$49.3m
5. Maintain Civil Aviation Rule part 139 certification and have no adverse findings from annual audit	*Civil Aviation rule part 139 certification was maintained and there were no adverse findings		
6. Maintain a level of customer satisfaction of 90% and bi annually measure this by customer survey.	96%	90%	98%
	96% are either "Quite satisfied", "very satisfied" or of "average satisfaction" (Customer Satisfaction Survey May 2016)		
7. Total Passenger Throughput	515,727	471,000	466,557

* Note that the 2015/16 SOI was set prior to the revaluation of assets. The resulting increase in depreciation has decreased net surplus after tax and together with the resulting increase in total assets, this has impacted on this performance measure being met.

515,727
Total Passenger Throughput

96%
Customer Satisfaction

1.62%
Ratio of net surplus after tax

7.87
Interest Cover Ratio

$49.8m
Tangible Net Worth

RUAPEHU
BUSINESS PARK

Airport Drive, Palmerston North Airport

Ruapehu Business Park is being developed and managed by Palmerston North Airport Limited. Ruapehu Business Park offers over 20 hectares of land for aviation maintenance and training, commercial, logistics, retail or light industrial development, including airside and landside locations, and both leasehold and freehold ownership options.

Ruapehu Business Park is being be developed to the highest standards and in accordance with the Airport Zone provisions of the Palmerston North City District Plan.

Positioned on the busy dual carriageway Airport Drive, a Ruapehu Business Park location provides seamless access to the Airport, Palmerston North City and regional centres.

Ruapehu Business Park will become the location of choice for a range of business activities, including those requiring proximity to the Airport, its travellers, other airport businesses and air freight through to businesses seeking the benefits of the high road frontage exposure that an Airport Drive location can provide.

Financial Statements

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Statement of Comprehensive Revenue and Expense
Parent & Consolidated

For the Year Ended 30 June 2016

	Note	30-Jun-16 Actual $	30-Jun-16 SOI $	30-Jun-15 Actual $
Revenue	4	5,522,881	5,049,240	4,942,760
Operating Expenses				
Operations and Maintenance:				
Airfield Services		425,962	425,508	425,503
Other Operating Expenses	5	1,181,692	1,211,006	1,108,737
Total Operations And Maintenance		**1,607,654**	**1,636,514**	**1,534,240**
Administration:				
Audit Fees	6	26,500	27,504	27,500
Bad Debts Written Off		3,223	5,004	123
Changes in Doubtful Debt Provision		3,400	20,004	30,317
Directors' Fees		82,134	76,500	76,500
Employee Expenses	7	711,425	675,823	648,859
General Administration		698,032	491,236	561,015
Total Administration:		**1,524,714**	**1,296,072**	**1,344,314**
Total Operating Expenses		**3,132,368**	**2,932,585**	**2,878,554**
Operating Surplus Before Interest, Taxation, Depreciation & Amortisation:		**2,390,513**	**2,116,655**	**2,064,206**
Finance Costs, Depreciation & Amortisation				
Finance Costs	8	303,689	421,080	383,955
Depreciation & Amortisation	16/17	1,129,848	862,282	769,048
Impairment and Loss on Sale of Assets	16	115,911	-	-
Total Finance Costs, Depreciation		**1,549,448**	**1,283,362**	**1,153,003**
Operating Surplus Before Taxation		841,065	833,293	911,203
Taxation Expense on Operating Surplus	9	35,632	233,322	248,855
Net Surplus After Taxation attributable to PNCC		**805,433**	**599,971**	**662,348**

Derek Walker
Chairman

Jon Nichols
Director

Statement of Comprehensive Revenue and Expense
Parent & Consolidated

For the Year Ended 30 June 2016

	Note	30-Jun-16 Actual $	30-Jun-16 SOI $	30-Jun-15 Actual $
Net Surplus After Taxation attributable to PNCC		**805,433**	**599,971**	**662,348**
Other Comprehensive revenue and expense				
Gains (losses) on property, plant and equipment revaluations	19(d)	(35,561)	-	16,720,223
Movement in Deferred Tax at Revaluation	18 & 19(d)	-	-	(3,683,462)
Total Comprehensive revenue and expense attributable to PNCC		**769,872**	**599,971**	**13,699,109**

Statement of Changes in Equity
Parent & Consolidated

For the Year Ended 30 June 2016

	30-Jun-16 Actual $	30-Jun-16 SOI $	30-Jun-15 Actual $
Equity at the Beginning of the Year	49,304,587	36,156,912	35,823,396
Total Comprehensive revenue and expense for the year	769,872	599,971	13,699,109
Distribution to Shareholder During the Year	(264,939)	(192,805)	(217,921)
Equity at the End of the Year attributable to PNCC	**49,809,520**	**36,564,078**	**49,304,587**

Statement of Financial Position
Parent & Consolidated

As at 30 June 2016

	Note	30-Jun-16 Actual $	30-Jun-16 SOI $	30-Jun-15 Actual $
Current Assets				
Cash and Cash Equivalents	10	288,431	122,735	163,113
Trade Accounts Receivable	11	506,438	367,910	347,583
Inventory	12	-	-	70
Sundry Receivables and Prepayments		38,266	13,432	7,709
Assets Held for Sale		580,773	-	-
Total Current Assets		**1,413,908**	**504,077**	**518,475**
Less: Current Liabilities				
Revenue in Advance	13	43,927	90,000	65,177
Trade Accounts Payable	13	339,392	120,000	362,269
Other Creditors	13	390,762	242,742	218,892
Employee Benefit Liabilities	14	84,281	54,000	40,083
Total Current Liabilities		**858,362**	**506,742**	**686,421**
Working Capital		**555,546**	**(2,665)**	**(167,946)**
Add: Non Current Assets				
Property, Plant & Equipment	16	61,527,507	45,431,749	61,012,395
Intangible Assets	17	5,051	11,110	11,655
Total Non Current Assets		**61,532,558**	**45,442,859**	**61,024,050**
Less: Non Current Liabilities				
Deferred Tax Liability	18	6,128,585	2,876,117	6,501,518
Borrowings	15	6,150,000	6,000,000	5,050,000
Total Non Current Liabilities		**12,278,585**	**8,876,117**	**11,551,518**
Net Assets		**49,809,520**	**36,564,077**	**49,304,587**
Represented by:				
Shareholder's Equity				
Paid in Capital	19(a)	9,380,400	9,380,400	9,380,400
Retained Earnings	19(b)	17,314,706	17,050,463	16,754,210
Asset Revaluation Reserve	19(d)	23,114,414	10,133,214	23,169,977
Total Shareholder's Equity		**49,809,520**	**36,564,077**	**49,304,587**

For and on behalf of the Board

Derek Walker
Chairman

Jon Nichols
Director

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements. Explanations of major variances against budget are provided in note 23.

Statement of Cash Flow
Parent & Consolidated

For the Year Ended 30 June 2016

	Note	30-Jun-16 Actual $	30-Jun-16 SOI $	30-Jun-15 Actual $
Cash Flows from Operating Activities				
Cash was provided from:				
Receipts from Customers		5,335,904	5,002,225	4,828,429
Interest Received		1,887	3,092	12,907
Tax Refund		-	-	78,776
		5,337,791	**5,005,317**	**4,920,112**
Cash was disbursed to:				
Payment to Suppliers and Employees		3,023,087	2,913,928	2,595,892
Tax Loss Payment to PNCC		134,075	210,000	211,836
Payment of Income Tax		386,594	-	150,458
Interest Payments		308,707	421,080	383,955
		3,852,462	**3,545,008**	**3,342,141**
Net cash flows from operating activities		**1,485,329**	**1,460,309**	**1,577,971**
Cash Flows from Investing Activities				
Cash was provided from:				
Sale of Property Plant and Equipment		380,000	500,000	-
Cash was applied to:				
Purchase of Property, Plant & Equipment		2,575,072	3,121,750	1,005,968
Net Cash Flow from Investing Activities		**(2,195,072)**	**(2,621,750)**	**(1,005,968)**
Cash Flow from Financing Activities				
Cash was provided from:				
Borrowing		1,850,000	1,800,000	-
Cash was applied to:				
Repayment of Borrowings		750,000	900,000	650,000
Payment of Dividends	19(c)	264,939	192,805	217,921
Net Cash from Financing Activities		**835,061**	**707,195**	**(867,921)**
Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts		**125,318**	**(454,246)**	**(295,918)**
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		163,113	576,981	459,031
Cash, Cash Equivalents and Bank Overdrafts at the End of the Year	**10**	**288,431**	**122,736**	**163,113**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements

Notes to the Financial Statements

Statement of Accounting Policies for the Year ended 30 June 2016 (Notes 1 -3)

1. Reporting Entity

Palmerston North Airport Limited (PNAL) is a New Zealand company registered under the Companies Act 1993.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Company are for the year ended 30 June 2016.The financial statements were authorised for issue on 17 August 2016.

2. Basis Of Preparation

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

Statement of compliance

The financial statements of Palmerston North Airport Limited have been prepared in accordance with the requirements of the Airport Authorities Act 1966, Airport Authorities Amendment Act 2000, the Local Government Act 2002, Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards.

The entity is eligible and has elected to report in accordance with Tier 2 PBE Standards RDR on the basis that the entity has no public accountability and has Expenses >$2m and ≤ $30m.

These financial statements comply with PBE standards.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of Palmerston North Airport Limited and its subsidiaries is New Zealand dollars.

3. Significant Accounting Policies

Measurement Basis

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and infrastructure assets.

(a) Basis of Consolidation

The consolidated financial statements include the parent company and its subsidiary accounted for using uniform accounting policies prepared as of the same date. The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line-by-line basis.

Subsidiaries

The Company consolidates in the group financial statements all entities where the Company has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Company controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by the Company or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Investments in subsidiaries are carried at cost in the Company's parent entity financial statements.

(b) Revenue Measurement and Recognition

Revenue is measured at the fair value of consideration received or receivable.

Landing, departure, facility fees and car park revenue are recognised when the facilities are used.

Interest received is recognised as it accrues using the effective interest rate method.

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset is diminished.

(c) Property Plant and Equipment

Property Plant and Equipment consists of:

Operational Assets

These include land, buildings, furniture and fittings, computer equipment, motor vehicles and various plant and equipment.

Infrastructure Assets

These assets are composed of Airside Infrastructure (runways, aprons, taxiways, and underground reticulated systems) and Landside Infrastructure, (pavements, car parking and roading outside the secure areas of the airport).

Measurement

Property plant and equipment are measured at cost less accumulated depreciation and impairment losses with the following exception:

- Land is measured at fair value
- Buildings and Airside Infrastructure are measured at fair value less accumulated depreciation.

Revaluations

Land, buildings and airside infrastructure are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and are revalued at least every three years. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If there is a material difference, then the off-cycle asset classes are revalued.

Accounting for Revaluations

Palmerston North Airport Limited accounts for revaluations on a class of assets basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefit or service potential associated with the item will flow to the company and the cost can be measured reliably.

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

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the surplus and deficit account.

When revalued assets are sold, the amount included in revaluation reserve in respect of those assets is transferred to retained earnings.

Subsequent cost

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

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

Depreciation

Depreciation is provided on a straight-line basis on all items of property, plant & equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of the major categories have been estimated as follows:

Land Improvements	99 years
Roading & Carparks (Landside Infrastructure)	2 - 99 years
Buildings & Building services	8 - 99 years
Runway, Taxiways, Aprons (Airside Infrastructure)	2 - 80 years
Plant and Equipment	2 - 50 years
Furniture & Fittings	3 - 99 years
Computer Equipment	3 - 6 years
Motor Vehicles	5 years

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

(d) Intangible Assets

Internally generated intangible assets

Costs associated with the development of the company's web-site are recognised as an intangible asset and are capitalised on the basis of the cost incurred to bring to use the intangible asset. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

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

Website Development	4 years 25%

(e) Trade and Other Receivables

Accounts receivable are stated at face value less any provision for impairment.

(f) Impairment of property, plant, equipment and intangible assets

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount.

The total impairment loss is recognised in the surplus and deficit account.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

(g) Inventories

Stock on hand has been valued at the lower of cost using the FIFO method and net realisable value.

The amount of any write-down for the loss of service potential or cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

(h) Non-current Assets Held for Sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are held for sale.

(i) Cash, Cash Equivalents and Bank Overdrafts

Cash, Cash Equivalents and Bank Overdrafts includes 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.

(j) Income Tax

Income tax expense includes components relating to both current tax and deferred tax.

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

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 is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

(k) Goods and Services Tax

All items in the financial statements are stated exclusive of Goods and Services Tax (GST) with the exception of receivables and payables, which are stated, with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

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

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

Commitments and contingencies are stated exclusive of GST.

(l) Employee Entitlements

Employee benefits that the Company expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

The company recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent the company anticipates it will be used by staff to cover those future absences.

The Company recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

The Company does not provide for long service or retirement leave entitlements.

Presentation of employee entitlements

Sick leave and annual leave are classified as a current liability.

Superannuation schemes

Obligations for contributions to Kiwi Saver are accounted for as defined contributions superannuation schemes and are recognised as an expense in the surplus and deficit account when incurred.

(m) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

(n) Other Financial Assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company and group have transferred substantially all the risks and rewards of ownership.

- Financial assets are classified into the following categories for the purpose of measurement:
- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

The company has the following relevant category:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus and deficit account.

(o) Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence that the company and group will not be able to collect amounts due according to the original terms of the receivable.

Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits are recognised directly against the instrument's carrying amount.

(p) Statement of Cash Flows

Operating activities include cash received from all revenue sources of the company and records the cash payments made for the supply of goods and services.

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

Financing activities comprise the change in equity and debt capital structure of the company.

(q) Borrowings and borrowing costs

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

All borrowing costs are recognised as an expense in the period in which they are incurred.

(r) Critical accounting estimates and assumptions

In preparing these financial statements the company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Company to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the company, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the statement of comprehensive revenue and expense, and carrying amount of the asset in the statement of financial position. The Company minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programs;
- Review of second hand market prices for similar assets; and analysis of prior asset sales

The Company has not made significant changes to past assumptions concerning useful lives and residual values.

Note 16 provides information about the estimates and assumptions applied in determining the fair value of Land, buildings and airside infrastructural assets.

(s) Provisions

Provisions for future expenditure, as a result of past event, and of uncertain amount or timing are only recognised when it is probable that the obligation will materialise and the extent of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure to be required to settle the obligation using a pre-tax discount that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as a finance cost.

Payables

Short-term creditors and other payables are recorded at their face value.

(t) Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Retained Earnings;
- Paid in Capital;
- Asset revaluation reserve;

Asset revaluation reserves

This reserve relates to the revaluation of land, buildings and Airside Infrastructure to fair value.

(u) Critical judgements in applying accounting policies

Classification of property

The Company owns a number of properties as a land bank to cover possible future expansion of the runway and safety areas. The receipt of market-based rental from these properties is incidental to this purpose. The properties are held for service delivery objectives as part of the Airport's overall operating strategy. The properties are therefore accounted for as property, plant, and equipment rather than investment property.

	2016 Actual	*2015 Actual*
4. Analysis Of Operating Revenue		
Landing, Departure & Facility Fees	3,039,052	2,602,786
Car Park, Rent and Advertising	2,363,069	2,160,529
Other	119,083	166,538
Interest	1,677	12,907
	5,522,881	**4,942,760**
5. Other Operating Expenses		
Rates	370,076	362,637
Power and Insurance	294,305	301,582
Repairs and Maintenance	517,311	444,518
	1,181,692	**1,108,737**
6. Audit Fees		
Fees are for Audit of Financial Statements Palmerston North Airport Limited	26,500	26,000
Disbursements	0	0
Freight Gate Limited	0	1,500
	26,500	**27,500**

	2016 Actual	*2015 Actual*
7. Employee Expenses		
Salaries and Wages	674,884	613,780
Employer Contribution to Kiwi Saver	21,354	15,336
Movement in Employee Entitlements	15,187	19,743
	711,425	**648,859**
8. Finance Costs		
Interest on Secured Long Term Loans	303,689	383,955
	303,689	**383,955**
9. Taxation		
Operating Surplus (deficit) before taxation	841,065	911,203
Taxation thereon @ 28%	235,498	255,137
plus (less) tax effect of:		
- permanent differences/non-deductible expenditure	33,000	-
- prior year under/(over) provision	10,669	(12,814)
- deferred tax adjustment for the year	(243,536)	6,532
Tax Expense for the year	**35,631**	**248,855**
Components of Tax Expense		
Current Tax Expense	397,896	290,232
Prior year adjustments	10,669	(12,814)
Deferred Tax Expense	(372,934)	(28,563)
Total Tax Expense	**35,631**	**248,855**
10. Cash & Cash Equivalents		
Current Account	280,009	152,105
Cash on hand	3,358	3,151
Short Term Investment Account	5,064	7,857
Total	**288,431**	**163,113**
Cash & cash equivalents and overdrafts include the following for the purposes of the Statement of Cash Flow:		
Current Account	280,009	152,105
Cash on hand	3,358	3,151
Short Term Investment Account	5,064	7,857
Total	**288,431**	**163,113**
11. Trade Accounts And Other Receivables		
Debtors and Other Receivables	508,460	377,398
Receivables from related party	1,378	502
Provision for impairment	(3,400)	(30,317)
Total	**506,438**	**347,583**
Movements in the provision for impairment of receivables are as follows:		
Balance at 1st of July	(30,317)	-
Additional Provisions	(3,400)	(30,317)
Provisions Reversed	8,938	-
Receivables Written Off	21,379	-
Total	**(3,400)**	**(30,317)**

Palmerston North Airport Limited holds no collateral or other credit enhancements for financial instruments that give rise to credit risk, including those instruments that are overdue or impaired.

12. Inventory

The Company does not hold any inventories that are subject to retention of title clauses and no inventories are pledged as securities for liabilities.

13. Trade Accounts Payable

Revenue in advance from exchange transactions	43,927	65,177
	43,927	65,177
Revenue in advance from non-exchange transactions	-	-
Total	**43,927**	**65,177**

Trade Accounts Payable from exchange transactions		
Trade Accounts Payable	230,222	178,076
Payables to Related Party	3,028	2,303
Trade Accounts Payable from non-exchange transactions		
Tax payable	106,142	181,890
Total	**339,392**	**362,269**

Other creditors from exchange transactions		
Other creditors	367,296	191,745
Other creditors from non-exchange transactions		
GST payable	23,466	27,147
Total	**390,762**	**218,892**

14. Employee Benefit Liabilities

Accrued Pay	33,178	4,164
Annual Leave	49,474	35,340
Sick Leave	1,629	577
Total	**84,281**	**40,083**

15. Borrowings

Borrowings	6,150,000	5,050,000
Bank Overdraft	-	-
Total	**6,150,000**	**5,050,000**

Registered mortgage over property owned by the Company secure the $6.15 million (2015: $5.05m) borrowings from Bank of New Zealand. This includes existing perfected security interest in all present and after acquired property of Palmerston North Airport Limited. Refer to Note 16 for the carrying value of the secured assets at balance date.

The Company has an approved overdraft facility of $100,000.

The Company raises long term borrowings predominantly at fixed rates under a Customised Average Rate Loan (CARL) facility. The Company's portfolio of debt is structured with a view to minimising interest rate risk and maximising certainty of the Company's debt servicing costs in the current financial year.

16. Property, Plant And Equipment

Balances 1 July 2015	*Land*	*Buildings*	*Airside Infrastructure*	*Landside Infrastructure*	*Total Infrastructure*	*Plant & Equipment*	*Furniture & Fittings*	*Computer Equipment*	*Motor Vehicles*	*Total*
Cost / Valuation	24,916,000	11,548,811	18,390,184	6,980,397	25,370,582	2,135,113	529,579	138,787	11,676	64,650,548
Accumulated Depreciation	-	-	-	(1,952,762)	(1,952,762)	(1,213,183)	(341,620)	(120,752)	(9,837)	(3,638,153)
Carrying Amount	24,916,000	11,548,811	18,390,184	5,027,635	23,417,819	921,930	187,960	18,035	1,840	61,012,395
Movements for the year										
Additions	8,817	1,414,962	962,064	262,806	1,224,870	31,677	19,202	29,109	-	2,728,637
Disposals	(180,000)	(250,000)	-	-	-	-	-	-	-	(430,000)
Abandoned Projects	-	-	-	-	-	-	-	-	-	-
Revaluation	-	(35,561)	-	-	-	-	-	-	-	(35,561)
Reclassification	(76,445)	(552,439)	-	-	-	-	-	-	-	(628,884)
Disposals - Accumulated Dep.	-	4,167	-	-	-	-	-	-	-	4,167
Depreciation for the Year	-	(242,161)	(585,886)	(157,636)	(743,522)	(94,161)	(35,716)	(7,244)	(443)	(1,123,247)
Dep. Reversal on Revaluation	-	-	-	-	-	-	-	-	-	-
Closing Balances 30 June 2016										
Cost/Revaluation	24,668,372	12,125,772	19,352,248	7,243,203	26,595,452	2,166,790	548,781	167,896	11,676	66,284,740
Accumulated Depreciation	-	(237,994)	(585,886)	(2,110,398)	(2,696,284)	(1,307,344)	(377,336)	(127,996)	(10,280)	(4,757,233)
Carrying Amount	**24,668,372**	**11,887,779**	**18,766,362**	**5,132,805**	**23,899,167**	**859,446**	**171,446**	**39,900**	**1,397**	**61,527,507**
Capital work in progress included at cost										
30-Jun-16	8,817	412,064	-	89,763	89,763	-	-	12,285	-	522,929

Balances 1 July 2014	*Land*	*Buildings*	*Airside Infrastructure*	*Landside Infrastructure*	*Total Infrastructure*	*Plant & Equipment*	*Furniture & Fittings*	*Computer Equipment*	*Motor Vehicles*	*Total*
Cost / Valuation	21,351,000	11,237,321	9,338,607	6,885,837	16,224,444	2,115,194	523,040	129,827	9,778	51,590,605
Accumulated Depreciation	-	(456,924)	(3,769,253)	(1,794,281)	(5,563,534)	(1,120,726)	(302,521)	(110,329)	(9,778)	(7,563,811)
Carrying Amount	21,351,000	10,780,397	5,569,355	5,091,556	10,660,910	994,469	220,519	19,498	-	44,026,794
Movements for the year										
Additions	-	100,187	839,677	121,798	961,475	1,143	6,539	8,960	1,898	1,080,203
Disposals	-	-	-	(10,355)	(10,355)	1,154	-	-	-	(11,509)
Abandoned Projects	-	(23,665)	-	(18,026)	(18,026)	-	-	-	-	(41,691)
Revaluation	3,565,000	254,887	8,211,900	-	8,211,900	-	-	-	-	12,031,787
Reclassification	-	(19,920)	-	1,144	1,144	19,930	-	-	-	-
Disposals - Accumulated Dep.	-	-	-	216	216		-	-	-	216
Depreciation for the Year	-	(228,400)	(233,860)	(158,697)	(392,557)	(92,457)	(39,099)	(10,423)	(59)	(762,994)
Dep. Reversal on Revaluation	-	685,324	4,003,113	-	4,003,113	-	-	-	-	4,688,437
Closing Balances 30 June 2015										
Cost/Revaluation	**24,916,000**	11,548,811	18,390,184	6,980,397	25,370,582	2,135,113	529,579	138,787	11,676	64,650,548
Accumulated Depreciation	-	-	-	(1,952,762)	(1,952,762)	(1,213,183)	(341,620)	(120,752)	(9,837)	(3,638,153)
Carrying Amount	**24,916,000**	**11,548,811**	**18,390,184**	**5,027,635**	**23,417,819**	**921,930**	**187,960**	**18,035**	**1,840**	**61,012,395**
Capital work in progress included at cost										
30-Jun-15	-	114,811	-	104,349	104,349	-	-	-	-	219,160

Land, Buildings and Airside Infrastructure Fair Value

Land

Land is valued at fair value. The most recent valuation was performed by independent registered valuers Messrs. B D Mainwaring, ANZIV, SPINZ, and H G Thompson, ANZIV, SPINZ, of Blackmore & Associates. The valuation is effective as at 30 June 2015. An impairment assessment was carried out by Blackmore & Associates in June 2016 which confirmed that the June 2015 values could be relied upon.

These assessments are undertaken on the basis of unencumbered fee simple property ownership. Land is assessed as being vacant but given surrounding improvements.

The value range is from $35,000 per hectare up to $50,000 per hectare (plus GST if any). The majority of evidence falls within the $35,000 to $45,000 per hectare range.

These rural sales provide best evidence for base assessment of specialist land (airside). They are all within a 10km radius of the airport, land contour is flat or near flat such as the airport, there is a reasonable volume and relatively consistent value range.

It is the valuer’s opinion that applying rural land value is the initial value base. They then make positive adjustment for the fact the airport is an operating business and the asset value must reflect this “in use” situation.

Such factors include land aggregation, land configuration/earthworks and zoning compliance.

In a Market Value Alternative Use (MVAU) situation to the initial value base an additional allowance for land banking future sub divisional potential can be applied. This relates to likely use (excluding airport and associated activities) of a mix of residential, rural residential and commercial/industrial development.

Buildings

Specialised buildings and Airside infrastructure are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

The replacement asset is based on the reproduction cost of the specific assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity. The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information. The remaining useful life of assets is estimated.

Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings are valued at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The most recent valuation was performed by Messrs. B D Mainwaring, ANZIV, SPINZ, and H G Thompson, ANZIV, SPINZ, of Blackmore & Associates, effective 30 June 2015 for land and Buildings. An impairment assessment was carried out by Blackmore & Associates in June 2016 which confirmed that the June 2015 values could be relied upon.

Airside Infrastructure

Airside Infrastructure was revalued for the first time for the year ended 30 June 2015 by AECOM independent consultant engineers and valuers. Revaluations will continue to be undertaken at least three yearly, in line with the current revaluation cycle of the company.

Land is valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. The valuation of land is determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre is applied to the subject asset.

Reflecting the specialised nature of airport infrastructure assets, fair value is determined using depreciated replacement cost methodology, due to there not being an active market for such facilities. Depreciated replacement cost is determined as the replacement cost less the cost to bring an asset to current standards.

The methodology applied by the valuer is a financial simulation in lieu of a market based measurement as these assets cannot be bought and sold on the open market. A replacement cost is estimated by creating a cost plan (cost estimate) of the asset through the measurement of key quantities, then applying current market rates (as observed through our professional role as Estimator or Quantity Surveyor on other similar projects across New Zealand, with the rates adjusted to suit local market conditions.)

The key assumption on the replacement cost is that the estimate is based on replacing the current function of the asset with an asset of the same form (size and shape). This assumption has a significant impact if an asset function changes.

The “cost to bring to current standards” is the estimated cost of upgrading the asset to bring it to current standards and a new condition. This is a component for establishing the likely “exit price” of any transaction in the principal market for an asset of this type. For each of the five condition ratings, the estimate is based on professional opinion as well as having regard to historical project costs.

In assessing the cost to bring to current standard, a condition rating is applied based upon the following information:

- Visual inspection of the asset
- Asset condition data provided by PNAL
- Verbal guidance from the asset manager

The following condition ratings are linked to the cost to bring to current standards:

Category	*Condition*	*Comments*
1	Very good condition	Only normal maintenance required
2	Minor defects only	Minor maintenance required
3	Maintenance required to return to accepted level of service	Significant maintenance required (up to 50% of capital replacement cost)
4	Requires renewal	Complete renewal of the internal fit out and engineering services required (up to 70% of capital replacement cost)
5	Asset unserviceable	Complete asset replacement required

Estimates of remaining life are based on the assumption that the asset remains in its current function and will be maintained. No allowance has been provided for significant refurbishment works in the estimate of remaining life as any refurbishment should extend the life of the asset.

Airside Infrastructure assets have been valued on the basis that there is no residual value.

Impairment

There has been no impairment of Property, Plant and Equipment for the year ended 30th of June 2016 (2015: Nil impairment).

Property Plant and Equipment pledged as security on borrowings

There is a general Debenture held by the BNZ of the company assets and undertaking of the airport. Additionally the BNZ also hold first mortgages on 298 and 320 Milson line, and RD 10 Railway Road. The valuation for these properties as at 30th June 2016 is $31,945,000, (2015 – $31,945,000).

Disposal of Asset

312 Milson Line, being a residential home and land, was sold in May 2016 and subsequently disposed as approved by the Board as it provided no future use to the Company.

A $67k loss on disposal of the property was recognised in the Statement of Comprehensive Revenue and Expense in the line item “Impairment Loss and Loss of Sale of Assets”.

Assets Held for Sale

The Board have approved the sale of 320 Milson Line, being a residential home and land on 22 June 2016 as it will provide no future use to the company. An impairment loss of $48k was recognised in the Statement of Comprehensive Revenue and Expense in the line item “Impairment Loss and Loss on Sale of Assets” following its write-down to fair value less cost to sell.

“The accumulated property revaluation reserve recognised in equity for the 320 Milson Line property at 30 June 2016 is $11k.

17. Intangible Assets

Balances 1 July 2015	*Web-Site Development*	*Total*
Cost / Valuation	26,419	26,419
Accumulated Depreciation	(14,764)	(14,764)
Carrying Amount	11,655	11,655
Movements for the year		
Additions	-	-
Disposals	-	-
Revaluation Writedown	-	-
Reclassification of Renovations	-	-
Disposals - Accumulated Dep.	-	-
Amortisation for the Year	(6,604)	(6,604)
Dep. Reversal on Revaluation	-	-
Closing Balances 30 June 2015		
Cost/Revaluation	26,419	26,419
Accumulated Dep.	(21,368)	(21,368)
Carrying Amount	5,051	5,051
Capital work in progress included at cost	-	-

Balances 1 July 2014	*Web-Site Development*	*Total*
Cost / Valuation	26,419	26,419
Accumulated Depreciation	(8,709)	(8,709)
Carrying Amount	17,710	17,710
Movements for the year		
Additions	-	-
Disposals	-	-
Revaluation Writedown	-	-
Reclassification of Renovations	-	-
Disposals - Accumulated Depreciation	-	-
Amortisation for the Year	(6,055)	(6,055)
Dep. Reversal on Revaluation	-	-
Closing Balances 30 June 2015		
Cost/Revaluation	26,419	26,419
Accumulated Dep.	(14,764)	(14,764)
Carrying Amount	11,655	11,655
Capital work in progress included at cost	-	-

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

18. Deferred Tax (Assets)/Liabilities

	Property, plant and equipment	*Employee entitlements*	*Other provisions*	*Total*
Balance at 1 July 2015	6,520,302	(10,176)	(8,608)	6,501,518
Charged to Surplus and Deficit - Current Year	(369,356)	(10,469)	6,891	(372,934)
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2016	**6,150,946**	**(20,645)**	**(1,717)**	**6,128,584**
Balance at 1 July 2014	2,837,182	(2,186)	(2,269)	2,832,727
Charged to Surplus and Deficit - Current Year	(342)	(7,990)	(6,339)	(14,671)
Charged to other comprehensive income	3,683,462	-	-	3,683,462
Balance at 30 June 2015	**6,520,302**	**(10,176)**	**(8,608)**	**6,501,518**

19. Equity

	Note	*2016 Actual*	*2015 Actual*
(a) Share Capital			
9,195,000 Ordinary Share Capital at 30 June		9,380,400	9,380,400
Closing Balance		**9,380,400**	**9,380,400**

All shares carry equal voting rights and the right to any share in surplus on winding up of the Company. None of the shares carry fixed dividend rights.

(b) Retained Earnings			
Opening Balance		16,754,209	16,309,782
Net Operating Surplus		805,433	662,348
Dividends Paid during year		(264,939)	(217,921)
Transfer from asset revaluation reserve for sale of asset		20,000	-
Closing Balance		**17,314,703**	**16,754,209**

(c) Proposed Dividends:

Once the solvency test has been satisfied, the Directors will declare a fully imputed dividend of 3.50 cents per $1 paid up share capital (exclusive of any premium on issue) as at 30 June 2016 representing $322,173 for the 12 months ending 30 June 2016. (A dividend of 2.88 cents per $1 paid up share capital representing $264,939 was declared for the 12 months ending 30 June 2015).

		Note	*2016 Actual*	*2015 Actual*
(d) Asset Revaluation Reserve				
Opening Balance			23,169,975	10,133,214
Revaluation movement	- Land	16	-	3,565,000
	- Buildings	16	(35,561)	940,211
	- Airside Infrastructure	16	-	12,215,013
Less Deferred Taxation				
Movement - Buildings		18	-	(263,259)
Movement - Airside Infrastructure		18	-	(3,420,203)
Transfer to Retained Earnings for sale of asset			(20,000)	-
Closing Balance			23,114,414	23,169,975
Asset Revaluation Reserve Consists of				
	- Land		12,870,398	12,890,398
	- Building		1,449,206	1,484,767
	- Airside Infrastructure		8,794,810	8,794,810
			23,114,414	23,169,975

20. Related Party Transactions

Palmerston North City Council (PNCC) holds 100% of the issued shares of the Palmerston North Airport Limited (PNAL).

PNAL received services from PNCC during the 12 months ended 30 June 2016 for $379,654 exclusive of GST, none of which related to capital expenditure (2015: $368,654 exclusive of GST none of which related to capital expenditure). In addition a tax loss offset of $478,838 resulted in a tax refund of $134,075 for the 2014/15-tax year. The tax loss offset for 2013/14 was $756,559 and resulted in a $211,836 tax refund. The tax refunds were paid to PNCC.

PNAL pays a dividend to PNCC each year equating to 40% of after tax surplus. Once the solvency test has been satisfied, the Directors will declare a fully imputed dividend of 3.50 cents per $1 paid up share capital (exclusive of any premium on issue) as at 30 June 2016 representing $322,173 for the 12 months ending 30 June 2016, (a dividend of 2.88 cents per $1 paid up share capital representing $264,939 was declared and paid to PNCC for the 12 months ending 30 June 2015).

PNAL provided services to PNCC during the 12 months ended 30 June 2016 for $16,828 exclusive of GST. (2015: $2,126)

Other than the tax loss, all transactions were conducted on normal commercial terms.

PNAL owed PNCC $3,028 inclusive of GST as at 30 June 2016, (the balance owing, as at 30 June 2015 was $2,303).

PNCC owed the PNAL $1,378 inclusive of GST as at 30 June 2016, (the balance owing as at 30 June 2015 was $502).

Other Related Party Transactions - Details:

All transactions conducted with related parties have been under normal supplier/client relationship terms and at arm's length.

Related Party Transaction	*2016*	*2015*
Services provided to Steel Pencil New Zealand Limited	-	125
Services provided by Steel Pencil New Zealand Limited	-	8,500

Relationship of these parties to the Company is shown in Directors interests section on page 10

	2016 Actual	2015 Actual
Key Personnel Remuneration		
Directors		
Remuneration	82,134	76,500
Full time Equivalents	5	5
Senior Management Team including the Chief Executive		
Remuneration	443,850	478,159
Full time Equivalents	5	5

Due to the difficulty in determining the full time equivalent for Directors the full time equivalent figure is taken as the number of Directors.

As there were changes in the composition of Key Management Personnel with positions filled by part-time personnel the full time equivalents have been estimated on a proportional basis.

21. Commitments

Capital Commitments

PNAL had capital commitments of $78k as at 30 June 2016. Commitments at 30 June 2015 were nil.

Operating Commitments as Lessee

PNAL leases computer and electronic equipment, lift infrastructure and a motor vehicle. The unexpired terms of leases as at 30th June 2016 range from 1 to 46 months.

	2016	2015
Less than 1 Year	32,771	14,105
Between 1 and 5 Years	41,883	27,268
Over 5 Years	-	-
Total	**74,654**	**41,375**

These commitments are GST exclusive.

Operating Commitments as Lessor

PNAL leases land, buildings and advertising space in the normal course of its business. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Operating Commitments as Lessor

Less than One Year	459,154	455,463
Between 1 and 5 Years	787,056	566,443
Over 5 Years	369,680	404,430
Total	**1,615,890**	**1,426,336**
On-going month to month leases	**160,730**	**341,075**

2016 & 2015 commitments have been calculated until the end of the current right of renewal, or end of the contract, whichever comes first. These commitments relate to property leases, advertising, and rental agency contracts and are GST exclusive.

There are other ongoing leases amounting to $160,730 per annum that are on a month to month basis (2015: 341,075). There are no contingent rents recognised as revenue in the period.

22. Contingencies

The Company has no contingent liabilities at 30 June 2016 (2015: $2,000 - $4,000). It had no contingent assets as at 30 June 2016 and 2015.

23. Major Variances Explained

Account	*Actual*	*Budget/ SOI*	*Variance*	*Notes*
Operating Revenue	5,522,881	5,049,240	473,641	Increased revenue is related to the launch of Jetstar services in Feb 2016 and an aeronautical pricing review with revised pricing effective Dec 2015.
Total Administration	1,524,714	1,296,072	(228,642)	Administrative costs were ahead of budget driven primarily by resourcing requirements associated with the launch of Jetstar services and a greater focus on commercial opportunities.
Finance Costs	303,689	421,080	117,391	Relates to interest rates being lower than predicted in the 2015/16 SOI.
Depreciation	1,129,848	862,282	(267,566)	The increase in asset values following the revaluation in June 2015 has resulted in a higher depreciation expense. The 2015/16 SOI was set prior to the revaluation taking place.
Dividends Paid	264,939	192,805	(72,134)	Higher payment due to 2014/15 Net Profit after Tax being above the 2014/15 SOI.
Deferred Tax	6,128,585	2,876,117	(3,252,468)	The increase in asset values following the revaluation in June 2015 has resulted in a higher deferred tax liability. The 2015/16 SOI was set prior to the revaluation taking place.
Current Assets	1,413,908	504,077	909,831	Current assets include property held for sale totalling $580k (not budgeted), increased accounts receivable relating to the inclusion of Jetstar and an increase in the closing bank balance at year end.
Current Liabilities	858,362	506,742	(351,620)	Higher than budgeted trade creditors particularly relating to the timing of capital projects.
Property, Plant, Equipment & Intangible Assets	61,532,558	45,442,859	(16,089,699)	Revaluation of landside and airside assets was carried out after the 2015/16 SOI was approved.
Term Borrowings	6,150,000	6,000,000	(150,000)	Relates to timing of capital project payments.

24. Financial Instruments

The accounting policies for financial instruments have been applied to the line items below.

	*Rating**	*2016*	*2015*
Financial Assets			
Loans and Receivables			
Cash and Cash Equivalents	AA-	288,431	163,113
Trade Receivables		506,438	347,583
Total Financial Assets		794,869	510,696

* Standard & Poor's Rating

Financial Liabilities		
Financial Liabilities at amortised cost		
Trade Accounts and Other Payable	711,026	581,161
Borrowings - Secured Loans	6,150,000	5,050,000
Total Financial liabilities	6,861,026	5,631,161

25. Events After Balance Date

On 21st July 2016, the sale of property owned by Palmerston North Airport Limited, being a residential home and land at 320 Milson Line, became unconditional.

Financial Highlights

Year ending Statement of Financial Performance:	2016 (000)	2015 (000)	2014 (000)	2013 (000)	2012 (000)	2011 (000)	2010 (000)	2009 (000)	2008 (000)	2007 (000)
Total Revenue	5,523	4,943	4,818	4,590	4,480	4,225	3,981	4,090	5,181	5,598
Net Surplus Before Interest, Depn, Taxation	2,391	2,064	1,847	1,765	1,739	1,821	1,674	1,888	2,864	3,259
Net Surplus Before Taxation & Misc items	841	911	756	709	684	748	501	658	1,611	2,020
Net Surplus After Taxation excluding deferred tax adj.	805	662	544	492	496	535	327	423	1,090	1,448
Earnings Per $ of Paid Up Share Capital (excl. any premium on issue and deferred tax adjustments)	7.20c	7.20c	5.92c	5.35c	5.39c	5.82c	3.56c	4.61c	11.86c	20.21c
Dividend Proposed or Paid Per $ of Paid Up Share Capital (excl. of any premium on issue)	3.50c	2.88c	2.37c	2.14c	2.10c	2.30c	1.56c	1.80c	4.30c	7.00c
Statement of Financial Position	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***	***(000)***
Total Assets	62,946	61,543	44,904	43,727	43,878	44,645	44,664	40,828	41,057	38,708
Shareholders Funds	49,810	49,305	35,823	35,475	35,177	35,516	35,124	31,526	31,498	28,879
Share Capital paid up (excl. of any premium on issue)	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	9,195	7,165
Net Asset Backing Per Share	$5.36	$5.36	$3.90	$3.86	$3.83	$3.86	$3.82	$3.43	$3.43	$3.14
Return On Shareholder Funds (excl deferred tax adjustments)	1.34%	1.34%	1.52%	1.39%	1.41%	1.51%	0.93%	1.34%	3.46%	5.01%

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Palmerston North Airport Limited's financial statements and performance information for the year ended 30 June 2016

The Auditor-General is the auditor of the Palmerston North Airport Limited (the company). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on her behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 22 to 41, that comprise the statement of financial position as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 14 to 17.

In our opinion:

- The financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2016; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2016.

Our audit was completed on 17 August 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and the performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and the performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and in the performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the company's financial statements and performance information 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the appropriateness of the reported performance information within the company's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and in the performance information; and
- the overall presentation of the financial statements and the performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and the performance information. Also, we did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and fair presentation of financial statements for the company that comply with generally accepted accounting practice in New Zealand and the Public Benefit Entity Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparation of the performance information for the company.

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

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and the performance information, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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

Andrew Clark

Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Company Directory

Directors:

Derek Walker (Chairman)
Jon Nichols
Josie Adlam
Gerard Gillespie
Murray Georgel (Appointed October 2015)

Management:

David Lanham	- Chief Executive
Glen Pleasants	- Manager Aeronautical and Infrastructure
George Clark	- Commercial Manager
Sonya Rook	- Financial Accountant
Angela Scott	- Visitor Development Manager

Trading Bankers

Bank of New Zealand

Legal Advisors

Cooper Rapley Lawyers

Auditors

Audit New Zealand
(on behalf of the Auditor-General)

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PALMERSTON NORTH AIRPORT LIMITED