PALMERSTON NORTH AIRPORT LIMITED

2024 ANNUAL REPORT

For the year ended 30 June 2024

CONTENTS

2024
ANNUAL REPORT
FOR THE YEAR
ENDED
30 JUNE 2024

REPORTS

FINANCIALS

PALMERSTON NORTH AIRPORT LIMITED

As at June 2024

COMPANY DIRECTORY

PALMERSTON NORTH AIRPORT LIMITED

DIRECTORS

Murray Georgel	Chair
Shelly Mitchell Jenkins	Chair of Audit & Risk Committee
Christopher Cardwell	Chair of Terminal & Property Development Committee
Sarah Laurence	
Sarah Everton	

MANAGEMENT

David Lanham	Chief Executive
Jonathon Baker	Chief Financial Officer
Mark Lash	Chief Commercial Officer
Brent Lawry	Terminal & Facilities Manager
Muhammad Dahlan	Capital Projects and Assets Manager
Alex Fechney	Safety & Operations Manager

REGISTERED OFFICE

Palmerston North Airport Limited
Terminal Building
Airport Drive
PALMERSTON NORTH

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Fax: +64 6 355 2262
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Web: www.pnairport.co.nz

TRADING BANKERS

Bank of New Zealand

LEGAL ADVISORS

Cooper Rapley Lawyers

AUDITOR

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

JOINT REPORT

The Chair and Chief Executive’s Joint Report

For the year ended 30 June 2024

PALMERSTON NORTH AIRPORT LIMITED

OVERVIEW

The Directors and Management team are pleased to present the 2024 Annual Report.

Passenger movements

547,721

increased 2% on the prior year

Income of

$15.49 million

was 9% ahead of the Statement of Intent (SOI).

FY24 has been a year of unique circumstances and significant change for Palmerston North Airport Limited (PNAL). In some ways, it has also been the calm before the storm, as we prepare in FY25 to embark on the largest capital project in the history of the company – the upcoming terminal redevelopment.

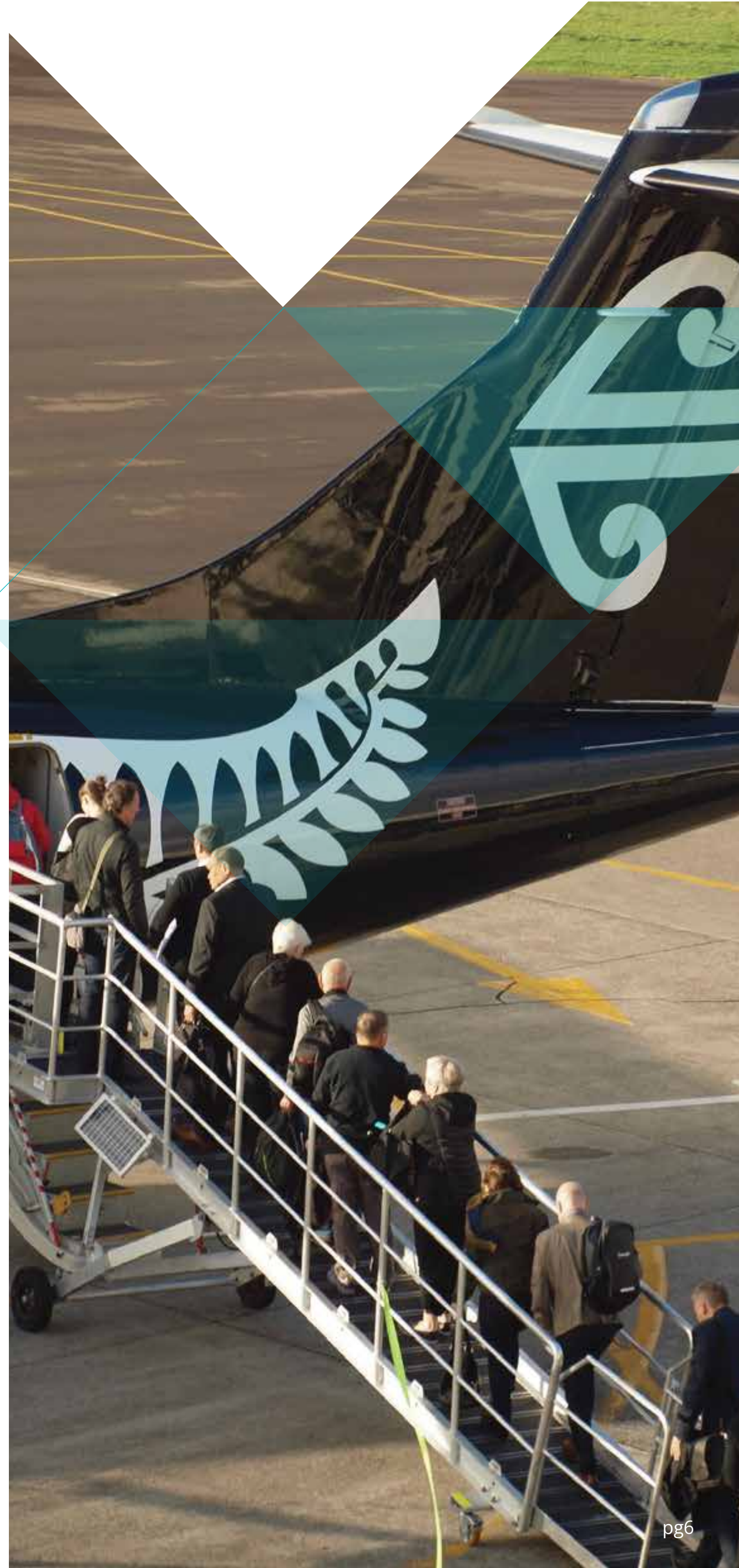
Operating in a high inflation environment, with cost of living pressures meant passenger growth this year was subdued. While we saw a modest 2% growth in passengers compared to prior year, this fell short of budget. Notwithstanding this, revenue growth was positive and well ahead of budget.

We also saw a number of one-off events occur in FY24 which also impacted on our financial performance. Airport Drive was vested to Council in June 2024, bringing to an end PNAL's ownership of one of the City's major arterial routes.

We also experienced a one-off, non-cash, tax adjustment relating to the removal of tax depreciation on buildings due to a change in tax legislation, which had a material impact on our profitability.

The terminal redevelopment has progressed significantly in terms of design during FY24. The two year demolition and rebuild is due to commence in Q2 of FY25, with much time and focus spent on ensuring safety and as little disruption to passengers as possible and the new terminal is an appropriate gateway and fit for purpose for the future. However, given the rebuild is on the same site as the existing terminal, there will be no escaping the temporary inconvenience our customers will experience while we complete the project. We remain focussed on limiting this impact.

There are also many successes to celebrate this year, which are highlighted later in this report. Two of particular note included the opening of the Pick-up/Drop-off shelters in the general carpark, providing customers with semi-covered areas to greet and farewell passengers. We are also eagerly awaiting the introduction of Licence Plate Recognition technology into the carpark from early FY25, providing customers



with a seamless 'windows-up' experience when entering/leaving the carpark.

And secondly, the achievement of Level 4 of the Airport Carbon Accreditation programme puts PNAL in the top 94 airports globally who have achieved Level 4 or above. Airport Carbon Accreditation (ACA) program is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions and achievement of Level 4 is a great recognition of the efforts PNAL has made in this space.

The remainder of this report highlights many of the other achievements by PNAL in FY24.

COMPLIANCE

The Airport continued to focus on health & safety and the maintenance of all Civil Aviation Act (CAA) Rule Part 139 requirements during the financial year. The five yearly audit by CAA was undertaken in May 2024, with our aerodrome operating certificate renewed for a further five years.

It was pleasing to achieve a zero lost time injury count, the result of continuous improvement in our approach to airport safety and security.

Airside apron and roadway upgrades were completed. Despite complex operating conditions the surface enrichment spray treatment on airside pavements progressed, with the majority of planned runway works completed during the financial year.

PNAL also maintained its continuous 24/7 rescue fire operations throughout the financial year.

CULTURE

The Board and Chief Executive again acknowledge the PNAL team for their ongoing dedication.

Team engagement continued to benefit from ongoing investment in our Whanau Kotahi / One Team wellness program. The annual team engagement survey resulted in an engagement score was 78%, down marginally on the prior year. However this was based on a significantly increased response rate of 84% (compared to 62% in the prior year), giving a much richer and more accurate understanding of our teams engagement.

By year end, an organisational restructure had concluded. This restructure was designed primarily to further enhance PNALs focus on customer experience and airport safety and security as the terminal development commences with anticipated disruption for customers and elevated risk levels associated with construction occurring in a live operating environment.

During the year PNAL introduced the Airport Ambassador role to further support the frontline team. The voluntary role has proved very popular

with Ambassadors and airport customers alike. Our team of twenty airport ambassadors have quickly become an integral part of our frontline team and will play an important role as we commence terminal reconstruction later in 2024.

NPS 45
NET PROMOTER SCORE

In September 2023, Sarah Everton was appointed to the Board filling the vacancy left due to Gerard Gillespie's retirement. We also welcomed our first female Rescue Fire Officer in FY24, increasing our rescue fire team to a complement of six.

CUSTOMER

PNAL was pleased to again achieve a Net Promoter score of 45, in line with the SOI target. The result reflects the ongoing investment in and focus on airport customer experience and places us at a level in line with best practice amongst tourism and hospitality providers.

We also achieved Qualmark gold re-certification. An acknowledgement of the airport teams ongoing focus on sustainable business practice, customers and community.

Projects completed during the year included the construction of the semi-covered pick-up and drop-off lane at the front of the General carpark. At year end, progress was being made with the installation of license plate recognition technology in the General and Long Stay carparks, along with new paystations.

Terminal development planning continued with developed design completed by year end. A key focus of the design team has been on ensuring the layout of the terminal is intuitive for all airport users ensuring a positive customer experience.

Significant disruption is anticipated once demolition of the existing terminal commences in Q4 of 2024. The team have also been focussed on ensuring the experience within the temporary terminal will be as positive as possible.

COMMUNITY

A significant milestone on the company's sustainability journey to net zero emissions by 2035 was achieved with PNAL achieving Level 4 – Transformation accreditation of the Airports Council International Airport Carbon Accreditation (ACA) Program. The achievement places the Company amongst a group of just 94 airports globally, and three regional airports within New Zealand, with ACA Level 4 accreditation or above.

This recognition is a result of Palmerston North Airport's comprehensive sustainability strategy, encompassing initiatives to reduce carbon emissions, enhance energy efficiency, and implement ecofriendly practices throughout airport operations. Decarbonisation initiatives have included procurement of carbon neutral electricity for the terminal and tenants. This reflects our purchasing decisions, rather than the actual energy received from the Transpower grid, which we can not control where that electricity has been generated from. Other initiatives included transitioning vehicles to EV or hybrid, and decommissioning outdated gas equipment with LPG or electricity.

PNAL achieved a 37% reduction in Scope 1 (to 77 tonnes of CO2-e) and a 93% reduction in Scope 2 emissions (to 5 tonnes of CO_2-e) for the FY23 year. These efforts have continued into FY24. Scope 3 emissions (those which come from third party stakeholders including airlines) are excluded from the above, but PNAL continue to work with identified stakeholders to also reduce their emissions.

PNAL's current target, which is reviewed annually is to reduce our scope 1 and 2 emissions to 90% below the 2022 baseline. In due course, once all practical measures have been enacted to reduce PNAL's Scope 1 and 2 emissions, offsets may be considered for residual scope 1 and 2 emissions.

PNAL also continued to invest in community sponsorship and engagement. We have increased our support for local initiatives, ranging from theatre programs, education partnerships with UCOL and sporting sponsorships to community volunteer projects. Our sponsorship efforts have not only enhanced community well-being but also strengthened our bond with the regions we serve.

COMMERCIAL

Passenger movements of 547,721 increased 2% on the prior year but fell short of the Statement of Intent (SOI) target by 6%. During the final quarter of the financial year an obvious weakening in passenger demand was being experienced with cost of living pressures combining with a higher fare environment.

Work progressed during the year on air service development with a focus on the medium term potential for the reintroduction of jet operations on the Auckland-Palmerston North route at peak departure times.

Notwithstanding weakening passenger demand, overnight dedicated airfreight operations by Freightways Group and New Zealand Post continued during the financial year.

Work also continued on the design of a 6,000 m^2 warehouse facility adjacent to the airfreight precinct on the McGregor Street extension, a rental car precinct and modifications to an existing warehouse facility for new tenants.

FINANCIAL

Income (excluding revaluations) of $15.49 million exceeded the SOI by 9%.

Aeronautical revenue of $10.00 million was 16% ahead of the SOI. Notwithstanding the subdued growth in passenger volumes aeronautical income benefitted from agreed pricing with airline customers exceeding budget expectations with the inclusion of a cost recovery mechanism associated with the write off of the current terminal building.

Income from all other sources of $5.48 million was within 1% of the SOI.

Income of
$15.49 million
exceeded the SOI by 9%

from all other sources of
$5.48 million
was within 1% of the SOI

EBITDA, reflecting the operational performance of PNAL totalled
$7.54 million
30% above SOI and 24% above prior year

PNAL's balance sheet remains strong with shareholder's equity of
$82.1 million

Net cash flow from operating activities was
$5.9 million
compared to $5.5 million last year

Total operating expenditure of $7.95 million, represented a positive 5% variance to the SOI. The primary driver of the variance were operational challenges in completing non-critical surface enrichment spray treatment on airside pavements, resulting in an underspend of $459k.

EBITDA, reflecting the operational performance of PNAL totalled $7.54 million, 30% above SOI and 24% above prior year. This is an exceptional result, driven by strong revenue performance and tight cost control.

However, non-cash and one-off items had a significant impact on overall profitability for the year. The revaluation of investment property resulted in a small fair value loss of $0.1 million, reflecting softening office rental markets in Palmerston North.

We also experienced a one-off, tax adjustment relating to the removal of tax depreciation on buildings, due to a change in tax legislation. This added a (non-cash) $1.1 million expense to our bottom line.

The most significant one-off and non-cash expense related to the vesting of Airport Drive to PNCC. The land and associated infrastructure had a value to PNAL of $4.56 million and PNAL also made a cash contribution to PNCC to assist with ongoing upgrades and maintenance of Airport Drive to the value of $483k. Upon vesting, an expense of $5.05m was therefore recognised by PNAL, becoming a major driver of the net loss in FY24. While significant at the PNAL level, at a group level this expense is reversed upon consolidation with the Shareholder.

While financing costs were favourable to SOI by $0.58 million, due to debt levels being lower than forecast, the above resulted in a Net Loss Before Tax of $0.64m.

After deducting tax expense, including the expenses associated with the removal of tax depreciation on buildings, this increased the Net Loss After Tax to $2.26m. As outlined above, there were numerous one-off and non-cash expenses which contributed to this loss.

PNAL's balance sheet remains strong with shareholder's equity of $82.1 million, and debt of $10.7 million ($10.8 million last year). Year-end debt was lower than budgeted due to the previously announced later commencement of the terminal development.

Net cash flow from operating activities was $5.9 million compared to $5.5 million last year, while Free Cashflow (cash available for distribution to the shareholder and to debtholders or for reinvestment) was a positive $1.48m.

Notwithstanding the lower than budgeted net profit performance, the Directors propose to declare a dividend for FY24 of $195k, which aligns with the dividend projected in the FY24 SOI. This is in addition to the $483k cash payment already made to the shareholder in respect of the vesting of Airport Drive.

THE FUTURE OUTLOOK

The Terminal Development will dominate PNAL's activities in the next 2-3 years. The new terminal is an intergenerational investment with long-lasting and wide-reaching impacts on PNAL, the Shareholder and the wider community and region. The terminal will ensure we can continue to offer our city and region an appropriate and resilient air gateway and continue to sustainably grow air services as we play our role in facilitating regional economic growth and prosperity.

Available debt-capacity will be absorbed by the TDP and investment in critical airside infrastructure meaning investment in commercial activity within Ruapehu Aeropark, and the ability to contribute positively to the growth of Te Utanganui will be limited within the next SOI period without additional funding being made available.

A key focus remains on resolving this constraint. By year end, funding option analysis was well advanced with the objective of ensuring PNAL will be able to prudently elevate its investment in freight and logistics and associated infrastructure. It is anticipated that this constraint will be resolved in FY25, unlocking the ability to accelerate the development of Ruapehu Aeropark further.

Notwithstanding this backdrop of significant capital investment, PNAL has committed to recommencing dividend payments to the Shareholder for the FY24 financial year with a dividend of $0.195 million proposed this year.

Underpinning all activity the Company will maintain its focus on the wellbeing of our highly valued airport team, regulatory compliance, maintaining our customer experience levels at a level as high as reasonably practical, and the safety of all airport users.

David Lanham
Cheif Executive

Murray Georgel
Chair

CORPORATE REPORT

For the year ended 30 June 2024

PALMERSTON NORTH AIRPORT LIMITED

Palmerston North Airport Limited is a 'Council-Controlled 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, air freight operators and airport users (both commercial and non-commercial) through the ownership and operation of Palmerston North Airport.

- The development of non-aeronautical revenue streams including Ruapehu Aeropark and other commercial property.

OWNERSHIP

Palmerston North Airport Limited (PNAL) is a 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 24 to 51.

Performance	2024	2024	2023
	Actual	SOI	Actual
Passengers	547,721	581,100	534,651
Revenue	15,487,238	14,188,600	12,585,130
EBITDA & Valuation of Investment Property	7,540,652	5,811,589	6,102,867
Net Profit after Tax	(2,259,016)	1,933,729	2,950,421

Financial Position	2024	2024	2023
	Actual	SOI	Actual
Cash and Cash Equivalents	1,161,631	52,539	63,379
Current Assets	2,580,866	1,957,438	1,106,713
Property, Plant & Equipment	87,077,037	113,934,591	90,347,374
Shareholder Funds	82,079,388	87,660,818	84,338,404

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 Chair's and Chief Executive's Report and the statutory accounts of the Company published herewith.

DIRECTORS

Reappointments

There were no reappointments during the year ended 30 June 2024.

Appointments

Sarah Everton was appointed to the Board, effective September 2023.

Retirements

There were no retirements during the year ended 30 June 2024.

DIRECTORS' REMUNERATION

For the year ended 30 June 2024, the amount of $142,256 ($135,000: 2023) for Director Remuneration was paid, or due and payable, to members of the Board as authorised by the shareholder as follows:

	2024 Actual	2023 Actual
Georgel M	44,920	41,540
Mitchell-Jenkins S	28,075	25,960
Cardwell C	28,075	25,960
Laurence S	22,465	20,770
Everton S	18,721	0
Gillespie G	0	20,770
Total	**142,256**	**135,000**

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

DIRECTORS' INDEMNITY AND INSURANCE

The Company is responsible for the payment of the Directors' indemnity insurance premiums. All Directors are under the Directors and Officers Liability Insurance Policy.

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

As at 30th June 2024, Directors declared interests in the following entities:

Interest	*Nature of Interest*	*Relationship to PNAL*
Mr M Georgel		
Director	Manawatu Investment Group Limited	None
Trustee	Sir Patrick Higgins Charitable Trust	None
Trustee	Arohanui Hospice Service Trust	None
Trustee	Arohanui Hospice Foundation	None
Director	Levno Limited	None
Director	Levno Group Limited	None
Director	Levno IP Holdings Ltd	None
Director & Shareholder	CH Management Ltd	None
Trustee	PN Theatre Trust (Centre Point Theatre)	Sponsor ($10k FY24)
Trustee	Central Energy Trust	None
Director	Gary Douglas Engineers Limited	None
Mr C Cardwell		
Director of infrastructure (Northern Region)	Health New Zealand	None
Director & Shareholder	Australis Property Ltd	None
Director & Shareholder	Laurent Investments Ltd	None

Interest	*Nature of Interest*	*Relationship to PNAL*
Director	Nga Maunga Whakahii O Kaipara Whenua Hoko Holdings Limited	None
Director	Te Uru Limited	None
Director	Nga Maunga Whakahii O Kaipara Commercial Development Limited	None
Director	Pitoitoi Limited	None
Director	Te Rau Manga Limited	None
Director	Nga Maunga Whakahii O Kaipara Ngahere Limited	None
Wife	Lawyer in Procurement team - BNZ	Bank

Ms S Everton

Director	Horowhenua Developments Limited	None
Board Member	Whangamata Golf Club	None
Director	The Horowhenua Company Limited	None
Independent member of Risk & Assurance committee	Horowhenua District Council	None

Ms S Laurence

Director	The Factory NZ Limited	None
Chair	Swimming Manawatu	None
Employee	MediaWorks	Supplier
Minority s/holder	Air New Zealand	Customer

Ms S Mitchell-Jenkins

Director	Web Genius Central NZ Limited	None
Director	The Web Genius Limited (non-trading)	None
Director & Shareholder	Colbert Cooper Limited	None
Director & Shareholder	Cobert Cooper Trustees Limited	None
Director & Shareholder	Colbert Cooper Trustees (2015) Limited	None

Details of the related party transactions made during the year are shown in Note 15 of the Notes to the Financial Statements.

SCHEDULE OF BOARD MEETING ATTENDANCE

Director	*Number of Board meetings held*	*Number of Board meetings attended*
Georgel M	11	11
Mitchell-Jenkins S	11	10
Cardwell C	11	9
Laurence S	11	11
Everton S	9	9

SCHEDULE OF COMMITTEE MEETING ATTENDANCE

Director	*Number of Audit & Risk Committee meetings held*	*Number of Audit & Risk Committee meetings attended*	*Number of Terminal & Property Dev. Committee meetings held*	*Number of Terminal & Property Dev. Committee meetings attended*
Georgel M	3	3	4	4
Mitchell-Jenkins S	3	3	N/A	N/A
Laurence S	3	3	N/A	N/A
Cardwell C	N/A	N/A	4	4
Everton S	N/A	N/A	2	2

REMUNERATION OF EMPLOYEES

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

	2024 Actual	2023 Actual
$100,000 - $110,000	2	2
$110,000 - $120,000	1	0
$120,000 - $130,000	1	1
$130,000 - $140,000	1	2
$140,000 - $150,000	1	0
$170,000 - $180,000	1	0
$190,000 - $200,000	1	1
$200,000 - $210,000	1	1
$320,000 - $330,000	0	1
$340,000 - $350,000	1	0

Variances in the table above arise from the timing of employee resignations and appointments.

The prior year comparatives have been updated from those included in the 2023 financial statements to include superannuation and medical insurance benefits.

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 $87,060 (GST exclusive) for the 2024 annual financial statements audit and $30,000 for the 2024 disclosure accounts audit are reflected in the financial statements as due and payable.

DONATIONS

The Company made a $1,000 donation this year (2023: $0).

AIRPORT AUTHORITIES (AIRPORT COMPANIES INFORMATION DISCLOSURE) REGULATIONS 1999

A separate set of audited financial statements have been prepared as the disclosure financial statements for the purposes of, and in accordance with, the above Regulations.

AUDIT AND RISK COMMITTEE

The Company has an Audit and Risk Committee comprised of three directors of the PNAL Board. 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 financial statements and making recommendations on financial and accounting policies.

TERMINAL AND PROPERTY DEVELOPMENT COMMITTEE

The Company established a Terminal and Property Development Committee (TPDC), comprised of three directors of the PNAL Board, in September 2023. The Committee has a board-approved Terms of Reference, outlining its membership, authority and purpose.

The TPDC acts as a steering group to PNAL's Board, reviews feasibility studies and business cases, and provides oversight of PNAL's vertical and horizontal property development in Ruapehu Aeropark, as well as the redevelopment of the terminal. This Committee was set up to provide adequate governance over PNAL's increasing capital expenditure and increasing complexity of commercial development and the terminal.

SERVICE PERFORMANCE

For the year ended 30 June 2024

STATEMENT OF SERVICE PERFORMANCE

The Company's Statement of Intent, against which FY24 performance is judged, is dated 25 May 2023.

The Company is trading as Palmerston North Airport Limited.

The Board of Directors believe that the statements contained in this report accurately reflect the overall performance of Palmerston North Airport Limited for the year ended 30 June 2024.

The below report contains an appropriate and meaningful mix of performance measures for the reporting period, as judged by the Directors. These have been assessed against Palmerston North Airport Limited's Statement of Intent for FY24 and adequately cover the five strategic objectives of the Company. These strategic objectives are considered the most appropriate categories to ensure a full reflection of the Company's performance, highlighting both quantitative and qualitative measures.

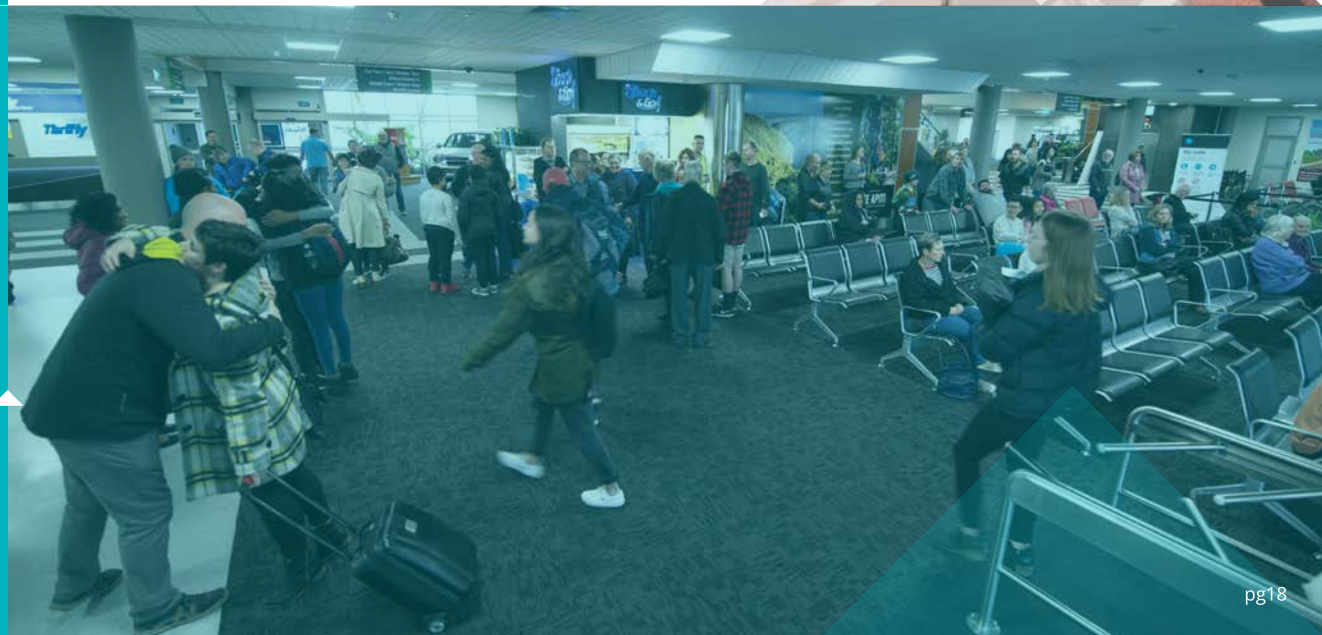
In reflecting on future metrics and anticipated performance, the Company refers readers to the FY25-FY27 Statement of Intent, available on its website.

OUR VISION – WHAT WE ASPIRE TO BE

New Zealand's leading regional airport.

OUR PURPOSE

Launching our communities into a promising future.



STRATEGIC OBJECTIVES

COMPLIANCE

We maintain a safe and secure operation.

The safety and security of all airport users is our critical concern. We have a Zero Harm approach to those who visit and work within our airport community.

We will continue to meet our regulatory and statutory obligations including Civil Aviation Rule Part 139, Resource Management Act, Palmerston North and Manawatu District Plans.

CULTURE

We empower our team members and work as one-team.

Our People are the key to our success. We will care for each other's well-being, and develop skills, commitment, engagement and resourcefulness across our team recognising achievement.

Our one-team ethos is supported by the five pillars of Leadership, Trust & Respect, Communication, Empowerment and Celebrating Success.

CUSTOMER

We continue to improve the customer experience for all airport users.

Our customers include all airport users; contractors, tenants, staff, passengers, meeters and greeters, and other airport visitors.

We lead the way in terms of delivering a high quality and efficient regional airport experience.

We promote Palmerston North Airport as the gateway and Lower North Island commercial hub to our 90 minute drive market.

COMMUNITY

We contribute to regional prosperity.

We are kaitiaki for the environment by operating in a sustainable manner in all of our business activities.

We recognise our community is multi-cultural and will engage with mana whenua and all ethnic groups.

COMMERCIAL

We are a financially sustainable business enabling long term success.

We maintain and develop core infrastructure that is business critical.

We diversify and grow revenue streams through a focus on both aeronautical and non-aeronautical income activities.

We operate a successful enterprise that enables us to provide a return to our shareholder when we have surplus to our on-going investment and operating requirements.

We facilitate regional economic development by growing passenger and airfreight volumes.

PALMERSTON NORTH AIRPORT LIMITED

- Meets or exceeds target
- Within 10% of target or in progress
- More than 10% below target or not started

	Activity	Measure	Result	Achieved	Comments
COMPLIANCE	CAA Part 139 Compliance	Recertification achieved	Achieved	Meets or exceeds target	The 5 yearly CAA Audit of PNAL's compliance with Civil Aviation Rule Part 139 was completed in June 2024 with recertification achieved on 27 June 2024.
	Ongoing SMS development	Audit recommendations adopted	Underway	Within 10% of target or in progress	In FY24, due to auditor shortages, PNAL changed SMS audit provider to AvSafe Consultants Ltd. AvSafe conducted their first SMS audit in March 2024 which had no material findings. PNAL are in the process of addressing the minor recommendations outlined from this audit.
	PFAS Management	Global consent approved	Underway	Within 10% of target or in progress	PNAL has a PFAS (polyfluoroalkyl substances) Management Plan in place to manage day to day operations. At year-end, PNAL was evaluating an application for a global consent to Horizons Regional Council to streamline future consenting. Alternative consenting options are also being considered. During FY24, PNAL spent $208k on additional PFAS testing and management, with further costs also incurred in managing minor levels of PFAS detected as part of the long stay carpark extension, which was under construction at year-end.
	Noise Management (Ground)	Ground noise mapping completed	Completed	Meets or exceeds target	At year-end, PNAL had received a report on ground noise emissions and was working through the results. Updates to PNAL's noise management plan to incorporate ground noise and engine testing will be made in FY25. No noise complaints were received during FY24.
	Asset Management Plan	1. Landside asset register completed 2. Airside register updated	New asset management database implemented	Meets or exceeds target	In FY24, PNAL has invested in new cloud based asset management software to better track and maintain the condition of its assets. At year end, this system was in the process of being rolled out.
CUSTOMER	Carpark Upgrades - Products & Systems	1. Phase 1 - Northern pick up / drop off covers installed 2. Phase 2 - Infrastructure / technology updates	Underway	Within 10% of target or in progress	Stage 1 of the pick-up/drop-off shelters was completed in early FY24, which provides 94m of all weather protection to customers while being dropped off or picked up from the terminal. At 30 June 2024, Licence Plate Recognition technology was being installed in the general, longstay and rental carparks, which will provide a seamless 'windows up' experience for customers arriving and departing from the carparks. This system is due to go live in early FY25.
	Terminal Development Plan	Detailed design complete	Underway	Within 10% of target or in progress	At year-end, PNAL was wrapping up developed design and commencing work on detailed design. An Early Contactor Involvement (ECI) contractor was also part of the design team, to ensure the design is both cost and time efficient to build. Enabling works for the new terminal are due to commence in early FY25, with demolition of Stage 1 to occur from mid FY25.
	Net Promotor Score	Net Promoter Score of 45 or above	Average score of 45	Meets or exceeds target	The Net Promotor score of 45 for the full year is based off 9,165 responses, a 31% increase in the number of responses compared to prior year. The target of 45 is a stretch target, well above the benchmark average NPS scores for New Zealand aviation industry of 26%.

**Net debt equals total borrowing less cash and cash equivalents*
***FFO equals EBITDA less interest less tax*

PALMERSTON NORTH AIRPORT LIMITED

Meets or exceeds target (green)
Within 10% of target or in progress (orange)
More than 10% below target or not started (red)

	Activity	*Measure*	*Result*	*Achieved*	*Comments*
COMMUNITY	Sustainability - Achievement of Airport Carbon Accreditation (ACA) Level 4	1. ACA Level 4 achieved 2. Additional Scope 1 & 2 carbon reduction initiatives implemented 3. Waste and potable water initiatives implemented	1. Achieved 2. Achieved 3. Underway	Green	PNAL received its certification for Level 4 accreditation in December 2023. This elite status made PNAL one of only 94 airports (as at August 2024) in the world to achieve Level 4 or above. Airport Carbon Accreditation (ACA) program is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions. FY24 initiatives include the replacement of a petrol vehicle to an EV. Waste and water outcomes are being incorporated into the new terminal design.
	Community Engagement Plan	Implemented	Implemented	Green	We have increased our support for local initiatives, ranging from theatre programs, iwi relationships and education partnerships to sporting sponsorships. The corporate team has participated in staff/community engagement activities, including Volunteer Week, Gumboot Friday, and Māori Language Week. Additionally, we have created and implemented detailed customer journey maps for PNAL, ensuring a framework for ongoing community engagement and customer satisfaction.
CULTURE	Wellness plan rollout	Improved team engagement scores	78%	Orange	PNAL conducted its latest annual engagement survey in November 2023 with an overall engagement score of 78%. It was fantastic to see a significant increase in the response rate from staff, with 84% of staff completing the survey (compared to 62% in the prior year).
	Continual improvement of safety culture	1. Zero lost time injuries 2. Improved aerodrome safety culture scores	1. Zero lost time injuries 2. Surveyed safety score increased	Green	There were zero lost time injuries in FY24. Due to the change in SMS auditor, PNAL's last safety culture survey occurred in March 2023, with a score of 90% (an improvement from the prior survey of 87%). A further survey is scheduled for the FY25 audit, due to occur in Q3 of FY25.
COMMERCIAL	Total Debt	$29.3m	$10.7m	Green	Capital spend was below budget primarily due to the construction of the new terminal being delayed until FY25. This resulted in reduced debt requirements in FY24.
	Debt to Equity ratio	33%	13%	Green	As above, the reduced debt level resulted in a reduced Debt to Equity ratio.
	Ratio of net surplus before interest/tax/depreciation/revaluations to total assets	4%	7%	Green	The net surplus before interest/tax/depreciation/revaluations exceeded expectations largely due to higher aeronautical revenue than budget, as well as a strong control and focus on costs.
	Ratio of net surplus after tax to consolidated shareholders funds inclusive of revaluation reserve.	2%	-2.8%	Red	One-off non-cash adjustments included within tax expense ($1.6m) and loss on sale ($5.4m) resulted in a net loss after tax of $2.3m, resulting in a negative ratio. Conversely, EBITDA, which excludes these non-cash one-off adjustments, was favourable to SOI by $1.4m, totalling $7.5m.
	Maintain a ratio of consolidated shareholders funds to Total Assets of at	67%	78%	Green	Due to delay in construction of the new terminal, the increase in total assets and increase in debt were less than budgeted. As a result, consolidated shareholder funds as a proportion of total assets was higher than budgeted.

**Net debt equals total borrowing less cash and cash equivalents*
***FFO equals EBITDA less interest less tax*

PALMERSTON NORTH AIRPORT LIMITED

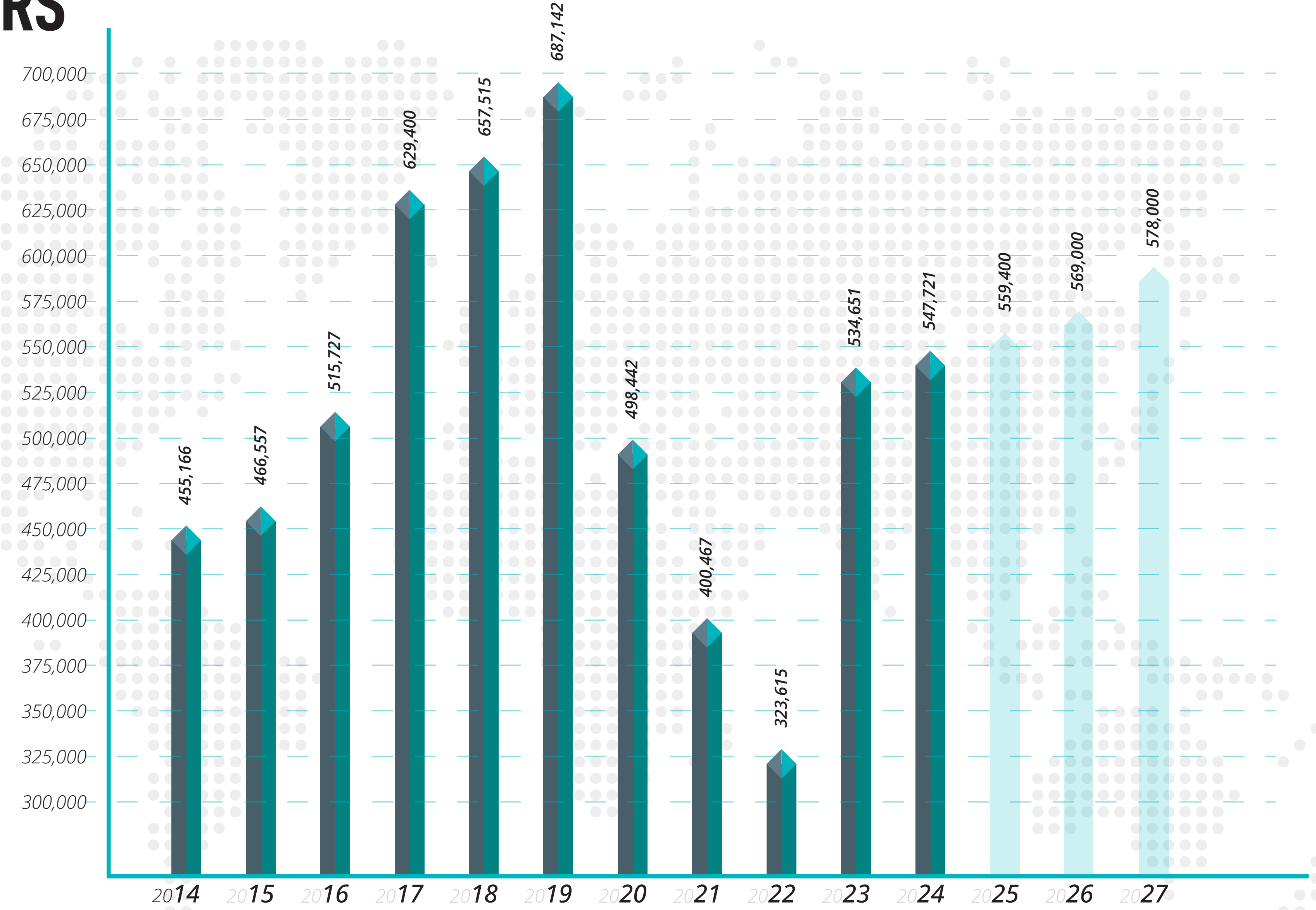
- Meets or exceeds target (green)
- Within 10% of target or in progress (orange)
- More than 10% below target or not started (red)

COMMERCIAL

Activity	Measure	Result	Achieved	Comments
least 40%			Green	
Interest coverage ratio of EBITDA to interest of at least 2.5 as per BNZ loan covenants	5.3	14.4		Interest expenditure was lower than budgeted resulting from the deferral of a number of budgeted capital projects. EBITDA also exceeded budget for the reasons outlined above.
Maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above $80m	$87.7m	$82.1m	Orange	The negative variance was primarily a result of the reduction in PNAL's asset base resulting from the vesting of Airport Drive ($5.8m impact).
Net Debt*/EBITDA less than 4.5 (long term target)	5.0	1.3	Green	Net debt was less than anticipated due to capital expenditure being lower than budgeted as outlined above. EBITDA also exceeded budget for the reasons outlined above. Achievement of this target in future years is likely to be impacted in the short term by the planned terminal redevelopment.
Funds from Operations (FFO**)/Net Debt greater than 11% (long term target)	13.5%	57%	Green	Funds from Operations exceeded budget and Net Debt was below budget for the reasons outlined above.
Passenger volumes	581,100	547,721	Orange	Passenger demand growth was supressed due to a variety of reasons, including higher fares, costs of living and challenges with Air New Zealand capacity relating to the Pratt & Whitney engine issues affecting the A320/A321 NEO fleet (with flow on consequences for regional turbo-prop aircraft and regional routes). While below budget, passenger numbers were 2.2% above prior year. Aeronautical revenue was also 16% above budget, with higher aeronautical charges more than offsetting reductions relating to reduced passenger growth.
Commercial Partnership Strategy	Partner secured for Zone D warehouses	Strategy revised	Orange	PNAL has been evaluating various funding models for accelerating Ruapehu Aeropark development (including Zone D warehouses) throughout FY24. This process was nearing its conclusion at year-end and will be implemented during FY25.
Zone D Warehouses	Construction complete	Design phase underway	Orange	At year end, lease negotiations for the 6,000m2 of warehousing was underway with prospective tenants. Construction is pending commitment from tenants to at least 50% of the warehouse space. In the interim, the design has progressed, ready for construction to commence.

*Net debt equals total borrowing less cash and cash equivalents
**FFO equals EBITDA less interest less tax

ANNUAL PASSENGER NUMBERS



PALMERSTON NORTH AIRPORT LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2024

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2024

	Note	30 June 2024 Actual $	30 June 2024 SOI $	30 June 2023 Actual $
REVENUE	1	15,487,238	14,188,600	12,585,130
OPERATING EXPENSES				
Operations and Maintenance				
Airfield Services	7a	624,155	622,695	516,945
Other Operating Expenses	11	2,730,726	3,704,208	2,404,768
TOTAL OPERATIONS AND MAINTENANCE		3,354,881	4,326,904	2,921,713
Administration				
Audit Fees	12	117,060	120,000	105,421
Bad Debts Written Off		19,955		105
Expected Credit Loss Allowance for Receivables	4	(2,955)	5,000	9,654
Directors' Fees	15	142,258	135,000	135,000
Employee Expenses	7b	2,293,407	2,166,889	1,906,128
General Administration	11a	2,021,980	1,623,218	1,404,242
TOTAL ADMINISTRATION		4,591,705	4,050,107	3,560,550
TOTAL OPERATING EXPENSES		7,946,586	8,377,011	6,482,263
Earnings Before Interest, Taxation, Depreciation, Amortisation & Valuation of Investment Properties		7,540,652	5,811,589	6,102,867
Finance Costs, Depreciation, Amortisation & Loss on Sale				
Finance Costs	9	523,481	1,104,141	594,399
Depreciation & Amortisation	2 & 3	2,192,583	2,021,713	2,173,143
Loss/(Gain) on Sale of Assets		349,303	-	(261,348)
Assets vested to PNCC	2b	5,046,062	-	-
TOTAL FINANCE COSTS, DEPRECIATION		8,111,429	3,125,854	2,506,194
Revaluation (Loss)/Gain - Investment Properties	2a	(70,500)	-	415,741
OPERATING SURPLUS BEFORE TAXATION		(641,277)	2,685,735	4,012,414
Taxation Expense on Operating Surplus	6a	1,617,739	752,006	1,061,993
NET LOSS AFTER TAXATION ATTRIBUTABLE TO PNCC		(2,259,016)	1,933,729	2,950,421

Murray Georgel
Chair

Shelly Mitchell-Jenkins
Director

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

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2024

	Note	30 June 2024 Actual $	30 June 2024 SOI $	30 June 2023 Actual $
NET SURPLUS AFTER TAXATION ATTRIBUTABLE TO PNCC		(2,259,016)	1,933,729	2,950,421
Other Comprehensive Revenue and Expense				
Gains (losses/impairment) on property, plant and equipment revaluations	13(d)	-	-	(2,225,500)
Movement in Deferred Tax at Revaluation	13(d)	-	-	623,140
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO PNCC		(2,259,016)	1,933,729	1,348,061

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note	30 June 2024 Actual $	30 June 2024 SOI $	30 June 2023 Actual $
EQUITY AT THE BEGINNING OF THE YEAR		84,338,404	85,920,463	82,990,345
Total Comprehensive Revenue and Expense for the year		(2,259,016)	1,933,729	1,348,061
Transfer out of Asset Revaluation Reserves for sale of assets	13(d)	(1,727,530)	-	(118,727)
Transfer into Retained Earnings for sale of assets	13(d)	1,727,530	-	118,727
Distribution to Shareholder during the year		-	(193,373)*	-
EQUITY AT THE END OF THE YEAR attributable to PNCC		82,079,388	87,660,818	84,338,404

Declared dividend - paid in the following financial year

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

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	30 June 2024 Actual $	30 June 2024 SOI $	30 June 2023 Actual $
CURRENT ASSETS				
Cash and Cash Equivalents	5	1,161,631	52,539	63,379
Trade Accounts Receivable	4	1,224,360	1,294,197	841,970
Sundry Receivables and Prepayments		194,875	610,702	201,364
TOTAL CURRENT ASSETS		2,580,866	1,957,438	1,106,713
CURRENT LIABILITIES				
Revenue in Advance	14	77,459	172,534	62,371
Trade Accounts Payable	14	1,002,643	2,821,061	976,363
Other Creditors	14	715,861	574,594	1,158,826
Employee Benefit Liabilities	7	476,620	294,966	358,584
Borrowings	10	2,700,000	-	3,065,000
TOTAL CURRENT LIABILITIES		4,972,583	3,863,155	5,621,144
WORKING CAPITAL		(2,391,717)	(1,905,717)	(4,514,431)
NON CURRENT ASSETS				
Property, Plant & Equipment	2	87,077,037	113,934,591	90,347,374
Investment Property	2a	15,329,500	14,900,000	15,400,000
Intangible Assets	3	54,634	7,336	56,068
TOTAL NON CURRENT ASSETS		102,461,171	128,841,927	105,803,442
Less: NON CURRENT LIABILITIES				
Deferred Tax Liability	6b	9,990,066	9,941,306	9,250,607
Borrowings	10	8,000,000	29,334,086	7,700,000
TOTAL NON CURRENT LIABILITIES		17,990,066	39,275,392	16,950,607
NET ASSETS		82,079,388	87,660,818	84,338,404
Represented by:				
SHAREHOLDER'S EQUITY				
Paid in Capital	13(a)	9,380,400	9,380,400	9,380,400
Retained Earnings	13(b)	26,512,895	28,645,707	27,044,380
Asset Revaluation Reserve	13(d)	46,186,093	49,634,711	47,913,624
TOTAL SHAREHOLDER'S EQUITY		82,079,388	87,660,818	84,338,404

M.G. Georgel

Murray Georgel
Chair

Shelly Mitchell-Jenkins
Director

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

PALMERSTON NORTH AIRPORT LIMITED

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	30 June 2024 Actual $	30 June 2024 SOI $	30 June 2023 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from:				
Receipts from Customers		15,428,280	15,932,788	12,837,143
Interest Received		-	-	-
Income Tax Refund		-	-	-
		15,428,280	**15,932,788**	**12,837,143**
Cash was disbursed to:				
Payment to Suppliers and Employees		7,620,382	7,240,789	6,075,735
Tax Loss Payment to PNCC	15	110,019	-	43,105
Payment of Income Tax		1,392,593	608,723	649,355
Interest Payments		443,089	1,104,141	594,399
		9,566,083	**8,953,653**	**7,362,595**
Net cash flows from operating activities		**5,862,197**	**6,979,135**	**5,474,548**
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
Sale of Property Plant and Equipment		313	-	486,516
Cash was applied to:				
Acquisitions of Property, Plant & Equipment		4,699,260	24,591,694	1,980,685
Acquisitions of Investment Property		-	-	84,259
Net Cash Flow from Investing Activities		**(4,698,947)**	**(24,591,694)**	**(1,578,428)**
CASH FLOW FROM FINANCING ACTIVITIES				
Cash was provided from:				
Borrowings		3,000,000	18,070,520	5,000,000
Cash was applied to:				
Repayment of Borrowings		3,065,000	463,471	8,942,968
Payment of Dividends	13(c)	-	-	-
Net Cash from Financing Activities		**(65,000)**	**17,607,049**	**(3,942,968)**
Net Increase / (Decrease) in Cash, Cash Equivalents and Bank Overdrafts		**1,098,250**	**(5,510)**	**(46,848)**
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		63,381	58,049	110,229
Cash, Cash Equivalents and Bank Overdrafts Year End	5	**1,161,631**	**52,539**	**63,381**

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 2024

PALMERSTON NORTH AIRPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Statement of Accounting Policies for the Year ended 30 June 2024

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 2024. The financial statements were authorised for issue on 28 September 2024 by the Board.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis. The Company has prepared a going concern assessment and is satisfied the conditions for a going concern are met. The Company has prepared a three-year Statement of Intent for the FY25-FY27 income years, which is available on the Company's website. This illustrates the anticipated financial position and performance, and for the next three years the Company will be able to meet its financial obligations as they fall due. Assumptions underlying the going concern basis are documented throughout these financial statements.

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 ≥ $5m and < $33m.

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 is New Zealand dollars.

SIGNIFICANT ACCOUNTING POLICIES

Measurement Basis

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

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.

1. ANALYSIS OF OPERATING REVENUE

	2024 Actual	*2023 Actual*
Aeronautical Charges	10,003,603	8,167,352
Car Park, Rent and Advertising	5,167,725	4,125,696
Other	315,910	292,082
Total	**15,487,238**	**12,585,130**

2. PROPERTY, PLANT AND EQUIPMENT

Balance as at 1 July 2023	*Land*	*Buildings*	*Airside Infrastructure*	*Landside Infrastructure*	*Total Infrastructure*	*Plant & Equipment*	*Furniture & Fittings*	*Computer Equipment*	*Motor Vehicles*	*Total*
Cost / Valuation	32,855,065	12,455,386	37,739,060	10,614,185	48,353,245	3,446,202	352,663	179,739	1,537,678	99,179,978
Accumulated Depreciation	-	(1,074,339)	(2,042,573)	(3,277,138)	(5,319,711)	(1,947,134)	(270,122)	(153,642)	(67,657)	(8,832,604)
Carrying Amount	**32,855,065**	**11,381,047**	**35,696,487**	**7,337,047**	**43,033,534**	**1,499,069**	**82,541**	**26,096**	**1,470,022**	**90,347,374**
Movements for the year										
Reverse Prior Year Work in Progress	-	(1,150,049)	(344,972)	(1,055,062)	(1,400,034)	(18,117)	-	-	(829,802)	(3,398,002)
Additions and Current Year Work in Progress	-	3,256,306	560,887	1,969,370	2,530,256	153,469	5,672	58,498	853,002	6,857,202
Disposals - Cost / Valuation	(1,917,134)	-	-	(3,974,246)	(3,974,246)	(27,567)	-	(21,118)	-	(5,940,064)
Revaluation Surplus/(Loss)	-	-	-	-	-	-	-	-	-	-
Disposal - Accumulated Dep.	-	-	-	1,327,928	1,327,928	23,747	-	21,065	-	1,372,739
Depreciation for the Year	-	(299,576)	(1,238,756)	(273,765)	(1,512,521)	(217,206)	(17,974)	(20,603)	(94,334)	(2,162,213)
Dep. Reversal on Revaluation	-	-	-	-	-	-	-	-	-	-
Closing Balance 30 June 2024										
Cost/Revaluation	30,937,931	14,561,642	37,954,975	7,554,247	45,509,222	3,553,987	358,335	217,119	1,560,879	96,699,115
Accumulated Dep.	-	(1,373,915)	(3,281,328)	(2,222,975)	(5,504,303)	(2,140,593)	(288,096)	(153,180)	(161,991)	(9,622,078)
Carrying Amount	**30,937,931**	**13,187,728**	**34,673,647**	**5,331,272**	**40,004,918**	**1,413,395**	**70,239**	**63,938**	**1,398,888**	**87,077,037**
Capital work in progress included at cost 30 June 24	-	*2,856,301*	*216,994*	1,108,168	*1,325,162*	*64,834*	-	*29,415*	-	*4,275,711*

2. PROPERTY, PLANT AND EQUIPMENT *(continue)*

Balance as at 1 July 2022	*Land*	*Buildings*	*Airside Infrastructure*	*Landside Infrastructure*	*Total Infrastructure*	*Plant & Equipment*	*Furniture & Fittings*	*Computer Equipment*	*Motor Vehicles*	*Total*
Cost / Valuation	33,000,000	14,618,162	37,394,091	9,678,671	47,072,762	3,083,722	346,919	164,432	1,327,995	99,613,993
Accumulated Depreciation	-	(802,584)	(811,404)	(3,039,940)	(3,851,344)	(1,836,607)	(248,929)	(142,781)	(18,105)	(6,900,350)
Carrying Amount	**33,000,000**	**13,815,578**	**36,582,687**	**6,638,730**	**43,221,418**	**1,247,115**	**97,991**	**21,652**	**1,309,889**	**92,713,643**
Movements for the year										
Reverse Prior Year Work in Progress	-	(1,012,581)	-	(482,304)	(482,304)	(161,743)	-	-	(620,118)	(2,276,746)
Additions and Current Year Work in Progress	-	1,159,155	344,969	1,515,086	1,860,054	664,492	5,744	16,952	829,802	4,536,199
Disposals - Cost / Valuation	(144,935)	-	-	(97,267)	(97,267)	(140,269)	-	(1,645)	-	(384,116)
Revaluation Surplus/(Loss)	-	(2,309,351)	-	-	-	-	-	-	-	(2,309,351)
Disposal - Accumulated Dep.	-	-	-	29,740	29,740	102,197	-	1,645	-	133,582
Depreciation for the Year	-	(355,605)	(1,231,169)	(266,937)	(1,498,106)	(212,724)	(21,193)	(12,507)	(49,551)	(2,149,686)
Dep. Reversal on Revaluation	-	83,850	-	-	-	-	-	-	-	83,850
Closing Balance 30 June 2023										
Cost/Revaluation	32,855,065	12,455,386	37,739,060	10,614,185	48,353,245	3,446,202	352,663	179,739	1,537,678	99,179,978
Accumulated Dep.	-	(1,074,339)	(2,042,573)	(3,277,138)	(5,319,711)	(1,947,134)	(270,122)	(153,642)	(67,657)	(8,832,604)
Carrying Amount	**32,855,065**	**11,381,047**	**35,696,487**	**7,337,047**	**43,033,534**	**1,499,069**	**82,541**	**26,096**	**1,470,022**	**90,347,374**
Capital work in progress included at cost 30 June 23	-	*1,150,049*	*344,972*	*1,055,062*	*1,400,034*	*18,117*	-	-	*829,802*	*3,398,002*

Land, Buildings and Airside Infrastructure Fair Value

Land

Land is valued at fair value.

The most recent fair value assessment was performed by independent registered valuers, Morgan's Property Advisors. The assessment is effective as at 30 June 2024 and resulted in a suggested decrease in value of $2.7m. The Company has considered that this movement is not sufficiently material to warrant the recognition of any fair value adjustment for the year ended 30 June 2024.

Revaluations will continue to be undertaken at least three yearly in line with the current revaluation cycle of the Company. The last revaluation was as at 30 June 2022.

As per Commerce Commission guidelines, fair value has been determined using the Market Value Alternative Use Highest and Best Use (MVAU) methodology. A discounted cashflow has been used to determine the MVAU.

In order to determine MVAU, the airport land has been split into five hypothetical areas based on location. These include Rural, Lifestyle, Residential, Commercial and Industrial, to which MVAU valuations have then been applied.

The Company's zones (Airside, Commercial and Rural) have then been overlaid. Valuation of the Company's activity zones are therefore based on the MVAU values applied to the respective underlying hypothetical areas falling within each PNAL zone.

Key assumptions

The independent valuation advice is based on the following key assumptions:

- The hypothetical areas determined.
- Land sales and cost have been spread over a ten-year period.
- Annual land inflation has been set at between 1.0% and 2.5% over the next ten years.
- Basic development costs, i.e. servicing, earthworks etc. are estimated to be 25% of the sale price.
- Discount rates of between 17.5% and 22.5%.

Sensitivity analysis

Sensitivity analysis has been completed where changes in key inputs to assumptions would significantly change the fair value. The change to the fair value assessment from changing these inputs has been estimated as follows:

- Decreasing the discount rate to 17.5% would result in an increase in land value of $2.5m.
- Increasing the discount rate to 22.5% would result in a decrease in land value of $2.1m.
- If the land inflation rate was increased to 5.00% annually this would result in an increase of land value of $3.01m.
- No land inflation over the 10 years would result in a reduction in land value of $1.5m.
- An increase of Basic Development Costs by 10% would result in a reduction of $1.8m. This assumes a change in the Basic Development Costs from 25% to 27.5%.
- An increase of Basic Development Costs by 50% would result in a reduction of $9.0m. This assumes a change in the Basic Development Costs from 25% to 37.5%.

Buildings

Buildings are valued at fair value using depreciated replacement cost. Where appropriate, the value of the improvements have then been reconciled against the investment method which capitalises the actual, or potential, market rental income having regard for yields as derived from sales of comparable property from which deduct the underlying value.

The most recent valuation was performed by independent registered valuers Morgan's Property Advisors. The valuation is effective as at 30 June 2024 and resulted in a increase of $0.9m. The Company has considered that this movement is not sufficiently material to warrant the recognition of any fair value adjustment for the year ended 30 June 2024.

Revaluations will continue to be undertaken at least three yearly in line with the current revaluation cycle of the Company. The last revaluation was as at 30 June 2023.

Airside Infrastructure

Airside Infrastructure is valued at fair value based on Depreciated Replacement cost in accordance with PBE IPSAS 17.

Fair value has been determined calculating the replacement cost of the asset based on current construction costs to recreate the asset with current legislative requirements. Assets have then been adjusted for physical Obsolescence using a straight-line depreciation approach. From there an estimated percentage of remaining life of the asset is applied, based on the condition of the asset, to calculate the current replacement cost.

Compared to prior years, construction cost escalation has started to stabilise and is unlikely to be as high as recent years. Going forward, annual escalation is anticipated to be under 3%.

The most recent fair value assessment was performed by independent consultant engineers and valuers AECOM New Zealand Limited. The valuation is effective as at 30 June 2024 and resulted in a suggested increase in value of $0.4m The Company has considered that this movement is not sufficiently material to warrant the recognition of any fair value adjustment for the year ended 30 June 2024.

Revaluations will continue to be undertaken at least three yearly in line with the current revaluation cycle of the Company. The last revaluation was as at 30 June 2022.

Landside Infrastructure

Landside Infrastructure has been valued at historic cost less depreciation.

Impairment

Impairment for Property, Plant and Equipment for 2024 was $0.34m (2023: nil). This relates to historic WIP expenditure which is no longer considered attributable to an identifiable project.

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 over land at 230, 289 and 296 Milson Line (CT WN48A/146, CT WN55B/574 and CT 242875), 320 Milson Line (CT 716768), and Railway Road (CT 480423 and CT 503654), RD10, Roslyn, Palmerston North.

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

Infrastructure Assets consist of Airside and Landside Infrastructure. Airside Infrastructure assets include runways, aprons, taxiways, and underground reticulated systems. Landside infrastructure assets include pavements, car parking and roading outside the secure areas of the airport.

Measurement of Property, Plant, Equipment and Intangible Assets

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

- 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 (including Fire Appliances)	5 - 15 years

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

Impairment of property, plant, equipment and intangible assets

Property, plant, 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.

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.

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 programmes;
- 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.

The Company has assessed the impact of the planned terminal redevelopment on the remaining useful life of the Terminal Building. As the redevelopment is yet to be committed to, the Company considers there to be no impact on remaining useful life at 30 June 2024.

2A. INVESTMENT PROPERTY

	2024	2023
	Actual	Actual
Opening Balance	15,400,000	14,900,000
Additions and acquisitions	-	84,259
Depreciation	-	-
Fair value gains/(losses) on valuation	(70,500)	415,741
Closing Balance	**15,329,500**	**15,400,000**

Investment Property consists of the following:

- Land and improvements associated with one property at 100 Airport Drive, occupied by two tenants;
- Land and improvements associated with the Massey University School of Aviation Facility;
- Land and improvements associated with the Zone B Stage 1 subdivision which are available for lease (design/build); and
- Land and improvements associated with three lots on Zone H.

Investment Property is valued annually at 30 June at fair value. The valuation was performed by independent valuers Morgan's Property Advisors as at 30 June 2024. The valuer holds the recognised and relevant qualifications of MPINZ NZIV BBS (VMP) and has significant valuation experience in the local region and for the category of investment property.

The valuation resulted in a decrease in value of $0.07m.

Rental income for the year was $1.0m (FY23 $0.7m). There were no expenses from Investment Property generating income. There are no outstanding contractual obligations relating to Investment Property.

Valuation methodology and significant assumptions

One of the lots within the Zone B Stage 1 was subject to sale and purchase agreements as at 30 June 2024. The Company has determined that there was significant uncertainty as at 30 June 2024 as to whether this lot would ultimately be sold. As such, this lot has been classified as Investment Property (instead of Inventory).

In determining the fair value, the valuer has relied on the following methodologies and significant assumptions:

Investment Property	*Valuation Methodologies*	*Significant Assumptions*
Massey School of Aviation	- Cost Approach via a Replacement Cost Method (RCM) - Income Approach via a Discounted Cash Flow (DCF) - Market Approach via looking at comparable sales	- Depreciation and saleability condition of the assets - Costs to subdivide the land - Various capitalisation rates
100 Airport Drive	- Cost Approach via an RCM - Income Approach via a Capitalisation Rate Method - Market Approach via looking at comparable sales	- Depreciation and saleability condition of the assets - Costs to subdivide the land - Various capitalisation rates - Market rentals for similar types of improvements (workshop, offices, carparks)
Zone B Stage 1	- Hypothetical Subdivision Method	- Lot sizes as specified in the Zone B Stage 1 subdivision plan - Costs to subdivide the land
Three lots on Zone H	- One or more methods including: - Income Approach via a DCF - Market Approach via looking at comparable sales	- Costs to subdivide the land - Various capitalisation and discount rates

PALMERSTON NORTH AIRPORT LIMITED

2B. ASSETS VESTED TO PNCC

	2024 Actual	2023 Actual
Airport Dr - improvements	2,646,319	-
Airport Dr - land	1,917,134	-
Cash contribution for Airport Dr vesting	482,609	-
Total	**5,046,062**	**-**

During FY24 the Company vested Airport Drive land and improvements to PNCC. In addition a cash contribution of $0.48m was paid to PNCC to assist with ongoing upgrades and maintenance.

Intangible Assets

Internally generated intangible assets

Costs associated with the development of the Company's website 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%
Software	2.5 years:	40%

3. INTANGIBLE ASSETS

	Website	*Software*	*Total*
Balance as at 1 July 2023	21,500	95,099	116,599
Accumulated Amortisation	(9,407)	(51,124)	(60,531)
Carrying Amount	**12,093**	**43,975**	**56,068**
Movement for the year			
Reverse Prior Year Work in Progress	-	(1,920)	-
Additions and Current Year Work in Progress	-	30,858	30,858
Disposals	-	(582)	(582)
Disposal - Accumulated Amortisation	-	582	582
Amortisation for the year	(5,375)	(24,997)	(30,372)
Closing Balance 30 June 2024			
Cost/Revaluation	21,500	123,455	144,955
Accumulated Amortisation	(14,782)	(75,538)	(90,321)
Carrying Amount	**6,718**	**47,916**	**54,634**
Capital work in progress included at cost	-	*1,920*	*1,920*

	Website	*Software*	*Total*
Balance as at 1 July 2022	21,500	36,599	58,099
Accumulated Amortisation	(4,032)	(36,541)	(40,574)
Carrying Amount	**17,468**	**57**	**17,525**
Movement for the year			
Reverse Prior Year Work in Progress	-	-	-
Additions and Current Year Work in Progress	-	62,000	62,000
Disposals	-	(3,500)	(3,500)
Disposal - Accumulated Amortisation	-	3,500	3,500
Amortisation for the year	(5,375)	(18,082)	(23,457)
Closing Balance 30 June 2023			
Cost/Revaluation	21,500	95,099	116,599
Accumulated Amortisation	(9,407)	(51,124)	(60,531)
Carrying Amount	**12,093**	**43,975**	**56,068**
Capital work in progress included at cost	-	*1,920*	*1,920*

4. TRADE ACCOUNTS AND OTHER RECEIVABLES

	2024 Actual	2023 Actual
Debtors and Other Receivables	985,290	859,259
Receivables from related party	578	-
Allowance for credit losses	(14,334)	(17,289)
Income tax receivable	252,826	-
Total	**1,224,360**	**841,970**

Trade and Other Receivables

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Company applied the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped based on days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

5. CASH & CASH EQUIVALENTS

	2024 Actual	2023 Actual
Current account	1,156,279	59,311
Cash on hand	5,352	4,068
Total	**1,161,631**	**63,379**

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.

6A. TAXATION

	2024 Actual	2023 Actual
Operating Surplus (Deficit) Before Taxation	(641,277)	4,012,414
Tax at 28%	(179,557)	1,123,476
Plus (Less) tax effect of:		
- Permanent differences/non-deductible expenditure	565,021	3,247
- Prior year under/(over) provision	-	-
- Deferred tax impact from reversal of depreciation on buildings	1,117,310	
- Deferred tax adjustment	114,965	(64,731)
Tax charge for the year	**1,617,739**	**1,061,992**
Tax expense for the year comprising:		
Current tax expense	878,279	1,129,551
Prior year adjustments	-	-
Deferred tax expense	739,460	(67,559)
	1,617,739	**1,061,992**

6B. DEFERRED TAX (ASSETS) / LIABILITIES

	Investment Property	*Property, plant & equipment*	*Employee entitlements*	*Other provisions*	*Total*
Balance as at 1 July 2023	**205,790**	**9,126,227**	**(76,169)**	**(5,242)**	**9,250,607**
Transfer PPE to IP	-	-	-	-	-
Charged to Surplus and Deficit - Current Year	48,914	715,501	(25,674)	717	739,459
Charged to Other Comprehensive Income	-	-	-	-	-
Balance at 30 June 2024	**254,704**	**9,841,729**	**(101,842)**	**(4,525)**	**9,990,066**
Balance as at 1 July 2022	**156,460**	**9,846,929**	**(59,567)**	**(2,516)**	**9,941,306**
Transfer PPE to IP	-	-	-	-	-
Charged to Surplus and Deficit - Current Year	49,330	(97,562)	(16,601)	(2,726)	(67,559)
Charged to Other Comprehensive Income	-	(623,140)	-	-	(623,140)
Balance at 30 June 2023	**205,790**	**9,126,227**	**(76,169)**	**(5,242)**	**9,250,607**

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.

For deferred tax purposes, PNAL has not rebutted the recovery through sale presumption in respect of buildings held as investment property.

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.

The Government has enacted legislation that removes the deductibility of depreciation on commercial buildings for tax purposes. This legislation, which received Royal Assent on 28 March 2024, sets the tax depreciation rate to 0%, effective from the 2024-25 income year onwards. As at 30 June 2024, the impact of this change reduces the tax base for these assets, giving rise to an increased temporary difference between the carrying amount and the tax base, and results in an increase in deferred tax liability and an increase in tax expense of $1.1 million.

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.

7. EMPLOYEE BENEFIT LIABILITIES

	2024 Actual	2023 Actual
Accrued Pay (inc bonus accrual)	184,354	153,095
Annual Leave	292,265	205,488
Total	**476,620**	**358,584**

7A. AIRFIELD SERVICE

	2024 Actual	2023 Actual
Salaries and Wages	546,098	434,282
Employer Contribution to Kiwi Saver	13,839	11,459
Movement in Employee Entitlements	26,739	43,822
Other Rescue Fire Costs	37,479	27,383
Total	**624,155**	**516,945**

Airfield Service costs comprise those specifically relating to employee costs associated with RFS employees.

7B. EMPLOYEE EXPENSES

	2024 Actual	2023 Actual
Salaries and Wages	2,172,788	1,774,355
Employer Contribution to Kiwi Saver	60,583	53,442
Movement in Employee Entitlements	60,036	78,332
Total costs	**2,293,407**	**1,906,128**

Throughout the year PNAL have employed the equivalent of 17 FTE (2023: 14).

The above employee costs exclude Rescue Fire Services. Refer to Note 7a above.

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 and annual leave earned but not yet taken at balance date.

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.

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

Presentation of employee entitlements
Annual leave is 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.

8. COMMITMENTS

Operating Commitments as Lessee	2024	2023
	Actual	Actual
Less than 1 Year	277,172	148,591
Between 1 and 5 Years	142,973	196,179
Over 5 Years	-	-
Total	**420,145**	**344,770**

Operating Commitments as Lessor	2024	2023
	Actual	Actual
Less than 1 Year	1,803,932	1,923,351
Between 1 and 5 Years	5,237,380	5,484,200
Over 5 Years	4,271,394	4,745,922
Total	**11,312,706**	**12,153,473**

On-going leases per month	182,138	180,989

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.

Operating Commitments as Lessee

PNAL leases computer and electronic equipment, lift infrastructure, billing software, portacoms, advertising and three motor vehicles. The unexpired terms of leases as at 30 June 2024 range from 1 to 34 months.

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 outlined.

2024 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 $6,797 per month that are on a month to month basis (2023: $2,403). There are no contingent rents recognised as revenue in the period.

Capital Commitments

PNAL had capital commitments of $3.48m as at 30 June 2024 largely relating to the extension on the Long Stay carpark and consultants in respect of the terminal redevelopment (2023: $3.26m).

9. FINANCE COSTS

	2024 Actual	2023 Actual
Interest on Secured Long Term Loans	523,481	594,399
Total	**523,481**	**594,399**

10. BORROWINGS

	2024 Actual	2023 Actual
Current Borrowings	2,700,000	3,065,000
Non-Current Borrowings	8,000,000	7,700,000
Total Borrowings	**10,700,000**	**10,765,000**

Borrowings and borrowing costs

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities where the debt tranche is floating or fixed for less than 12 months after balance date. Otherwise borrowings are classified as non-current. PNAL's debt facility with Bank of New Zealand (BNZ) has a current maturity date of December 2025 which covers both the current and non-current debt specified above.

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

Registered mortgage over property owned by the Company secure the $2.7m borrowings (2023: $5.77m) from BNZ. This includes existing perfected security interest in all present and after acquired property of Palmerston North Airport Limited. Refer to Note 2 for the carrying value of the secured assets at balance date. The Company had borrowing facilities available from BNZ but not yet drawn down of $12.6m at 30 June 2024 (2023: $9.9m).

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

The Company raises long term borrowings from BNZ 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.

The Company also has an unsecured, subordinated loan agreement with the Shareholder. The balance of this loan at 30 June 2024 is $8m (2023: $5m). The facility limit is subject to annual review and is set at the lesser of $50m or the Company's approved annual SOI debt plus 10%. The Company is charged an arms length fair market rate margin on any borrowings from the Shareholder. The debt facility with the Shareholder has a current maturity date of June 2034.

11. OTHER OPERATING EXPENSES

	2024 Actual	2023 Actual
Rates	449,364	433,807
Power and Insurance	649,082	519,930
Repairs and Maintenance	1,632,280	1,451,031
Total	**2,730,726**	**2,404,768**

11A. GENERAL ADMINISTRATION

	2024 Actual	2023 Actual
Marketing	242,629	169,747
Contractors	59,868	185,548
Consultants	756,375	280,165
Legal	85,342	222,441
PFAS Monitoring & Testing	208,659	-
Temporary Terminal Costs	13,884	-
Other	655,222	546,341
Total	**2,021,980**	**1,404,242**

12. AUDIT FEES

	2024 Actual	2023 Actual
Fees for Audit of Financial Statements	87,060	75,421
Fees for Audit of Disclosure Financial Statements	30,000	30,000
Disbursements	-	-
Audit Fees from Other Providers	-	-
Total	**117,060**	**105,421**

13. EQUITY

(a) Share Capital	2024 Actual	2023 Actual
9,195,000 Ordinary Share Capital	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

(b) Retained Earnings	2024 Actual	2023 Actual
Opening Balance	27,044,381	23,975,233
Net Operating Surplus	(2,259,016)	2,950,421
Dividends paid during year	-	-
Transfer from asset revaluation reserve for sale of assets	1,727,530	118,727
Closing Balance	**26,512,895**	**27,044,380**

(c) Dividends

Once the solvency test has been satisfied, the Directors will declare a fully imputed dividend of 2.079 cents per $1 paid up share capital (exclusive of any premium on issue) as at 30 June 2024 representing $195,000 for the 12 months ending 30 June 2024 (2023: Nil)

(d) Asset Revaluation Reserve

(d) Asset Revaluation Reserve	2024 Actual	2023 Actual
Opening Balance	47,913,624	49,634,711
Revaluation movement		
- Land	-	-
- Buildings	-	(2,225,501)
- Airside Infrastructure	-	-
Less Deferred Taxation		
- Movement - Buildings	-	623,140
- Movement - Airside Infrastructure	-	-
Transfer to Retained Earnings for sale of assets	(1,727,530)	(118,727)
Closing Balance	**46,186,094**	**47,913,624**
Asset Revaluation Reserve consists of:		
- Land	23,355,570	25,083,100
- Buildings	866,912	866,913
- Airside Infrastructure	21,963,610	21,963,610
Total	**46,186,093**	**47,913,624**

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.

Historic revaluation gains relating to land transferred to Investment Property from Property, Plant and Equipment during prior income years remain in the reserve until the land is disposed. Total historic revaluation gains reflected in reserves relating to Investment Property total $1.5m at 30 June 2024 (2023: $1.5m).

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.

14. TRADE ACCOUNTS PAYABLE

	2024 Actual	2023 Actual
Revenue in advance from exchange transactions	77,459	62,371
Revenue in advance from non-exchange transactions	-	-
Total	**77,459**	**62,371**
Trade Accounts Payable from exchange transactions		
Trade Accounts Payable	818,319	495,845
Payables to Related Party	184,324	109,012
Trade Accounts Payable from non-exchange transactions		
Income tax payable	-	371,506
Total	**1,002,643**	**976,363**
Other creditors from exchange transactions		
Other creditors	685,620	1,096,078
Other creditors from non-exchange transactions		
GST (refundable)/payable	30,241	62,748
Total	**715,861**	**1,158,826**

Short-term creditors and other payables are measured at the amount payable.

15. RELATED PARTY TRANSACTIONS

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

PNAL received services from PNCC during the 12 months ended 30 June 2024 for $954,572 (2023: $519,451). The prior year comparative has changed from the declared value in the 2023 financial statements of $451,696 as this amount had incorrectly adjusted for GST on related party transactions. In addition, during the 2024 income year, PNAL utilised accumulated tax losses from PNCC totalling $392,925, resulting in a tax payment to PNCC of $110,019 for the 2023 tax year (2023: The tax losses utilised totalled $153,948 via a tax payment to PNCC of $43,105 for the 2022 tax year).

During FY24, PNAL vested Airport Dr assets to PNCC and made a cash contribution towards the ongoing maintenance and upgrades. Refer to note 2B for further details.

During the year PNAL paid interest to PNCC of $299,505 (2023: $115,530). At June 2024 a further $183,746 (2023: $103,354) of interest was accrued but unpaid.

Refer to Note 13(c) regarding dividends declared and paid to PNCC.

PNAL provided services to PNCC during the 12 months ended 30 June 2024 for $11,954 (2023: $21,558). Other than the tax loss, all transactions were conducted on normal commercial terms.

PNAL owed PNCC $184,324 inclusive of GST as at 30 June 2024 (2023: $109,012).

PNCC owed PNAL $578 inclusive of GST as at 30 June 2024 (2023: $0).

Key Personnel Remuneration	2024 Actual	2023 Actual
Directors Remuneration	142,256	135,000
Number of directors	5	5
Senior Management Team including the Chief Executive Remuneration	1,207,111	1,100,739
Full Time Equivalents	6	6

Variances in the table above arise from the timing of employee resignations and appointments.

Other Significant Policies

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.

16. OTHER FINANCIAL ASSETS

Other financial assets are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:
- Amortised cost;
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated as FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Company's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collection contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Company may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost
Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance.

Expected credit loss allowance (ECL)
The Company recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to the Company in accordance with the contract and cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due. The Company may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligation in full.

If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

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 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.

17. MAJOR VARIANCES EXPLAINED

Account	*Actual*	*Budget*	*Variance*	*Notes*
Operating Revenue	15,487,238	14,188,600	1,298,638	Aeronautical income was 16% ahead of budget, largely due to favourable pricing and partial recovery of terminal write-off costs.
Operations Expenditure	3,354,881	4,326,904	(972,023)	Careful management of expenditure through FY24, including underspend on Surface Enrichment Spray Treatment ($459k) on the runways and other airside pavements.
General Administration Expenditure	2,021,980	1,623,218	398,762	Expenditure on consultants exceeded budget ($0.5m) largely due to ongoing work to evaluate options and secure strategic investment funding for future property development.
Finance Costs	523,481	1,104,141	(580,660)	Total debt lower than budgeted resulted in lower finance costs.
Assets vested to PNCC	5,046,062	-	5,046,062	Budget did not include vesting of Airport Drive. Actuals include cash payment to PNCC in respect of Airport Dr vesting ($483k) and loss on sale of Airport Dr assets ($4.56m). Refer Note 2B for further details.
Revaluation (Loss) / Gain - Investment Properties	(70,500)	-	(70,500)	Revaluation movements are not budgeted.
Current Assets	2,580,866	1,957,438	623,428	Cash on hand and income tax receivable at year-end exceeded budgeted amount.
Current Liabilities (excluding bank overdraft & current borrowings)	2,272,583	3,863,155	(1,590,572)	Year-end accounts payable balances lower than budgeted.
Property, Plant, Equipment, Intangible Assets & Investment Property	102,461,171	128,841,927	(26,380,756)	Capital spend was below budget, resulting in reduced asset base. Vesting of Airport Dr assets further reduced asset base. Investment Property also decreased due to revaluation loss (comment above).
Total Borrowings	10,700,000	29,334,086	(18,634,086)	Similar to above, capital spend below budget resulted in reduced debt requirements.

18. FINANCIAL INSTRUMENTS

In accordance with PBE IPSAS 41, the following tables outlines the carrying amounts of the Company's financial assets and liabilities in each of the financial instrument categories:

Financial Assets		2024	2023
Amortised Cost	**Rating***	**Actual**	**Actual**
	AA-		
Cash and Cash Equivalents		1,161,631	63,379
Trade Receivables		1,224,360	841,970
Total Financial Assets at amortised cost		**2,385,991**	**905,349**

* Standard & Poor's Rating for BNZ

Financial Liabilities	2024	2023
Amortised Cost	**Actual**	**Actual**
Trade Accounts and Other Payable	1,688,263	1,700,935
Bank Overdraft	-	-
Borrowings - Secured Loans	10,700,000	10,765,000
Total Financial Liabilities at amortised cost	**12,388,263**	**12,465,935**

19. EVENTS AFTER BALANCE DATE

There have been no significant events occurring after Balance Date.

20. CONTINGENCIES

The New Zealand Environmental Protection Agency commenced a review during 2018 into the use of PFOS foam in firefighting applications, including at airports. Investigations at Palmerston North Airport have since confirmed that this foam was used for firefighting training exercises at the airport up until the late 1980s.

All PFOS foam was successfully removed from the fire appliances and storage containers onsite during the 2019 financial year. Further testing and investigation totalling $208,659 has been completed during the 2024 financial year (2023: $0).

Future outflows associated with monitoring and treating PFOS are expected to be incurred in future accounting periods. However, the timing and value of outflows are not able to be reliably estimated at 30 June 2024.

FINANCIAL HIGHLIGHTS

STATEMENT OF FINANCIAL PERFORMANCE

Values in thousands (000)

Year ending	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Revenue	15,487	12,585	9,485	8,346	9,137	10,202	8,483	7,313	5,523	4,943	4,818
Net Surplus Before Interest, Depn, Taxation & Reval of Investment Property	7,541	6,103	3,058	3,598	4,079	5,025	4,074	3,534	2,391	2,064	1,847
Net Surplus Before Taxation & Misc items (*)	(571)	3,597	715	1,257	1,695	2,593	2,211	1,849	841	911	756
Net Surplus After Taxation exc luding deferred tax adj. (*)	(2,189)	2,535	834	819	2,024	1,713	1,609	1,299	805	662	544
Earnings Per $ of Paid Up Share Capital (exc l. any premium on issue and deferred tax adjustments) (*)	(23.33c)	27.02c	8.89c	8.73c	21.58c	18.26c	17.50c	14.13c	8.75c	7.20c	5.92c
Dividend Proposed or Paid Per $ of Paid Up Share Capital (exc l. of any premium on issue)	2.08c	0.00c	0.00c	0.00c	0.00c	7.31c	7.00c	5.65c	3.50c	2.88c	2.37c

STATEMENT OF FINANCIAL POSITION

Values in thousands (000)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Assets	105,042	106,910	109,126	89,416	86,468	89,617	77,894	73,588	62,946	61,543	44,904
Shareholders Funds	82,079	84,338	82,990	68,265	67,120	67,481	60,704	59,615	49,810	49,305	35,823
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	9,195	9,195
Net Asset Backing Per Share	$8.93	$9.17	$9.03	$7.42	$7.30	$7.34	$6.60	$6.48	$5.42	$5.36	$3.90
Return On Shareholder Funds (exc l deferred tax adjustments (*)	(2.67%)	3.01%	1.00%	1.20%	3.02%	4.10%	2.65%	2.18%	1.62%	1.34%	1.52%

* Revaluation Gain on Investment Properties have been removed for comparabililty purposes.

ANNUAL PASSENGER NUMBERS

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
547,721	534,651	323,615	400,467	498,442	687,142	657,515	629,400	515,727	466,557	455,166

INDEPENDENT AUDITOR'S REPORT

To the readers of Palmerston North Airport Limited's financial statements and performance information for the year ended 30 June 2024

PALMERSTON NORTH AIRPORT LIMITED

The Auditor-General is the auditor of Palmerston North Airport Limited (the Company). The Auditor-General has appointed me, Debbie Perera, 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 his behalf.

OPINION

We have audited:

- the financial statements of the Company on pages 24 to 50, that comprise the statement of financial position as at 30 June 2024, 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 measures of the Company on pages 17 to 22.

In our opinion:

- the financial statements of the Company on pages 24 to 50:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information of the Company on pages 17 to 22 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

BASIS FOR OUR OPINION

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

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

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE PERFORMANCE INFORMATION

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

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

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

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

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

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

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

OTHER INFORMATION

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 16, 23, 51 and 56 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

INDEPENDENCE

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

In addition to the audit, we will carry out an assurance engagement in relation to the Company's disclosure financial statements pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999, which are compatible with those independence requirements.

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

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Debbie Perera
Audit New Zealand

On behalf of the Auditor-General
Palmerston North, New Zealand

DIGITAL EDITION ANNUAL REPORT

NOT PRINTED WITH THE ENVIRONMENT IN MIND

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REDUCTION

PALMERSTON NORTH AIRPORT LIMITED