



**PALMERSTON NORTH AIRPORT LIMITED**

**INTERIM REPORT**

**TO 31 DECEMBER 2024**

## COMPANY DIRECTORY

### Palmerston North Airport Limited

#### **DIRECTORS:**

M Georgel – Chair  
S Mitchell-Jenkins  
C Cardwell  
S Everton  
R Wilson

#### **MANAGEMENT:**

D Lanham	Chief Executive
M Lash	Chief Commercial Officer
J Baker	Chief Financial Officer
A Fechney	Safety and Operations Manager
J van Vuuren	Infrastructure Manager
B Lawry	Terminal and Facilities Manager
B Corney	Marketing and Communications Manager

#### **REGISTERED OFFICE:**

Palmerston North Airport  
Terminal Building  
Airport Drive  
PALMERSTON NORTH 4442

Phone: +64 6 351 4415  
e-mail: [info@pnairport.co.nz](mailto:info@pnairport.co.nz)  
Web: [www.pnairport.co.nz](http://www.pnairport.co.nz)

#### **TRADING BANKERS:**

Bank of New Zealand

#### **LEGAL ADVISORS:**

CR Law

#### **AUDITORS:**

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

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## JOINT REPORT OF THE CHAIR & CHIEF EXECUTIVE FOR THE SIX MONTHS ENDING 31 DECEMBER 2024

The first half of FY25 has been a mixed result for PNAL, with great progress made on several key strategic projects, somewhat subdued by the strong economic headwinds facing the economy and our customers, both airlines and passengers.

On the positive side, the Terminal Development Project (TDP) is progressing with Detailed Design, the final design stage before construction, now well advanced. Work also commenced on the construction of the temporary terminal facility, which will be utilised for ~12 months while the Western wing of the existing terminal is demolished and rebuilt.

Passengers will now see hoardings up inside the terminal as work progresses on preparing the temporary terminal, including relocating the rental car kiosks into portacom facilities, adjacent to the rental carpark.

### Key Highlights

Temporary terminal construction underway	✓
Detailed design of new terminal underway	✓
Partnership Agreement with Air New Zealand on A320 pathway progressing	✓
Licence Plate Recognition technology go-live in carpark	✓
Airside pavement upgrade programme complete	✓
Long stay carpark extension complete	✓
Funding strategy agreed and being implemented	✓
Level 4 Airport Carbon Accreditation Achieved – 80% reduction in Scope 1 and 2 emissions below baseline	✓
Team engagement score of 83% (up 5%)	✓
Zero lost time injuries	✓
Forecast dividend of \$300k	✓

The TDP cost remains a key focus for PNAL and the Board with a short pause in design occurring during the first half of the year, in order to assess value engineering opportunities with a view to keeping costs in check, balanced with the need to ensure an appropriate level of amenity given the airports role as a gateway to our region. The final cost of the terminal will be known at the completion of detailed design by mid 2025. The Board will consider this revised cost estimate to validate it provides value for money, achieves the required project objectives and is affordable. This will then form the actual TDP budget, rather than the present estimate of ~\$40m, which was set based on an initial concept design.

It is reasonable, however, to expect that the final budget will exceed \$40m despite ongoing value engineering. This is in part due to a range of building performance enhancements in addition to those originally contemplated in the concept design which have been approved. These address resilience, operational capability, and customer amenity. Two examples of this include a decision to raise the finished floor level of the terminal to mitigate against flood risk/climate change, and the inclusion of an airside wind lobby which runs the full length of the new terminal, in order to maximise weather protection for our passengers.

The terminal cost will be self-funded within PNAL's available debt facilities and without recourse to the Shareholder. PNAL again thanks the shareholder for the dividend suspension in FY23 which contributed towards design of the terminal. All remaining terminal development costs will be self-funded by the airport.

Linked to the terminal development, discussions are also advancing with Air New Zealand in relation to a partnership agreement to assess the viability of introducing A320 jet services on the Auckland-Palmerston North route at the conclusion of the TDP.

Other positive outcomes in the first six months included the completion of significant infrastructure projects. These included:

- The go-live of Licence Plate Recognition technology in the carpark, providing a windows up experiencing for customers arriving and departing our carparks.
- An airside pavement upgrade around the airport fire station and General Aviation refueling area.
- The opening of the long stay carpark extension, providing an additional 123 carparks.

PNAL is also close to resolving the short-medium term funding constraints which have been experienced over the past two years. Further details on this can be found in the FY26-FY28 draft SOI. Ruapehu Aeropark developments also progressed in respect of the planned freight and logistics warehouse, which will be a valuable addition to our aeropark and Te Utanganui.

In September 2024, PNAL was also recertified at Level 4 (“Transformation”) of the Airport Carbon Accreditation programme, and we were also recertified Qualmark Gold. We remain the only airport in New Zealand to achieve the Qualmark Gold rating. We achieved a Net Promoter Score of 42, marginally down on SOI but well ahead of travel and leisure industry peers.

PNAL’s current Scope 1 and 2 emissions are 80% below our 2022 baseline (currently 43 t CO<sup>2</sup>-e), with our target being to reach a 90% reduction. Scope 3 emissions from third parties operating at the airport, however, make up the vast majority of related emissions. Stakeholder engagement therefore remains a focus for PNAL to seek to reduce overall emissions where possible.

We also celebrated achieving a 100% response rate to our annual team engagement survey, the first time this participation level has been achieved. The resulting engagement score of 83% (78% last year) is a fantastic result and testament to the effectiveness of our Whanau Kotahi – OneTeam Wellness programme and the genuine commitment of all team members.

Health & Safety remained at the forefront of everything we do, with no lost time injuries during the first half of the year,

Despite these positives, the current economic recession, airline capacity constraints and elevated airfares has resulted in subdued passenger demand.

Consequently, passenger movements have declined year-on-year, with 272,702 passenger movements recorded year to date, 4% down on both the same period last year and on SOI. This in turn has impacted revenue, with total income of \$8.72m, below SOI by 3%.

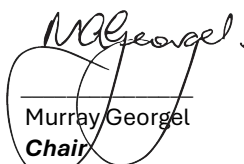
Subdued passenger demand and ongoing impacts on revenue are predicted to continue through the remainder of FY25, with passenger numbers for the full year expected to be circa 532,000, 5% below SOI, and 3% below last year.

An ongoing focus on cost containment resulted in expenditure (excluding one-off expenditure on the TDP) totalling \$4.32m, 7% below SOI. Cost control remains a key focus of management for the remainder of the year.

As indicated in the SOI, FY25 was always expected to be a year which was impacted by the TDP. Higher than average extraordinary costs (e.g. demolition expenses) and depreciation costs (existing terminal write-down), both due to the terminal, were signalled in the SOI to result in a budgeted loss after tax for the year of \$1.85m. The current year forecast indicates the net loss after tax will be ~\$1.11m, a 40% improvement on the SOI.<sup>1</sup>

Capex spend for the year is currently forecast to be \$11.1m, 64% below SOI. This is due to timing differences in the commencement of the TDP and construction of a freight and logistics warehouse.

Notwithstanding the loss and ongoing capital outlay, in line with the shareholder’s expectations, a dividend of \$300,000 is anticipated to be declared for FY25 (paid in FY26), subject to the PNAL Board being satisfied of meeting the statutory liquidity tests.



Murray Georgel  
**Chair**



David Lanham  
**Chief Executive**

<sup>1</sup> Based on specific assumptions regarding the timing of the terminal development and associated accounting treatments. These are subject to further refinement and discussion with auditors during Q3/Q4 of FY25.

## STATEMENT OF SERVICE PERFORMANCE

The Company's Statement of Intent is dated 30 May 2024.

The Company is trading as Palmerston North Airport Limited.

Palmerston North Airport Limited has been maintained as an airport certificated pursuant to Civil Aviation Rule Part 139 and has achieved satisfactory audits during the period.

All obligations under the Resource Management Act and the District Plans of the Palmerston North City Council and Manawatu District Council have been met.

### Performance Measures:

PERFORMANCE METRICS		Dec 2024 6 Months	Dec 2023 6 Months	SOI Target 6 Months
I	A ratio of surplus before interest/tax/depreciation to total assets	3.1%	4.0%	2.4%
II	A ratio of net surplus after tax to consolidated shareholders' funds inclusive of revaluation reserve	1.7%	2.5%	(2.8%)
III	To maintain a ratio of consolidated shareholders funds to total assets of at least 40%	77.1%	79.7%	75.1%
IV	To maintain an interest coverage ratio of EBITDA to interest of at least 2.5	12.9	15.6	6.5
V	To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above \$80m	\$83.3m	\$86.5m	\$83.2m
VI	Maintain a Net Promoter score of 45 or above	42	43	45
VII	Total passenger movements	272,702	283,914	282,989
VIII	Zero lost time injuries	Zero	Zero	Zero
IX	Maintain CAA Part 139 certification	Maintain	Maintain	Maintain
X	Net Debt* / EBITDA less than 4.5 (long term target)	3.4	2.4	6.4
XI	Funds from Operations (FFO**) / Net Debt greater than 11% (long term target)	22%	31%	19%

\*Net Debt equals total borrowings less cash on hand

\*\*FFO equals EBITDA less interest less tax

# STATEMENT OF FINANCIAL PERFORMANCE

## For the Six Months Ended 31 December 2024

	Note	31-Dec-24 6 Months Unaudited	31-Dec-23 6 Months Unaudited	30-Jun-25 12 Months SOI	30-Jun-24 12 Months Audited
<b>REVENUE</b>	4	8,722,827	7,983,503	17,777,234	15,487,238
<b>OPERATING EXPENSES</b>					
Airfield Services		336,819	323,205	690,361	624,155
Other Operating Expenses	5	1,442,605	1,111,783	3,543,833	2,730,726
<b>TOTAL OPERATIONS AND MAINTENANCE</b>		<b>1,779,424</b>	<b>1,434,988</b>	<b>4,234,194</b>	<b>3,354,881</b>
<b>ADMINISTRATION EXPENSES:</b>					
Audit Fees		63,560	58,530	131,626	117,060
Bad Debts Written Off		-	19,830	-	19,955
Changes in doubtful debt provision		(14,334)	(17,289)	5,000	(2,955)
Directors' Fees		78,922	69,257	151,840	142,258
Employee Expenses	6	1,305,632	1,137,723	2,651,774	2,293,407
General Administration	7	2,180,721	935,494	4,003,971	2,021,980
<b>TOTAL ADMINISTRATION:</b>		<b>3,614,501</b>	<b>2,203,545</b>	<b>6,944,211</b>	<b>4,591,705</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5,393,925</b>	<b>3,638,533</b>	<b>11,178,405</b>	<b>7,946,586</b>
<b>Operating Surplus before interest, depreciation &amp; taxation (EBITDA)</b>		<b>3,328,902</b>	<b>4,344,970</b>	<b>6,598,829</b>	<b>7,540,652</b>
<b>FINANCE COSTS AND DEPRECIATION:</b>					
Finance costs	8	258,281	279,031	1,177,678	523,481
Depreciation & Amortisation	15	1,047,659	1,082,112	8,000,482	2,192,583
Loss/(Gain) on Sale of Assets		15,595	(313)	-	349,303
Assets vested to PNCC		-	-	-	5,046,062
<b>TOTAL FINANCE COSTS &amp; DEPRECIATION:</b>		<b>1,321,535</b>	<b>1,360,830</b>	<b>9,178,160</b>	<b>8,111,429</b>
Revaluation (Loss)/Gain - Investment Properties		-	-	-	(70,500)
<b>Operating Surplus before taxation</b>		<b>2,007,367</b>	<b>2,984,140</b>	<b>(2,579,331)</b>	<b>(641,277)</b>
Taxation Expense on Operating Surplus	9	562,063	835,560	(722,212)	1,617,739
<b>NET SURPLUS AFTER TAXATION</b>		<b>1,445,304</b>	<b>2,148,580</b>	<b>(1,857,119)</b>	<b>(2,259,016)</b>

For and on behalf of the Board

  
Murray Georgel- Chair  
Date : 27 February 2025

  
Shelly Mitchell-Jenkins - Director  
Date : 27 February 2025

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

*These financial statements are unaudited.*

## STATEMENT OF COMPREHENSIVE INCOME

### For the Six Months Ended 31 December 2024

	Note	31-Dec-24 6 Months Unaudited	31-Dec-23 6 Months Unaudited	30-Jun-25 12 Months SOI	30-Jun-24 12 Months Audited
<b>NET SURPLUS AFTER TAXATION</b>		<b>1,445,304</b>	<b>2,148,580</b>	<b>(1,857,119)</b>	<b>(2,259,016)</b>
Gains on revaluation of land and buildings		-	-	-	-
Movement in deferred tax		-	-	-	-
<b>Comprehensive income attributed to the shareholder</b>		<b>1,445,304</b>	<b>2,148,580</b>	<b>(1,857,119)</b>	<b>(2,259,016)</b>

## STATEMENT OF CHANGES IN EQUITY

### For the Six Months Ended 31 December 2024

	Note	31-Dec-24 6 Months Unaudited	31-Dec-23 6 Months Unaudited	30-Jun-25 12 Months SOI	30-Jun-24 12 Months Audited
<b>EQUITY AT THE BEGINNING OF THE YEAR</b>		<b>82,079,388</b>	<b>84,338,404</b>	<b>85,504,851</b>	<b>84,338,404</b>
Total Comprehensive Revenue and Expense for the Period		1,445,304	2,148,580	(1,857,120)	(2,259,016)
Transfer out of Asset Revaluation Reserve for Sale of Assets		-	-	-	(1,727,530)
Transfer into Retained Earnings for Sale of Assets		-	-	-	1,727,530
Distribution to shareholders during the year		(195,000)	-	-	-
<b>EQUITY AT THE END OF THE YEAR</b>		<b>83,329,692</b>	<b>86,486,985</b>	<b>83,647,734</b>	<b>82,079,388</b>

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in conjunction with these financial statements*

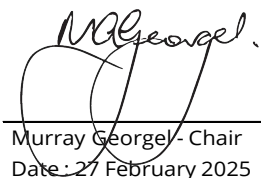


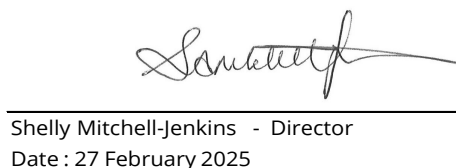
# STATEMENT OF FINANCIAL POSITION

## As at 31 December 2024

	Note	31-Dec-24 Unaudited	31-Dec-23 Unaudited	30-Jun-25 SOI	30-Jun-24 Audited
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	10	47,132	410,345	56,213	1,161,631
Trade accounts receivable	11	1,206,053	1,213,242	1,746,199	1,224,360
Sundry receivables and prepayments		1,329,124	470,783	796,736	194,875
<b>TOTAL CURRENT ASSETS</b>		<b>2,582,309</b>	<b>2,094,370</b>	<b>2,599,148</b>	<b>2,580,866</b>
<b>Less: CURRENT LIABILITIES</b>					
Income in advance		220,674	223,667	204,988	77,459
Trade accounts payable	12	2,288,982	606,459	5,849,733	1,002,643
Other creditors		474,985	587,470	(263,401)	715,861
Employee benefit liabilities	13	371,135	361,029	386,101	476,620
Short term borrowings		3,450,000	-	-	2,700,000
Tax payable		62,727	288,044	(2,523,961)	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,868,503</b>	<b>2,066,669</b>	<b>3,653,460</b>	<b>4,972,583</b>
<b>WORKING CAPITAL</b>		<b>(4,286,194)</b>	<b>27,701</b>	<b>(1,054,312)</b>	<b>(2,391,717)</b>
<b>Add: NON CURRENT ASSETS</b>					
Property, Plant & Equipment	15	90,226,452	91,009,891	113,128,719	87,131,671
Investment Property		15,329,500	15,400,000	15,400,000	15,329,500
<b>TOTAL NON CURRENT ASSETS</b>		<b>105,555,952</b>	<b>106,409,891</b>	<b>128,528,719</b>	<b>102,461,171</b>
<b>Less: NON CURRENT LIABILITIES</b>					
Deferred tax liability	16	9,990,066	9,250,607	9,250,607	9,990,066
Long term borrowings	14	7,950,000	10,700,000	34,576,065	8,000,000
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>17,940,066</b>	<b>19,950,607</b>	<b>43,826,672</b>	<b>17,990,066</b>
<b>NET ASSETS</b>		<b>83,329,692</b>	<b>86,486,985</b>	<b>83,647,734</b>	<b>82,079,388</b>
Represented by:					
<b>SHAREHOLDERS' EQUITY</b>					
Paid in Capital		9,380,400	9,380,400	9,380,400	9,380,400
Retained earnings		27,763,199	29,192,962	26,353,711	26,512,895
Asset revaluation reserve		46,186,093	47,913,623	47,913,623	46,186,093
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>83,329,692</b>	<b>86,486,985</b>	<b>83,647,734</b>	<b>82,079,388</b>

For and on behalf of the Board

  
Murray George - Chair  
Date : 27 February 2025

  
Shelly Mitchell-Jenkins - Director  
Date : 27 February 2025

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# STATEMENT OF CASH FLOWS

## For the Six Months Ended 31 December 2024

	Note	31-Dec-24 6 Months Unaudited	31-Dec-23 6 Months Unaudited	30-Jun-25 12 Months SOI	30-Jun-24 12 Months Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash was provided from:					
Receipts from Customers		11,090,018	9,254,249	20,157,486	15,428,280
Interest Received		-	-	-	-
Income Tax Refund		-	-	-	-
<b>Operating Cash Inflows</b>		<b>11,090,018</b>	<b>9,254,249</b>	<b>20,157,486</b>	<b>15,428,280</b>
Cash was disbursed to:					
Payment to Suppliers and Employees		7,440,923	5,768,994	9,671,337	7,620,382
Tax Loss Payment to PNCC		-	-	-	110,019
Payment of Income Tax		246,509	919,021	1,175,000	1,392,593
Interest Payments		258,281	212,426	1,177,678	443,089
<b>Operating Cash Outflows</b>		<b>7,945,713</b>	<b>6,900,441</b>	<b>12,024,015</b>	<b>9,566,083</b>
<b>Net cash flows from operating activities</b>		<b>3,144,305</b>	<b>2,353,808</b>	<b>8,133,471</b>	<b>5,862,197</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash was provided from:					
Sale of Property Plant and Equipment		-	313	-	313
<b>Investing Cash Inflows</b>		<b>-</b>	<b>313</b>	<b>-</b>	<b>313</b>
Cash was applied to:					
Acquisitions of Property, Plant & Equipment		4,763,805	1,942,157	31,725,165	4,699,260
Acquisitions of Investment Property		-	-	-	-
<b>Investing Cash Outflows</b>		<b>4,763,805</b>	<b>1,942,157</b>	<b>31,725,165</b>	<b>4,699,260</b>
<b>Net Cash Flow from Investing Activities</b>		<b>(4,763,805)</b>	<b>(1,941,844)</b>	<b>(31,725,165)</b>	<b>(4,698,947)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Cash was provided from:					
Borrowings		3,500,000	4,550,000	24,020,330	3,000,000
<b>Financing Cash Inflows</b>		<b>3,500,000</b>	<b>4,550,000</b>	<b>24,020,330</b>	<b>3,000,000</b>
Cash was applied to:					
Repayment of Borrowings		2,800,000	4,615,000	298,511	3,065,000
Payment of Dividends		195,000	-	129,605	-
<b>Financing Cash Outflows</b>		<b>2,995,000</b>	<b>4,615,000</b>	<b>428,116</b>	<b>3,065,000</b>
<b>Net Cash from Financing Activities</b>		<b>505,000</b>	<b>(65,000)</b>	<b>23,592,214</b>	<b>(65,000)</b>
<b>Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts</b>		<b>(1,114,500)</b>	<b>346,964</b>	<b>520</b>	<b>1,098,250</b>
<b>Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year</b>		<b>1,161,631</b>	<b>63,381</b>	<b>55,693</b>	<b>63,381</b>
<b>Cash, Cash Equivalents and Bank Overdrafts at Year End</b>		<b>47,131</b>	<b>410,345</b>	<b>56,213</b>	<b>1,161,631</b>

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## Statement of Commitments

### For the Six Months Ended 31 December 2024

<b>Non-cancellable Commitments - Operating Lessee</b>		} Commitments, incl Operating Leases, Maintenance Contracts, and Vehicle Leases
Not more than one year	294,629	
One to two years	88,416	
Two to five years	117,621	
Over five years	-	
<b>Total</b>	<b>500,666</b>	
<b>Non-cancellable Commitments - Operating Lessor</b>		} Property and Car Park Leases With PNAL as the Lessor
Not more than one year	1,673,127	
One to two years	1,683,816	
Two to five years	3,661,183	
Over five years	4,395,634	
<b>Total</b>	<b>11,413,760</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### For the Six Months Ended 31 December 2024

#### 1. **REPORTING ENTITY**

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

#### 2. **BASIS OF PREPARATION**

##### 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. The financial statements have been prepared in accordance with NZ GAAP. They have been prepared in accordance with Tier 2 PBE reporting standards.

The entity is eligible and has elected to report with Tier 2 PBE accounting standards RDR on the basis that the entity has no public accountability and has expenses  $\geq$  \$5m and  $\leq$  \$33m.

##### Measurement base

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

##### Functional and presentation currency

The financial statements are presented in New Zealand Dollars and all values are rounded to the nearest dollar. The functional currency of the company is New Zealand Dollars.

#### 3. **ACCOUNTING POLICIES**

##### Changes in accounting policies

There were no changes to accounting policies during the period being reported.

##### Specific accounting policies

The accounting policies as published in the Annual Report to 30 June 2024 have been applied consistently to all periods presented in these financial statements.

	31-Dec-24	31-Dec-23	30-Jun-25	30-Jun-24
	6 Months	6 Months	12 Months	12 Months
	Unaudited	Unaudited	SOI	Audited
<b>4. REVENUE</b>				
Aeronautical revenue	5,896,679	5,193,068	12,122,056	10,003,603
Car park, rent and advertising	2,615,045	2,644,717	5,374,587	5,167,725
Other	211,103	145,718	280,591	315,910
Interest	-	-	-	-
<b>Total</b>	<b>8,722,827</b>	<b>7,983,503</b>	<b>17,777,234</b>	<b>15,487,238</b>

#### 5. OTHER OPERATING EXPENSES

Rates	256,021	224,557	483,700	449,364
Power and Insurance	372,378	308,965	756,495	649,082
Repairs and maintenance	814,206	578,261	2,303,638	1,632,280
<b>Total</b>	<b>1,442,605</b>	<b>1,111,783</b>	<b>3,543,833</b>	<b>2,730,726</b>

#### 6. EMPLOYEE EXPENSES\*

Salaries and wages	1,269,846	1,104,650	2,528,147	2,172,788
Employer Contribution to Kiwi Saver	37,116	30,628	74,463	60,583
Movement in employee entitlements	(1,330)	2,445	49,164	60,036
<b>Total</b>	<b>1,305,632</b>	<b>1,137,723</b>	<b>2,651,774</b>	<b>2,293,407</b>

\*Excludes Rescue Fire Service (RFS). RFS are included in Airfield Services expenditure.

#### 7. GENERAL ADMINISTRATION

Marketing	249,410	109,157	450,000	242,629
Contractors	12,828	53,972	54,400	59,868
Consultants	409,012	356,482	870,000	756,375
Legal	46,386	52,086	200,000	85,342
PFAS Monitoring & Testing	116,128	37,942	50,000	208,659
Temporary Terminal and Demolition Costs*	957,682	-	1,664,576	13,884
Other	389,275	325,855	714,995	655,222
<b>Total</b>	<b>2,180,721</b>	<b>935,494</b>	<b>4,003,971</b>	<b>2,021,980</b>

\*The accounting treatment of temporary terminal costs is subject to refinement and confirmation.

This may result in a reallocation of expenditure between capex/opex.

This will be confirmed prior to 30 June 2025 and updated accordingly.

#### 8. FINANCE COST

Interest on term loans	258,281	279,031	1,177,678	523,481
<b>Total</b>	<b>258,281</b>	<b>279,031</b>	<b>1,177,678</b>	<b>523,481</b>

	31-Dec-24	31-Dec-23	30-Jun-25	30-Jun-24
	6 Months	6 Months	12 Months	12 Months
	Unaudited	Unaudited	SOI	Audited

#### 9. TAXATION

Current year tax payable	562,063	835,560	(722,212)	878,279
Prior year adjustments	-	-	-	-
Movement in deferred tax	-	-	-	739,460
<b>Total</b>	<b>562,063</b>	<b>835,560</b>	<b>(722,212)</b>	<b>1,617,739</b>

#### 10. CASH & CASH EQUIVALENTS

BNZ Current account	45,424	406,973	50,730	1,156,279
Cash on hand	1,708	3,372	5,483	5,352
Short term deposits	-	-	-	-
<b>Total</b>	<b>47,132</b>	<b>410,345</b>	<b>56,213</b>	<b>1,161,631</b>

#### 11. TRADE ACCOUNTS AND OTHER RECEIVABLES

Debtors and other receivables	1,205,013	1,213,242	1,746,199	985,290
Receivables from related party	1,040	-	-	578
Income tax receivable	-	-	-	252,826
Allowance for credit losses	-	-	-	(14,334)
<b>Total</b>	<b>1,206,053</b>	<b>1,213,242</b>	<b>1,746,199</b>	<b>1,224,360</b>

#### 12. TRADE ACCOUNTS PAYABLE

Trade accounts payable	2,096,076	435,356	5,849,733	818,319
Payables to related party	192,906	171,103	-	184,324
<b>Total</b>	<b>2,288,982</b>	<b>606,459</b>	<b>5,849,733</b>	<b>1,002,643</b>

Debtors and other receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value after making provisions for impairment on specific overdue accounts.

#### 13. EMPLOYEE BENEFIT LIABILITIES

Accrued Pay	61,928	106,371	135,803	184,354
Annual leave	309,208	254,658	250,298	292,265
<b>Total</b>	<b>371,135</b>	<b>361,029</b>	<b>386,101</b>	<b>476,620</b>

#### 14. BORROWINGS

Long term borrowings	7,950,000	10,700,000	34,576,065	8,000,000
Current portion of borrowings	3,450,000	-	-	2,700,000
<b>Total</b>	<b>11,400,000</b>	<b>10,700,000</b>	<b>34,576,065</b>	<b>10,700,000</b>

The Company has a bank facility of \$15.18 million which is secured by a registered first debenture and mortgage from the Bank of New Zealand over assets and property of the Company. This includes a facility of \$4.08m used for the construction of the Massey Aviation Training facility. The Company has a further facility with Palmerston North City Council (indirect LGFA funding) for \$38.03 million (indirect LGFA funding).

The carrying value of borrowings is materially consistent with their fair value. Borrowings are classified as current liabilities where the debt tranche is floating or fixed for less than 12 months after 31 December 2024. Otherwise borrowings are classified as non-current.

#### 15. PROPERTY, PLANT AND EQUIPMENT

	30-Jun-24 Carrying Amount	Additions	Disposals	Accum Depr	Depreciation	31-Dec-24 Carrying Amount
Land	30,937,931	-	-	-	-	30,937,931
Buildings	13,187,728	2,021,095	-	-	125,726	15,083,097
Infrastructure - Land	5,331,272	1,235,789	-	-	106,397	6,460,664
Infrastructure - Air	34,673,647	632,200	-	-	619,372	34,686,474
Plant & Equipment	1,413,395	221,880	69,529	61,147	96,867	1,530,025
Furniture & Fittings	70,239	4,824	70,927	64,329	7,100	61,365
Computer Equipment	63,938	29,156	36,168	35,553	15,679	76,800
Motor Vehicles	1,398,888	-	-	-	54,631	1,344,258
Intangibles	54,634	13,091	22,619	22,619	21,887	45,838
<b>Total</b>	<b>87,131,671</b>	<b>4,158,034</b>	<b>199,244</b>	<b>183,648</b>	<b>1,047,659</b>	<b>90,226,452</b>

It is Management's opinion that there is no reason that any of the assets should be impaired, as at 31 December 2024. Management note the current terminal is anticipated to be expensed via accelerated depreciation during the FY25 and FY26 income years upon commitment to demolition of the building. The net book value estimated to be subject to accelerated depreciation totals \$7.24 million.

#### 16. DEFERRED TAX ASSETS/(LIABILITIES)

	Investment Property	Property, plant and equipment	Employee entitlements	Other provisions	Total
Balance at 30 June 2024	254,704	9,841,729	(101,842)	(4,525)	9,990,066
Change to profit and loss	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>254,704</b>	<b>9,841,729</b>	<b>(101,842)</b>	<b>(4,525)</b>	<b>9,990,066</b>

#### 17. CONTINGENCIES

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.