PALMERSTON NORTH AIRPORT LIMITED
INTERIM REPORT
TO 31 DECEMBER 2025

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 Everton
Russell Wilson

MANAGEMENT:

David Lanham	- Chief Executive
Jonathon Baker	- Chief Financial Officer
Mark Lash	- Chief Commercial Officer
Brent Lawry	- Terminal & Facilities Manager
Johan VanVuuren	- Infrastructure Manager
Alex Fechney	- Safety & Operations Manager
Baylie Corney	- Marketing & Communications Manager

REGISTERED OFFICE:
Palmerston North Airport Limited
55D Airport Drive, Milson
PALMERSTON NORTH

Phone: +64 6 351 4415
E-mail: info@pnairport.co.nz
Web: www.pnairport.co.nz

TRADING BANKERS:
Bank of New Zealand

LEGAL ADVISORS:
Ford Sumner Lawyers, Cooper Rapley Lawyers

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 2025

Key Highlights	
Stage 1 of new terminal underway	✓
Freightways Warehouse construction underway	✓
Banking relationship secured with ICBC for debt funding	✓
Net Promoter Score in line with industry peers	✓
Level 4 Airport Carbon Accreditation maintained	✓
Partnership secured with Manawatu Youth rugby	✓
Team engagement score of 82% remains industry leading	✓
Originair launch Blenheim – Palmerston North services	✓
CAA Rule Part 139 compliance maintained	✓
Zero lost time injuries	✓
Forecast dividend of $400k	✓

The first half of FY26 marked the commencement of the largest commercial development programme in the airport company's history with the commencement of Stage 1 of the Terminal Development Project (TDP), and a purpose-built warehouse facility with Freightways as the anchor tenant.

Passenger volumes remained suppressed although generally in line with budget expectations. 271,953 passenger movements were recorded to December 2025, within 1% of the budget and the prior six-month period.

The TDP, well advanced by December 2025, remained a key focus of management and directors. The project budget established at $43 million for the new build continues to be managed closely. By December, structural steel was being erected at the Western end of the new terminal building marking a significant milestone for the project. Civil works on replacement power, water, and sewer infrastructure also commenced in December, making it necessary to close the Terminal Loop Road to all traffic until these works have been completed. The temporary terminal, albeit half the size of the old terminal, continues to serve us well. Significant time and resource have been placed on ensuring that the customer experience remains as high as practically possible notwithstanding the temporary nature of the facility.

During the first half of FY26, PNAL selected the Industrial and Commercial Bank of China (ICBC) as a new long term banking partner. PNAL also renewed its relationship with BNZ. The two relationships bring PNAL's external debt facilities to $50m. This bank lending will sit alongside the existing $50m Shareholder debt facility sourced from the LGFA.

The combination of lending facilities enabled construction to commence on a new freight and logistics warehouse facility within Ruapehu Aeropark. Construction of this warehouse facility marked a significant milestone in the precinct's growth, with the purpose-built facility spanning 5,000m^2. The facility incorporates warehousing, breezeway, and office space designed to meet the increasing demand for efficient, connected logistics infrastructure for Freightways Group.

Regulatory compliance and Health & Safety remain at the forefront of everything we do. We maintained CAA Part 139 certification and there were zero lost time injuries during the first half of the year. We invested in state of the art NZL geospatial software to support ongoing protection of the aerodrome's obstacle limitation surfaces. A global consent covering on-site contaminated soil management was also received.

Work continued to identify strategic partnership opportunities to further support commercial development aspirations within Ruapehu Aeropark. Plans to divest non-strategic land also progressed during the period. A sale of land to Palmerston North City Council for a new city water bore also advanced.

Net Promoter Score, our key benchmark for customer satisfaction, averaged 31% to December, and while below the previous year, the result is in line with airline, tourism and leisure industry sectors. This result was not unexpected given the temporary nature of the terminal facility.

The Company continues to invest in community engagement. A partnership with Manawatū Rugby was secured during the period, with PNAL having come on board as the Junior Rugby Partner. PNAL continued to support a range of community organisations and facilities including Centrepoint Theatre, Wildbase Hospital, Just Zilch and Central Energy Trust Arena (Fly Palmy Arena).

In December 2025, PNAL was also recertified at Level 4 ("Transformation") of the Airport Carbon Accreditation programme, and we also retained Qualmark Gold certification.

Team engagement remained high with another 100% response rate to our annual team engagement survey. The resulting engagement score of 82% remains industry leading, a very pleasing outcome given the focus we place on our OneTeam / Whānau Kotahi wellness programme.

Originair ceased Hamilton - Palmerston North services in late September, the result of ongoing weakness in demand. However, it was pleasing to see Originair redeploy the capacity to the Blenheim – Palmerston North route, which commenced operations in late September.

Revenue of $9.3m was $16,000 above SOI.

An ongoing focus on cost containment resulted in expenditure (excluding one-off expenditure on the TDP) totalling $4.5m, $0.2m below SOI. Cost control remains a key focus of management for the remainder of the year.

The six-month result was a net profit of $0.5m.

Capex spend for the six months was $7.3m, 34% below SOI. This is due to timing differences in the commencement of the TDP and construction of a freight and logistics warehouse.

In line with the Shareholder's expectations, a dividend of $400,000 is anticipated to be declared for FY26 (paid in FY27).

Murray Georgel
Chair

David Lanham
Chief Executive

STATEMENT OF SERVICE PERFORMANCE

The Company's Statement of Intent is dated 29 May 2025.

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 2025 6 Months	Dec 2024 6 Months	SOI Target 6 Months
I	A ratio of surplus before interest/tax/depreciation to total assets	3.5%	3.1%	3.2%
II	A ratio of net surplus after tax to consolidated shareholders' funds inclusive of revaluation reserve	0.6%	1.7%	0.2%
III	To maintain a ratio of consolidated shareholders funds to total assets of at least 40%	71.0%	77.1%	69.4%
IV	To maintain an interest coverage ratio of EBITDA to interest of at least 2.5	10.2	12.9	7.0
V	To maintain a tangible net worth (total tangible assets after revaluations less total liabilities) above $80m	$84.7m	$83.3m	$81.9m
VI	Maintain a Net Promoter score of 45 or above	31	42	45
VII	Total passenger movements	271,953	272,702	274,513
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)	4.5	3.4	6.3
XI	Funds from Operations (FFO**) / Net Debt greater than 11% (long term target)	19%	22%	9%

*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 2025

	Note	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited
REVENUE	*4*	**9,280,806**	**8,722,827**	**17,921,802**	**16,954,928**
OPERATING EXPENSES					
Airfield Services		294,659	336,819	872,564	646,629
Other Operating Expenses	*5*	1,304,025	1,442,605	3,135,236	2,760,535
TOTAL OPERATIONS AND MAINTENANCE		**1,598,684**	**1,779,424**	**4,007,800**	**3,407,164**
ADMINISTRATION EXPENSES					
Audit Fees		70,661	63,560	131,162	134,132
Bad Debts Written Off		-	-	-	101
Changes in doubtful debt provision		(8,145)	(14,334)	5,000	(6,189)
Directors' Fees		78,871	78,922	158,666	153,301
Employee Expenses	*6*	1,458,436	1,305,632	3,005,125	2,590,369
General Administration	*7*	1,935,376	2,180,721	3,291,099	3,066,011
TOTAL ADMINISTRATION		**3,535,199**	**3,614,501**	**6,591,052**	**5,937,725**
TOTAL OPERATING EXPENSES		**5,133,883**	**5,393,925**	**10,598,852**	**9,344,889**
Operating Surplus Before Interest, Depreciation & Taxation (EBITDA)		**4,146,923**	**3,328,902**	**7,322,950**	**7,610,039**
FINANCE COSTS AND DEPRECIATION					
Finance costs	*8*	406,837	258,281	1,467,666	576,640
Depreciation & Amortisation	*15*	3,005,459	1,047,659	6,038,182	7,040,294
Loss/(Gain) on Sale of Assets		22,348	15,595	-	110,101
Assets vested to PNCC		-	-	-	-
TOTAL FINANCE COSTS & DEPRECIATION		**3,434,644**	**1,321,535**	**7,505,848**	**7,727,035**
Revaluation (Loss)/Gain - Investment Properties		-	-	-	507,200
Operating Surplus Before Taxation		**712,279**	**2,007,367**	**(182,898)**	**390,204**
Taxation Expense on Operating Surplus	*9*	199,440	562,063	(51,212)	32,143
NET SURPLUS AFTER TAXATION		**512,839**	**1,445,304**	**(131,686)**	**358,061**

For and on behalf of the Board

Murray Georgel – Chair
Date: 26 February 2026

Shelly Mitchell-Jenkins – Director
Date: 26 February 2026

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 2025

	Note	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited
NET SURPLUS AFTER TAXATION		**512,839**	**1,445,304**	**(131,686)**	**358,061**
Gains on revaluation of land and buildings		-	-	-	2,218,003
Movement in deferred tax		-	-	-	62,738
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		**512,839**	**1,445,304**	**(131,686)**	**2,638,802**

STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 31 December 2025

	Note	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited
EQUITY AT THE BEGINNING OF THE YEAR		**84,523,190**	**82,079,388**	**81,720,554**	**82,079,388**
Total Comprehensive Revenue and Expense for the Period		512,839	1,445,304	(131,687)	2,638,802
Distribution to shareholders during the year		(300,000)	(195,000)	(400,000)*	(195,000)
EQUITY AT THE END OF THE YEAR		**84,736,035**	**83,329,692**	**81,188,867**	**84,523,190**

**Dividend declared to be 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.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31-Dec-25 Unaudited	31-Dec-24 Unaudited	30-Jun-26 SOI	30-Jun-25 Audited
CURRENT ASSETS					
Cash and Cash Equivalents	*10*	5,039,874	47,132	57,896	54,414
Trade accounts receivable	*11*	1,448,874	1,206,053	1,670,590	1,144,993
Sundry receivables and prepayments		483,073	1,329,124	229,771	182,960
TOTAL CURRENT ASSETS		**6,971,821**	**2,582,309**	**1,958,257**	**1,382,367**
Less: CURRENT LIABILITIES					
Income in advance		216,667	220,674	179,771	75,358
Trade accounts payable	*12*	1,635,203	2,288,982	4,966,933	1,953,406
Other creditors		537,754	474,985	(163,950)	271,724
Employee benefit liabilities	*13*	401,738	371,135	484,337	512,531
Short term borrowings		4,000,000	3,450,000	-	1,300,000
Tax payable		(247,254)	62,727	(2,413,407)	319,142
TOTAL CURRENT LIABILITIES		**6,544,108**	**6,868,503**	**3,053,684**	**4,432,161**
WORKING CAPITAL		427,713	(4,286,194)	(1,095,427)	(3,049,794)
Add: NON CURRENT ASSETS					
Property, Plant & Equipment	*15*	96,491,366	90,226,452	117,473,808	92,256,028
Investment Property		15,836,700	15,329,500	15,329,500	15,836,700
TOTAL NON CURRENT ASSETS		**112,328,066**	**105,555,952**	**132,803,308**	**108,092,728**
Less: NON CURRENT LIABILITIES					
Deferred tax liability	*16*	8,519,744	9,990,066	9,990,066	8,519,744
Long term borrowings	*14*	19,500,000	7,950,000	40,528,947	12,000,000
TOTAL NON CURRENT LIABILITIES		**28,019,744**	**17,940,066**	**50,519,013**	**20,519,744**
NET ASSETS		**84,736,035**	**83,329,692**	**81,188,867**	**84,523,190**
Represented by:					
SHAREHOLDERS' EQUITY					
Paid in Capital		9,380,400	9,380,400	9,380,400	9,380,400
Retained earnings		26,888,801	27,763,199	25,622,374	26,675,956
Asset revaluation reserve		48,466,834	46,186,093	46,186,093	48,466,834
TOTAL SHAREHOLDERS' EQUITY		**84,736,035**	**83,329,692**	**81,188,867**	**84,523,190**

For and on behalf of the Board

Murray Georgel – Chair
Date: 26 February 2026

Shelly Mitchell-Jenkins – Director
Date: 26 February 2026

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 CASH FLOWS

For the Six Months Ended 31 December 2025

	Note	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Receipts from Customers		12,378,511	11,090,018	20,476,355	16,756,830
Interest Received		-	-	-	-
Income Tax Refund		-	-	-	-
Operating Cash Inflows		**12,378,511**	**11,090,018**	**20,476,355**	**16,756,830**
Cash was disbursed to:					
Payment to Suppliers and Employees		7,889,813	7,440,923	6,687,170	8,709,427
Tax Loss Payment to PNCC		-	-	-	114,458
Payment of Income Tax		765,835	246,509	1,300,000	730,754
Interest Payments		310,492	258,281	1,467,666	502,663
Operating Cash Outflows		**8,966,140**	**7,945,713**	**9,454,836**	**10,057,302**
Net Cash Flows from Operating Activities		**3,412,371**	**3,144,305**	**11,021,519**	**6,699,528**
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Sale of Property Plant and Equipment		-	-	-	-
Investing Cash Inflows		**-**	**-**	**-**	**-**
Cash was applied to:					
Acquisitions of Property, Plant & Equipment		8,326,913	4,763,805	36,808,648	10,211,745
Acquisitions of Investment Property		-	-	-	-
Investing Cash Outflows		**8,326,913**	**4,763,805**	**36,808,648**	**10,211,745**
Net Cash Flow from Investing Activities		**(8,326,913)**	**(4,763,805)**	**(36,808,648)**	**(10,211,745)**
CASH FLOW FROM FINANCING ACTIVITIES					
Cash was provided from:					
Borrowings		16,450,000	3,500,000	26,065,443	5,300,000
Financing Cash Inflows		**16,450,000**	**3,500,000**	**26,065,443**	**5,300,000**
Cash was applied to:					
Repayment of Borrowings		6,250,000	2,800,000	(27,236)	2,700,000
Payment of Dividends		300,000	195,000	300,000	195,000
Financing Cash Outflows		**6,550,000**	**2,995,000**	**272,764**	**2,895,000**
Net Cash from Financing Activities		**9,900,000**	**505,000**	**25,792,679**	**2,405,000**
Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts		**4,985,458**	**(1,114,500)**	**5,550**	**(1,107,217)**
Cash, Cash Equivalents and Bank Overdrafts at the Beginning of the year		**54,414**	**1,161,631**	**52,346**	**1,161,631**
Cash, Cash Equivalents and Bank Overdrafts at Year End		**5,039,872**	**47,131**	**57,896**	**54,414**

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 COMMITMENTS

For the Six Months Ended 31 December 2025

Non-cancellable Commitments - Operating Lessee	
Not more than one year	166,985
One to two years	62,676
Two to five years	88,976
Over five years	-
Total	**318,637**

Commitments, incl Operating Leases, Maintenance Contracts, and Vehicle Leases

Non-cancellable Commitments - Operating Lessor	
Not more than one year	1,435,318
One to two years	2,070,684
Two to five years	3,001,487
Over five years	2,661,904
Total	**9,169,393**

Property and Car Park Leases With PNAL as the Lessor

NOTES TO THE FINANCIAL STATEMENTS

For the Six Months Ended 31 December 2025

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 ≥ $5m and ≤ $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 2025 have been applied consistently to all periods presented in these financial statements.

	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited
4. REVENUE				
Aeronautical revenue	6,478,283	5,896,679	12,488,201	11,433,527
Car park, rent and advertising	2,636,735	2,615,045	5,146,812	5,130,415
Other	165,085	211,103	286,789	390,986
Interest	703	-	-	-
Total	**9,280,806**	**8,722,827**	**17,921,802**	**16,954,928**

5. OTHER OPERATING EXPENSES

Rates	293,664	256,021	565,100	509,112
Power and Insurance	378,713	372,378	793,668	754,611
Repairs and maintenance	631,648	814,206	1,776,468	1,496,812
Total	**1,304,025**	**1,442,605**	**3,135,236**	**2,760,535**

6. EMPLOYEE EXPENSES*

Salaries and wages	1,388,485	1,269,846	2,864,913	2,526,192
Employer Contribution to Kiwi Saver	42,732	37,116	84,452	69,433
Movement in employee entitlements	27,219	(1,330)	55,760	(5,256)
Total	**1,458,436**	**1,305,632**	**3,005,125**	**2,590,369**

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

7. GENERAL ADMINISTRATION

Marketing	168,489	249,410	615,004	414,346
Contractors	14,700	12,828	54,400	34,879
Consultants	300,016	409,012	562,500	927,043
Legal	455,578	46,386	125,004	176,318
PFAS Monitoring & Testing	38,855	116,128	50,000	162,067
Temporary Terminal and Demolition Costs*	609,522	957,682	921,210	613,434
Other	348,216	389,275	962,981	737,924
Total	**1,935,376**	**2,180,721**	**3,291,099**	**3,066,011**

*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	406,837	258,281	1,467,666	576,640
Total	**406,837**	**258,281**	**1,467,666**	**576,640**

	31-Dec-25 6 Months Unaudited	31-Dec-24 6 Months Unaudited	30-Jun-26 12 Months SOI	30-Jun-25 12 Months Audited

9. TAXATION

Current year tax payable	199,440	562,063	(51,212)	1,439,727
Prior year adjustments	-	-	-	-
Movement in deferred tax	-	-	-	(1,407,583)
Total	**199,440**	**562,063**	**(51,212)**	**32,143**

10. CASH & CASH EQUIVALENTS

Current account	4,784,227	45,424	55,009	52,521
Cash on hand	300	1,708	2,887	1,893
Retentions Trust Bank Account	255,347	-	-	-
Total	**5,039,874**	**47,132**	**57,896**	**54,414**

11. TRADE ACCOUNTS AND OTHER RECEIVABLES

Debtors and other receivables	1,447,834	1,205,013	1,670,590	1,152,481
Receivables from related party	1,040	1,040	-	656
Income tax receivable		-	-	-
Allowance for credit losses	-	-	-	(8,144)
Total	**1,448,874**	**1,206,053**	**1,670,590**	**1,144,993**

12. TRADE ACCOUNTS PAYABLE

Trade accounts payable	1,263,938	2,096,076	4,966,933	1,683,226
Payables to related party	371,265	192,906	-	270,180
Total	**1,635,203**	**2,288,982**	**4,966,933**	**1,953,406**

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	81,597	61,928	180,632	200,702
Annual leave	320,141	309,208	303,705	311,829
Total	**401,738**	**371,135**	**484,337**	**512,531**

14. BORROWINGS

Long term borrowings	19,500,000	7,950,000	40,528,947	12,000,000
Current portion of borrowings	4,000,000	3,450,000	-	1,300,000
Total	**23,500,000**	**11,400,000**	**40,528,947**	**13,300,000**

The Company has a bank facility of $5.0 million which is secured by a registered first debenture and mortgage from the Bank of New Zealand over assets and property of the Company. The Company has a further facility with Palmerston North City Council (indirect LGFA funding) for $44.6m (indirect LGFA funding). The carrying value of borrowings is materially consistent with the fair value. Borrowings are classified as current liabilities where the debt tranche is floating or fixed for less than 12 months after 31 December 2025. Otherwise borrowings are classified as non-current.

15. PROPERTY, PLANT AND EQUIPMENT

	30-Jun-25 Carrying Amount	Additions	Disposals	Disposals Accum Depr	Depreciation	31-Dec-25 Carrying Amount
Land	33,380,000	-	-	-	-	33,380,000
Buildings	14,330,020	6,156,902	-	-	1,987,978	18,498,944
Infrastructure - Land	6,792,022	873,659	6,914	-	131,967	7,526,799
Infrastructure - Air	34,898,732	21,151	-	-	575,964	34,343,919
Plant & Equipment	1,366,019	83,422	3,865	3,865	220,109	1,229,331
Furniture & Fittings	68,207	76,052	-	-	8,008	136,251
Computer Equipment	102,140	7,568	3,588	3,588	22,397	87,311
Motor Vehicles	1,289,627	25,310	-	-	54,631	1,260,306
Intangibles	29,261	19,079	28,938	13,504	4,402	28,503
Total	**92,256,028**	**7,263,141**	**43,305**	**20,957**	**3,005,457**	**96,491,366**

It is Management's opinion that there is no reason that any of the assets should be impaired, as at 31 December 2025. 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 in FY26 totals $4.49 million.

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Investment Property	Property, plant and equipment	Employee entitlements	Other provisions	Total
Balance at 30 June 2025	276,933	8,353,499	(108,406)	(2,281)	8,519,744
Change to profit and loss	-	-	-	-	-
Balance at 31 December 2025	**276,933**	**8,353,499**	**(108,406)**	**(2,281)**	**8,519,744**

17. CONTINGENCIES

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