



INTERIM REPORT

For the Six months to 31 December 2020



TABLE OF CONTENTS

Directors' and CEO's Report	3
Service Performance Report	6
Condensed Statement of Comprehensive Income	8
Condensed Statement of Changes in Equity	9
Condensed Statement of Financial Position	10
Condensed Statement of Cash Flows	11
Notes to the Condensed Financial Statements	12
Directory	23

DIRECTORS' AND CEO'S REPORT

For the Six Months Ended 31 December 2020

	Actual	Budget	Result
Total Revenue	\$5.21m	\$3.20m	+ 62.8%
EBITDA	\$2.62m	\$1.08m	+ 142.6%
Net Profit before Tax	\$0.63m	(\$1.25m)	+ 150.4%
Passenger numbers	324,773	185,645	+ 74.9%

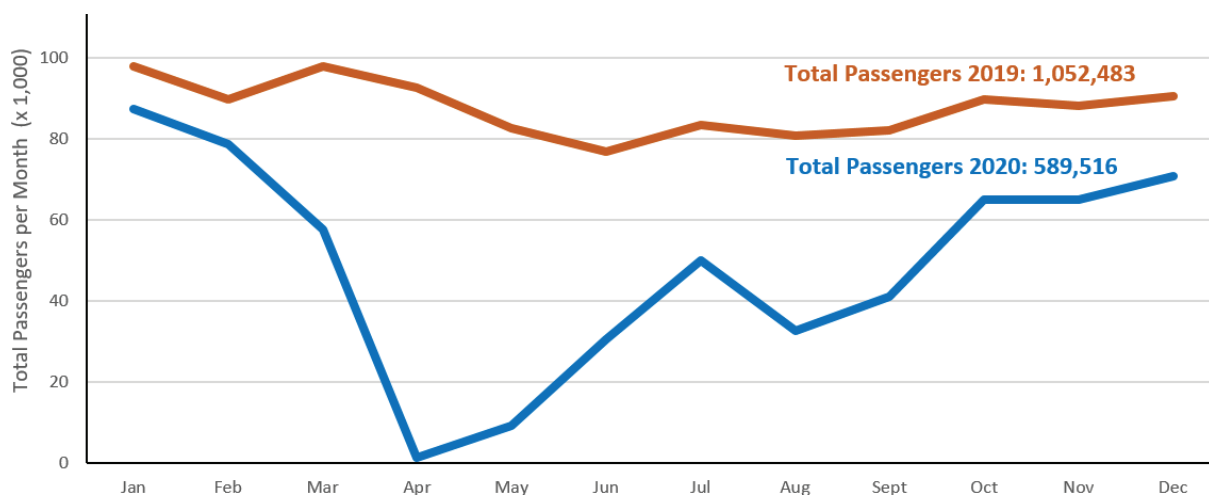
This period was a real challenge for aviation across all aspects of the sector. For Nelson Airport Limited (NAL) the challenge was to react positively to the changes caused by Covid-19 and keep the airport moving forward. We benefited from strong commitment from the airlines that operate from our airport and from the operators who work on the precinct.

OPERATIONS

For the period July to December, NAL continued to feel the impacts of Covid-19, however the passenger demand was stronger than the projected forecast. Through this period leisure was the key driving market and the school holidays falling in July and September/October also provided positive increases. Business travel was a slow return averaging 60% on the previous year up until the Auckland alert level changes in August.

Nelson continues to be a highly valuable destination point within the Air New Zealand network and is also well supported by Sounds Air and Originair. Passenger numbers across the six months to 31 December 2020 were down an average of 32% on the same period last year. Across the October – December 2020 quarter, passenger numbers showed an improving trend to be only 25% down versus last year. The seat capacity in market followed a very similar trend to the passengers. Wellington replaced Auckland as our strongest performing route.

PASSENGER COMPARISON 2019 vs 2020 (CALENDAR YEARS)



Our new terminal won a number of awards for design and construction. The judges for the regional NZIA awards stated:

'The roof forms of Nelson Airport, shaped to reflect the adjacent mountain ranges, signal this important gateway to the Nelson region. Articulated timber structures and surfaces provide warmth and familiarity to a highly resolved single volume. Open to the east and west, the terminal both contains and reveals the complexity of airport operations. The building successfully integrates innovative timber structural and seismic design, prefabrication technology, climate resilience and environmental systems.'

It was great to reach the milestone of the terminal being officially signed over from Naylor Love to NAL by 31 December 2020. Despite the level of uncertainty, NAL continues to develop the airport with work approved in the period to be carried out on the apron to improve resilience and lighting. We have enjoyed the terminal activations developed in conjunction with WoW Car Museum, Brook Sanctuary and the Extraordinary Experience Tourism Group.

Property revenues grew compared to both the first half and second half of the 2018/19 financial year and continue to grow in importance for the airport business.

HEALTH, SAFETY & RISK

Any aviation business depends on an impeccable safety record to ensure success. NAL is dedicated to ensuring our workplace is accident free and that the health of everyone in our workplace is protected. It is the duty of every NAL employee to be familiar with the company's Health and Safety policies, procedures and practices. NAL supports training in safety and encourages open and honest reporting of all safety and health hazards.

NAL requires all its employees, tenants, contractors and other stakeholders to work both individually and as a team to ensure a safe workplace. Success of the Safety Management System across our precinct will only be achieved through collaboration and open communication.

We have systems in place to ensure regular audits of the Health and Safety manuals, policies, and procedures and encourage all staff to provide input into these matters. We monitor industry activity to remain up to date on best practices and to incorporate these into our own practices where it is possible and practicable to do so.

Our measurement of success as a company will include an accident free and healthy workplace.

Safety and Security initiatives and highlights over the six months ended 31 December 2020 include:

- Monthly Safety and Security meetings with operators and tenants to discuss risks, identify hazards/mitigations and promote collaboration in safety across airport operations.
- Installation of an accelerometer in the terminal to measure any earthquake intensity and provide real time data to inform response.
- Regular contact with industry and Government to ensure a consistent approach to post-Covid-19 operations.
- Professional refresher training provided to front line staff on managing aggressive persons.
- Security audit completed by Civil Aviation Authority with no findings.
- Identification and mitigation of intrusions into protected airspace following professional survey.
- Collaboration with Port Nelson to mitigate the effects of protected airspace intrusion from new cranes.
- Commenced work to identify and purchase upgraded Airport Firefighting truck.
- Regular safety communications to all Nelson Airport operators and tenants via a quarterly newsletter.



Paul Steere
Chair
26 February 2021



Andy Wotton
Interim Chief Executive Officer
26 February 2021

SERVICE PERFORMANCE REPORT

For the Six Months Ended 31 December 2020

NAL has developed six strategic areas to improve business performance and encourage growth. These strategies are underpinned by a series of activities and key performance indicators.

The following table provides a commentary of achievement towards the targets published in the 2020/21 Statement of Intent.

STRATEGIC AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE V TARGET
Infrastructure and Planning	Commence a programme for the gradual upgrade of stormwater services and protections against sea level rise	30 June 2021	On target. An investigation relating to stormwater improvements has begun with work expected to commence in 2021/22 and accomplished over several stages. An independent study examining coastal erosion of the airport perimeter and the requirement for subsequent prevention/ remediation is set to be carried out in early 2022.
	Complete permanent rental car facilities for on-site operators	30 June 2021	Not expected to be achieved. Deferred until the 2021/22 financial year with scheduling subject to the extent of recovery following the ramifications of Covid-19. Funds have been allocated to the 2021/22 capital expenditure budget.
	Nelson Resource Management Plan (NRMP) – complete submission	31 December 2020	Airport documentation due in second tranche of NRMP. Timing deferred by Nelson City Council until July 2021 due to Covid-19.
	Complete updated Master Plan 2020-2040	31 December 2020	Completed.
People	Lost time injuries	Nil	Achieved. There have been no staff lost time injuries reported as at 31 Dec 2020.
	Undertake a staff engagement survey	30 June 2021	On target. Staff engagement survey expected to be conducted prior to year-end.
Risk and Compliance	Compliance with Civil Aviation Authority and the Airport Operator Certificate	No audit findings	Achieved.
	Compliance with audit standards	Unmodified audit opinion (for 2020/21)	Not achieved. Modified opinion for 2019/20 will feed through to 2020/21. Modification relates to the deferral in securing revaluations due to Covid-19.

STRATEGIC AREA	PERFORMANCE MEASURE	TARGET	PERFORMANCE V TARGET
Financial Results	EBITDA	\$2.6m	On target to exceed. NAL is cautiously optimistic and assuming no major Covid-19 lockdowns, current projections indicate an EBITDA of \$4.7m at year-end.
	Total revenues	\$6.7m	On target to exceed. NAL is cautiously optimistic and assuming no major Covid-19 lockdowns, current projections indicate total revenues of \$9.7m at year-end.
	Capital expenditure	\$4.0m	Concerns over the re-emergence of Covid-19 community cases has delayed budgeted capital expenditure. Several budgeted capital expenditure items have been deferred until the 2021/22 financial year. Current projections indicate total capital expenditure of \$2.9m at year-end.
	Dividends declared	Minimum \$850k	On target. NAL is projecting to achieve this target.
Customers	Implement a customer experience benchmarking plan	Plan completed and benchmark parameters set	On target. Customer experience benchmarking plan and corresponding benchmark parameters are projected to be completed by year-end with implementation of plan to be carried out in 2021/22.
	Passengers numbers	403,000	On target to exceed. NAL is cautiously optimistic and assuming no major Covid-19 lockdowns, the latest reforecast indicates total passenger numbers in the range of 550,000 – 600,000 at year-end.
	lwi engagement	Form a strategy and policy for relationship development	On target. To be completed by financial year-end.
Sustainability	Establish ongoing measurement and reporting of reduction in energy use and waste	June 2021	On target. In progress.
	A new business case completed for alternative energy source(s)	June 2021	On target. As at 31 Dec 2020, preliminary work in exploring alternative energy sources has begun.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 31 December 2020

	Note	Dec 2020 \$000s	Dec 2019 \$000s
Revenue	2	5,210	6,983
Operating costs	3	1,832	1,685
Administration expenses	3	762	846
Depreciation and Amortisation	3	1,720	1,523
		4,314	4,055
Operating Profit		896	2,928
Interest Revenue		0	4
Finance Costs	3	(268)	(184)
Net Financing Income		(268)	(180)
Gain on Sale of Fixed Assets		1	-
Investing Income		1	-
Profit before Tax		629	2,748
Income tax expense	13	152	777
Profit after Tax		477	1,971
Other Comprehensive Income		-	-
Total Comprehensive Income		477	1,971

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 31 December 2020

	Note	Dec 2020 \$000s	Dec 2019 \$000s
Opening Retained Earnings		17,468	16,433
Total Profit for the Period		477	1,971
Distributions to Equity Holders		-	(20)
Retained Earnings as at Period End		17,945	18,384
Opening Asset Revaluation Reserve		47,591	47,692
Asset Revaluation as at Period End		47,591	47,692
Share Capital		2,400	2,400
Closing Equity as at Period End		67,937	68,477

Note

The Opening Equity at 1 July 2020 was \$67,460k.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	Dec 2020 \$000s	Jun 2020 \$000s
Assets			
Current Assets			
Trade and Other Receivables	11	1,392	402
Cash and Cash Equivalents	12	167	309
Equipment Spares and Consumables		58	-
Total Current Assets		1,617	711
Non Current Assets			
Property, Plant and Equipment	5	106,548	108,051
Intangible Assets		145	157
Total Non Current Assets		106,693	108,207
Total Assets		108,310	108,918
Liabilities			
Current Liabilities			
Trade and Other Payables	14	613	1,662
Derivative Financial Liabilities	15	336	375
Current Income Tax Liability		493	563
Employee Entitlements		147	178
Interest Bearing Loans	16	18	16
Total Current Liabilities		1,608	2,794
Non Current Liabilities			
Deferred Tax	13	5,399	5,402
Derivative Financial Liabilities	15	997	1,243
Interest Bearing Loans	16	32,370	32,019
Total Non Current Liabilities		38,765	38,665
Total Liabilities		40,373	41,459
Net Assets		67,937	67,460
Equity			
Issued Share Capital		2,400	2,400
Retained Earnings		17,945	17,468
Asset Revaluation Reserve		47,591	47,591
Total Equity		67,937	67,460

For and on behalf of the Board



Paul Steere
Chair
26 February 2021



Catherine Taylor
Deputy Chair
26 February 2021

CONDENSED STATEMENT OF CASH FLOWS

For the Six Months Ended 31 December 2020

	Note	Dec 2020 \$000s	Dec 2019 \$000s
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from airport users		4,324	6,808
Interest received		0	4
		4,324	6,812
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(3,137)	(3,238)
Interest paid		(554)	(225)
Income tax paid		(225)	(806)
Net GST Movement		153	458
		(3,763)	(3,811)
Net Cash Flows from Operating Activities	4	562	3,001
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Sale of property, plant & equipment		2	0
		2	0
<i>Cash was disbursed to:</i>			
Purchase of property, plant & equipment		(205)	(7,256)
Purchase of Intangible Assets		(3)	(93)
		(207)	(7,349)
Net Cash Flow from Investing Activities		(206)	(7,348)
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Increase in term loans		1,952	5,250
		1,952	5,250
<i>Cash was disbursed to:</i>			
Dividends paid		(850)	(800)
Decrease in term loans		(1,600)	-
		(2,450)	(800)
Net Cash Flow from Financing Activities		(498)	4,450
Net increase/(decrease) in cash and cash equivalents		(142)	103
Opening cash and cash equivalents		309	541
Closing cash and cash equivalents		167	643

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the Six Months Ended 31 December 2020

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Nelson Airport Limited is an Airport Company pursuant to Section 3 of the Airport Authorities Act 1996 and is a Council Controlled Trading Organisation under Section 6 of the Local Government Act 2002. Nelson Airport Limited is registered under the Companies Act 1993.

Nelson Airport Limited operates and manages the Nelson Regional Airport. The major activities are the provision of facilities for aircraft landing and servicing, the airline processing of passengers and freight to and from the aircraft.

Nelson Airport Limited is jointly controlled by both Tasman District Council (50%) and Nelson City Council (50%). Neither of these entities has the ultimate control over Nelson Airport Limited.

The unaudited interim financial statements for Nelson Airport Limited are for the six months ended 31 December 2020.

BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand as required by the Companies Act 1993, Financial Reporting Act 1993 and financial reporting standards adopted by Chartered Accountants Australia and New Zealand.

The interim financial statements are presented in New Zealand dollars. The interim financial statements are prepared on an historical cost basis with the exception of property, plant and equipment which is measured at fair value.

- The unaudited interim financial statements have been prepared in accordance with the New Zealand Equivalents to International Accounting Standard No. 34 (Interim Financial Reporting) and should be read in conjunction with the previous annual report.
- There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the previous annual report. To ensure consistency with the current period, comparative figures have been restated where appropriate.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in New Zealand dollars and all values are rounded to the nearest thousand dollars. This may result in some rounding calculation differences in financial statements and notes. The functional currency of Nelson Airport Limited is New Zealand dollars (NZ\$).

2. REVENUE

	Dec 2020 \$000s	Dec 2019 \$000s
Contract Revenue		
Aeronautical Charges	2,517	3,775
Ground Transport Revenues	873	794
Advertising Revenue	63	108
Property Revenues	8	-
Sundry Income	1	1
Total Contract Revenue	3,462	4,678
Other Revenue		
Aeronautical Charges	7	105
Ground Transport Revenues	348	1,097
Retail Revenue	159	155
Property Revenues	1,138	948
Wage Subsidy	96	-
Total Other Revenue	1,748	2,305
Total Revenue	5,210	6,983

3. EXPENSES

a) Operating Costs

	Dec 2020 \$000s	Dec 2019 \$000s
Employee Entitlements	1,003	768
Other Operating Expenses	828	913
Loss on Disposal of Assets	2	4
	1,832	1,685

b) Administration Costs

	Dec 2020 \$000s	Dec 2019 \$000s
Auditors Remuneration	27	18
Auditors Remuneration - Disclosure Accounts	-	15
Directors' Fees	73	73
Insurance & Rates	370	413
Other Administration Expenses	292	328
	762	846

c) Depreciation and Amortisation

	Dec 2020 \$000s	Dec 2019 \$000s
Depreciation	1,697	1,511
Depreciation - Right of Use Assets	8	-
Amortisation of Intangible Assets	15	13
	1,720	1,523

d) Finance Costs

	Dec 2020 \$000s	Dec 2019 \$000s
Interest Expense	551	225
Interest Expense - Lease Liabilities	2	-
Movement in Unhedged Derivative Financial Liability	(286)	(40)
	268	184

4. RECONCILIATION OF COMPREHENSIVE INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Dec 2020 \$000s	Dec 2019 \$000s
Net Profit for the Year	477	1,971
Add/(less) non cash and non operating items:		
(Gain)/Loss on Disposal of assets	1	4
Depreciation and Amortisation	1,720	1,523
Movement in deferred taxation	(3)	80
Movement in derivative financial instrument	(286)	(40)
Movement in working capital:		
(Increase)/Decrease in receivables	(1,048)	(198)
Increase/(Decrease) in current tax payable	(70)	(109)
Increase/(Decrease) in payables	(229)	(231)
Net cash flows from operating activities	562	3,001

5. PROPERTY, PLANT & EQUIPMENT

31 December 2020	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation								
Balance as at 1 July 2020	32,652	47,304	19,592	13,554	518	268	807	114,695
Reclassification	-	-	-	21	-	42	(63)	-
Additions	-	38	-	6	11	33	116	205
Disposals	-	-	-	-	(8)	(5)	-	(13)
Balance at 31 December 2020	32,652	47,342	19,592	13,581	521	338	860	114,887
Accumulated Depreciation and Impairment Losses								
Balance as at 1 July 2020	-	2,573	1,823	1,862	301	86	-	6,644
Depreciation	-	908	479	267	33	18	-	1,705
Disposals	-	-	-	-	(6)	(5)	-	(10)
Balance at 31 December 2020	-	3,481	2,302	2,128	328	100	-	8,339
Net Book Value at 31 December 2020	32,652	43,861	17,291	11,453	194	238	860	106,548

31 December 2019	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation								
Balance as at 1 July 2019	32,652	30,528	19,571	12,359	364	239	11,002	106,714
Reclassification	-	15,880	9	1,706	48	29	(17,765)	(93)
Additions	-	6	12	13	35	3	7,119	7,188
Disposals	-	-	-	-	(2)	(10)	-	(12)
Balance at 31 December 2019	32,652	46,414	19,593	14,078	444	261	356	113,797
Accumulated Depreciation and Impairment Losses								
Balance as at 1 July 2019	-	934	865	1,578	229	79	-	3,685
Depreciation	-	730	479	264	24	12	-	1,511
Disposals	-	-	-	-	(2)	(6)	-	(8)
Balance at 31 December 2019	-	1,665	1,344	1,842	252	85	-	5,188
Net Book Value at 31 December 2019	32,652	44,749	18,249	12,235	193	176	356	108,609

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

VALUATION

Residential land was last valued as at 30 June 2018 by Duke & Cooke in accordance with the 2009 Australia and New Zealand Valuation Property Standards and the 2017 International Valuation Standards (fair value \$1,432,000).

Leasehold aerodrome land, upon which the airport is situated, was vested by the Crown to be held in trust by Nelson City Council. Nelson Airport Limited has a renewable 60-year lease over this land at a peppercorn rental.

The leasehold interest in airport land was last valued as at 30 June 2018 by Seagar & Partners (Auckland) Limited in accordance with the 2017 International Valuation Standards (fair value \$31,220,000).

As identified in the 2020 Annual Report, a fair value assessment as at 30 June 2020 had not been completed for the land and improvements asset class. Nelson Airport Limited consulted with professional advisors, who recommended the company roll over its asset values at current book values and to undertake a revaluation in 2021. This was because the Covid-19 pandemic had created a high degree of uncertainty in the property market, in terms of building costs, rentals, property yields and general market conditions. Nelson Airport Limited intends to carry out a fair value assessment for the land and improvements asset class prior to year-end and will subsequently be represented in the 2021 Annual Report.

All buildings (with the exception of Airport House, which was purchased during the June 2018 year) were last valued as at 30 June 2018 by Duke & Cooke Limited in accordance with the 2009 Australia and New Zealand Valuation Property Standards and the 2017 International Valuation Standards (fair value \$6,430,000).

Airfield infrastructure was last valued as at 30 June 2018 by Opus International Consultants Limited in accordance with the 2017 International Valuation Standards (fair value \$16,190,000).

Landside infrastructure was last valued as at 30 June 2015 by Opus International Consultants Limited in accordance with the 2017 International Valuation Standards (fair value \$4,228,000). Additions to landside infrastructure since 2015, including the relevant components of the terminal redevelopment, have been included at cost.

An updated independent valuation was scheduled for year-end 2020. Once the Covid-19 lockdown occurred in the final quarter of 2019/20 the Board considered that Nelson Airport Limited was unable to obtain a reliable valuation as at 30 June 2020. The Board's decision not to obtain a revaluation for landside infrastructure at 30 June 2020 was supported by management and left a \$3.1m portion of the carrying value of landside infrastructure outside of the five-year revaluation cycle and therefore outside Nelson Airport Limited's policy on revaluations. After consultation with professional advisors, Nelson Airport Limited was able to conclude that the fair value of landside infrastructure was not materially different from its carrying value.

6. TRANSACTIONS WITH RELATED PARTIES

TRANSACTIONS WITH SHAREHOLDERS

The Company is jointly owned by Nelson City Council (NCC) (50%) and Tasman District Council (TDC) (50%).

The Company paid rates and maintenance costs to NCC amounting to \$275,186 (2019: \$259,680) and the balance included as owing in trade payables as at 31 December 2020 is \$17,731 (2019: \$22,532).

The Company is liable to pay a peppercorn rent to the Nelson City Council in respect of aerodrome reserve land.

TRANSACTIONS WITH ENTITIES OWNED BY SHAREHOLDERS

Nelmac Limited is a 100% subsidiary of Nelson City Council. Nelson Airport Limited paid grounds maintenance and other fees to Nelmac Limited amounting to \$89,542 (2019: \$8,478) and the balance included as owing in trade payables as at 31 December 2020 was \$8,078 (2019: \$8,030).

TRANSACTIONS WITH ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL

During the period, Nelson Airport Limited paid \$518 (2019: \$nil) to Scott Family Winemakers Ltd, of which Paul Steere is Chairman.

Nelson Airport Limited has at 31 December 2020, \$1,677 (2019: \$nil) included in trade receivables as owed by New Zealand King Salmon Co Ltd, of which Paul Steere is a Director.

With the exception of a peppercorn rent in relation to the aerodrome land all related party transactions are at arms-length and were charged on normal terms and conditions and outstanding accounts are payable on normal trading terms. No related debts have been written off or provided for as doubtful. All related party balances are unsecured.

7. DISTRIBUTIONS TO SHAREHOLDERS

No interim dividend has been declared for the period ending 31 December 2020. The final dividend for the 2019/20 financial year was paid to Shareholders on 10 July 2020.

8. CONTINGENCIES

There are no material contingent liabilities as at 31 December 2020.

9. SUBSEQUENT EVENTS

As at 1 January 2021, Air New Zealand has permanently relocated its regional heavy maintenance from Nelson Airport.

In connection with the above, on 1 January 2021, Nelson Airport Limited acquired property and airside infrastructure from Air New Zealand, with Nelson Airport Limited subsequently realising a gain on acquisition of fixed assets of \$2.49m. A full independent valuation on the assets will be carried out prior to year-end. In addition, Air New Zealand and Nelson Airport Limited agreed on a cash settlement to surrender lease agreements in relation to the associated property and ground revenue. Nelson Airport Limited are confident that due to ongoing demand for commercial property and the growth in the aviation sector, a replacement tenant(s) will be established by year-end.

Mark Greening's tenure as Director ended on 10 January 2021. Replacement Director, Quinton Hall, was officially appointed on 12 February 2021.

10. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2020.

11. TRADE AND OTHER RECEIVABLES

	Dec 2020 \$000s	Jun 2020 \$000s
Trade Receivables - Contract Revenue	753	284
Trade Receivables - Other Revenue	103	103
Less: Provision for Impairment	-	(5)
Accrued Debtors	0	1
Prepayments	211	20
Other Receivables	325	-
	1,392	402

12. CASH AND CASH EQUIVALENTS

	Dec 2019 \$000s	Jun 2020 \$000s
Cash on Hand	9	9
Bank Balance	158	300
	167	309

13. INCOME TAX

Components of Income Tax Expense

	Dec 2020 6 months \$000s	Dec 2019 6 months \$000s
Current Tax Expense	180	788
Prior Years Tax Under/ (Over) Provided	(24)	(91)
Deferred Tax Expense	(3)	80
	152	777

Relationship between Tax Expense and Accounting Profit

	Dec 2020 6 months \$000s	Dec 2019 6 months \$000s
Operating Profit Before Taxation	629	2,748
Prima Facie Tax @ 28%	176	770
Adjustment for Timing & Taxation Differences	3	17
Adjustment for Permanent Differences	0	1
Prior Years Tax Under (Over) Provided	(24)	(91)
Adjustments for Deferred Tax	93	7
Adjustments for Deferred Tax - Property, Plant & Equipment	(97)	73
Income Tax Expense	152	777

Deferred Tax

	Dec 2020 6 months \$000s	Dec 2019 6 months \$000s
Property, Plant and Equipment		
Opening Balance	(5,893)	(6,045)
Charged to Profit & Loss	97	(73)
Closing Balance	(5,796)	(6,118)
Employee Entitlements		
Opening Balance	31	26
Charged to Profit & Loss	(9)	4
Closing Balance	22	30
Derivative Financial Liability		
Opening Balance	453	318
Charged to Profit & Loss	(80)	(11)
Closing Balance	373	307
Other Provisions		
Opening Balance	7	2
Charged to Profit & Loss	(4)	0
Closing Balance	3	2
Total	(5,399)	(5,779)

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

14. TRADE AND OTHER PAYABLES

	Dec 2020 \$000s	Jun 2020 \$000s
Trade Payables	299	550
Trade Payables (Related Parties)	26	27
Dividends Payable	-	850
Accruals	48	139
GST Liability	205	52
Lease Income in Advance	35	44
	613	1,662

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 2020 \$000s	Jun 2020 \$000s
Derivative Financial Liabilities		
Interest Rate Swaps		
Current Portion	336	375
Non-Current Portion	997	1,243
	1,332	1,618

Nelson Airport Limited uses derivative instruments to hedge exposure to interest rate risks arising from financing activities. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

16. INTEREST BEARING LOANS

	Dec 2020 \$000s	Jun 2020 \$000s
Repayable as follows:		
Less Than 1 Year	-	-
Between 1 and 5 Years	32,360	32,000
Finance Lease Liabilities:		
Less Than 1 Year	18	16
Between 1 and 5 Years	10	19
	28	36

Nelson Airport Limited arranged for a line of credit with Westpac to finance the business during, and post, the construction of the recently completed new terminal. This loan is secured by a general security agreement over assets and undertakings of Nelson Airport Limited. The total line of credit with Westpac is \$40 million, to be made available and drawn down when required.

The interest rate applying at balance date to the loan was 1.95%. (2019: 2.70%).

17. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the board of directors on 26 February 2021.

COMPANY DIRECTORY

Directors

Paul Steere — Chair

Catherine Taylor — Deputy Chair

Matthew Clarke

Matthew McDonald

Mark Greening

Registered Office

Nelson Airport Management Offices

Trent Drive, Nelson 7011

Telephone 03-547-3199

Email office@nelsonairport.co.nz

Chief Executive

Andy Wotton - Interim Chief Executive

Senior Leadership Team

Sally Russ — Airline Partnerships and Landside Operations

Simon Orr — Corporate Services Manager

Simon Barr - Commercial Manager

James Middlewick - Compliance Manager

Auditor

Audit New Zealand on behalf of the Auditor-General

Accountant

Johnston Associates Chartered Accountants

Banker

Westpac Banking Corporation

Lawyer

Ford Sumner Lawyers