

**dunedin**  
AIRPORT



**INTERIM REPORT  
6 MONTHS ENDED  
31 DECEMBER 2021**

## STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months to 31 December 2021	Budget 6 months to 31 December 2021	Unaudited 6 months to 31 December 2020	Audited 12 months to 30 June 2021	Budget 12 months to 30 June 2022
Operating Revenue	5,930,142	7,670,453	6,437,009	14,684,000	15,224,023
Interest Received	2,053	3,000	293	1,000	6,000
Bad Debts Recovered	-	840	-	-	1,680
Gain/(Loss) On Investment	(183,518)	-	153,082	3,000	-
Depreciation Recovered	-	-	-	-	-
Dividend Received	35,528	12,500	12,820	25,000	25,000
<b>Total Revenue</b>	<b>5,784,205</b>	<b>7,686,793</b>	<b>6,603,204</b>	<b>14,713,000</b>	<b>15,256,703</b>
Audit Fee	29,868	30,498	49,832	67,000	60,996
Directors Fee	58,614	58,416	38,502	90,000	116,832
Interest Paid	235,513	349,686	258,775	496,000	709,820
Ineffective hedges	-	-	-	-	-
Wages and Salaries	1,341,051	1,244,256	1,364,993	2,667,000	2,488,512
Depreciation	1,823,781	1,813,509	2,059,123	3,907,000	3,690,460
Operating Exp	2,059,901	2,691,786	1,814,998	4,498,000	5,300,618
Loss On Disposal	4,987	-	-	-	-
<b>Total Expenses</b>	<b>5,553,715</b>	<b>6,188,151</b>	<b>5,586,224</b>	<b>11,725,000</b>	<b>12,367,238</b>
Operating Surplus /(Deficit)					
Before Income Tax	230,489	1,498,642	1,016,980	2,988,000	2,889,465
Income Tax	120,962	524,530	426,199	889,000	1,011,319
Tax Prior Year Adjustment	-	-	-	15,000	-
<b>Operating Suplus/Deficit</b>	<b>109,527</b>	<b>974,112</b>	<b>590,781</b>	<b>2,084,000</b>	<b>1,878,146</b>
<b>Other Comprehensive Income</b>					
Ineffective Hedges Amortised to Expense	-	-	-	-	-
Cash Flow Hedges Gain/(Loss)	119,573	-	250,665	251,000	-
Revaluation of Property, Plant & Equipment	-	-	-	-	-
Income Tax on Items of Other Comprehensive Income	(33,425)	-	(70,186)	(70,000)	-
<b>Total Comprehensive Income/(Deficit)</b>	<b>195,675</b>	<b>974,112</b>	<b>771,260</b>	<b>2,265,000</b>	<b>1,878,146</b>
<b>Statement of Movements in Equity</b>					
Equity at Beginning of Year	71,470,173	71,013,404	69,206,682	69,193,000	71,013,404
Comprehensive Income/(Deficit)	195,675	974,112	771,260	2,265,000	1,878,146
Less Dividends Paid	624,000	-	-	-	-
<b>Closing Equity</b>	<b>71,041,848</b>	<b>71,987,516</b>	<b>69,977,942</b>	<b>71,458,000</b>	<b>72,891,550</b>

# STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months to 31 December 2021	Budget 6 months to 31 December 2021	Audited 12 months to 30 June 2021	Budget 12 months to 30 June 2022
<b>Shareholders Equity</b>				
Share Capital	8,800,000	8,800,000	8,800,000	8,800,000
Hedge Reserves	(58,114)	(144,062)	(145,000)	(144,062)
Property Reserves	38,312,987	38,312,987	38,319,000	38,312,987
Reserves	24,501,448	24,044,479	22,400,000	24,044,479
Current Surplus/Profit	109,527	974,112	2,084,000	1,878,146
Final Dividend	(624,000)	-	-	-
	<b>71,041,849</b>	<b>71,987,516</b>	<b>71,458,000</b>	<b>72,891,550</b>
<b>Current Liabilities</b>				
Payables and Accruals	1,004,042	1,151,061	1,497,000	2,032,527
Short Term Advance	1,000,000	-	1,000,000	-
Provision for Taxations	(40,942)	203,787	504,000	353,659
	<b>1,963,100</b>	<b>1,354,848</b>	<b>3,001,000</b>	<b>2,386,186</b>
<b>Non Current Liabilities</b>				
Term Loans	14,750,000	16,250,000	14,750,000	18,650,000
Interest rate term derivatives	80,714	330,000	200,000	330,000
Deferred Taxations	12,943,762	13,244,202	13,208,000	12,959,578
	<b>27,774,476</b>	<b>29,824,202</b>	<b>28,158,000</b>	<b>31,939,578</b>
<b>Total Equity &amp; Liabilities</b>	<b>100,779,424</b>	<b>103,166,565</b>	<b>102,617,000</b>	<b>107,217,314</b>
Represented by				
<b>Current Assets</b>				
Cash On Hand	6,200	6,400	6,000	6,400
Cash and Cash Equivalents	1,900,481	540,285	1,775,000	864,070
Receivables and Prepayments	1,341,043	1,590,110	1,553,000	1,370,022
Provision for Doubtful Debts	(209,532)	(50,000)	(170,000)	(50,000)
Stock on Hand Momona	30,855	32,000	49,000	32,000
	<b>3,069,047</b>	<b>2,118,795</b>	<b>3,213,000</b>	<b>2,222,492</b>
<b>Non Current Assets</b>				
Fixed Assets	96,823,575	99,778,782	98,324,000	103,801,822
Investments	728,916	1,000,000	912,000	1,000,000
Deferred Tax Asset	157,886	269,000	168,000	193,000
Interest Rate Hedge Derivative	-	-	-	-
	<b>97,710,377</b>	<b>101,047,782</b>	<b>99,404,000</b>	<b>104,994,822</b>
<b>Total Assets</b>	<b>100,779,424</b>	<b>103,166,576</b>	<b>102,617,000</b>	<b>107,217,314</b>
<b>Equity Ratio (Equity over Total Assets)</b>	<b>70.49%</b>	<b>69.78%</b>	<b>69.64%</b>	<b>67.98%</b>
<b>Debt to Equity Ratio (Liabilities over Equity)</b>	<b>41.86%</b>	<b>43.31%</b>	<b>43.60%</b>	<b>47.09%</b>

## STATEMENT OF CASHFLOWS

	Unaudited 6 months to 31 December 2021	Unaudited 6 months to 31 December 2020
<b>Cash Flows from Operating Activities</b>		
Cash was provided from:		
Receipts from Customers	(6,142)	(6,173)
Interest Received	(2)	-
Dividends Received	(36)	(13)
Cash was applied to:		
Payments to Suppliers	2,459	2,332
Payments to Employees	1,426	1,440
Interest Paid	236	259
Taxation Paid/(Refund)	952	446
<b>Net Cash Flows from Operating Activities</b>	<b>1,107</b>	<b>1,709</b>
<b>Cash Flows from Investing Activities</b>		
Cash was provided from:		
Sale of Assets	-	-
Cash was applied to:		
Purchase of Shares	-	-
Purchase of Fixed Assets	358	1,101
<b>Net Cash Flows from Investing Activities</b>	<b>(358)</b>	<b>(1,101)</b>
<b>Cash Flows from Financing Activities</b>		
Dividend Paid	624	-
Net Loan Facilities (Drawdown)/Repaid	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>(624)</b>	<b>-</b>
Net Increase/(Decrease) in Cash Held	125	608
Plus Opening Cash Brought Forward	1,781	975
<b>Closing Cash Held</b>	<b>1,906</b>	<b>1,583</b>

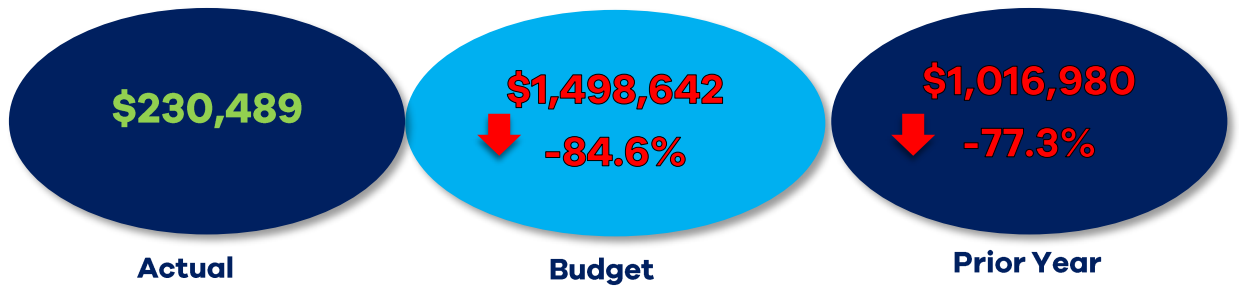


## RECONCILIATION OF NET SURPLUS AFTER TAXATION TO CASH FLOWS FROM OPERATING REVENUE

	Unaudited 6 months to 31 December 2021	Unaudited 6 months to 30 December 2020
<b>Operating Surplus after Taxation</b>	108	894
<i>Items not involving Cashflows</i>		
(Increase)/Decrease in value of investments	184	(153)
Depreciation	1,824	1,755
Increase/(Decrease) in Deferred Tax	(287)	(202)
Loss/(Gain) on disposal of fixed asset	5	-
WIP written off	-	-
<i>Impact of changes in working capital items</i>		
Increase/(Decrease) in payables and accruals	(481)	(1,019)
(Increase)/Decrease in receivables and provision for doubtful debts	167	(207)
(Increase)/Decrease in prepayments	85	(73)
Increase/(Decrease) in tax payable	(545)	182
(Increase)/Decrease in stock	18	(10)
Movements in working capital items classified as investing	28	541
<b>Net Cash Flows from Operating Activities</b>	<b>1,106</b>	<b>1,708</b>

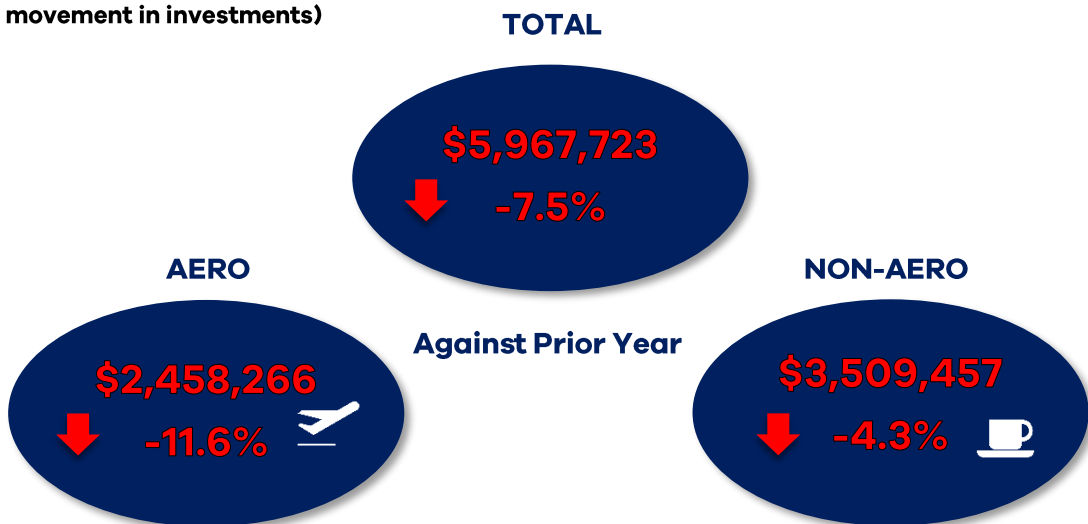


## Surplus before Tax (unaudited)

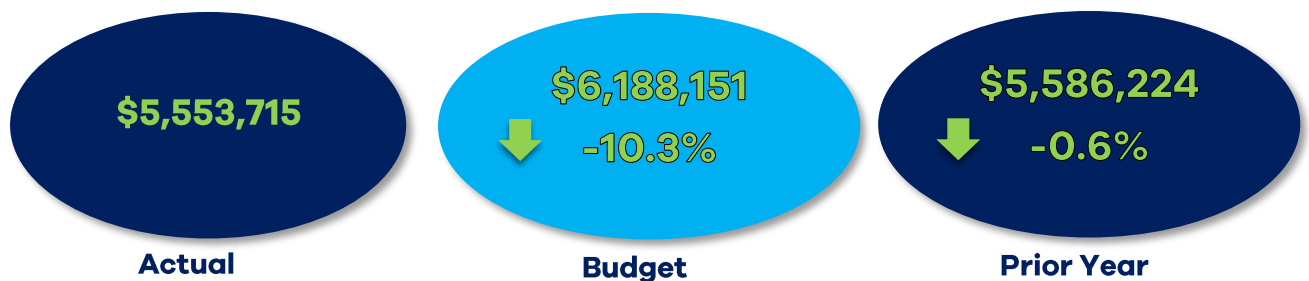


## Revenue

(excl. FV movement in investments)



## Expenditure



# Revenue

## Aeronautical Revenue

Total passengers for the six months to 31 December 2021 were down 15.6% (51,919 passengers) against the prior year comparative. This however is comparing two Covid-19 impacted periods to one another. Against the 2020 financial year, which was not impacted by Covid-19 in the six months to December 2019, passengers are down 47.8% (125,014 passengers).

The decrease in passengers had a direct correlation to our aeronautical revenue which, for the six months to 31 December 2021, was 11.6% (\$323,552) down against the prior year.

The decrease in passenger numbers is offset by a higher per passenger charge than that generated in the prior year. This was primarily due to increased landing charges associated with the Terminal Expansion Project (TXP).

## Non-Aeronautical Revenue

At \$3,509,457 non-aeronautical revenue is 4.3% (\$158,846) down against the prior year.

The decrease in non-aeronautical revenue against the prior year is a function of:

- A \$60,131 (5.8%) decrease in carpark revenue. This decrease is a function of:
  - 1) the decrease in passenger numbers, offset by,
  - 2) an increase in the average length of stay of customers utilising the carpark.
- A \$32,337 (7.3%) decrease in garage revenue. This decrease is a function of:
  - 1) the decrease in fuel volume sold of 25.8%, offset by,
  - 2) increasing fuel prices. Our blended (average across all fuel grades) fuel price per litre continues to increase, from \$1.56 per litre for YTD December 2020, to \$1.94 per litre for YTD December 2021.
- A \$116,297 decrease in Administration Revenue due to the Covid-19 wage subsidies received in the prior year.
- Rental revenue from our airport and terminal tenancies is \$69,734 (4.8%) down over the prior year following rental relief granted to tenants and decreasing percentage of revenue based rental mirroring the decrease in passenger numbers.

These decreases are offset by a \$88,828 (27.5%) increase in our airport owned dairy farm milk sales revenue. While a wet start to the season sees milk production volume marginally (0.5%) below the prior year, an increase in the Fonterra Farm Gate Milk Price of \$1.16 per KgMs has resulted in increased revenue.

## Expenditure

Total expenditure is 0.6% (\$32,508) down against the prior year.

Depreciation is \$235,342 down against the prior year. In December 2020 a manual adjustment was made to depreciation to recognise the previously un-booked depreciation on the TXP following its commissioning in March 2020. As such, depreciation in the month of December 2020 includes an adjustment relation to the previous 9 months. This variance will be eroded in subsequent months.

Rental house repairs are \$56,600 below the prior year. This is a result of the timing on tenant vacancies as significant repair and maintenance work is completed in vacant properties.

Offsetting these decreases are:

Consultants' fees are \$58,800 up against the prior year. This is a result of increased engagement with sustainability consultants as part of our carbon emission and waste reduction strategy, the completion of a hedging and treasury policy review, and the use of third-party consultants to manage key infrastructure projects.

Legal fees are \$21,950 above the prior year. This is due to increased representation associated with the proposed Smooth Hill landfill, and employment advice associated with potential vaccination mandate risk analysis.

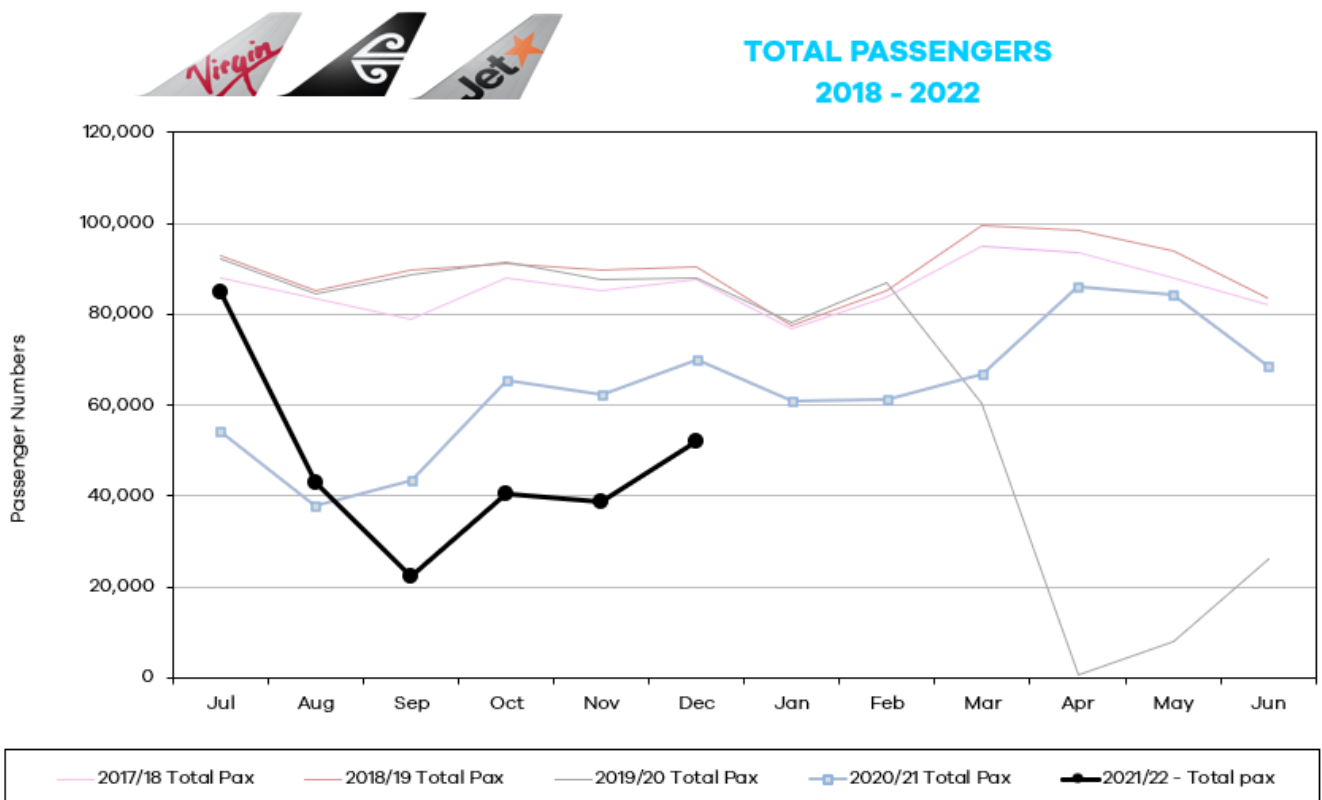
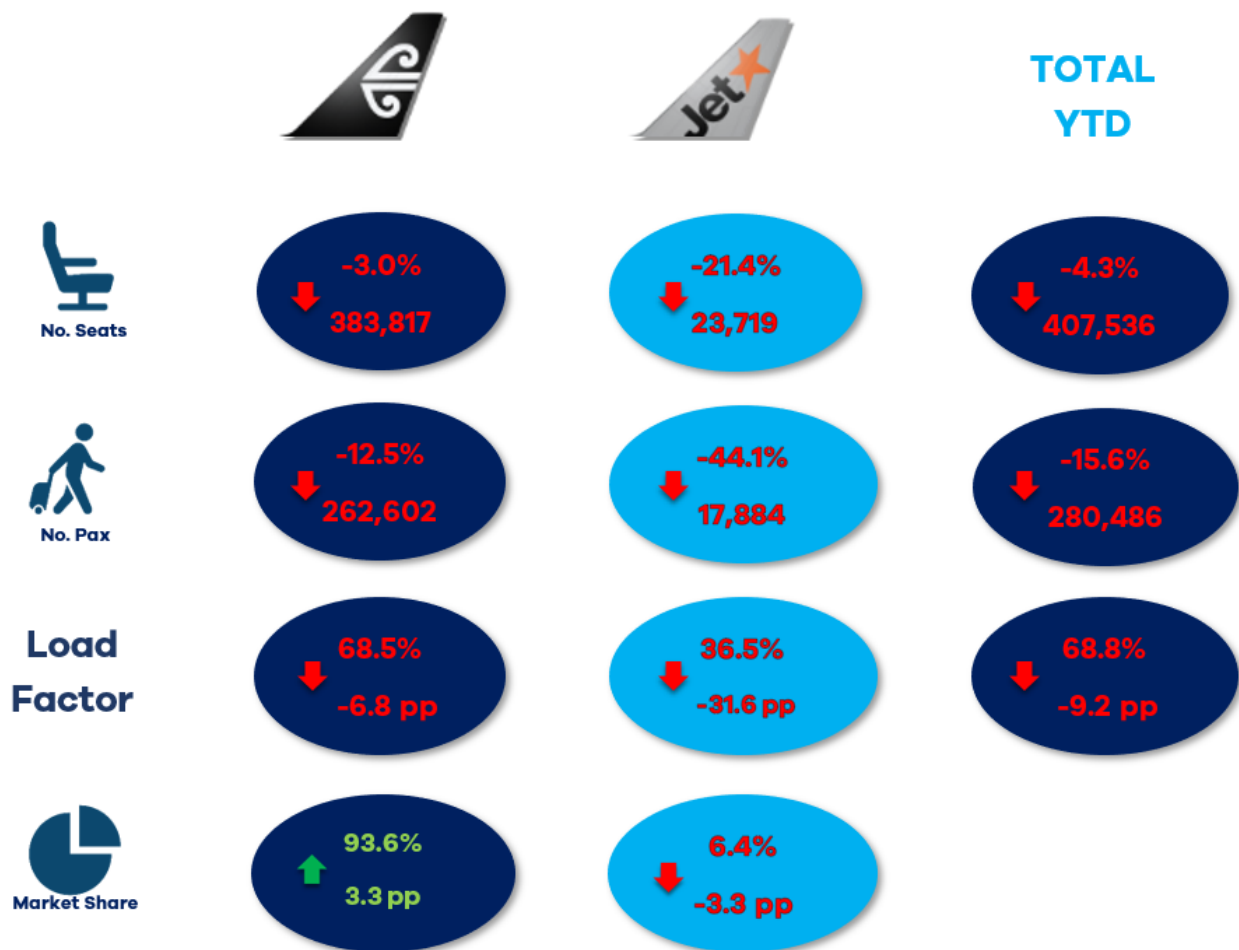
Our provision for Doubtful Expense is \$66,520 up against the prior period to date as we (conservatively) provide for aged receivables.

Airport Emergency Services general expenses are up \$36,400 over the prior year due to the timing of invoicing associated with the fire appliance PFOS cleaning.

Director fees are \$20,100 up against the prior year following fees increase resolutions passed by shareholders.

*All other expenditure variances against budget are immaterial in nature and represent timing slides between actual spend and budget.*





## GOVERNMENT & REGULATORY

The DCC have applied for a resource consent to the ORC for a landfill site in the vicinity of the airport. We are actively involved in the process. The consent has been publicly notified.

The company will continue to be actively involved in the implementation of all new Levies imposed relating to tourism through our involvement with the NZAA.

We were involved with all other airports in submissions to the recent consultation by Airways NZ on a new pricing framework. Most submissions raised concerns around the proposals and were generally requesting that the MoT review the service provisions of Airways across the network in NZ. The framework has now been withdrawn and a review will be carried out by the MoT.

The Company continues to monitor Clutha District Council's activity on its District Plan including protection of take-off and landing fans.

We still await the outcomes of the DCC review of the District Plan (2GDP).  
We have submitted on a few issues.

### CIVIL AVIATION AMENDMENT BILL



The Civil Aviation Bill was released on 8<sup>th</sup> September 2021. The Bill will replace the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single new statute that includes several proposals to improve the safety, security and efficiency of New Zealand's civil aviation system.

The work on the Bill by NZAA is now complete and the general outcome is that there are no real game changers for airports but just a few things that need some tweaking and clarification.