
HALF YEAR REPORT

MARLBOROUGH AIRPORT LIMITED

31 December 2020



Report on activities

Financial performance (unaudited)

	Notes	for the Half Year ended 31 December 2020		
		Actual \$ '000	Budget \$ '000	Variance \$ '000
Income				
Aeronautical		874	1,041	(167)
Non-aeronautical		453	463	(10)
Investment property rental income		22	22	-
Total income	(a)	1,349	1,526	(177)
Expenses				
Operations and maintenance				
Aeronautical		975	1,017	(42)
Non-aeronautical		513	626	(113)
Other expenditure				
Depreciation, impairment & amortisation expense		367	362	5
Employment expenses		166	165	1
Finance costs		41	66	(25)
Bank charges		4	4	-
Loss / (gain) on financial derivatives		(37)	-	(37)
Total expenses	(b)	2,029	2,239	(210)
Profit/(loss) before income tax expense		(680)	(713)	33
Less tax expense/(benefit)		(67)	(107)	40
Net profit/(loss) after taxation	(c)	(613)	(606)	(7)

Variation on budget figures

- Total revenue was down by approximately 12% due mainly to fluctuations in COVID-19 Alert Levels during the period. This had a negative impact on aeronautical income but had less impact on non-aeronautical sources of income, which were close to budget. Passenger numbers are expected to be at or above budget for the remainder of the financial year.
- Expenditure was under budget by approximately 9% during the period. Cost reductions were realised in many areas including airside repairs and maintenance. This was achieved without deferring maintenance. Finance costs were also down due to lower than expected interest rates but also delays to the planned car park expansion. This is now not expected to proceed before the last quarter of the financial year.
- The overall impact of reduced revenue but also lower expenditure is that the Net Profit after Tax (NPAT) for the period was only marginally higher than the budgeted deficit. A similar budget deficit is forecast for the end of the financial year.

Income Statement (unaudited)
for the Half year ended 31 December 2020

	2020	2019
	\$ '000	\$ '000
Revenue from contracts and operations	1,349	1,894
Other income	-	3
Derivatives (non-cash)	37	21
Operations and maintenance	(1,654)	(1,397)
Finance costs	(45)	(66)
Depreciation, impairment and amortisation	(367)	(340)
Profit/(loss) before income tax expense	(680)	115
Income tax expense/(benefit)	(67)	47
Total profit/(loss) for the year after tax	(613)	68

Statement of Comprehensive Income (unaudited)
for the Half year ended 31 December 2020

	2020	2019
	\$ '000	\$ '000
Total profit/(loss) for the year after tax	(613)	68
Comprehensive income, net of tax		
Items that will not be classified to profit or loss:		
Gain on revaluation of property, plant and equipment	-	-
Income tax relating to revaluation of property, plant and equipment	-	-
Total comprehensive income attributable to equity holders	(613)	68

Statement of Changes in Equity (unaudited)
for the Half year ended 31 December 2020

	2020	2019
	\$ '000	\$ '000
Balance at beginning of the year	3,810	3,415
Total comprehensive income for the year, net of tax	(613)	68
Balance at end of the year	3,197	3,483

Statement of Financial Position (unaudited) for the Half year ended 31 December 2020

	2020	2019
	\$ '000	\$ '000
Current assets		
Cash and cash equivalents	768	851
Trade and other receivables	298	473
Current tax assets	20	84
Total current assets	1,086	1,408
Non-current assets		
Property, plant and equipment	8,459	7,909
Right of use asset	811	861
Investment property	480	480
Deferred tax assets	193	220
Intangible assets	3	22
Total non-current assets	9,946	9,492
Total assets	11,032	10,900
Current liabilities		
Trade and other payables	475	726
Lease liability	29	30
Current tax liability	-	122
Derivative financial instruments	7	6
Total current liabilities	511	884
Non-current liabilities		
Derivative financial instruments	(2)	40
Provisions	3,490	3,020
Borrowings	3,035	2,635
Lease liability	801	838
Total non-current liabilities	7,324	6,533
Total liabilities	7,835	7,417
Net assets	3,197	3,483
Equity		
Share capital and other equity instruments	1,171	1,171
Asset revaluation reserve	2,120	1,456
Retained earnings	(94)	856
Total equity	3,197	3,483

Cash flow Statement (unaudited) for the Half year ended 31 December 2020

	2020	2019
	\$ '000	\$ '000
Cash flow from operating activities		
Receipts from customers	1,246	1,730
Payments to suppliers and employees	(1,836)	(718)
Interest and other costs of finance paid	(25)	(49)
Income tax paid (net of refunds)	135	(175)
Subvention payment	(112)	-
Net cash provided by operating activities	(592)	788
Cash flow from investing activities		
Payments for property, plant and equipment	(169)	(96)
Payments for intangibles	1	1
Interest received	-	3
Net cash used in investing activities	(168)	(92)
Cash flow from financing activities		
Repayment of lease liability	(30)	(30)
Repayment of related party borrowings	1,000	(165)
Net cash provided by financing activities	970	(195)
Net increase in cash and cash equivalents	210	501
Cash and cash equivalents at the beginning of the financial year	558	350
Cash and cash equivalents at the end of the financial year	768	851

key performance measures					
For the six months ended 31-12-2020					
	% change	Dec-20	% change	Dec-19	Dec-18
Revenue	-28%	\$1,385,398	36%	\$1,917,310	\$ 1,409,791
*EBITDAF	-161.6%	-\$ 306,244	9.9%	\$ 496,827	\$ 452,084
Passenger numbers	-34.3%	104,848	2.0%	159,478	156,396
*Landside Revenue per passenger	34.8%	\$ 3.68	1.4%	\$ 2.73	\$ 2.70

* Landside revenue excludes aeronautical, investment property and financial revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2020

1. Company information

The Financial Statements comprise the activities of Marlborough Airport Limited (MAL) for the Half Year ended 31 December 2020.

MAL is an Airport Company pursuant to Section 3 of the Airport Authorities Act 1966 and is a Council Controlled Organisation (CCO) under section 6 of the Local Government Act 2002 being a wholly owned subsidiary of MDC Holdings Limited.

MDC Holdings Limited is a 100% owned subsidiary company of Marlborough District Council.

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act and the Companies Act 1993 and the Local Government Act 2002.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZIFRS) NZIAS 34 Interim Financial Reporting.

The unaudited financial statements for the six months to 31 December 2020 have been prepared in accordance with the same Accounting Policies as stated in the financial statements for the year ended 30 June 2020.

The financial statements were authorised for issue by the Directors on 26 February 2021.

3. New Standards adopted

No new standards have been adopted.

4. Significant events and transactions

There have been no significant events, transactions or changes in estimates since the last annual report.

5. Capital commitments

MAL has no capital commitments as at 31 December 2020, (June 2020: Nil).

6. Contingent assets and liabilities

MAL has no contingent assets or liabilities as at 31 December 2020, (June 2020: Nil).

7. Events after the reporting period

At the time of preparation of these Financial Statements there were no post balance date events requiring disclosure (June 2020: Nil).

Company Directory

Directors

R W Olliver (Chairman)
J C Leggett
M A Peters
M S Wheeler
A M Barton
D D Oddie
M B J Kerr (appointed 10 December 2020)

Registered Office

Marlborough District Council
15 Seymour Street
Blenheim

Company Number

517274

CEO

Dean Heiford
Marlborough District Council
Telephone (03) 520 7400

Auditor

Nicole Dring of Deloitte Limited on behalf of the Office of the Auditor General

Banker

Bank of New Zealand
Market Street
Blenheim
Telephone (03) 577 2712

Solicitors

Ford Sumner Lawyers
Level 7 Midland Chambers
45 Johnston Street
Wellington
Telephone (04) 9103200

Shareholders

MDC Holdings Limited - 100%
1,170,726 shares