
HALF YEAR REPORT

MARLBOROUGH AIRPORT LIMITED

31 December 2022



Report on activities

Financial performance (unaudited)

		Six months ended 31 December 2022		
		Actual	Budget	Variance
		\$ '000	\$ '000	\$ '000
Income				
	Aeronautical	1,699	1,438	261
	Non-aeronautical	529	583	(54)
	Investment property rental income	24	22	2
	Interest	51	3	48
	Total income	2,303	2,046	257
Expenses				
Operations and maintenance				
	Aeronautical	822	1,065	(243)
	Non-aeronautical	583	627	(44)
	Investment property expenses	1	1	-
Other expenditure				
	Depreciation, impairment & amortisation expense	352	422	(70)
	Employment expenses	217	196	21
	Finance costs	68	76	(8)
	Bank charges	2	2	-
	Losses / (gains)	7	-	7
	Total expenses	2,052	2,389	(337)
	Profit/(loss) before income tax expense	251	(343)	594
	Less tax expense/(benefit)	80	(31)	111
	Net profit/(loss) after taxation	171	(312)	483

Variance to budget

- Total revenue was up on budget by approximately 12.6% due to stronger than expected passenger demand. Interest receipts were also significantly higher due to the rebound in interest rates and favourable swap positions on debt. Non-aeronautical revenue was negatively impacted by delays in expanding car park capacity.
- Expenditure was under budget by approximately 16.4% during the period. Cost reductions were realised in the areas of pavement maintenance. This included the reseal of the existing car park, which is now planned for completion in the next financial year. Depreciation costs were down by 16.6% due to delay in completion of the car park.
- The overall result was a profit before tax of \$250,463, which was a significant improvement on budget.

Income Statement (unaudited)
for the half year ended 31 December 2022

	Notes	2022 \$ '000	2021 \$ '000
Revenue from contracts and operations	4.1	2,259	1,355
Interest revenue	4.1	51	5
Gains and (losses)	4.2	(7)	19
Operations and maintenance	4.2	(1,630)	(1,371)
Finance costs	4.2	(70)	17
Subvention		-	-
Depreciation, impairment and amortisation	7.0	(352)	(354)
Profit/(loss) before income tax expense		251	(329)
Income tax expense/(benefit)	5.1	80	(78)
Total profit/(loss) for the year after tax		171	(251)

Statement of Comprehensive Income (unaudited)
for the half year ended 31 December 2022

	2022 \$ '000	2021 \$ '000
Total profit/(loss) for the year after tax	171	(251)
Comprehensive income, net of tax		
Items that will not be classified to profit or loss:		
Total comprehensive income attributable to equity holders	171	(251)

Statement of Changes in Equity (unaudited)
for the half year ended 31 December 2022

	2022 \$ '000	2021 \$ '000
Balance at beginning of the year	3,667	3,357
Total comprehensive income for the year, net of tax	171	(251)
Balance at end of the year	3,838	3,106

Statement of Financial Position (unaudited)
as at 31 December 2022

	Notes	2022 \$ '000	2021 \$ '000
Current assets			
Cash and cash equivalents		1,308	1,016
Trade and other receivables	6	630	414
Current tax assets		-	14
Total current assets		1,938	1,444
Non-current assets			
Property, plant and equipment	7	9,529	8,061
Right of use asset		726	769
Investment property	8	580	535
Deferred tax assets		410	393
Intangible assets		-	-
Derivative financial instruments	10	135	100
Total non-current assets		11,380	9,858
Total assets		13,318	11,302
Current liabilities			
Trade and other payables	9	376	300
Lease liability		32	31
Current tax liability		85	-
Total current liabilities		493	331
Non-current liabilities			
Provisions	11	5,215	4,060
Borrowings	12	3,035	3,035
Lease liability		737	770
Total non-current liabilities		8,987	7,865
Total liabilities		9,480	8,196
Net assets		3,838	3,106
Equity			
Share capital and other equity instruments	13	1,171	1,171
Asset revaluation reserve		2,998	2,120
Retained earnings	14	(331)	(185)
Total equity		3,838	3,106

Cash flow Statement (unaudited)
for the half year ended 31 December 2022

	2022	2021
	\$ '000	\$ '000
Cash flow from operating activities		
Receipts from customers	2,103	1,401
Payments to suppliers and employees	(993)	(1,885)
Interest and other costs of finance paid	(60)	(36)
Income tax paid (net of refunds)	(170)	(20)
Net cash provided by operating activities	880	(540)
Cash flow from investing activities		
Payments for property, plant and equipment	(528)	(232)
Interest received	51	5
Proceeds from sale of property, plant and equipment	-	33
Net cash used in investing activities	(477)	(194)
Cash flow from financing activities		
Repayment of lease liability	(16)	(15)
Net cash provided by financing activities	(16)	(15)
Net increase in cash and cash equivalents	387	(749)
Cash and cash equivalents at the beginning of the financial year	921	1,765
Cash and cash equivalents at the end of the financial year	1,308	1,016

NOTES TO THE FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2022

1. Company information

The Financial Statements comprise the activities of Marlborough Airport Limited (MAL) for the Half Year ended 31 December 2022.

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 2022 have been prepared in accordance with the same Accounting Policies as stated in the financial statements for the year ended 30 June 2022.

The financial statements were authorised for issue by the Directors on 27 February 2023.

3. Further information

a. New Standards adopted

No new standards have been adopted.

b. Significant events and transactions

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

c. Capital commitments

MAL has no capital commitments as at 31 December 2022, (June 2022: Nil).

d. Contingent assets and liabilities

MAL has no contingent assets or liabilities as at 31 December 2022, (June 2022: Nil).

e. Events after the reporting period

At the time of preparation of these Financial Statements there were no post balance date events requiring disclosure (June 2022: Nil).

4 Profit from Operations

4.1 Revenue

Revenue from operations consisted of the following items:

	2022	2021
	\$ '000	\$ '000
Revenue from contracts:		
Landing charges	1,699	870
Rental lease and concessions	208	187
Total revenue from contracts	1,907	1,057
Other operating revenue:		
Parking	274	209
Investment property rental income	24	22
Outgoings recovered	54	67
Total revenue from operations	2,259	1,355
Interest revenue:		
Bank deposits/IRD use of money	51	5
Total revenue attributable to operations	2,310	1,360

4.2 Expenses

Profit/(Loss) before income tax has been arrived at after charging the following expenses to operations:

	2022	2021
	\$ '000	\$ '000
Operations and maintenance		
Administration expense	983	951
Management fees	101	83
Impairments - expected credit loss	-	-
Expenses from investment property	1	-
Repairs and maintenance	545	337
Total operations and maintenance	1,630	1,371
Finance costs		
Interest expense - related party loans	54	23
Interest expense - IRD UOMI	-	-
Loan fee - related party loan	-	-
Bank charges	2	3
Loss or (gain) on fair value of interest rate swaps	7	(58)
Interest expense - lease liability	14	15
Total finance costs	77	(17)

5 Taxation

5.1 Reconciliation of income tax

	2022	2021
	\$ '000	\$ '000
Profit/(loss) before income tax expense	251	(329)
Tax at current rate 28%	70	(92)
Plus/(less) tax adjustments:		
Non-deductible expenses	10	14
Income tax expense recognised on the Statement of Comprehensive Income	80	(78)
Comprising:		
Current tax expense	246	27
Deferred tax credit	(166)	(105)
Total tax expense	80	(78)

6 Trade and other receivables

	2022	2021
	\$ '000	\$ '000
Trade and other receivables	630	414
Expected Credit Loss	-	-
Balance at end of the year	630	414

7 Property, Plant and Equipment (PPE)

Fair Value Asset Report December 2022

	Cost/Fair Value \$'000	Accumulated Depreciation \$'000	Carrying Amount \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Cost/ Fair Value \$'000	Accumulated Depreciation \$'000	Carrying Amount \$'000
	1 July 2022						31 December 2022		
Freehold car parks and land improvements	2,121	(1)	2,120	-	-	(89)	2,121	(90)	2,031
Buildings	6,136	(1)	6,136	56	-	(192)	6,193	(193)	6,000
Plant and Equipment	646	(402)	243	407	-	(31)	1,052	(433)	619
Furniture and Fittings	336	(225)	110	-	-	(18)	336	(244)	92
Work In Progress	724	-	724	64	-	-	788	-	788
Assets Excluding Intangibles and Investment	9,962	(629)	9,333	527	-	(331)	10,489	(960)	9,529

During the period new car parking equipment was installed with licence plate recognition technology as well as air conditioning upgrade works in the terminal.

significant progress was also made on the planning and development of the new car park.

8 Investment property

	2022 \$ '000	2021 \$ '000
Balance at beginning of the year	580	535
Net gain / (loss) from fair value adjustment	-	-
Balance at end of the year	580	535

9 Trade and other payables

	2022	2021
	\$ '000	\$ '000
Trade creditors	219	197
Property plant and equipment creditors	-	-
Expenses accrued	14	29
Income in advance	29	33
GST payable	54	7
Payroll liabilities	43	28
Related parties - Interest	17	6
Balance at end of the year	376	300

10 Derivative financial instruments (interest rate swaps)

10.1 Interest rate swap liability at fair value through profit or loss (FVTPL)

	2022	2021
	\$ '000	\$ '000
Interest rate swap liability at FVTPL	-	-
Classified as:		
Non-current	-	100

10.2 Interest rate swap contracts

	2022	2021
	\$ '000	\$ '000
Interest rate swap contracts with ASB bank	-	400
Interest rate swap contracts with Westpac bank	2,250	2,250
Active swaps	2,250	2,650

11 Provisions

Provision for runway reseal

	2022	2021
	\$ '000	\$ '000
Balance at beginning of the year	4,727	3,786
Additions	488	274
Balance at end of year	5,215	4,060
Classified as:		
Non-current	5,215	4,060

12 Borrowings

	2022	2021
	\$ '000	\$ '000
Opening unsecured loans from parent at amortised cost	3,035	3,035
Less repayments	-	-
Unsecured loans from parent at amortised cost	3,035	3,035
Classified as:		
Non-current	3,035	3,035

13 Share Capital

	2022	2021
	\$ '000	\$ '000
1,170,726 fully paid ordinary shares (2021: 1,170,726)	1,171	1,171

14 Retained Earnings

	2022	2021
	\$ '000	\$ '000
Balance at beginning of the year	(502)	66
Net profit/(loss) for the year net of tax	171	(251)
Balance at end of the year	(331)	(185)

Company Directory

Directors

M B J Kerr (Chairperson)

N P Taylor

J D N Croad

J A Arbuckle

A M Barton

M S Wheeler

J Leggett (Retired 14 October 2022)

M Peters (Retired 14 October 2022)

D Oddie (Retired 14 October 2022)

Registered Office

Marlborough District Council

15 Seymour Street

Blenheim

Company Number

517274

CEO

Dean Heiford

Marlborough District Council

Telephone (03) 520 7400

Auditor

Anthony Smith 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