dunedin AIRPORT

2023

DISCLOSURE REGULATION FINANCIAL STATEMENTS

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Company Particulars

Directors

Chris Hopkins - Chairman
Shane Ellison - Deputy Chairman
Tim Hunter
Catherine Taylor

Chief Executive
Daniel Debono

General Manager Operations and Infrastructure
Nicholas Rodger

General Manager Commercial
Chris Cope

General Manager Business Development
Megan Crawford

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Banker
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101 George Street
DUNEDIN

Solicitors
Gallaway Cook Allan
123 Vogel Street
DUNEDIN

Auditor
Rudie Tomlinson of Audit NZ
On behalf of the Auditor-General

Airlines

FOR THE YEAR ENDED 30 JUNE 2023

Airline	Aircraft Type
DOMESTIC	
Air New Zealand	Airbus 320CEO, A320NEO, A321NEO
	ATR 72
	Dash 8-300
Jetstar	Airbus 320-200
CHARTER, FLIGHT TRAINING AND COMMUTERS	
Mainland Air Services	Cessna 152
	Piper PA31-350 Chieftain
	Piper PA34-200 Seneca
	Socata TB10 Tobago

Directors report

The Directors have pleasure in presenting the Disclosure Financial Statements of Dunedin International Airport Limited (the Company) for the year ended 30 June 2023. These statements present the results of the aeronautical operations of the Company and additional information and have been prepared for the purposes of, and in accordance with the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999, as amended in 2014.

1. Board of Directors

The Directors of the Company during the year under review were:

Chris Hopkins - Chairman (effective 8 November 2022)
Shane Ellison - Deputy Chairman (8 November 2022)
Catherine Taylor (appointed 5 April 2023)
Tim Hunter (appointed 1 November 2022)
Barbara Robertson (resigned 30 September 2022)
Darin Cusack (ceased 31 October 2022)

2. Principal Activities of the Company

The principal activity of the Company during the year was airport operator.

There has been no material change in the Company's business that the Company is engaged in, during the year that is material to an understanding of the Company's business.

For and on behalf of the Board

Chris Hopkins
Chairman

28th November 2023

Catherine Taylor
Director

28th November 2023

Statement of comprehensive income

For the year ended 30 June 2023

	Notes	2023 $000	2022 $000
Operating revenue	4	11,568	6,530
Directors fees		82	77
Finance costs - interest expense		577	483
Depreciation		3,258	3,075
Employee benefit expense		2,689	2,199
Runway maintenance		524	371
Revaluation of Property, Plant and Equipment	9b	203	-
Other operating expenses		2,828	2,130
Total expenses		10,162	8,335
Operating surplus/(deficit) before income tax		1,406	(1,804)
Income tax expense/(benefit)	6a	473	(925)
Operating surplus/(deficit) after income tax		933	(880)
Other comprehensive income			
Items that may be subsequently reclassified to profit and loss:			
Cash flow hedges gain/(loss) taken to hedge reserve		57	426
Income tax on these items including prior period adjustments		(16)	(119)
Items that will not be subsequently reclassified to profit and loss			
Gain on revaluation of property, plant and equipment	9b	-	9,148
Reversal of prior year revaluation loss	9b	203	-
Income tax on these items including prior period adjustments		-	(2,544)
Total comprehensive income/(deficit)		1,177	6,031

Statement of changes in equity

For the year ended 30 June 2023

	Notes	2023 $000	2022 $000
Equity at the beginning of the year		42,400	36,369
Comprehensive income/(deficit) for the year		1,177	6,031
Closing equity		43,577	42,400

These statements are to be read in conjunction with the notes on pages 9 to 24

Balance sheet

As at 30 June 2023

	Notes	2023 $000	2022 $000
Shareholders' equity			
Share capital	8	5,328	5,328
Hedge reserve	9a	206	165
Revaluation reserve	9b	29,260	29,056
Retained earnings	10	8,783	7,851
		43,577	42,400
Current liabilities			
Trade & other payables	11	1,413	554
GST payable		-	104
Tax payable		583	27
Provisions		284	298
		2,281	983
Non-current liabilities			
Term loans	13	19,828	19,721
Deferred taxation	7	11,027	11,491
		30,855	31,212
Total equity & liabilities		76,712	74,595
Represented by:			
Current assets			
Trade & other receivables	14	941	777
Cash & cash equivalents	12	1,723	1,685
Hedge derivatives		111	18
		2,775	2,480
Non-current assets			
Property, plant & equipment	15	73,635	71,780
Deferred taxation	7	130	127
Hedge derivatives		171	208
		73,936	72,115
Total assets		76,712	74,595

For and on behalf of the directors.

Chris Hopkins
Chairman
28th November 2023

Catherine Taylor
Director
28th November 2023

These statements are to be read in conjunction with the notes on pages 9 to 24

Statement of cash flows

As at 30 June 2023

	Notes	2023 $000	2022 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		11,235	6,539
Interest received		66	8
Cash was applied to:			
Payments to suppliers		(2,494)	(2,488)
Payments to employees		(2,785)	(2,375)
Interest paid		(577)	(483)
Taxation (paid)/received		(400)	953
Net cash flows from operating activities		5,045	2,154
Cash flows from investing activities			
Cash was applied to:			
Sale/(Purchase) of assets		(5,114)	(628)
Net cash flows from investing activities		(5,114)	(628)
Cash flows from financing activities			
Cash was provided from:			
Increase in Loans		107	-
Cash was applied to:			
Repaid Loans		-	(1,622)
Net cash flows from financing activities		107	(1,622)
Net increase/(decrease) in cash held		38	(96)
Plus opening cash brought forward		1,685	1,781
Cash and cash equivalents held at 30 June	12	1,723	1,685

These statements are to be read in conjunction with the notes on pages 9 to 24

Notes to financial statements

For the year ended 30 June 2023

1. ESTABLISHMENT

Dunedin Airport Limited, is a NZ registered and domiciled company which was established under the Airport Authorities Act 1966 and incorporated on 30 September 1988. The Company changed its name to Dunedin International Airport Limited on 22 December 1999.

The Company purchased assets from the Dunedin Airport Authority on 1 November 1989 and commenced trading 1 November 1989.

2. REPORTING ENTITY

The financial statements presented here are for the reporting entity Dunedin International Airport Limited (the Company).

Dunedin International Airport Limited was established under the Airport Authorities Act 1966 and incorporated in New Zealand under the Companies Act 1993. The Company is a Council Controlled Trading Organisation as defined in the Local Goverment Act 2002.

The registered address of the Company is Terminal Building, Dunedin International Airport, Momona, Dunedin.

These financial statements are presented in New Zealand dollars because that is the currency of the primary economic environment in which the Company operates. The financial statements are rounded to the nearest thousand ($'000).

The disclosure financial statements are presented in accordance with the Airport Authorities Act 1966 as amended by the Airport Authorities Amendment Act 1997 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 as amended in 2014 (the "Regulations").

The disclosure financial statements are for the reporting entity's Identified Airport Activities. Identified Airport Activities are defined as:

Airfield activities means the activities undertaken (including the facilities and services provided) to enable the landing and take-off of aircraft and includes:

The provision of any one or more of the following:
(i) Airfields, runways, taxiways, and parking aprons for aircraft

(ii) Facilities and services for air traffic and parking apron control

(iii) Airfield and associated lighting

(iv) Services to maintain and repair airfields, runways, taxiways and parking aprons for aircraft

(v) Rescue, fire, safety and environmental hazard control services

(vi) Airfield supervisory and security services

The holding of any facilities and assets (including land) acquired or held to provide airfield activities in the future (whether or not used for any other purpose in the meantime).

Aircraft and freight activities means the activities undertaken (including the facilities and services provided) to enable, within a security area or areas of the relevant airport, the servicing and maintenance of aircraft and the handling of freight transported, or to be transported, by aircraft and includes:

provision within a security area of areas or the relevant airport, of any one or more of the following:
(i) Hangars
(ii) Facilities and services for the refuelling of aircraft, flight catering and waste disposal
(iii) Facilities and services for the storing of freight
(iv) Security, customs and quarantine services for freight

holding of any facilities and assets (including land) acquired or held to provide aircraft and freight activities in the future (whether or not used for any other purpose in the meantime).

Specified passenger terminal activities (specified terminal) means the activities undertaken (including the facilities and services provided) in relation to aircraft passengers while those passengers are in a security area or areas of the relevant airport and includes:

provision, within a security area or security areas of the relevant airport of any one or more of the following:
(i) Passenger seating areas, thoroughfares and air bridges
(ii) Flight information and public address systems
(iii) Facilities and services for the operation of customs, immigration and quarantine checks and control
(iv) Facilities for the collection of duty-free items
(v) Facilities and services for the operation of security and police services

Any activities undertaken (including the facilities and services provided) in a passenger terminal to enable the check in of aircraft passengers, including services for baggage handling.

The holding of any facilities and assets (including land) acquired or held to provide specified passenger terminal activities in the future (whether or not used for any other purpose in the meantime) but does not include the provision of any space for retail activities. Each segment also includes an allocation of supporting infrastructure. Also included in each of the above Identified Airport Activities are assets specifically held for use in that activity.

Statement of Compliance

These financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and the Regulations, which includes the requirement to comply with NZ GAAP.

Under the Accounting Standards Framework, the Company is eligible to apply Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and is not a large for-profit public sector entity. Therefore, these financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and comply with NZ IFRS RDR.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and certain items of property, plant and equipment.

The accounting policies set out below have been applied consistently to all periods in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

New Standards, Interpretations and Amendments Adopted by the Company

No new or revised standards and interpretations that have been approved but are not yet effective have been adopted by the Company for the year ended 30 June 2023.

4. OPERATING REVENUE

Landing charges are charged on a per passenger or airplane weight basis for landing and disembarking the airport. Departure fees are charged on a per passenger basis. The charges cover runway costs, airport services and other miscellaneous services that are the Company is required to provide while a plane is on the ground under civil aviation rules. Revenue is recognised net of any rebates paid to airlines under incentive agreements. The revenue earned is recognised over-time due to the counterparty simultaneously receiving the benefit as the Company provides the services.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Revenue from operating lease rental revenue is outside the scope of NZ IFRS 15 and as such there is no impact on the revenue recognition of operating lease rental revenue.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Operating Revenue	Airfield $000	Aircraft & Freight $000	Specified Terminal $000	Total $000
2023				
Revenue from Contracts with Customers (Over Time):				
Landing Charges and Departure Fees	6,247	-	4,300	10,547
Other Income:				
Operating Lease Rental	-	241	697	938
Other Revenue	29	6	42	76
Government Grants	3	-	3	6
Total	6,280	247	5,042	11,568

2022	Airfield $000	Aircraft & Freight $000	Specified Terminal $000	Total $000
Revenue from Contracts with Customers (Over Time):				
Landing Charges and Departure Fees	3,351	-	2,278	5,629
Other Income:				
Operating Lease Rental	-	154	671	825
Other Revenue	5	6	8	19
Government Grants	35	2	19	57
Total	3,392	163	2,976	6,530

5. AUDIT FEES

The auditor of Dunedin International Airport limited is Rudie Tomlinson of Audit New Zealand on behalf of the Auditor-General. Audit fees for the year ended 30 June 2023 were $82,500 for the Statutory Audit of the 30 June 2023 Financial Statements, and $30,000 for the Disclosure Financial Statements.

6. TAXATION PROVISION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

	2023 $000	2022 $000
(a) Income tax		
Operating surplus/(deficit) before income tax	1,406	(1,804)
Taxation @ 28%	394	(505)
Plus / (Less) the tax effect of differences		
Expenses not deductible	4	1
Creation/reversal of temporary differences	75	-
Hedge Instruments	-	(421)
Income tax expense	473	(925)
Effective tax rate	28.20%	27.93%
Represented by:		
Current tax provision	956	-
Deferred tax provision	(483)	(925)
Income tax expense	473	(925)

(b) Tax on Other Comprehensive Income		
Property Revaluation Reserve:		
Deferred Tax	-	2,544
Hedge Reserve:		
Deferred tax	16	119
	16	2,663

7. DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

	Opening	Charged		Closing Balance Sheet		
						Net at 30 June
(a) 2023 ($000)	Balance	to Equity	to Income	Assets	Liabilities	2023
Property, plant and equipment	(11,428)	-	479	-	(10,948)	(10,948)
Employee benefits and other provisions	127	-	3	130	-	130
Revaluations of interest rate swaps	(63)	16	-	-	(79)	(79)
Balance	(11,364)	16	482	130	(11,027)	(10,897)

	Opening	Charged		Closing Balance Sheet		
						Net at 30 June
(a) 2022 ($000)	Balance	to Equity	to Income	Assets	Liabilities	2022
Property, plant and equipment	(9,781)	(2,544)	898		(11,428)	(11,428)
Employee benefits and other provisions	99	-	27	127	-	127
Revaluations of interest rate swaps	56	(119)	-		(63)	(63)
Balance	(9,625)	(2,664)	925	127	(11,491)	(11,364)

8. SHARE CAPITAL	2023	2022
	$000	$000
Issued Capital	5,328	5,328

5,328,475 ordinary authorised and issued shares

9. RESERVES	2023	2022
	$000	$000
a) Hedging Reserve		
Balance at beginning of year	165	(142)
Net movement in deferred tax arising on hedges	(16)	(119)
Cash flow hedges (loss)/gain	57	426
Balance at 30 June	206	165

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments relating to interest payments that have not yet occurred.

	2023 $000	2022 $000
b) Revaluation Reserve		
Balance at beginning of year	29,056	22,452
Revaluations included in comprehensive income	-	9,148
Reversal of prior year revaluation loss	203	-
Net movement in deferred tax arising on revaluations	-	(2,544)
Balance at 30 June	29,259	29,056

The revaluation reserve arises on the revaluation of land, buildings and airside pavements. Where revalued assets are sold, the portion of the properties revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained profits.

Reversal of Prior Year Revaluation Loss

In the 2022 financial year a decrease in the value of a Terminal Expansion asset was booked against the Revaluation Reserve. There has not previously been a revaluation increase booked to the Revaluation Reserve associated with that asset. Accordingly, in the current financial year the 2022 loss on revaluation has been reclassified from the Revaluation Reserve to the Statement of Comprehensive Income.

10. RETAINED EARNINGS

	2023 $000	2022 $000
Balance at beginning of year	7,851	8,731
Operating Surplus/(Deficit) after Income Tax	933	(880)
Balance at 30 June	8,784	7,851

11. TRADE & OTHER PAYABLES

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are unsecured and are usually paid within 30 days of recognition.

	2023 $000	2022 $000
Trade payables	1,039	444
Accruals	374	110
	1,413	554

12. CASH & CASH EQUIVALENTS

In the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

	2023 $000	2022 $000
Cash floats	6	6
Westpac cheque account	1,717	1,679
Balance at 30 June	1,723	1,685

13. TERM BORROWINGS (Secured)

Term loans are initially recorded at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis to profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

	2023 $000	2022 $000
Multi-Option Credit Facility	19,828	19,721
Balance at 30 June	19,828	19,721

Comparison of Borrowings for the Whole Company	2023 $000	2022 $000
Finance Costs	577	483
Borrowings (Secured):		
Current	-	-
Non-Current	19,828	19,721
Total Borrowings	19,828	19,721

Westpac has provided a multi option credit line (MOCL) facility of $22,500,000 with a maturity date of 30 November 2024. Subsequent to year end, the maturity date was extended to 30 November 2025.

Interest is payable on the drawn down balance at BKBM plus a 1.30% margin (to the extent the Company does not have an interest rate swap).

The Westpac Banking Corporation holds as security for the advances a first mortgage over the property of the Company and a negative pledge over all other assets. The Company uses interest rate swaps to manage its exposure to interest rate movements.

Banking covenants relating to the facility are:

Equity Ratio: Total shareholders' funds / total assets > 40%

Earnings Ratio: Earnings (net profit before Funding Costs, income Tax, depreciation, and Extraordinaries for the relevant financial year but after any payments and other benefits to directors and Shareholders) are not less than 1.75 times funding costs.

14. TRADE & OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default.

The expected credit losses on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Payment terms are typically the 20th day of the month following invoice date.

	2023 $000	2022 $000
Trade receivables	941	777

15. PROPERTY, PLANT & EQUIPMENT

Property, Plant and Equipment are those assets held by the Company for the purpose of carrying on its business activities on an ongoing basis.

Land, buildings, runway, apron, taxiways, and certain items of plant and equipment are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date.

Any revaluation increase is recognised in other comprehensive income and accumulated in the Revaluation Reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Plant and Equipment are stated at cost less any subsequent accumulated depreciation and any accumulated impairment losses.

Self-constructed assets include the direct cost of construction including borrowing costs to the extent that they relate to bringing the Property, Plant and Equipment to the location and condition for their intended service.

Depreciation is charged so as to write off the cost of assets, other than land and capital work in progress, on the straight-line basis. Rates used have been calculated to allocate the asset's cost less estimated residual value over their estimated remaining useful lives. Depreciation of capital work in progress commences when the assets are ready for their intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation rates and methods used are as follows:

	Rate	Method
Land and land improvements	0% - 12.5%	DV & SL
Runway, apron and taxiway	0% - 13.9%	DV & SL
Buildings	1% - 40%	DV & SL
Machinery & plant	2% - 67%	DV & SL
Motor Vehicles	7% - 25%	DV & SL
Fixtures, fittings, office and computer equipment	7.5% - 40%	DV & SL

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

15. PROPERTY, PLANT & EQUIPMENT - continued

2023 ($000)	Land	Runway, Apron, Taxiway	Buildings	Plant & Equipment	Office Equipment	Motor Vehicles	Work in Progress	Total
Cost or Valuation	4,110	26,051	35,439	9,058	300	1,768	3,175	79,901
Accumulated Depreciation	-	(1,320)	(1,782)	(2,581)	(218)	(365)	-	(6,266)
Revaluation	-	-	-	-	-	-	-	-
Balance at end of period	4,110	24,731	33,657	6,477	82	1,403	3,175	73,635

2022 ($000)	Land	Runway, Apron, Taxiway	Buildings	Plant & Equipment	Office Equipment	Motor Vehicles	Work in Progress	Total
Cost or Valuation	3,903	25,584	32,224	8,241	287	557	640	71,436
Accumulated Depreciation	-	(2,546)	(2,792)	(2,944)	(210)	(312)	-	(8,804)
Revaluation	61	2,983	4,779	1,326	-	-	-	9,149
Balance at end of period	3,964	26,021	34,211	6,623	77	245	640	71,781

Land, buildings and airside pavements were revalued at 30 June 2022 by independent registered valuers, Telfer Young (Canterbury) Limited and WSP New Zealand Limited. The total fair value of these assets at 30 June 2022, the effective date of the revaluation, was $104,784,000. Land was valued by reference to market sales, market comparison and investment valuation. Buildings were valued by using the Optimised Depreciated Replacement Cost (O.D.R.C.) methodology. The specialised assets being runway, taxiways, aprons and infrastructure assets were valued using the Optimised Depreciated Replacement Cost (O.D.R.C.) methodology.

As at 30 June 2023, an impairment assessment was carried out to determine the appropriateness of the carrying values of the company's aeronautical assets.

Segment Assets	Specified Terminal & Freight	Airfield	Aircraft & Freight	Total
	$000	$000	$000	$000
Total				
2023				
Additions	589	3,602	-	4,191
Net Book Value	42,281	29,762	1,592	73,635
2022				
Additions	225	616	-	841
Net Book Value	42,441	27,636	1,703	71,780

16. CONTINGENT LIABILITIES

There were no other contingent liabilities outstanding at 30 June 2023 (2022: $Nil).

17. CAPITAL AND ITHER COMMITMENTS (WHOLE COMPANY)

Fire Appliance Purchase
In July 2021 the company signed purchase agreements for the purchase of two firefighting appliances for $1,172,245 each.

The first appliance was delivered in November 2022. At that date, a final progress payment of $117,225 was made.

The second appliance was delivered in August 2023. In July 2022 a deposit of $234,449 was paid for the second appliance. Further, in May 2023 a second progress payment of $820,578 was paid on the second appliance. These payments are included in Work in Progress in these financial statements.

As at 30 June 2023, a capital commitment of $117,218 is outstanding on the second appliance.

As at 30 June 2022, capital commitments of $2,109,991 were outstanding on the two appliances.

18. FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards and interpretations to existing standards have been published but are not yet effective. Dunedin International Airport Limited expects to adopt these, as applicable, when they become mandatory. None are expected to materially impact the Company's financial statements.

19. RELATED PARTY TRANSACTIONS (WHOLE COMPANY)

The shareholders of the Company are The Crown and Dunedin City Holdings Limited, which is wholly owned by the Dunedin City Council. Each owns 50%.

The Company undertakes many transactions with State Owned Enterprises, Government Departments and Dunedin City Council Controlled enterprises.

Businesses which have common ownership, and which provided services/supplies to the Company during the year were:

- Dunedin Venues Management Limited (Dunedin City Holdings Limited controlled) – corporate membership

- Delta Utilities Limited (Dunedin City Holdings Limited controlled) – ground maintenance

Transactions with entities with common ownership with details of purchases for the year and balances owing at 30 June being as follows:

	Annual Purchases (GST exclusive)		Owing at 30 June (GST Inclusive)	
	2023	2022	2023	2022
	$000	$000	$000	$000
Dunedin Venues Management Limited	12	10	-	-
Delta Utilities Limited	40	40	4	4

Businesses in which directors, including directors whose appointment ceased during the financial year, and key management personnel have a substantial interest and which provided services/supplies to the Company during the year were:

- Airways Corporation (D Cusack – director) – landing data and apron lighting project management

Transactions with entities in which directors and key management personnel have an interest with details of purchases for the year and balances owing at 30 June are as follows:

	Annual Purchases (GST exclusive)		Owing at 30 June (GST Inclusive)	
	2023	2022	2023	2022
	$000	$000	$000	$000
Airways Corporation	46	7	1	1

Businesses in which directors, including directors whose appointment ceased during the financial year, and key management personnel have a substantial interest to which the Company provided services/supplies to during the year were:

- Airways Corporation (D Cusack – director) – rental of leased areas at Dunedin Airport

Transactions with entities in which directors and key management personnel have an interest with details of purchases for the year and balances owed at 30 June are as follows:

	Annual Purchases (GST exclusive)		Owing at 30 June (GST Inclusive)	
	2023	2022	2023	2022
	$000	$000	$000	$000
Airways Corporation	25	22	1	1

Compensation of key management personnel:
The remuneration of directors and other members of key management during the year was:

	2023	2022
	$000	$000
Total	1,023	925

The remuneration of directors is agreed annually, after consultation with the shareholders, and approved at the Company's annual meeting. The remuneration of the Chief Executive is determined by the Board and the remuneration of key management personnel is determined by the Chief Executive having regard to the performance of individuals and market trends.

Remuneration includes any termination benefits and ex-gratia payments.

Transactions with shareholders with details of purchases for the year and balance owing at 30 June being as follows:

	Annual Purchases (GST exclusive)		Owing at 30 June (GST Inclusive)	
	2023	2022	2023	2022
	$000	$000	$000	$000
Dunedin City Council rates & services	302	277	-	-

20. LEASE COMMITMENTS (WHOLE COMPANY)

The Company enters into lease agreements as a lessor with respect to some of its land and buildings. Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Company as Lessor

The Company has various operating leases with tenants at the airport. Minimum lease receivables under non-cancellable operating leases are as follows:

	2023	2022
	$000	$000
Under 1 year	2,610	2,314
1 to 2 years	2,276	1,406
2 to 3 years	1,715	1,161
3 to 4 years	822	545
4 to 5 years	203	453
Over 5 years		186

The Company as Lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease

The Company has various operating leases office equipment. Minimum lease commitments under non-cancellable operating leases are as follows:

	2023	2022
	$000	$000
Under 1 year	1	1
1 to 5 years	3	-

21. SUBSEQUENT EVENTS

There were no significant events subsequent to balance sheet date.

22. SEGMENT INFORMATION

For the purposes of reporting in accordance with NZ IFRS 8: Operating Segments, section 8(3) of the Regulations prescribes the industry segments as airfield activities, aircraft and freight activities and specified terminal passenger activities, as defined in note 2, above. These do not necessarily meet the definition of "operating segments" per NZ IFRS 8 itself but have been treated as operating segments to meet the requirements of the Regulations.

The company is located in one geographic segment in Dunedin, New Zealand, and operates in the airport industry. The company earns revenue from aeronautical activities and other charges and rents associated with operating an airport.

Management have assessed the activities of Dunedin International Airport Limited and allocated them to segments as required by the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

The Company is required to present segmented information for three specified airport activities. These activities are defined in the Regulations.

23. SEGMENT INFORMATION - continued

2023	Airfield	Aircraft & Freight Activities	Specified Terminal	Total
	$000	$000	$000	$000
Operating Revenue	6,280	247	5,042	11,568
Expenses				
Directors fees	33	2	47	82
Finance costs	233	12	331	577
Depreciation	1,473	112	1,673	3,258
Employee benefit expense	1,979	12	698	2,689
Runway maintenance	524	-	-	524
Impairment	203	-	-	203
Other operating expenses	1,079	68	1,682	2,829
Total expenses	5,526	205	4,432	10,163
Segment operating surplus (deficit) before income tax	754	42	610	1,405
Income tax expense/ (credit)				473
Net operating surplus (deficit) after income tax				932
Total Assets	31,452	42,321	2,938	76,711
Average Number of Full-Time Staff Equivalents	16.7	1.04	8.7	26.4

2022	Airfield	Aircraft & Freight Activities	Specified Terminal	Total
	$000	$000	$000	$000
Operating Revenue	3,392	163	2,976	6,530
Expenses				
Directors fees	29	2	45	77
Finance costs	186	11	286	483
Depreciation	1,368	94	1,613	3,075
Employee benefit expense	1,603	12	585	2,199
Runway maintenance	371	-	-	371
Other operating expenses	638	118	1374	2130
Total expenses	4,195	237	3,903	8,335
Segment operating surplus (deficit) before income tax	(803)	(74)	(927)	(1,804)
Income tax expense/ (credit)				(925)
Net operating surplus (deficit) after income tax				(880)
Total Assets	29,008	42,484	2,774	74,266
Average Number of Full-Time Staff Equivalents	14.9	0.92	8.22	24.0

24. ALLOCATED METHODOLOGY USED IN THE PREPARATION OF THESE STATEMENTS

Expenditure Categories and Allocation

Expenditure falls into one of the following categories:

- Direct operational costs are incurred solely by Identified Airport Activities, or another business unit of the airport, and have been allocated directly to the area affected.

- Indirect operational costs are either incurred by a number of Identified Airport Activities, or in conjunction with other business units. Indirect operational costs have been allocated to the Identified Airport Activities on the following basis:

- Depreciation allocated across segments consistent with the methodology used for assets (see below).

- Taxation is allocated based on a consistent allocation methodology applied to the relevant assessable expenses, for asset allocation (see below) and expenses (see above).

- Marketing costs are allocated based on the proportion of revenue.

- Other indirect operating expenditure is allocated based on the terminal floor space.

- Administrative expenses are allocated on the proportion of total assets.

- Interest expenses are assumed to be 100% aeronautical. They are allocated between segments in proportion to the allocation of aeronautical assets allocated to each segment.

- Ineffective hedges are assumed to be 100% aeronautical. They are allocated between segments in proportion to the allocation of aeronautical assets allocated to each segment.

Expense items are generally analysed at the business unit level, however further analysis is conducted where significant costs within a business unit are known to have a different driver.

Allocation of Assets

The company maintains a detailed property, plant and equipment register. Each asset has been either coded directly to an Identified Airport Activity, a non-Identified Airport Activity or allocated using a specific rule. Where assets are allocated to a number of segments, they have been apportioned between the affected activities using an activity-based cost methodology or the nearest proxy to it. Material asset classes and apportionment approaches are:

- Terminal property, plant and equipment, including land and buildings, have been generally apportioned on the basis of an area analysis of terminal usage.

- Land held for future airport development has been allocated between the various activities based on its intended future use.

- Roads have been allocated using an estimation of their primary purpose and usage, excluding through traffic.

- Wastewater assets have been allocated on the basis of water usage across the business units.

- Direct assets, those which are directly allocated to an airport activity based on their nature.

- Remaining common assets (including administrative assets) are allocated to each segment in proportion to the allocation of all property, plant and equipment.

Allocation of Debt

Under the methodology applied in preparing these disclosure financial statements debt becomes the balancing figure in the disclosure financials and is therefore impacted by the profitability of each specified activity. Debts are allocated to segment consistent with the methodology used for assets.

Allocation of Revenue

Revenue is allocated based on the underlying nature of the revenue received. That is, revenue items are generally analysed at the business unit level, however further analysis is conducted where significant revenue within a business unit are known to have a different driver.

Allocation of Equity

The equity position of each segment is calculated with reference to the following:

- The opening level of equity.

- Adjustment for movements due to net profit less dividends in the segment.

- Adjustments for any capital issued or repaid.

- Adjustments for any movements in reserves due to revaluations of assets, or fair value movements of investments.

Dividends have been allocated to these disclosure accounts based on the proportionate split of total Airport Net Profit After Tax between the company's Airport and Non-Airport Activities.

25. WEIGHTED AVERAGE COST OF CAPITAL

The Company has estimated the prospective weighted average cost of capital (WACC) for its identified airport activities as at 1 July 2022, being the commencement of the current disclosure period.

The Company has applied a post-tax WACC model. The post investor tax version of the capital asset pricing model (CAPM) has been used to estimate the appropriate cost of equity capital. The debt premium has been based on the spread between yield on a benchmark corporate bond and the risk free rate that the company would pay for longer-term debt. The risk free rate, and therefore the cost of debt, reflects the market conditions as at 1 July 2022.

The following table summarises the key parameters used in the company WACC model:

	2023 Parameter	2022 Parameter
Marginal Tax Rate	28%	28%
Risk Free Rate	3.53%	1.78%
Asset Beta	0.5	0.60
Equity Beta	0.67	0.74
Market Risk Premium	7.00%	7.00%
Post Tax Cost of Equity	7.23%	6.46%
Debt Margin	1.80%	0.50%
Cost of Debt	5.33%	2.48%
Debt to Value Ratio	25.00%	19.00%
Equity to Value Ratio	75.00%	81.00%
Calculated WACC	6.38%	5.57%

Based on these parameters the company estimates that, as at 1 July 2022, the appropriate prospective WACC for its identified airport activities was 6.38% (2022: 5.57%) on a nominal after-tax basis.

The Company revises its WACC periodically to coincide with its aeronautical consultation processes or as required prior to a major aeronautical investment. The calculation of WACC for a particular portion of a company is subject to variables that require expert assessment and judgement.

The Company uses a generally-accepted approach to the calculation of the WACC. This represents the weighted average costs of equity

WACC = rD x (1 – TC) x (D/V) + rE x (E/V)

r_D=The Company's pre-tax cost of debt.
T_{C} = The corporate tax rate.
D=The value of the Company's debt.
r_E=The Company's post –tax cost of equity.
E=The value of the Company's equity.
V=The Company's total enterprise value, i.e. (V = E + D).

26. METHODOLOGY USED TO DETERMINE AIRPORT AERONAUTICAL CHARGES

Charges are set to fund the shortfall in total revenues from identified airport activities so that an adequate return on capital can be made after recovering the costs of providing identified airport facilities.

All Dunedin International Airport Limited's identified airport activities revenues and costs are used to determine the revenue required from airport charges.

Revenues and expenses were identified and allocated among two facility categories:

- Airport Terminal

- Airfield, Runway and Apron

The terminal component of landing charges are set to balance the funding requirements for the Airport Terminal.

The runway component of landing charges are set to balance funding for the Airfield and Apron facilities.

Regular Air Transport Operations

A flight forming part of a series of flights performed by aircraft for the transport of passengers, cargo, or mail between the Airport and one or more points in New Zealand or in any other country or territory, where the flights are so regular and frequent as to constitute a systematic service, whether or not in accordance with a published timetable, and which are operated in such a manner that each flight is open to use by members of the public.

Maximum Certified Take-off Weight (MCTOW)

For an aircraft the lower of its maximum certified take-off weight as specified by the manufacturer (or as approved by the Civil Aviation Authority) and the maximum authorised operating weight as specified by the company.

Landing Charge – Runway Component

A landing charge is payable in respect of each arriving aircraft on a Regular Air Transport Operation and is calculated in accordance with the below formula.

27. SCHEDULE OF AIRPORT CHARGES

Airport charges are levied on an aircraft arrival basis on the following formula:

Regular Air Transport Operation Charges:

The following charges are payable per each Disembarking and Embarking Passenger (excluding Infants) on Turboprop or Jet (as applicable) arriving or departing through the Dunedin Airport terminal:

Airfield Component:

Jet Aircraft	$7.81/passenger
Turboprop Aircraft	$4.94/passenger

Terminal Component:

Jet Aircraft	$3.27/passenger
Turboprop Aircraft	$3.27/passenger

General Aviation Charges:

Landing charge = a x b

Where a is the MCTOW of the aircraft and b is the $ rate per tonne of MCTOW as set out in the table below.

Aircraft MCTOW (tonne)	$ Rate per tonne (excl GST)	
	As at 30 June 2023	As at 30 June 2022
0 to 10	18.64	$17.37
10 – 19.999	19.95	$18.59
20 – 39.999	21.18	$19.73
40 – 54.999	24.57	$22.90
55 and greater	26.09	$24.32

Aircraft Parking Charge

For each aircraft parked in a designated aircraft parking area for a period in excess of 6 hours an aircraft parking charge is payable per calendar day or part thereof as set out in the table below.

As at 30 June 2023

Aircraft MCTOW (tonne)	Charge per Day (excl GST	
	As at 30 June 2023	As at 30 June 2022
0 to 10	$150	$150
10 – 19.999	$220	$220
20 – 39.999	$325	$325
40 – 54.999	$375	$375
55 and greater	$500	$500

For the purposes of aircraft parking charges, "designated aircraft parking area" means an aircraft parking area owned or leased by the Company other than an aircraft parking area which is subject to a lease or license granted by the Company.

Landing Statistics

Scheduled Domestic Services

Aircraft MCTOW (tonne)	Aircraft Type	Year to 30 June 2023	Year to 30 June 2022
0-3,000	Turbo Prop	-	-
3,001 to 20,000	Turbo Prop	-	-
20,001 – 26,000	Turbo Prop	2,314	2,021
26,001 – 56,000	Jet	-	-
56,001 – 71,000	Jet	-	-
71,001 and greater	Jet	2,319	1,962

Scheduled International Services

Aircraft MCTOW (tonne)	Aircraft Type	Year to 30 June 2023	Year to 30 June 2022
0 - 71,000	Jet	-	-
71,001 and greater	Jet	-	-

Other Landings

Aircraft MCTOW (tonne)	Year to 30 June 2023	Year to 30 June 2022
All Weights	3,300	3,259

28. PASSENGERS

Class of Passenger	Year to 30 June 2023	Year to 30 June 2022
Passengers arriving and departing on domestic flights	920,349	626,619
Passengers arriving and departing on international flights	-	-

29. PASSENGER CHARGES

The International Departure Fee has been set to contribute to the funding of facilities at Dunedin International Airport Limited. Since 1 August 2011, the international departure fee has been included in the ticket price and Dunedin International Airport Limited receive $11.11 plus GST per arriving and departing passenger.

30. INTERRUPTIONS TO SERVICES

Interruption to services as required by the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 is set out below.

Planned Disruptions

Services	Number of Events		Total Duration (nearest 15 mins)	
	Year to 30 June 2023	Year to 30 June 2022	Year to 30 June 2023	Year to 30 June 2022
Runway Services	-	1	-	30 mins
Stand Position Services	-	-	-	-
Airbridge Services	-	-	-	-
Baggage Handling Services	-	-	-	-

Un-planned Disruptions

Services	Number of Events		Total Duration (nearest 15	
	Year to 30 June 2023	Year to 30 June 2022	Year to 30 June 2023	Year to 30 June 2022
Runway Services	-	-	-	-
Stand Position Services	-	-	-	-
Airbridge Services	-	-	-	-
Baggage Handling Services	-	-	-	-

shareholder information
INTEREST REGISTER

The following are particulars of general disclosures of interest given by the Company directors and key management personnel pursuant to section 140(2) of the Companies Act 1993.

CHRIS HOPKINS (appointed 1 July 2022)		
	Blestoe Securities Limited	Director
	Chalmers Properties Limited	Director
	Company HQ Limited	Director/Shareholder
	CompanyHQ NZ Limited	Director
	Farra Engineering Limited	Director
	Fiordland Pilot Services Limited	Director
	G W Batts Trustee Limited	Director
	Health Central Limited	Director
	inMR Measure Limited	Director/Shareholder
	NIMEO Industrial Limited	Director/Shareholder
	Oakwood Group Limited	Director
	Our Planit Limited	Director/Shareholder
	Port Chalmers Container Terminal Limited	Director
	Port Otago Limited	Director
	Silveracres Trust	Independent Trustee
	SouthMed Limited	Director/Shareholder
	Spade Word Limited	Director/Shareholder
	Te Rapa Gateway Limited	Director
	Veritide Limited	Director/Shareholder
SHANE ELLISON		
	Auckland Light Rail Limited	Director
	Koau Capital Partners Limited	Director
	oOh! Media	Advisor
	Queensland Investment Corporation	Director
	Tāwhirimātea Advisory Limited	Director/Shareholder
TIMOTHY HUNTER (appointed 1 November 2022)		
	Eglinton Experiences Limited	Director
	Kawarau Jet Services Advisory Board	Director
	Milford Sound Lodge Advisory Board	Director
	Milford Sound Tourism Limited	Director
CATHERINE TAYLOR (appointed 5 April 2023)		
	Diabetes New Zealand	Trustee
	Diabetes New Zealand Research Foundation	Trustee
	Energy Efficiency Conservation Authority	Director
	John Nesfield Trust	Trustee
	Nelson Airport Noise Advisory Committee	Independent Chair
	Nelson City Council	Independent Chair
	New Zealand Law Foundation	Trustee
	R & C Taylor Trustee Company Limited	Director
	The Cranfylde Charitable Trust	Trustee
	The RN & CJ Taylor Family Trust	Trustee
	Waka Kotahi - New Zealand Transport Agency	Member
JONATHAN CAMERON (resigned 1 July 2022)		
	Elevate Capital Partners Limited	Director
	I.D.A.ShonCo Limited	Director
	NZFM (2022) General Partner Limited	Director
	PMG Holdings Limited (and related entities)	Director
	Tupu Angitu Limited	Director
	Tourism Investment Partners Limited	Director
	Veterinary Enterprises Group Limited	Director
	Waipa Networks Limited	Director
DARIN CUSACK (ceased 1 November 2022)		
	Absolute Solutions Group Limited	Director
	Airways Corporation of New Zealand Limited	Director
	Ashburton Contracting Limited	Director
	Auckland One Rail Limited	Director
	Auckland Transport Group	Independent Chair - Project Control
	CSC Group Limited	Director and Partner
	DFAT/AIFFP	Aviation Consultant
	The Zak & Zed Family Trust	Trustee
	Youth Hostel Association of New Zealand	Director

BARBARA ROBERTSON (resigned 30 September 2022)	
Barr, Burgess & Stewart Limited	Employee and Business Advisor
He Ao Hou i Ōtepoti ki te Raki Charitable Trust	Trustee
DANIEL DE BONO	
Basecource Consulting Limited	Director
The Happy Living Project Limited	Director
MEGAN CRAWFORD	
Theomin Gallery Committee	Committee Member
Tourism Waitaki Limited	Director
NICK RODGER	
Flirtey Limited	Shareholder
Watercooled Classic Limited	Director
RICHARD ROBERTS (resigned 30 September 2022)	
Dickr Investments Limited	Director

Directors' Interests in Contracts

Details of contracts involving directors' interests entered into during the year ended 30 June 2023 are provided in Note 20 to the Financial Statements. All transactions were conducted on an arms' length commercial basis.

Directors' Insurance

In accordance with section 162 of the Companies Act 1993 and the Constitution, Dunedin International Airport Limited has arranged policies of Directors' Liability Insurance which, together with a deed of indemnity, ensure that the directors incur no monetary loss as a result of actions undertaken by them as directors, provided that they operate within the law.

Principal Activities of the Company

The Company's principal activity is the operation of Dunedin International Airport. Areas of land adjacent to the airport held for possible expansion purposes are dairy farmed in partnership with a sharemilker. The Company also owns a small residential housing estate on land adjoining the airfield to the north and Momona Garage.

State of Affairs

The directors note that the financial position of the Company remains sound and the state of the Company's affairs is satisfactory.

Remuneration of the Directors

The directors of Dunedin International Airport Limited and their remuneration for the year ended 30 June 2023 are as follows:

Director	Board Meetings Attended	Committee	Remuneration
Chris Hopkins – Chairperson (effective 8 November 2022)	11 of 11	ARC/PRC/SORC	42
Shane Ellison – Deputy Chairperson Chairman (effective 1 July 2022 to 8 November 2022) (ORC Chairperson)	11 of 11	PRC/SORC	38
Timothy Hunter (Appointed 1 November 2022) (SORC Chairperson)	5 of 7	SORC	17
Catherine Taylor (Appointed 5 April 2023) (ARC Chairperson)	3 of 3		6
Barbara Robertson - Director (Resigned 30 September 2022)	3 of 3		6
Darin Cusack – Director (Ceased 1 November 2022)	4 of 4		8

ARC – Audit and Risk Committee
SORC – Safety Operations Risk Committee
PRC – People and Remuneration Committee

Directors' Benefits

No director of Dunedin International Airport Limited has, since the end of the previous financial year, received or become entitled to receive a benefit other than a benefit included in the total remuneration received or due and receivable by the directors shown in the financial statements. There were no notices from directors of the Company requesting to use Company information received in their capacity as directors which would not otherwise have been available to them.

Executive Remuneration

Executive remuneration is made up of one component: fixed remuneration. Fixed remuneration consists of base salary and benefits.

There are no defined performance-based components of executive remuneration.

Actual salary paid includes holiday pay paid as per New Zealand legislation.

Benefits include the Company's contribution to KiwiSaver, fuel card and road user charges (as applicable), a contribution to home broadband, and any termination benefits received, including ex-gratia payments.

A summary of the Chief Executive Officers salary and benefits are included in the table below:

	2023			2022		
Employee	Salary	Benefits	Total	Salary	Benefits	Total
Richard Roberts	$140,778	$132,051	$272,829	$279,128	$14,835	$293,963
Daniel De Bono	$136,212	$6,523	$142,735	-	-	-

On 30 September 2022 Richard Roberts resigned as Chief Executive. On the same date, Daniel De Bono was appointed as acting Chief Executive.

On 1 January 2023 Daniel De Bono was appointed as Chief Executive.

The salary and benefits noted above for Daniel De Bono include only those received in his role as Chief Executive.

The number of employees whose remuneration and benefits are within specified bands are as follows

Remuneration Range	2023 No. Employees	2022 No. Employees
$110,000 - $120,000	-	1
$140,000 - $150,000	-	1
$150,000 - $160,000	1	-
$170,000 - $180,000	-	1
$180,000 - $190,000	1	-
$220,000 - $230,000	1	-
$250,000 - $260,000	1	-
$290,000 - $300,000	-	1

The table above excludes any ex-gratia benefits received on termination of employment

Gender Diversity

The table below summarises the gender diversity of the Company as at 30 June 2023:

	2023	
Directors		
Male	3	75%
Female	1	25%
	4	
Senior Management		
Male	3	75%
Female	1	25%
	4	
All Staff (including Senior Management)		
Male	30	86%
Female	5	14%
	51	

Subsequent Events

The directors are not aware of any other matters or circumstances since the end of the financial year not otherwise dealt with in this report or the Company's financial statements that has significantly or may significantly affect the operation of Dunedin International Airport Limited, the results of those operations or the state of affairs of the Company.

Auditors

The auditor of Dunedin International Airport limited is Rudie Tomlinson of Audit New Zealand on behalf of the Auditor-General. Audit fees for the year ended 30 June 2023 were $82,500 for the Statutory Audit of the 30 June 2023 Financial Statements, and $30,000 for the Disclosure Financial Statements.

Independent Assurance Report

To the Directors of Dunedin International Airport Limited
Report on Dunedin International Airport Limited's disclosure financial statements for the year ended 30 June 2023

The Auditor-General is the auditor of Dunedin International Airport Limited (the company). The company is required by the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 (the Regulations) to prepare disclosure financial statements for the company's identified airport activities.

The Auditor-General has appointed me, Rudie Tomlinson, using the staff and resources of Audit New Zealand to provide a conclusion, in accordance with the Regulations, on the company's disclosure financial statements. The disclosure financial statements comprise:

- financial statements only for the identified airport activities, and not for the other activities of the company, prepared in accordance with generally accepted accounting practice; and
- additional information as specified in section 9 and schedule 2 of the Regulations.

Unqualified conclusion

It is our conclusion that the disclosure financial statements on pages 6 to 24 are fairly reflected, in all material respects with the Regulations, and comply, in all material respects, with generally accepted accounting practice in New Zealand.

Our work was completed on 28 November 2023. This is the date at which our conclusion is expressed.

The limitations and use of this report is explained below. In addition, we explain the responsibilities of the Board of Directors and our responsibilities and explain our independence.

Limitations and use of this report

This independent assurance report has been prepared solely for the Directors of the company in accordance with our responsibilities under the Regulations. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Directors of the company, or for any purpose other than that for which it was prepared.

The Regulations require the disclosure financial statements to include financial statements only for the company's identified airport activities, which are part of the annual financial statements that we have previously audited. Other than as expressly stated below, we have not carried out any additional procedures on the financial statements for the company's identified airport activities since signing our audit report on the company's annual financial statements on 29 September 2023, which contained an unmodified opinion. Explanation of the scope of our audit engagement on the company's annual financial statements and performance information is contained in that audit report.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance might occur and not be detected.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing disclosure financial statements that comply with the guidelines issued under the Regulations, and subject to the Regulations, comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable the preparation of disclosure financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for the publication of the disclosure financial statements, whether in printed or electronic form.

Our responsibilities

We are responsible for expressing an independent conclusion on the disclosure financial statements and reporting that conclusion to you based on our work. Our responsibility arises from the Regulations and from the Public Audit Act 2001.

We have carried out our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3100 (Revised): *Compliance Engagements,* which has been issued by the External Reporting Board. A copy of this standard is available on the External Reporting Board's website.

Our work has been carried out to obtain reasonable assurance about whether the disclosure financial statements are free from material misstatement, and have been prepared in accordance with the Regulations, in all material respects. Material non-compliance with the Regulations relates to differences or omissions of amounts and disclosures that would affect an overall understanding of the disclosure financial statements. If we had found material non-compliance that was not corrected, we would have referred to the non-compliance in our conclusion.

The Regulations require the disclosure financial statements to include financial statements for the company's identified airport activities, which are only part of the annual financial statements that we have previously audited.

The financial statements for the company's identified airport activities included in the disclosure financial statements have been extracted from the underlying accounting records of the company, and our work on them was limited to:

- obtaining an understanding of how the company has met the requirements of the Regulations to determine its identified airport activities;
- obtaining an understanding of how the company has determined its allocation methodology which has been used to allocate shared expenditure, assets, debt and equity balances;

- evaluating how the allocation methodology has been applied by testing the allocation of shared expenditure, assets, debt and equity balances; and

- agreeing the amounts and disclosures in the disclosure financial statements to the company's underlying records, and to the company's audited annual financial statements, where appropriate.

We also performed procedures to obtain evidence about the amounts and disclosures in the additional information included in the disclosure financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the additional information, whether due to fraud or error or non-compliance with the Regulations. In making those risk assessments, we considered internal control relevant to the company's preparation of the additional information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We did not examine every transaction, nor do we guarantee complete accuracy of the disclosure financial statements. Also we did not evaluate the security and controls over the electronic publication of the disclosure financial statements.

Independence and quality control

When carrying out this engagement, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1, issued by the New Zealand Auditing and Assurance Standards Board; and

- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended), issued by the New Zealand Auditing and Assurance Standards Board.

Other than this engagement carried out under the Regulations, and our audit of the company's annual financial statements and statement of service performance, we have no relationship with or interests in the company.

Rudie Tomlinson
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand