WELLINGTON INTERNATIONAL AIRPORT LIMITED

Consolidated Annual Report

For the year ended 31 March 2025

Directors' Report

For the year ended 31 March 2025

The Directors have pleasure in presenting to shareholders the consolidated annual report for Wellington International Airport Limited (WIAL and/or the Company) for the year ended 31 March 2025.

Directors

The Directors of WIAL during the year were:

- Rachel Drew, Chair
- Elizabeth Albergoni
- Wayne Eagleson
- Matthew Ross
- Phillip Walker
- Tory Whanau

During the year, Simon Murrow attended the Board meetings as an observer as part of a Cadetship under the Company's Aspiring Directors Programme. Michael Carter assumed this role from 5 December 2024.

Group’s Affairs and Nature of Business

WIAL and its wholly owned subsidiaries (the Group) provide integrated airport and commercial facilities and services to various airlines and other airport users in Wellington, New Zealand. The Group also operates a commercial retail park adjacent to the airport site.

The nature of the Group's business has not changed during the year.

WIAL has four wholly owned subsidiary companies. Whare Manaakitanga Limited is the holding company for Wellington Airport's hotel, which is independently operated and managed by Noahs Hotels (NZ) Limited under the Rydges brand. Wellington Airport Noise Treatment Limited (WANT Limited) provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community. Meitaki Limited is a captive insurance company incorporated in the Cook Islands. Jean Batten Street Limited (JBSL) was acquired during the financial year ended 31 March 2025 and is a small property holding company. As a result WIAL comprises a Group for financial reporting purposes and is required to prepare a consolidated report.

The Group continues to make good progress in its environmental, social and governance initiatives. As Wellington Airport is defined as a Climate Reporting Entity in the FMCA (2013), these are outlined further in our Annual Review, Climate Related Disclosures and Kaitiakitanga report available no later than 31 July 2025 here.

The Directors regard the state of the Group's affairs to be satisfactory.

Result for the Year

The last twelve months have seen significant strategic advances and transformational projects underway.

The signs of this are visible all around the airport, including the terminal and retail improvements underway, new carpark, runway upgrades, the new Airport Fire Station taking shape and our new brand.

Strong international passenger growth has supported another solid earnings year, in spite of a slowdown in domestic passenger numbers caused by airline fleet availability issues which have constrained capacity across the network.

International passenger volumes were up 7.4% on the prior year while domestic traffic dropped 3.9%.

Focus remains on maintaining efficiency across the business with our costs being managed well despite ongoing challenges from rates and insurances.

Strong performance across all areas of the business have driven an EBITDAF of $130.2 million, up from last year’s $107.1 million. The net profit after tax result is $25.8 million.

We’ve also worked carefully with our airline partners to set out our development programme in new infrastructure investment over the next five years. This year has seen the commencement of this work with significant aeronautical and commercial capital investment of $117.4 million.

In March 2025, the Group offered $125 million of retail bonds, used to fund future capital investment, refinancing and general corporate purposes. The offer was fully subscribed and issued in April 2025.

Retained earnings was $58.2 million, an increase for the year of $13.8 million. The increase reflects net profit after taxation of $25.8 million and the dividend paid to shareholders during the year.

Directors' Report

For the year ended 31 March 2025

Asset Revaluation Reserve

The Asset Revaluation Reserve at 31 March 2025 was $830.1 million.

Liabilities

The liabilities of WIAL are not guaranteed by its shareholders.

Wellington City Council

Last year the Wellington City Council consulted the public on selling its 34% shareholding in Wellington Airport as part of its long-term plan. In October 2024 the council voted to cease work on any sale.

Auditors

KPMG remained the Group's auditors during the year.

On behalf of the Board

Rachel Drew
Chair of the Board
7 May 2025

Matthew Ross
Chair of the Audit and Risk Committee
7 May 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 $000	2024 $000
Aircraft movement and terminal charges		110,441	86,013
Retail and trading activities		54,726	54,289
Property rent and lease income		20,116	18,856
Total revenue	A2	**185,283**	**159,158**
Operating expenses	A3	(39,018)	(35,992)
Employee remuneration and benefits	A4	(16,086)	(16,048)
Subvention payment	D2	(38,982)	(23,336)
Total operating and other expenditure		**(94,086)**	**(75,376)**
Investment properties revaluation net increase/(decrease)	B2	1,604	(2,700)
Gain/(loss) on disposal of investment properties	B2	(2,400)	-
Depreciation	B1	(29,905)	(29,862)
Operating earnings before net financing expense		**60,496**	**51,220**
Interest income		2,509	1,893
Interest expense	C2	(35,370)	(33,775)
Other finance income	C3	74	870
Net financing expense		**(32,787)**	**(31,012)**
Net profit from operations before taxation		**27,709**	**20,208**
Taxation expense	A5	(1,867)	(49,052)
Net profit/(loss) after taxation		**25,842**	**(28,844)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Property, plant and equipment revaluation	B1	38,121	70,841
Income tax on property, plant and equipment revaluation	A5	(10,916)	(12,670)
Total items that will not be reclassified to profit or loss		27,205	58,171
Items that may subsequently be reclassified to profit or loss:			
Fair value gains/(losses) recognised in the cash flow hedge reserve	C3	(4,987)	192
Tax effect of movements in the cash flow hedge reserve	A5	1,396	(54)
Total items that may subsequently be reclassified to profit or loss		(3,591)	138
Total Other Comprehensive Income		**23,614**	**58,309**
Total comprehensive income		**49,456**	**29,465**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Notes	Capital $000	Asset Revaluation Reserve $000	Cash Flow Hedge Reserve $000	Retained Earnings $000	Total Equity $000
		Attributable to Equity Holders				
Balance as at 1 April 2024		**9,050**	**802,915**	**6,284**	**44,372**	**862,621**
Comprehensive income						
Net profit/(loss) after taxation		-	-	-	25,842	25,842
Other comprehensive income		-	27,205	(3,591)	-	23,614
Total comprehensive income		**-**	**27,205**	**(3,591)**	**25,842**	**49,456**
Contributions by and distributions to owners						
Dividends to equity holders		-	-	-	(12,022)	(12,022)
Total contributions by and distributions to owners		**-**	**-**	**-**	**(12,022)**	**(12,022)**
Balance as at 31 March 2025	C1	**9,050**	**830,120**	**2,693**	**58,192**	**900,055**

	Notes	Capital $000	Asset Revaluation Reserve $000	Cash Flow Hedge Reserve $000	Retained Earnings $000	Total Equity $000
		Attributable to Equity Holders				
Balance as at 1 April 2023		**9,050**	**744,744**	**6,146**	**117,667**	**877,607**
Comprehensive income						
Net profit/(loss) after taxation		-	-	-	(28,844)	(28,844)
Other comprehensive income		-	58,171	138	-	58,309
Total comprehensive income		**-**	**58,171**	**138**	**(28,844)**	**29,465**
Contributions by and distributions to owners						
Movement in executive redeemable shares		-	-	-	-	-
Dividends to equity holders		-	-	-	(44,451)	(44,451)
Total contributions by and distributions to owners		**-**	**-**	**-**	**(44,451)**	**(44,451)**
Balance as at 31 March 2024	C1	**9,050**	**802,915**	**6,284**	**44,372**	**862,621**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	2025 $000	2024 $000
Cash and cash equivalents	C3	12,806	40,162
Short-term investments	C3	11,500	51,994
Receivables	C3	16,772	12,588
Prepayments and sundry receivables		13,537	11,708
Current assets		**54,615**	**116,452**
Property, plant and equipment	B1	1,703,966	1,606,387
Investment properties	B2	103,115	125,282
Sundry receivables		10,554	12,781
Derivative financial instruments	C3	23,343	14,794
Non current assets		**1,840,978**	**1,759,244**
Total assets		**1,895,593**	**1,875,696**
Trade and other payables		4,926	4,393
Current tax payable	A5	22,676	15,898
Accruals and other liabilities		19,261	30,117
Accrued employee benefits	A4	7,672	5,528
Lease liabilities	D3	-	2,362
Loans and borrowings	C2	129,550	60,000
Current liabilities		**184,085**	**118,298**
Deferred taxation	A5	195,799	191,526
Lease liabilities	D3	-	31,389
Loans and borrowings	C2	615,654	671,862
Non current liabilities		**811,453**	**894,777**
Attributable to shareholders		900,055	862,621
Total equity		**900,055**	**862,621**
Total equity and liabilities		**1,895,593**	**1,875,696**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

On behalf of the Board

Rachel Drew
Chair of the Board
7 May 2025

Matthew Ross
Chair of the Audit and Risk Committee
7 May 2025

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 $000	2024 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		183,326	156,310
Interest received		2,509	1,893
Cash was disbursed to:			
Payments to suppliers and employees		(49,881)	(49,955)
Interest paid		(34,680)	(34,254)
Subvention payment	D2	(38,982)	(23,336)
Net cash flows from operating activities		**62,292**	**50,658**
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of investment property		-	4,200
Cash was disbursed to:			
Purchase of property, plant and equipment		(103,577)	(67,713)
Purchase of investment property		(13,818)	-
Net cash flows from investing activities		**(117,395)**	**(63,513)**
Cash flows from financing activities			
Cash was provided from:			
Drawdown of bank facilities		60,000	-
Issue of retail bonds		-	100,000
Maturity of short-term investments		44,715	-
Cash was disbursed to:			
Investment in short-term investments		(4,222)	(37,889)
Repayment of bonds		(60,000)	(75,000)
Debt issue costs		(34)	(15)
Dividend payment	D2	(12,022)	(44,451)
Repayment of lease liabilities		(690)	(2,362)
Net cash flows from financing activities		**27,747**	**(59,717)**
Net increase/(decrease) in cash and cash equivalents		(27,356)	(72,572)
Cash and cash equivalents balance at the beginning of the year		40,162	112,734
Cash and cash equivalents at the end of the year	C3	**12,806**	**40,162**

Reconciliation of net profit after taxation to net cash flows from operating activities:	**Notes**	**2025 $000**	**2024 $000**
Net profit/(loss) after taxation		**25,842**	**(28,844)**
Other finance income		(74)	(870)
Depreciation		29,905	29,862
Investment properties revaluation net decrease		(1,604)	2,700
Gain/(loss) on disposal of investment properties		2,400	-
Deferred tax impact from change in depreciation rules		-	44,128
Other movements not involving cash flows		343	2,094
Movements in working capital		5,480	1,588
Net cash flows from operating activities		**62,292**	**50,658**

The accompanying accounting policies and notes form part of and are to be read in conjunction with these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

Reporting Entity

The consolidated financial statements presented are those of the Wellington International Airport Limited Group (the Group), comprising Wellington International Airport Limited (WIAL and/or the Company) and its subsidiaries: Whare Manaakitanga Limited (Wellington Airport Rydges hotel company), Wellington Airport Noise Treatment Limited (WANT Limited - which provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community), Meitaki Limited (captive insurance company incorporated in the Cook Islands) and Jean Batten Street Limited (small property holding company). The address of WIAL's registered office is Corporate Office, Level 2 Main Terminal Building, 128 Stewart Duff Drive, Wellington, New Zealand.

The Group operates predominantly in Wellington, New Zealand, providing integrated airport and commercial facilities and services to various airlines and other airport users. The Group also operates a commercial retail park adjacent to the airport site.

Statutory Base

The parent company, WIAL, is a profit-oriented company incorporated and domiciled in New Zealand as a limited liability company registered under the Companies Act 1993. The company has bonds listed on the NZX Debt Market (NZDX) and on that basis meets the definition of a Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

Basis Of Preparation

The consolidated financial statements are general purpose financial statements and have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for profit-oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. These financial statements are prepared on a going concern basis.

The consolidated financial statements are presented for the year ended 31 March 2025 and were approved by the Board of Directors on 7 May 2025.

Basis Of Measurement

The consolidated financial statements have been prepared on a historical cost basis, with the exception of certain items as identified in specific accounting policies, and are presented in New Zealand Dollars which is the Group's functional currency. Where indicated, values are rounded to the nearest thousand dollars ($000).

Use Of Accounting Estimates And Judgement

These consolidated financial statements comply with NZ IFRS, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Future outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed within the specific notes shown below:

Area of estimate or judgement	**Note**
Valuation of property, plant and equipment	Note B1 Property, plant and equipment
Valuation of investment properties	Note B2 Investment properties

Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements have been consistently applied to all periods presented.

Any new accounting standards, amendments to standards and interpretations issued, but not yet effective, have not been applied in preparation of these consolidated financial statements and are not expected to have a material impact on these financial statements when adopted.

During May 2024, the IASB issued NZ IFRS 18 'Presentation and Disclosure in Financial Statements' which will replace NZ IAS 1 'Presentation of Financial Statements' for reporting periods on or after 1 January 2027, with early adoption permitted.

NZ IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes. The classification of interest and dividends within the statement of cash flows may also change. The group is currently assessing the impact of NZ IFRS 18 on presentation and disclosures in the Group's financial statements.

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. The Audit and Risk Committee also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. The Group has developed a comprehensive enterprise wide risk management framework. Management and the Board participate in the identification, assessment and monitoring of new and existing risks. Particular attention is given to strategic risks that could affect the Group. Management report to the Audit and Risk Committee and the Board on the Group's risks and the controls and treatments for those risks. This includes the Group's assessment of climate related risks. Financial risk management principles are disclosed within the specific notes shown below:

Area of risk management	Note
Capital risk	Note C1 Share capital
Market risk	Note C3 Financial Instruments
Liquidity risk	Note C3 Financial Instruments
Credit risk	Note C3 Financial Instruments

Notes To The Consolidated Financial Statements

The notes include information that is required to understand the consolidated financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These include, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business; and/or
- it relates to an aspect of the Group's operations that is important to its future performance.

Note Categories

A Financial Performance

B Fixed Assets

C Funding

D Other Notes

Audit Report

Note Annotations

- **P** Material Accounting policy
- **E** Key judgements and estimates
- **R** Financial risks

A. Financial Performance

P A1. Segment Reporting And Non-NZ GAAP measure

Operating segments are identified based on the nature of the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker of the Group has been identified as the Chief Executive Officer. Based on the internal reporting to the Chief Executive Officer, the Group is considered to have one operating segment.

The revenue earned from customers contributing greater than 10% of the Group's revenue for the year ended 31 March 2025 was $105.1 million (2024: $84.4 million).

The Group refers to a non-NZ GAAP financial measure of earnings before interest, tax, depreciation, amortisation, change in fair value of financial instruments, revaluations, impairments, gain/(loss) on sale of assets and subvention payment (EBITDAF) within these consolidated financial statements. The Board and management consider it a useful non-NZ GAAP financial measure as it shows the contribution to earnings prior to non-cash items, cost of financing and subvention and is used by management, in conjunction with other measures, to monitor financial performance. The limited use of this non-NZ GAAP measure is intended to supplement NZ GAAP measures and is not a substitute for NZ GAAP measures. As these measures are not defined by NZ GAAP, NZ IFRS, or any other body of accounting standards, the Group's calculations may differ from similarly titled measures presented by other companies.

	2025 $000	2024 $000
Net profit/(loss) after taxation	**25,842**	**(28,844)**
Subvention payment	38,982	23,336
Net financing expense	32,787	31,012
Taxation expense	1,867	49,052
Depreciation	29,905	29,862
Gain/(loss) on disposal of investment properties	2,400	-
Investment property revaluation net increase/(decrease)	(1,604)	2,700
EBITDAF	**130,179**	**107,118**

P A2. Revenue

Revenue is earned from aircraft movement and terminal charges, retail, hotel and trading activities and property leases.

Revenue recognition

Revenue is recognised as the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer.

Aircraft movement and terminal charges

Airfield movement, passenger charges and aircraft parking charges are recognised as revenue when the passenger travels or the airport facilities are used. These include recognition of airline pricing incentives to the extent the Group's performance obligations have been met in the period.

Hotel and other trading activities

Hotel and other trading activities includes revenue earned from the airport's hotel and access to the airport's car parking facilities. Revenue from the hotel is recognised at the point in time the service is delivered. Revenue from car parking is recognised at the point in time where the utilisation of car parking facilities have been completed.

Retail concession fees

Retail concession fees are recognised as revenue on an accrual basis based upon passenger throughput or the turnover of the concessionaires.

Property rent and lease income

Rental revenue, net of lease incentives, is recognised on a straight line basis over the term of the lease.

Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

Total contract and other revenue

	2025 $000	2024 $000
Aircraft movement and terminal charges	110,441	86,013
Hotel and other trading activities	40,618	40,710
Total contract revenue	**151,059**	**126,723**
Retail concession fees	14,108	13,579
Property rent and lease income	20,116	18,856
Total revenue	**185,283**	**159,158**

A3. Operating expenses

The Group incurs operating expenses in delivering its services as an integrated airport to various airlines and other airport users. The main components comprising operating expenses are outlined below.

	2025 $000	2024 $000
Fees paid to external auditors:		
Audit of financial statements	253	226
Other assurance services and other agreed upon procedures *(Note 1)*	111	38
Taxation services	-	32
Directors' fees	661	655
Regulatory compliance and airline pricing consultation	470	312
Marketing and development	2,690	2,298
Cleaning and energy	4,173	3,246
Rates and insurance	13,601	12,302
Repairs and maintenance	2,179	2,396
Software support	2,162	2,012
Noise mitigation program	1,887	1,761
Expected credit loss provision	-	120
Administration and other expenses	10,831	10,594
Total operating expenses	**39,018**	**35,992**

Note 1 - Other assurance services relate to assurance over WIAL's regulatory annual disclosures and climate-related assurance. Other agreed upon procedures relates to engagement for PSE5 pricing disclosures.

P A4. Employee remuneration and benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and the amount can be measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. In addition, the company operates an executive long term, non-equity based incentive scheme.

Accrued employee benefits	2025 $000	2024 $000
Salaries and wages	6,448	4,376
Annual and long service leave	1,224	1,152
Total accrued employee benefits at the end of the year	**7,672**	**5,528**

Key management personnel disclosures

Key management personnel include the Directors of WIAL, the Chief Executive Officer and those personnel reporting directly to the Chief Executive Officer. The Directors' fees for the year ended 31 March 2025 of $661,045 (2024: $654,759) disclosed in Note A3 are included within short-term employee benefits as they form part of the remuneration to key management personnel.

Key management personnel benefits	2025 $000	2024 $000
Short-term employee benefits	3,828	3,679
Long-term employee benefits	1,990	1,500
Key management personnel benefits expense for the year	**5,818**	**5,179**

A5. Taxation

P Current and deferred tax is recognised in profit or loss in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity or in Other Comprehensive Income, in which case the deferred tax or current tax is also recognised directly in equity or in other comprehensive income. Current tax is the expected tax (payable)/receivable on the taxable income/(loss) for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

	2025 $000	2024 $000
Net profit before taxation	**27,709**	**20,208**
Taxation at 28%	(7,774)	(5,658)
Subvention payment made in respect of prior period	(10,384)	(6,534)
Taxation effect of non deductible items	(214)	741
Deferred tax impact from reversal of depreciation on buildings	-	(44,128)
Loss offset	4,579	1,253
Over/(under) provision in prior years	11,926	5,274
Taxation expense	**(1,867)**	**(49,052)**
Current taxation	(6,778)	(7,902)
Deferred taxation	4,911	(41,150)
Taxation expense	**(1,867)**	**(49,052)**

P Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for taxation purposes. Income taxes relating to items recognised in Other Comprehensive Income or directly in equity are recognised in Other Comprehensive Income or directly in equity and not in the profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date.

	Property, plant and equipment $000	Investment properties $000	Derivative financial instruments $000	Accrued employee benefits $000	Deferred tax asset on tax losses $000	Other $000	Total $000
Balance at 1 April 2024	(191,118)	(1,187)	(2,494)	1,816	687	770	(191,526)
Recognised in profit and loss	4,997	(484)	6	65	190	137	4,911
Recognised in Other Comprehensive Income	(10,580)	-	1,396	-	-	-	(9,184)
Balance at 31 March 2025	**(196,701)**	**(1,671)**	**(1,092)**	**1,881**	**877**	**907**	**(195,799)**
Balance at 1 April 2023	(136,745)	(1,086)	(2,405)	1,128	585	871	(137,652)
Recognised in profit and loss	(41,703)	(101)	(35)	688	102	(101)	(41,150)
Recognised in Other Comprehensive Income	(12,670)	-	(54)	-	-	-	(12,724)
Balance at 31 March 2024	**(191,118)**	**(1,187)**	**(2,494)**	**1,816**	**687**	**770**	**(191,526)**

B. Fixed Assets

B1. Property, plant and equipment

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Property, plant and equipment is initially measured at cost and subsequently recorded at cost less accumulated depreciation and impairment losses, or at fair value less accumulated depreciation and impairment losses.

Fair value is determined by independent external valuation experts or by management, using recognised valuation techniques. An external expert is engaged to provide a valuation if management does not have sufficient expertise to perform the valuation. Independent external valuations are undertaken on a systematic basis at least every five years. In the intervening years, a material change assessment of each asset class is performed to assess whether carrying amounts differ materially from fair value. This assessment is undertaken by management with assistance from external experts and includes reference to key indices including the capital goods price index and construction index, internal discounted cash flow models, land values and investment property (as relevant to each class of asset) as an indicator of material change in fair value of property, plant and equipment. Where a material change in fair value is identified, a fair value adjustment is recognised in the Asset Revaluation Reserve and included in Other Comprehensive Income or in profit or loss to bring carrying value materially in line with fair value.

Depreciation

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Depreciation is calculated systematically on a straight-line basis to allocate the cost or revalued amount of an asset, less any residual value, over its estimated useful life. Land and certain civil foundation works are not depreciated.

The Group makes estimates of the remaining useful lives of assets. The major depreciation periods are as follows:

Building ancillary services	2 – 30 years
Buildings	40 – 60 years
Civil works	2 – 120 years
Vehicles, plant and equipment	3 – 40 years

Individual asset remaining useful lives and residual values are assessed at least annually.

Capitalised interest

For the year ended 31 March 2025, capitalised borrowing costs relating to capital work in progress, as referred to in Note C2, amounted to $3.3 million (2024: $2.3 million), with an average interest rate of 4.9% per annum (2024: 4.7% per annum).

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Valuation of property, plant and equipment

A description of the valuation approaches and key assumptions for each asset class are detailed in the tables on page 15 and page 16.

E

Civil assets were revalued at 31 March 2025 by Beca Limited. There were no other independent external revaluations performed as at 31 March 2025. The tables on page 15 and 16 provides information on the latest independent external valuations undertaken for each asset class. At 31 March 2025, a material change assessment was performed for land and building asset classes. A summary is provided below.

Land

The Group's assessment of land includes reference to NZ and Wellington house price indices published by Real Estate Institute of NZ, changes in commercial and industrial property values and consideration of other key inputs. Using the last independent external valuation performed for the year ended 31 March 2023 as a base, further work was performed to estimate fair value including an assessment of key inputs into land value. Based on this assessment, there is no material change in the estimated fair value of land compared to the prior year ended 31 March 2024 (2024: increase of $25.5 million).

Buildings

Buildings are assessed as three main components; (a) Specialised buildings, (b) Vehicle business and (c) Hotel business assets.

(a) Specialised buildings – based on the Group's assessment which includes reference to the capital goods price index and consumer price index, a fair value increase of $5.7 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2024: $12.6 million).

(b) Vehicle business assets – based on the Group's assessment which includes reference to passenger forecasts and discounted cash flow modelling, a fair value increase of $17.4 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2024: $20.0 million).

(c) Hotel business assets – based on the Group's assessment which includes reference to passenger forecasts and discounted cash flow modelling, a fair value increase of $2.3 million has been made to the carrying value of these assets in the Asset Revaluation Reserve and Other Comprehensive Income (2024: $3.6 million).

The major inputs and assumptions that form the basis of determining fair value and the relevant relationship of the inputs requiring judgement are outlined in the table below.

Description of different valuation approaches

Discounted cash flow (DCF)	A valuation methodology which requires the application of financial modelling techniques. Discounted cash flow analysis requires assumptions to be made regarding the prospective income and expenses of a property. Such assumptions pertain to the quantity, quality, variability, timing, and duration of inflows and outflows over an assumed period. The assessed cash flows are discounted to present value at an appropriate, market-derived discount rate to determine fair value.
Income capitalisation approach (Cap rate)	A valuation methodology which determines fair value by capitalising an asset's sustainable net income at an appropriate, market derived capitalisation rate based on an analysis of sales of comparable assets.
Optimised depreciated replacement costs (ODRC)	A valuation methodology whereby fair value is determined by calculating the cost of constructing a modern equivalent asset at current market based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and any sub-optimal usage of the assets in their current application (optimisation).
Market value existing use approach (MVEU)	A valuation methodology whereby fair value, based on the highest and best alternative use (MVAU), is determined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction plus consenting and holding costs to provide land suitable for airport use. The consenting and holding costs are derived by the valuer using assumptions regarding the direct costs of obtaining consent, the developer's weighted average cost of capital and the holding period for conversion to airport use.

Fair value hierarchy levels

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

• Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or

• Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

There were no transfers between levels of the fair value hierarchy during the year ended 31 March 2025 (2024: none).

Unobservable inputs

The valuation methodology adopted by the Group makes use of inputs which do not have any market data available and are developed using the best information available that market participants would use when evaluating pricing.

B1. Property, plant and equipment (continued)

The following table summarises the valuation approach and key assumptions used by the independent valuers to arrive at fair value at the date of the last independent external valuation. Where material change assessments have been performed in the year ended 31 March 2025, further detail has been provided under the respective asset classes below.

Description	Valuation approach	Fair value hierarchy level	Significant unobservable inputs		Sensitivity valuation impact	Relationship of unobservable inputs to fair value
			At last independent external valuation			
Land						
Aeronautical land - used for airport activities and specialised aeronautical assets. Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail, residential and land associated with the vehicle business.	MVEU	3	Average MVAU rate per hectare	$2.74 million per hectare	A 5% change equates to +/- $28.0m	The higher the rate per hectare, the higher the fair value.
			Developer's WACC rate	12.20%	A 5% change equates to +/- $15.0m	The higher the WACC rate, the higher the fair value.
			Holding period	6 years	A 6 month change equates to +/- $22.0m	The longer the holding period, the higher the fair value.
Last external valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited. As noted on page 13, for the year ended 31 March 2025, a material change assessment has been undertaken and further work carried out to estimate fair value which indicates no material change in a fair value compared to the prior year ended 31 March 2024. In relation to the value at 31 March 2025, a 5% change in average MVAU rate per hectare equates to +/- $29 million in fair value. A 5% change in developers WACC rate equates to +/- $16 million in fair value.						
Civil						
Civil works include sea protection and site services, excluding such site services to the extent that they would otherwise create duplication of value.	ODRC	3	Average cost rates per sqm for concrete, asphalt, base course and foundations	Concrete $163 Asphalt $191 Base course $142 Foundations $30	A 5% change equates to +/- $4.5m	The higher the average cost rates, the higher the fair value.
			Estimated remaining useful life	Average remaining useful life 23.5 years	A 5% change equates to +/- $7.1m	The longer the estimated remaining useful life, the higher the fair value.
External valuation undertaken as at 31 March 2025 by independent valuers, Beca Limited valued civil assets at $291.4 million.						
Buildings						
Specialised buildings used for identified airport activities. Non specialised buildings used for purposes other than for identified airport activities, including space allocated within the main terminal building for retail activities, offices and storage.	ODRC	3	Average modern equivalent asset rate per sqm	Specialised $9,273	A 5% change equates to +/- $15.7m	The higher the modern equivalent asset rate, the higher the fair value.
				Non specialised $2,089	A 5% change equates to +/- $0.2m	The higher the modern equivalent asset rate, the higher the fair value.
Vehicle business assets associated with car parking and taxi, shuttle and bus services (excluding land and civil).	DCF and Cap rate	3	Revenue growth	2.20%	A 5% change equates to +/- $0.5m	The higher the assumed revenue growth, the higher the fair value.
			Cost growth	2.12%	A 5% change equates to +/- $0.5m	The higher the assumed cost growth, the lower the fair value.
			Discount rate	9.75%	A 5% change equates to +/- $4.8m	The higher the discount rate, the lower the fair value.
			Income capitalisation rate	7.75%	A 5% change equates to +/- $7.5m	An increase in the capitalisation rate will decrease the fair value.
Last external valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited. As noted on page 13, for the year ended 31 March 2025, a material change assessment has been undertaken, and further work carried out which resulted in a fair value increase of $23.1 million. In relation to the value of specialised buildings at 31 March 2025, a 5% change in the indices referenced equates to +/- $0.5 million in fair value. In relation to the value of vehicle business assets, a 5% change in passenger and cashflow forecasts equates to +/- $24 million in fair value.						

B1. Property, plant and equipment (continued)

Description	Valuation approach	Fair value hierarchy level	Significant unobservable inputs		Sensitivity valuation impact	Relationship of unobservable inputs to fair value
			At last independent external valuation			
Buildings (continued)						
Hotel business assets	DCF and Cap rate	3	Income capitalisation rate	7.25%	A 5% change equates to +/- $1.6m	An increase in the capitalisation rate will decrease the fair value.
			Discount rate	9.25%	A 5% change equates to +/- $0.8m	The higher the discount rate, the lower the fair value.
Last external valuation undertaken as at 31 March 2023 by independent valuers, CBRE Limited. As noted on page 13, for the year ended 31 March 2025, a material change assessment has been undertaken which resulted in a fair value increase of $2.3 million based on updated forecast cash flows. In relation to the value of hotel business assets, a 5% change in cashflow forecasts equates to +/- $2.5 million in fair value.						

Vehicles, plant and equipment	
Vehicles, plant and equipment comprises a mixture of specialised and non-specialised assets.	Cost less accumulated depreciation and impairment losses

B1. Property, plant and equipment (continued)

A reconciliation of movements for each class of the Group's assets during the reporting period is outlined below.

	Land at fair value	Civil at fair value	Buildings at fair value	Vehicles, Plant and Equipment at cost	Capital work in progress at cost	Total
	$000	$000	$000	$000	$000	$000
Cost or valuation						
Balance at 1 April 2024	602,548	308,265	657,823	82,439	75,656	1,726,731
Additions	-	-	-	-	103,515	103,515
Transfer from capital work in progress	14,895	13,570	13,583	12,985	(55,033)	-
Transfer to investment properties	(8,150)	(326)	(5,341)	-	-	(13,817)
Movement in asset revaluation through Other Comprehensive Income	-	(30,079)	25,423	-	-	(4,656)
Balance at 31 March 2025	**609,293**	**291,430**	**691,488**	**95,424**	**124,138**	**1,811,773**
Accumulated depreciation and impairment losses						
Balance at 1 April 2024	-	33,770	16,842	69,732	-	120,344
Depreciation for the year	-	8,672	16,884	4,349	-	29,905
Movement in asset revaluation through Other Comprehensive Income	-	(42,442)		-	-	(42,442)
Balance at 31 March 2025	**-**	**-**	**33,726**	**74,081**	**-**	**107,807**
Net book value at 31 March 2025	**609,293**	**291,430**	**657,762**	**21,343**	**124,138**	**1,703,966**
Cost or valuation						
Balance at 1 April 2023	571,200	270,320	600,774	81,314	69,672	1,593,280
Additions	-	-	-	-	62,610	62,610
Transfer from capital work in progress	5,800	28,859	20,842	1,125	(56,626)	-
Movement in asset revaluation through Other Comprehensive Income	25,548	9,086	36,207	-	-	70,841
Balance at 31 March 2024	**602,548**	**308,265**	**657,823**	**82,439**	**75,656**	**1,726,731**
Accumulated depreciation and impairment losses						
Balance at 1 April 2023	-	25,468	-	65,014	-	90,482
Depreciation for the year	-	8,302	16,842	4,718	-	29,862
Balance at 31 March 2024	**-**	**33,770**	**16,842**	**69,732**	**-**	**120,344**
Net book value at 31 March 2024	**602,548**	**274,495**	**640,981**	**12,707**	**75,656**	**1,606,387**

At 31 March 2025, had assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been $148.8 million for land (2024: $145.0 million), $209.0 million for civil assets (2024: $201.5 million) and $339.2 million for buildings (2024: $339.7 million).

B2. Investment properties

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Investment properties are initially measured at cost and subsequently measured at fair value with any change recognised in profit or loss. Investment properties are revalued annually at fair value as determined by an independent valuer.

	Notes	Owned Property $000	Right-of-use assets $000	2025 $000	2024 $000
Balance at the beginning of the year		90,521	34,761	125,282	132,182
Additions of investment properties		13,390	-	13,390	-
Disposals	D2	(2,400)	(34,761)	(37,161)	(4,200)
Investment properties revaluation net (decrease)/increase		1,604	-	1,604	(2,700)
Balance at the end of the year		**103,115**	**-**	**103,115**	**125,282**

Amounts recognised in profit or loss (excluding revaluations):	**2025**	**2024**
Rental income from investment properties	8,510	9,387
Direct operating expenses arising from investment properties	(2,345)	(3,794)
Net amount recognised in profit or loss (excluding revaluations)	**6,165**	**5,593**

The Right-of-use assets relate to the Group's ground leases that meet the definition of investment property. During the year all of ground leases were surrendered.

Valuation of investment properties

E

The fair value of investment properties is estimated each year by an independent valuer, Jones Lang LaSalle, which reflects market conditions at balance date. Changes to market conditions or to assumptions made in the estimation of fair value will result in changes to the fair value of the investment properties.
As part of the valuation process, the Group has provided information to the valuer, including current tenants, rent agreements and lease terms based on information available at the time of preparing these financial statements. This valuation is based on a discounted cash flow and capitalisation rate approach.

The following table summarises the valuation approach and key assumptions used by the valuer to arrive at fair value:

Description	Valuation approach	Fair value hierarchy level	Significant unobservable inputs		Relationship of unobservable inputs to fair value
Investment Properties					
Properties held for investment income earning purposes.	DCF and Cap rate	3	Weighted average discount rate	7.63% (2024: 7.66%)	An increase in the discount rate will decrease the fair value.
			Weighted average income capitalisation rate	7.04% (2024: 7.25%)	An increase in the capitalisation rate will decrease the fair value.
			Weighted average lease term	3.13 years (2024: 3.66 years)	An increase in the average lease term will ordinarily increase the fair value.
Last external valuation undertaken as at 31 March 2025 by independent valuers, Jones Lang LaSalle.					

C. FUNDING

C1. Share capital

	2025 $000	2024 $000
Share capital is represented by:		
Total issued and authorised capital at the beginning and end of the year 40,155,942 ordinary shares	9,050	9,050
Balance at the end of the year	**9,050**	**9,050**

All ordinary shares have equal voting rights and share equally in dividends and equity. All shares have no par value.

Capital risk

R

The Group's capital includes share capital, reserves, retained earnings and loans and borrowings. The key factors in determining the Group's optimal capital structure are quality and dependability of earnings and cash flows, appropriate credit rating, capital needs and available sources, relative cost of capital and ability to withstand business shocks. The Group is subject to certain compliance ratios relevant to its bank facility agreements, USPP Note Purchase Agreement, Negative Pledge Deed Poll and Trust Deeds applicable to the bond borrowings.

C2. Loans and borrowings

P

Loans and borrowings are recorded at amortised cost. Fees and other costs incurred in raising debt finance are capitalised and amortised over the term of the relevant debt instrument or debt facility.

Borrowing costs are recognised as an expense in the period in which they are incurred using the effective interest rate method except to the extent that they are capitalised. Borrowing costs that are directly attributable to construction projects of a qualifying asset are capitalised as part of the cost of the assets, as set out in Note B1.

	Issue Date	Maturity	2025 Interest Rate	2024 Interest	2025 $000	2024 $000
Drawn bank facilities	Refer table on page 21		Floating	Floating	60,000	-
Retail bonds WIA040	5-Aug-16	5-Aug-24	4.00%	4.00%	-	60,000
Retail bonds WIA050	16-Dec-16	16-Jun-25	5.00%	5.00%	70,000	70,000
Retail bonds WIA060*	1-Apr-19	1-Apr-30	4.00%	4.00%	99,976	98,134
Retail bonds WIA070	14-Aug-20	14-Aug-26	2.50%	2.50%	100,000	100,000
Retail bonds WIA080**	24-Sep-21	24-Sep-31	3.32%	3.32%	123,859	121,709
Retail bonds WIA090	24-Feb-23	24-Aug-28	5.78%	5.78%	75,000	75,000
Retail bonds WIA100	4-Mar-24	4-Sep-30	6.02%	6.02%	100,000	100,000
USPP Notes - Series A (US$36 million)	27-Jul-17	27-Jul-27	3.47%	3.47%	60,100	55,238
USPP Notes - Series B (US$36 million)	27-Jul-17	27-Jul-29	3.59%	3.59%	59,978	55,238
Total borrowings at face value					**748,913**	**735,319**
Unamortised transaction costs					(3,709)	(3,457)
Carrying value of borrowings					**745,204**	**731,862**
Current					129,550	60,000
Non-current					615,654	671,862

*The interest rate of the WIA060 was reset on 1 April 2025 for a further five years. The interest rate for the period from 1 April 2025 until maturity date will be the sum of the base rate (5 year mid-market rate for NZD interest rate swap from reset date to maturity date) plus a margin of 1.95%.

**The interest rate of the WIA080 bonds is fixed at 3.32% for the first five years and then resets on 24 September 2026 for a further five years. The interest rate for the period from 24 September 2026 until maturity date will be the sum of the base rate (5 year mid-market rate for NZD interest rate swap from reset date to maturity date) plus a margin of 1.50%.

Retail Bonds

Borrowings under the retail bond programme are supported by a Master Trust Deed and supplemented by the Supplemental Trust Deeds (the “Trust Deeds”) entered into between WIAL and Trustees Executors Limited (the “Supervisor”). The Retail Bonds are unsecured and unsubordinated. At 31 March 2025, the retail bonds had a fair value of $580.0 million (2024: $616.6 million), based on the NZDX valuation at balance date. This fair value measurement is categorised as level 1 within the fair value hierarchy.

USPP Notes

WIAL's USPP comprised two equal tranches, a US$36 million 10 year Note with a coupon of 3.47% and a US$36 million 12 year Note with a coupon of 3.59%. In conjunction with the USPP issuance, WIAL entered into Cross Currency Interest Rate Swaps (CCIRS) to hedge the exposure to foreign currency risk over the term of the notes. These are described in more detail below in note C3.

At 31 March 2025, the USPP Notes had a fair value of $126.0 million (2024: $117.4 million). This debt is carried in the Consolidated Statement of Financial Position at amortised cost, translated to New Zealand dollars using foreign exchange rates at balance date.

For the year ended 31 March 2025

C2. Loans and borrowings (continued)

Bank Facilities

As at 31 March 2025 the Group has bank facilities amounting to $200 million (2024: $100 million), with $60 million drawn at 31 March 2025 (31 March 2024: Nil). The Company's debt includes unsecured and unsubordinated bank facilities with a negative pledge arrangement, which with limited exceptions does not permit the Company to grant security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets.

WIAL's bank facilities are sustainability linked which creates direct financial incentives by aligning interest rates with agreed sustainability targets.

Interest rates payable on bank loan facilities are floating rate determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 4.64% to 6.50% (2024: 6.48% to 6.54%).

Financial Covenants and Other Restrictions

Bank facilities and the US$72 million USPP Notes have certain financial covenants which were all met during the year and as at 31 March 2025.

C3. Financial instruments

Derivatives and hedging activities

P

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other finance income.

Fair value hedges that qualify for hedge accounting

The hedging instruments are remeasured to fair value as at balance date. The carrying amounts of the hedged items are adjusted for gains and losses attributable to the risk being hedged. Gains and losses arising from both are taken to the profit or loss.

As at 31 March 2025, all of the derivative financial instruments held by the group were in designated hedging relationships.

The Group has the following derivative financial instruments in hedging relationships:	2025 $000	2024 $000
Non-current assets		
Cross currency interest rate swaps - cash flow and fair value hedges	20,241	10,179
Interest rate swaps - cash flow hedges	4,030	9,555
Non-current liabilities		
Interest rate swaps - fair value hedges	(928)	(4,940)
Net assets/(liabilities)	**23,343**	**14,794**

E

As at 31 March 2025, the Group has interest rate swaps with maturities up to September 2031. The fair value of these derivative financial instruments is calculated based on a discounted cash flow analysis using market prices, observable yield curves and market-quoted foreign exchange rates. The fair value measurement of derivatives is categorised as level 2 within the fair value hierarchy and there were no transfers between levels of the hierarchy during the year ended 31 March 2025 (2024: Nil).

The following amounts comprise Other Finance Income in the Statement of Comprehensive Income:

	2025 $000	2024 $000
Foreign exchange (loss)/gain on USPP Notes	(6,373)	(5,387)
Increase/(decrease) in cross currency interest rate swaps	6,373	5,387
Hedge ineffectiveness of interest rate swaps (including cross currency interest rate swaps)	(57)	160
Other finance expense	(163)	22
Fair value movement of managed funds	294	688
Total other finance income/(expense)	**74**	**870**

C3. Financial instruments (continued)

P

Hedge effectiveness and ineffectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into interest rate swaps that have similar critical terms as the hedged item, using this as a basis of assessing the economic relationship between the hedged item and the hedging instrument for the purpose of assessing hedge effectiveness.

Hedge ineffectiveness may arise due to credit value/debit value adjustments on the interest rate swaps, and differences in critical terms between the interest rate swaps and loans.

Financial Risk Management

As a result of its business activities, the Group has exposure to the following risks:

- Market risk
- Liquidity risk
- Credit risk

The following paragraphs present information about the Group's exposure to each of the above risks and the Group's management of such exposure.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates will affect the Group's cash flows and earnings.

R

Interest rate risk (cash flow and fair value)

The Group's exposure to market risk from changes in interest rates relates primarily to the loans and borrowings. Loans and borrowings issued at variable interest rates expose the Group to changes in interest rates. The Group's policy is to manage its interest rate exposure by issuing borrowings at fixed interest rates or entering into derivative financial instruments to convert the majority of floating rate exposures to fixed rate. At 31 March 2025, 78.5% (2024: 86.3%) of the borrowings (including the effect of the derivative financial instruments) were subject to fixed interest rates, which are defined as borrowings with an interest reset date greater than one year.

	2025	2024
At balance date the interest rate contracts outstanding were:	**$000**	**$000**
Interest rate swaps notional value	450,000	300,000
Fair value of interest rate swaps asset/(liability)	3,102	4,615
Change in fair value of outstanding hedging instruments	(1,513)	2,635
Change in value of hedged item used to determine hedge effectiveness	1,575	(2,788)
Cross currency interest rate swaps notional value	99,751	99,751
Fair value of cross currency interest rate swaps asset/(liability)	20,241	10,179
Change in fair value of outstanding hedging instruments	10,062	3,234
Change in value of hedged item used to determine hedge effectiveness	(10,182)	(3,234)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in NZ interest rates for the year to the reporting date would have increased/(decreased) profit or loss or equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	2025 100 bp increase $000	2025 100 bp decrease $000	2024 100 bp increase $000	2024 100 bp decrease $000
Impact on profit or loss before taxation				
Floating rate debt	(206)	206	(141)	141
Interest rate swaps & cross currency interest rate swaps	(998)	998	(998)	998
Net profit or loss sensitivity	**(1,204)**	**1,204**	**(1,139)**	**1,139**
Impact on equity before taxation				
Cross currency interest rate swaps	(3,706)	3,845	(4,376)	4,582
Interest rate swaps	14,597	(15,578)	4,755	(5,189)
Equity sensitivity	**10,891**	**(11,733)**	**379**	**(607)**

C3. Financial instruments (continued)

R

Foreign currency risk (cash flow and fair value)

The Group has exposure to foreign currency risk resulting from the issue of USPP Notes. This exposure has been fully hedged by way of cross-currency interest rate swaps, hedging US dollar exposure on both principal and interest. The cross currency interest rate swaps correspond in amount and maturity to the USPP notes with no residual foreign currency risk exposure.

Sensitivity analysis for foreign currency instruments

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. At 31 March 2025, had the NZ dollar moved, with all other variables held constant, equity would have been affected as follows. A movement of plus or minus 10% has been determined as plausible based on analysis of historical US dollar to NZ dollar fluctuations over the previous two years to 31 March 2025.

	2025 10% increase $000	2025 10% decrease $000	2024 10% increase $000	2024 10% decrease $000
Impact on equity before taxation				
Cross currency interest rate swaps	(11,553)	14,121	(10,783)	13,179
Equity sensitivity	**(11,553)**	**14,121**	**(10,783)**	**13,179**

R

Liquidity risk

Liquidity risk refers to the potential inability of the Group to meet its financial obligations when they fall due, under normal or abnormal/stressed operating conditions. Liquidity risk is monitored by regularly forecasting cash flows and matching the maturity profiles of financial assets and liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and support its capital programme, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining sufficient cash, the availability of funding through an adequate amount of undrawn bank facilities, the spreading of debt maturities and its credit standing in capital markets. As at 31 March 2025, WIAL has a BBB/Stable/A-2, rating from S&P Global Ratings (31 March 2024: BBB/Stable/A-2).

The arrangements in place are outlined by maturity and amount in the table below.

Bank facilities	2025 Facility $000	2025 Drawn $000	2024 Facility $000	2024 Drawn $000
Between 0-1 year	-	60,000	70,000	-
Between 1-2 years	-	-	30,000	-
Between 2-5 years	200,000	-	-	-
Over 5 years	-	-	-	-
Total	**200,000**	**60,000**	**100,000**	**-**

The table below categorises the Group's financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date. The amounts in the table below are disclosed as contractual undiscounted cash flows and include interest through to maturity.

	Balance sheet $000	Contractual cash flows $000	6 months or less $000	6-12 months $000	1-2 years $000	2-5 years $000	More than 5 years $000
At 31 March 2025							
Trade and other payables	31,859	31,859	31,859	-	-	-	-
Retail bonds	628,835	695,346	83,153	11,403	122,824	137,025	340,941
USPP Notes	120,078	141,763	2,226	2,226	4,452	132,859	-
Interest rate swaps	23,343	7,857	588	239	1,663	5,071	296
Total contractual cash flows		**876,825**	**117,826**	**13,868**	**128,939**	**274,955**	**341,237**
At 31 March 2024							
Trade and other payables	40,038	40,038	40,038	-	-	-	-
Retail bonds	624,843	780,589	73,453	12,253	93,855	241,760	359,268
USPP Notes	110,476	118,951	2,125	2,125	4,251	59,494	50,956
Interest rate swaps	4,940	5,612	1,910	1,846	1,340	516	-
Lease liabilities	33,751	95,115	1,166	1,166	2,332	6,997	83,454
Total contractual cash flows		**1,040,305**	**118,692**	**17,390**	**101,778**	**308,767**	**493,678**

C3. Financial instruments (continued)

R

Credit risk

The Group is exposed to credit risk in the normal course of business arising from trade receivables with its customers, financial derivatives and transactions (including cash balances) with financial institutions. Maximum exposures to credit risk at 31 March 2025 relate to bank balances and short-term investments of $24.4 million (2024: $92.2 million) and trade receivables of $19.9 million (2024: $19.0 million). No security is held for these amounts.

Cash and short-term investments are held with counterparties approved under the Group's Treasury Policy. At 31 March 2025 cash and short-term investments were held with ANZ Bank New Zealand, Bank of New Zealand, Capital Security Bank, MUFG Bank, Auckland Branch, and managed fund investments with Milford Asset Management. Derivative and cash transactions are limited to high credit-quality financial institutions. The Group's exposure and the credit ratings of counterparties are monitored, and the aggregate value of transactions are spread amongst approved counterparties in accordance with the Treasury Policy.

Short-term investments

	2025 $000	2024 $000
Term deposits	-	45,000
Managed fund investments - designated at fair value through profit or loss [1]	11,500	6,994

[1] This fair value measurement is classified as level 1 within the fair value hierarchy.

The Group has exposure to various counterparties in the ordinary course of business. Concentration of credit risk with respect to trade receivables is concentrated in a small number of accounts because the Group has a limited range of customers. At 31 March 2025, 85.4% of trade receivables were due from the top ten largest debtors (2024: 78.2%) and 6.4% of trade receivables were overdue (2024: 9.2%). The Group actively manages and monitors its accounts receivable on an ongoing basis. The Group is not exposed to any other concentrations of credit risk.

P

Impairment of financial assets

The Group applies the "simplified approach" for including a general provision for expected credit losses (ECL) as prescribed by NZ IFRS 9 as its financial assets do not include a significant financing component. For the Group, the ECL model applies to its trade receivables and contract assets. The simplified approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

E

An assessment was undertaken on trade debtors and sundry receivables to assess customers’ ability to meet repayments including a high-level assessment on the ability to trade in the future. As a result, the Group has recognised a provision for Expected Credit Losses of $1.8 million (2024: $1.8 million).

D. OTHER NOTES

D1. Subsidiaries

	Balance Date	2025 Holding	2024 Holding	Principal activity	Country of incorporation
WANT Limited	31 March	100%	100%	Noise mitigation	New Zealand
Whare Manaakitanga Limited	31 March	100%	100%	Hotel	New Zealand
Meitaki Limited	31 March	100%	100%	Captive Insurance	Cook Islands
Jean Batten Street Limited	31 March	100%	-	Small Property Holding	New Zealand

WANT Limited - The Land Use Management and Insulation for Airport Noise Study was undertaken by WIAL in conjunction with its airlines, Board of Airline Representatives New Zealand Inc, Wellington City Council and the local Air Noise Management Committee in order to fulfil WIAL's obligations arising from Environment Court proceedings in 1997. The work identified from this study includes the acquisition and removal of noise affected houses and the provision of noise mitigation and insulation activities for others.

WIAL commenced charging the airlines operating at Wellington Airport for these activities from 1 April 2012 and the charge for the current year is approximately 32 cents per passenger. These charges and noise mitigation activities are managed in WANT Limited, a wholly owned subsidiary of WIAL that commenced trading on 1 April 2012. WANT Limited has forecast to complete the noise management activities by the end of the financial year ending 31 March 2034 and that the charges will recover the noise mitigation costs over the period from 1 April 2012 to 31 March 2034.

Whare Manaakitanga Limited was incorporated on 20 April 2018 as the holding company for WIAL's airport hotel which opened for customers on 12 February 2019.

Meitaki Limited was incorporated in the Cook Islands on 6 September 2019 as a captive insurance company to assist in managing WIAL's insurances.

Jean Batten Street Limited was acquired on 9 October 2024 and is a small property holding company.

D2. Related parties

The Group is 66% owned by NZ Airports Limited, which is wholly owned by Infratil Limited. Wellington City Council owns the remaining 34% of the Group.

	Revenue/(expense) for the year ended 31 March		Balance receivable/(payable) as at 31 March	
Transactions made during the period	**2025**	**2024**	**2025**	**2024**
Infratil and its subsidiaries and associates	**$000**	**$000**	**$000**	**$000**
NZ Airports - dividend payment	-	(24,051)	-	-
Infratil Group - subvention payments	(38,982)	(23,336)	-	-
OneNZ - communication charges	(320)	(147)	(7)	(12)
Infratil Limited - Insurance and other costs	-	(142)	-	-
One NZ - commercial rents	103	101	12	7
Pacific Radiology Limited - commercial rents	61	61	6	6
Morrison				
Directors' fees and expenses	(471)	(473)	-	(116)
Wellington City Council				
Dividend payment	(12,022)	(20,400)	-	-
Rates	(6,366)	(5,731)	-	-
Grants, consents and compliance costs	(137)	(126)	13	16
Directors' fees	(91)	(87)	-	-
Land and buildings acquired by WCC under Public Works Act 1981	-	4,200	-	-
Capital works and other costs on-charged	244	1,132	22	146

Other related party transactions

Under NZ IAS 24, the related parties of the Group include all key management personnel and directors. Transactions with key management personnel and directors fees are disclosed under note A4.

For the year ended 31 March 2025

D3. Financial commitments

Capital commitments	2025 $000	2024 $000
Contracted but not provided for	**83,022**	**44,520**

Commitments not provided for largely relates to Airport Fire Station construction costs, property acquisitions and infrastructure projects.

Lease commitments

Lease commitments to the Group

The Group owns investment properties, other properties, plant and equipment and right-of-use assets which are leased to earn property income. The future minimum lease payments (undiscounted cash flows) under non-cancellable leases are receivable as follows:

	2025 $000	2024 $000
Between 0 to 1 year	25,721	22,538
Between 1 to 2 years	22,492	15,657
Between 2 to 5 years	36,104	29,675
More than 5 years	33,318	39,915
Total lease commitments to the Group	**117,635**	**107,785**

Lease commitments of the Group

Total cash outflow for leases for the year ended 31 March 2025 was $0.7 million (31 March 2024 was $2.4 million). As at 31 March 2025, the Group has recognised no lease liabilities for its leased properties (2024: $33.8 million).

D4. Contingency and subsequent events

The Group is in arbitration with Fletcher Construction Company Limited (FCC), the main contractor on WIAL's multi-level carpark construction project. WIAL has claims against FCC for remediation works, costs and related losses and a range of final outcomes exist.

WIAL continues to work with FCC, with the outcome, timing and expected settlement amounts remain unknown at 31 March 2025 and at the time of signing these financial statements. There has been no recognition of any claims in these Consolidated Financial Statements (2024: Nil).

On 17 March 2025 WIAL announced a retail bond issue (WIA110) of up to $125 million. The offer opened on 24 March 2025 and closed on 27 March 2025. The offer was fully subscribed and the bonds were issued on 3 April 2025.

There are no other subsequent events that require adjustment or disclosure.

Corporate Governance

For the year ended 31 March 2025

Role of the Board

The Board of Directors of WIAL is appointed by the shareholders to supervise the management of WIAL. The Board establishes WIAL's objectives, overall policy framework within which the business is conducted and confirms strategies for achieving these objectives, monitors management performance and ensures that procedures are in place to provide effective internal financial control.

Board Membership

The Board currently comprises six non-executive Directors.

Infratil, as the majority shareholder of WIAL, appointed four of the current Directors. The two remaining Board members have been appointed by the Wellington City Council, including W Eagleson, an independent director.

During the period under review, the Board met seven times.

Audit and Risk Committee

The Board has established an Audit and Risk Committee comprising of three Directors, M Ross (Chair), W Eagleson and P Walker with attendances by appropriate WIAL representatives.

The main objectives of the Audit and Risk Committee are to:

- Assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the Group's governance processes including assessing the adequacy of the Group's:
  - financial reporting;
  - regulatory disclosure reporting and price setting event disclosures;
  - tax risk and governance;
  - climate related disclosure reporting;
  - accounting policies;
  - financial management;
  - internal control framework;
  - procurement process controls;
  - risk management system;
  - systems for protecting Group assets;
  - related party transactions; and
  - compliance with applicable laws, regulations, standards and best practice guidelines as they relate to financial and non-financial disclosures.
- Enhance the efficiency of the Board by allowing delegated issues to be discussed in sufficient depth and, where necessary, with appropriate independent advice.
- Review management's letters of representation.
- Ensure the adequacy of the internal control system for financial reporting integrity.
- Facilitate the continuing independence of the external auditors (and internal auditors where applicable).
- Provide a formal forum for enhancing communication between the Board, senior financial management and external auditors (and internal auditors where applicable), ensuring there has been no unjustified restrictions or limitations placed on the auditors.
- Provide oversight of WIAL's risks to ensure they are identified, managed, treated and reported appropriately.

The Audit and Risk Committee also has oversight of the following treasury management matters:

- Review and recommend to the Board any changes to the treasury management policy;
- Oversee the development of the strategy to implement the treasury management policy;
- Recommend to the Board instrument types that may be used; and
- Recommend to the Board bank counterparties and counterparty limits.

For the year ended 31 March 2025

Remuneration Committee

The Board has established a Remuneration Committee comprising of three Directors, W Eagleson (Chair), R Drew and M Ross with attendances by appropriate WIAL representatives. The purpose of the Committee is to consider changes to human resources policy and to regularly review, and recommend changes to, executive remuneration to ensure that it is at an appropriate level and effectively managed.

Directors' Attendance

Name	Board	Audit and Risk Committee	Remuneration Committee
	No. of meetings	No. of meetings	No. of meetings
Rachel Drew	7/7	-	1/1
Elizabeth Albergoni	6/7	-	-
Wayne Eagleson	7/7	6/6	1/1
Matthew Ross	7/7	6/6	1/1
Phillip Walker	7/7	6/6	-
Tory Whanau [1]	5/7	-	-

[1] For one meeting unattended by the Board member, a WCC representative attended in their place.

Internal Financial Control

The Board has overall responsibility for the Group's system of internal financial control. The Directors have established procedures and policies that are designed to provide effective internal financial control.

Annual budgets and long term strategic plans are agreed by the Board.

Financial statements are prepared regularly and reviewed by the Board throughout the year to monitor performance against budget targets and objectives.

Risk Management and Compliance

The Audit and Risk Committee also has a function of reviewing management practices in relation to the identification and management of significant business risk areas and regulatory compliance. Formal systems have been introduced for regular reporting to the Board on business risk and compliance matters.

Management is required to, and has confirmed to the Audit and Risk Committee and Board in writing that:

- Financial records have been properly maintained and the Group's financial statements present a true and fair view, in all material respects, of the Group's financial condition, and operating results are in accordance with relevant accounting standards;
- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with International Financial Reporting Standards (IFRS) and other applicable financial reporting standards for profit-orientated entities; and
- Appropriate and effective internal controls and risk management practices are in place to safeguard and protect the Group's assets and to identify, assess, monitor and manage risk, and identify material changes to the Group's risk profile.

Directors' Shareholding

Under the constitution Directors are not required to hold shares in the Company.

Directors' and Officers' Insurance

The Group has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of the Group. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for the Group. The types of acts that are not covered are dishonest, fraudulent, malicious acts, or omissions, wilful breach of statute or regulations, or duty to the Group, improper use of information to the detriment of the Group or breach of professional duty.

Independent Professional Advice

With the approval of the Chair, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at the Group's expense.

For the year ended 31 March 2025

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and availability of further funding and making further enquiries as considered appropriate, the Directors are satisfied that the Group has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Shareholder and other Stakeholder Communications

The Board aims to ensure that shareholders and other stakeholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders and other stakeholders in the annual report, interim report and media releases.

Corporate Governance Best Practice Code

The Group supports the Corporate Governance Best Practice Code promulgated by the New Zealand Exchange. In a number of respects, the Group’s practice differs from this Code. In particular, the Group has not established a separate Director Nomination Committee. The Group considers that it is properly dealing with these issues at the full Board level.

Statutory Information

For the year ended 31 March 2025

Directors' interests

The Directors have given the following notices of disclosure of interest which have been entered into the Company's register of interests.

Director	Name of party in which Director has an interest	Nature of interest
Rachel Drew	UTA International Holdings 1 Pty Ltd	Director
	Sherxon Trustees No 1 Ltd	Director/Shareholder
	Sherxon Trustees No 2 Ltd	Director/Shareholder
	Rachel Ockelford Trust	Trustee
	Infratil Ltd	Executive
	Morrison	Executive
Elizabeth Albergoni	UTA Registry Investments Pty Ltd	Director
	Utilities of Australia International Pty Ltd	Director
	Perth Airport Pty Ltd	Director
	PAPT Holdings Pty Ltd	Director
	PAPT Nominees Pty Ltd	Director
	Perth Airport Development Group Pty Ltd	Director
	Perth Airport Development Group Investments Pty Ltd	Director
	Australian Registry Finance Pty Ltd	Director
	Australian Registry Holdings Pty Ltd	Director
	Australian Registry Investments Pty Ltd	Director
	Australian Registry Services Pty Ltd	Director
	Worldwide Airport Lawyers Association	Director
	Morrison	Executive
Wayne Eagleson	Wayne Eagleson Consulting Limited	Director
	Thompson Lewis Limited	Director
	Queenstown Airport	Advisor
Matthew Ross	Morrison	Executive
	Infratil Limited	Executive
	The Katherine Mansfield Birthplace Society	Board Member
Phillip Walker	Morrison	Executive
Tory Whanau	Wellington City Council	Wellington City Mayor

For the year ended 31 March 2025

Remuneration of Directors

Fees paid and payable to Directors during the year were as follows:

Director name	Fees paid and payable to directors during the year
Rachel Drew (Chair)*	$176,437
Wayne Eagleson	$109,513
Matthew Ross*	$115,597
Phillip Walker*	$103,429
Tory Whanau**	$91,261
Elizabeth Albergoni*	$91,261

** Fees paid to Morrison - as manager of Infratil Limited*

*** Fees paid to Wellington City Council as appointing shareholder*

The Directors received no other remuneration or benefits for services in that office or in any other capacity other than as disclosed in Note D2.

Loans to Directors

No loans have been made by the Group to a Director nor has the Group guaranteed any debts incurred by a Director.

Use of Group information

There were no notices from Directors requesting use of Group information received in their capacity as Directors, which would not otherwise have been available to them.

Directors' indemnity insurance

As authorised by its constitution, the Group has arranged policies of Directors' and Officers' liability insurance with cover appropriate for the Group's operations.

Remuneration of employees

Grouped below, in accordance with section 211(1)(g) of the Companies Act 1993, are the number of employees or former employees of the Company and its subsidiaries, excluding Directors of WIAL, who received remuneration and other benefits in their capacity as employees, totalling $100,000 or more, during the year:

Amount of remuneration	Employees
$100,000 to $110,000	10
$110,001 to $120,000	10
$120,001 to $130,000	5
$130,001 to $140,000	6
$140,001 to $150,000	4
$150,001 to $160,000	5
$160,001 to $170,000	1
$170,001 to $180,000	3
$180,001 to $190,000	2
$190,001 to $200,000	1
$200,001 to $210,000	1
$210,001 to $220,000	2
$220,001 to $230,000	2
$230,001 to $240,000	4
$250,001 to $260,000	1
$300,001 to $310,000	1
$320,001 to $330,000	1
$330,001 to $340,000	1
$350,001 to $360,000	1
$380,001 to $390,000	1
$430,001 to $440,000	1
$780,001 to $790,000	1

In accordance with section 211(1)(g) of the Companies Act 1993, the remuneration above does not include unpaid amounts in relation to short-term and long-term incentive schemes, which are outlined in note A4.

Diversity of personnel

The Group recognises the value of a diverse and skilled workforce and is committed to maintaining an inclusive and collaborative workplace culture. Diversity is a key influence in the selection and promotion of employees and executives, and for the composition of the Board.

At 31 March 2025, the WIAL Board consisted of three male Directors and three female Directors (31 March 2024: three male Directors and three female Directors), and the Executive consisted of five male Executives and two female Executives (31 March 2024: five male Executives and two female Executives).

Five Year Summary & Statistics

For the year ended 31 March 2025

WIAL Airport Statistics

	2025	2024	2023	2022	2021
Passenger movements	**000**	**000**	**000**	**000**	**000**
Domestic	4,526	4,712	4,690	3,481	2,969
International	791	737	564	48	0
Total	**5,317**	**5,449**	**5,254**	**3,529**	**2,969**

Aircraft movements	**2025**	**2024**	**2023**	**2022**	**2021**
Domestic	66,589	65,372	66,928	60,885	50,221
International	5,497	5,246	3,926	590	5
Military, freight, private and other movements	14,101	12,979	13,298	13,532	13,708
Total	**86,187**	**83,597**	**84,152**	**75,007**	**63,934**

Number of employees	**2025**	**2024**	**2023**	**2022**	**2021**
FTE	139	129	112	103	100

WIAL Consolidated Financial Results

	2025	2024	2023	2022	2021
Summary of profit and loss	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue	185,283	159,158	139,828	95,577	68,787
Operating expenses (excluding subvention payment)	(55,104)	(52,040)	(50,225)	(38,809)	(32,829)
EBITDAF before subvention payment	**130,179**	**107,118**	**89,603**	**56,768**	**35,958**
Net profit/(loss) after taxation	**25,842**	**(28,844)**	**25,243**	**3,043**	**(35,769)**

	2025	2024	2023	2022	2021
Summary of financial position	**$000**	**$000**	**$000**	**$000**	**$000**
Non-current assets	1,840,978	1,759,244	1,652,568	1,474,737	1,398,939
Current assets	54,615	116,452	148,155	55,975	96,806
Total assets	**1,895,593**	**1,875,696**	**1,800,723**	**1,530,712**	**1,495,745**
Non-current liabilities	811,453	894,777	818,012	762,496	705,266
Current liabilities	184,085	118,298	105,104	17,623	117,977
Total liabilities	**995,538**	**1,013,075**	**923,116**	**780,119**	**823,243**
Net assets/Shareholders' equity	**900,055**	**862,621**	**877,607**	**750,593**	**672,502**

Independent Auditor's Report

To the shareholders of Wellington International Airport Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Wellington International Airport Limited (the **Company**) and its subsidiaries (the **Group**) on pages 3 to 24 present fairly in all material respects:

- the Group's financial position as at 31 March 2025 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Wellington International Airport Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ)(Revised) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has provided other services to the Group in relation to regulatory and climate-related assurance services. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $13,500,000 determined with reference to a benchmark of the Group's Total Assets. We chose the benchmark because, in our view, this is a key measure of the Group's ability to deliver long term shareholder value.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Valuation of Land, Buildings, and Civil Works recorded at Fair Value	

As disclosed in note B1 of the consolidated financial statements, the Group has land, buildings and civil works recorded at fair value of $1,558.5 million (2024: $1,518.0 million). The Group has a policy of having the assets externally revalued at least every 5 years by an independent valuer. The last full external revaluation of land and buildings was carried out as at 31 March 2023. The last independent valuation of civil works assets was carried out as at 31 March 2025.
 	
In years where an external revaluation is not undertaken, a material change assessment for each asset class is performed to assess whether the carrying values of each class materially vary from their fair value.
 	
Valuation of land, buildings and civil works is considered to be a key audit matter due to the significance of the assets to the Group's consolidated statement of financial position, and due to the judgment involved in the assessment of the fair value of these assets by the Group's directors. The judgment relates to the valuation
	Our audit procedures to assess the fair value of land, buildings and civil works included, amongst others:
	
	• Assessing the competence, independence and objectivity of the valuer used by the Group to determine the value of the Group's civil works assets;
	
	• Comparing the valuation methodologies used for the material change assessment, to the valuation methodologies used by the external valuers in prior external valuations; and
	
	• Assessing the key assumptions which are judgemental in nature and which have the largest impact on the value of land, buildings and civil works. This comprised assessing:
	  – the weighted average cost of capital/discount rate against observable market data;
	  – the reasonableness of income capitalisation rates;
	  – changes in the ODRC of specialised buildings with reference to relevant indices;
	  – the ODRC of Civil Works with reference to underlying market evidence;
	  – changes in the value of underlying land prices with references to relevant indices and other market factors; and
	  – the future cash flows against budgets and historical financial performance.

The key audit matter	How the matter was addressed in our audit
methodology used and the assumptions used in each of those methodologies. The valuation methodology estimates the cost of building the airport in its current location to the specification required to provide its current services, and the business value of the existing vehicle and hotel assets. The assumptions that have the largest impact on the fair value assessment are: • The potential value of the airport land if there was no airport on the site primarily driven by weighted average cost of capital; • The replacement cost of buildings including the main terminal building with reference to relevant indices; • The replacement cost of civil works including the runway, taxiways and roads with reference to underlying market evidence; and • The estimated future cash flows and expected rate of return from the vehicle and hotel business assets.	
Valuation of Investment Properties	
As disclosed in note B2 of the consolidated financial statements, the Group has investment property of \$103.1 million (2024: \$125.3 million). The Group is required under accounting standards to fair value investment property. Valuation of investment property is considered to be a key audit matter due to the significance of the assets to the Group's consolidated statement of financial position, and due to the judgement involved in the assessment of the fair value of these assets by the Group's directors. These judgments include weighted	Our procedures to assess the fair value of investment property included amongst other: • Assessing the competence, independence and objectivity of the valuer used by the Group to determine the value of the investment property; • Comparing the valuation methodology used by the Group, to the valuation methodology used for other investment property valuations within New Zealand; and • In conjunction with our valuation specialists assessing the changes in key assumptions in the valuations which are judgemental in nature and which have the largest impact on the value of investment property. This comprised:

The key audit matter	How the matter was addressed in our audit
average discount rate, weighted average income capitalisation rate and weighted average lease term.	• assessing the weighted average discount rate against observable market data; • agreeing a sample of income streams generated by the investment property to underlying contracts; • confirming the remaining tenure of leases used in the valuation; and • comparing lease yields to other comparable market transactions within the region.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Consolidated Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;

KPMG

- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Sonia Isaac.

For and on behalf of:

KPMG

KPMG
Wellington
7 May 2025