



Queenstown Airport Corporation Limited
Disclosure Financial Statements
for the financial year ended
30 June 2025

Directors' Report

The Directors have pleasure in presenting the Disclosure Financial Statements of Queenstown Airport Corporation Limited (the Company) for the year ended 30 June 2025. These statements present the results of the Identified Airport Activities of the Company and additional information and have been prepared for the purposes of, and in accordance with, the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999, as amended in 2021.

1. Principal Activities of the Company

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

2. Board of Directors

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

Simon R Flood
Michael QM Tod
Jacqueline M Cheyne
G Andrew Blair
Don Elder (appointed 30 October 2024)
Mary-Liz Tuck (appointed 1 January 2025)
Mark R Thomson (resigned 31 December 2024)
Adrienne F Young-Cooper (resigned 30 October 2024)

On Behalf of the Board



Chair



Director

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Financial Statements

Income Statement

for the year ended 30 June 2025

	Note	2025 \$ 000's	2024 \$ 000's
Income			
Revenue from contracts with customers	3	47,990	35,687
Rental and other income	3	1,021	910
Total income		49,011	36,597
Expenses			
Operating expenses	3	10,257	7,936
Employee remuneration and benefits	3	8,984	7,792
Total expenses		19,241	15,728
Earnings before interest, taxation, depreciation and amortisation (EBITDA)		29,770	20,868
Depreciation	8	8,042	7,551
Amortisation	9	146	118
Loss on disposal of assets	3	(11)	(17)
Earnings before interest and taxation		21,593	13,216
Finance costs	4	6,770	5,950
Profit before tax		14,823	7,266
Income tax expense	5	5,300	7,851
Profit/(loss) for the period		9,523	(585)

The notes and accounting policies on page 9 to 33 form part of and are to be read in conjunction with these financial statements.



Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2025

	Note	2025 \$ 000's	2024 \$ 000's
Profit/(loss) for the period		9,523	(585)
Other comprehensive income			
Items that may be subsequently reclassified to the income statement			
Gain/(loss) on cash flow hedging taken to reserves	16	(1,086)	(239)
Income tax relating to gain/(loss) on cash flow hedging	16	304	87
Items that may not be subsequently reclassified to the income statement			
Gain on revaluation of property, plant and equipment	8	21,671	-
Income tax relating to (loss) on revaluation of PPE		(2,525)	-
Other comprehensive income for the year, net of tax		18,364	(152)
Total comprehensive income for the year, net of tax		27,887	(737)

The notes and accounting policies on page 9 to 33 form part of and are to be read in conjunction with these financial statements.



Financial Statements

Statement of Changes in Equity for the year ended 30 June 2025

	Ordinary shares	Asset revaluation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
At 1 July 2024	18,892	120,444	550	6,398	146,284
Profit for the period	-	-	-	9,523	9,523
Other comprehensive income	-	19,146	(782)	-	18,364
Total comprehensive income for the period	-	19,146	(782)	9,523	27,887
Dividends paid to shareholders	-	-	-	(6,217)	(6,217)
At 30 June 2025	18,892	139,590	(232)	9,704	167,954

	Ordinary shares	Asset revaluation reserve	Cash flow hedge reserve	Retained earnings	Total equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
At 1 July 2023	18,892	120,444	702	9,748	149,786
(Loss) for the period	-	-	-	(585)	(585)
Other comprehensive income	-	-	(152)	-	(152)
Total comprehensive income for the period	-	-	(152)	(585)	(737)
Dividends paid to shareholders	-	-	-	(2,765)	(2,765)
At 30 June 2024	18,892	120,444	550	6,398	146,284

The notes and accounting policies on page 9 to 33 form part of and are to be read in conjunction with these financial statements.



Financial Statements

Statement of Financial Position

as at 30 June 2025

	Note	2025 \$ 000's	2024 \$ 000's
Current assets			
Cash and cash equivalents	6	1,086	1,711
Trade and other receivables	7	3,689	2,848
Prepayments		483	495
Current tax receivable		-	-
Derivative financial instruments	12	-	391
Total current assets		5,258	5,445
Non-current assets			
Property, plant and equipment	8	303,023	250,044
Intangible assets	9	4,441	2,230
Derivative financial instruments	12	-	373
Total non-current assets		307,464	252,647
Total assets		312,722	258,093
Current liabilities			
Trade and other payables	10	14,848	3,241
Employee entitlements	11	1,791	1,559
Current tax payable		2,832	9,308
Derivative financial instruments	12	101	-
Term borrowings (secured)	14	53,000	-
Total current liabilities		72,572	14,108
Non-current liabilities			
Derivative financial instruments	12	220	-
Deferred tax liability	5	24,972	23,512
Term borrowings (secured)	14	47,004	74,189
Total non-current liabilities		72,196	97,700
Equity			
Share capital	15	18,892	18,892
Retained earnings	16	9,704	6,398
Asset revaluation reserve	16	139,590	120,444
Cash flow hedge reserve	16	(232)	550
Total equity		167,954	146,284
Total equity and liabilities		312,722	258,093

The notes and accounting policies on page 9 to 33 form part of and are to be read in conjunction with these financial statements.



Financial Statements

Statement of Cash Flows for the year ended 30 June 2025

	Note	2025 \$ 000's	2024 \$ 000's
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		55,034	41,760
Interest received		108	98
Cash was applied to:			
Payments to suppliers and employees		(20,870)	(17,346)
Interest paid		(4,317)	(2,797)
Income tax paid		(12,978)	(977)
Net cash flows from/(to) operating activities	20	16,977	20,738
Cash was applied to:			
Purchases of property, plant and equipment		(34,490)	(10,105)
Purchases of intangible assets		(2,710)	(760)
Net cash flows from/(to) investing activities		(37,200)	(10,865)
Cash flows from financing activities			
Cash was provided from:			
Bank borrowings		25,815	-
Cash was applied to:			
Repayment of bank borrowings		-	(6,613)
Dividends paid		(6,217)	(2,765)
Net cash flows from/(to) financing activities		19,598	(9,378)
Net increase/(decrease) in cash and cash equivalents		(625)	496
Cash and cash equivalents at the beginning of the period		1,711	1,215
Cash and cash equivalents at the end of the period	6	1,086	1,711

The notes and accounting policies on page 9 to 33 form part of and are to be read in conjunction with these financial statements.



Notes to the Financial Statements

for the year ended 30 June 2025

1 CORPORATE INFORMATION

Queenstown Airport Corporation Limited (the Company or Queenstown Airport) is a company established under the Airport Authorities Act 1966 and registered under the Companies Act 1993. The Company is a reporting entity for the purposes of the Financial Reporting Act 2013.

The Company provides airport facilities and supporting infrastructure in Queenstown, New Zealand, and aeronautical services in Queenstown, Wanaka and Glenorchy, New Zealand. The Company earns revenue from aeronautical activities, retail and rental leases, car parking facilities and other charges and rents associated with operating an airport and also earns revenue from providing management services for the operation of airports.

The registered office of the Company is Level 1, Terminal Building, Queenstown Airport, Sir Henry Wigley Drive, Queenstown 9300, New Zealand.

These financial statements for the Company were authorised for issue in accordance with a resolution of the directors on 30 October 2025.

The disclosure financial statements are presented in accordance with the Airport Authorities Act 1966 as amended by the Airport Authorities Amendment Act 1997 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 ("The Regulations"), as amended in 2021.

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

- ▶ **Airfield activities** means the activities undertaken (including the facilities and services provided) to enable the landing and take-off of aircraft and includes:
 - a) The provision of any one or more of the following:
 - airfields, runways, taxiways, and parking aprons for aircraft
 - facilities and services for air traffic and parking apron control
 - airfield and associated lighting
 - services to maintain and repair airfields, runways, taxiways and parking aprons for aircraft
 - rescue, fire, safety and environmental hazard control services
 - airfield supervisory and security services
 - b) The holding of any facilities and assets (including land) acquired or held to provide airfield activities in the future (whether or not used for any other purpose in the meantime).
- ▶ **Specified passenger terminal activities (specified terminal)** means the activities undertaken (including the facilities and services provided) in relation to aircraft passengers while those passengers are in a security area or areas of the relevant airport; and includes:
 - a) The provision, within a security area or security areas of the relevant airport of any one or more of the following:
 - Passenger seating areas, thoroughfares and air bridges
 - Flight information and public address systems
 - Facilities and services for the operation of customs, immigration and quarantine checks and control
 - Facilities for the collection of duty-free items
 - Facilities and services for the operation of security and police services
 - b) Any activities undertaken (including the facilities and services provided) in a passenger terminal to enable the check-in of aircraft passengers, including services for baggage handling.
 - c) The holding of any facilities and assets (including land) acquired or held to provide specified passenger terminal activities in the future (whether or not used for any other purpose in the meantime); but does not include the provision of any space for retail activities.

The Company is not deemed to have any material "Aircraft and freight activities".

Each of the Identified Airport Activities also includes an allocation of roading leading to the airport and supporting infrastructure. Also included in each of the above Identified Airport Activities are assets specifically held for use in that activity. This does not include the provision of any space for retail activities.

The numbers presented in these financial statements are for the Identified Airport Activities unless it is stated "for Whole Company".

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

A) BASIS OF PREPARATION

The disclosure financial statements are presented in accordance with the Airport Authorities Act 1966 as amended by the Airport Authorities Amendment Act 1997 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999 ("The Regulations"), as amended in 2021, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Accounting Standards ('NZIFRS') and other applicable financial reporting standards as appropriate for profit orientated entities.

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, foreign currency bank accounts and certain items of property, plant and equipment which is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in New Zealand dollars. New Zealand dollars are the Company's functional currency.

The financial statements are presented rounded to the nearest one thousand dollars. Due to rounding, numbers presented may not add up precisely to totals provided.

At 30 June 2025, the Company had a working capital deficit of \$67.3M (2024: \$8.7M). \$53.0M relates to current borrowings associated with the Company's borrowing facilities (total facility limit: \$100M), which will expire on 30 June 2026. This has primarily arisen due to the reclassification of bank borrowings as current liabilities as a result of the planned alignment of the expiry of banking facilities to 30 June 2026, which will enable coordinated negotiation of new facilities that will enable delivery of the Master Plan. The balance also includes a provision recognised in relation to additional compensation for Lot 6 (refer to Note 10 for further details). The Company has initiated a new/renewal process for bank funding facilities. Management and Directors are confident that the facilities will continue to be available once the process of agreeing terms is complete. Accordingly, the financial statements continue to be prepared on a going-concern basis as liabilities continue to be settled as they fall due.

Notes to the Financial Statements

for the year ended 30 June 2025

B) CHANGES IN ACCOUNTING POLICIES AND APPLICATION OF NEW ACCOUNTING POLICIES

The accounting policies set out in these financial statements are consistent for all periods presented.

C) REVENUE RECOGNITION

Revenue arising from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when a customer obtains control of the service. The Company disaggregates revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. When selecting the type of categories to use to disaggregate revenue, the company considers how information about the Company's revenue has been presented for information regularly reviewed by the board and management. The Company provides services relating to the aviation sector. The following categories of revenue have been identified – scheduled airlines and general aviation, parking, recoveries and commercial vehicles access.

Scheduled Airlines and General Aviation

Revenue arises at the point in time when the associated aircraft takes off or lands. Payment is due monthly (see Note 7 for the payment terms).

Parking

Car park revenue is recognised in accordance with the hourly, daily or weekly parking charges over the time as the service is being transferred for the period when the vehicles use the carparks. For practical reasons the revenue is recorded at the time the car leaves the car park. Aircraft parking is recorded in accordance with the daily parking charges at the time the aircraft leaves the airport. The Company does not consider accrued park charges at a period end to be material based on regular assessment and any amounts are not adjusted for. Payment is due on departure from the carpark.

Recoveries

Revenue is recognised over the time as the lessees are continuously supplied with common areas services, utilities and amenities. The contract price is appropriately allocated to performance obligations using the input method – revenue is recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation, i.e. resources consumed, relative to the total expected inputs to the satisfaction of that performance obligation. Payment is due monthly (see Note 7 for the payment terms).

Commercial Vehicles Access

Revenue is recognised at the point in time when the vehicles enter the transport area through the barrier. Payment is due upfront.

Rental Revenue

Rental revenue is recognised in accordance with NZ IFRS 16 as described below.

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

Rental income from operating leases and licences is recognised on a straight line basis over the term of the relevant lease or licence. Initial direct costs incurred in negotiating and arranging an operating lease or licence are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease or licence term. Contingent rents, such as turnover based rents, are recognised as revenue in the period they are earned.

Interest Income

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

D) EMPLOYEE BENEFITS

Employee benefits including salary and wages, KiwiSaver and leave entitlements are expensed as the related service is provided. A liability is recognised for benefits accruing to employees for salaries and wages, incentives, annual leave and redundancy as a result of services rendered by employees and contractual obligations up to balance date at current rates of pay.

E) TAXATION

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income.

Deferred tax

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting 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 income statement. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates that have been enacted or substantively enacted by reporting date.



Notes to the Financial Statements

for the year ended 30 June 2025

Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. Commitments and contingencies are disclosed net of the amount of GST.

F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognised at cost. The cost of property, plant and equipment includes all costs directly attributable to bringing the item to working condition for its intended use.

Expenditure on an asset will be recognised as an asset if it is probable that future economic benefits will flow to the entity, and if the cost of the asset can be measured reliably. This principle applies for both initial and subsequent expenditure.

Vehicles, plant and equipment, rescue fire equipment and furniture are carried at cost less accumulated depreciation and impairment losses.

All asset classes except plant and equipment are carried at fair value, as determined by an independent registered valuer, less accumulated depreciation and any impairment losses recognised after the date of any revaluation. All asset classes except plant and equipment acquired or constructed after the date of the latest revaluation are carried at cost, which approximates fair value. Revaluations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date. Plant and equipment is held at cost less accumulated depreciation.

Vested assets from the majority shareholder are initially measured at fair value at the date on which control is obtained.

Revaluations

Revaluation increments are recognised in the property, plant and equipment revaluation reserve, except to the extent that they reverse a revaluation decrease of the same asset previously recognised in the profit for the year, in which case the increase is recognised in profit for the year.

Revaluation decreases are recognised in the profit for the period, except to the extent that they offset a previous revaluation increase for the same asset, in which case the decrease is recognised directly in the property, plant and equipment revaluation reserve via other comprehensive income.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Fair Value

Where the fair value of an asset is able to be determined by reference to market based evidence, such as sales of comparable assets or discounted cash flows, the fair value is determined using this information. Where fair value of the asset is not able to be reliably determined using market based evidence, optimised depreciated replacement cost is used to determine fair value. For further discussion on fair values refer to Note 8.

Depreciation

Depreciation is calculated on either a diminishing value (DV) basis or on a straight line (SL) basis.

Expenditure incurred to maintain these assets at full operating capability is charged to the profit for the year in the year incurred.

The estimated useful lives of the major asset classes have been estimated as follows:

	Rate %	Method
Buildings	1.4% - 50.0%	DV or SL
Land Improvements	1.0% - 10.0%	SL
Runways, Taxiways & Aprons	1.0% - 20.0%	SL or DV
Car Parking	1.0% - 26.4%	DV
Plant & Equipment	1.0% - 67%	DV

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Notes to the Financial Statements

for the year ended 30 June 2025

Disposal

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

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

Capitalisation of costs

Labour and funding costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised to the asset as they are incurred. Borrowing costs are capitalised at the weighted average rate of the borrowing costs of the Company during the period the qualifying asset is being brought to intended use. All other labour and funding costs are recognised in the Income Statement in the period in which they are incurred.

Costs associated with the strategic and master planning work have been assessed and any costs of a capital nature have been disclosed in the Statement of Financial Position at year end.

G) INTANGIBLE ASSETS

Intangible assets acquired separately (including noise mitigation on residents' properties) are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is charged on a straight line basis over the assessed estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for prospectively.

H) IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit for the year immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the profit for the year immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

I) FINANCIAL INSTRUMENTS

The Company's financial assets comprise cash and cash equivalents and trade receivables. The Company's financial liabilities comprise accounts payable and accruals, borrowings, provisions, other liabilities (classified as financial liabilities at amortised cost) and derivatives (designated as a hedge).

Financial assets at amortised costs

The Company classifies its financial assets as at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

- i) **Cash** in the statement of financial position and the cash flow statement comprises cash on hand, on-call deposits held with banks and short-term highly liquid investments.
- ii) **Trade receivables** are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Notes to the Financial Statements

for the year ended 30 June 2025

Financial liabilities at fair value

Hedging derivatives - The Company uses derivative financial instruments to hedge its risks associated with interest rates and foreign currency. Derivative financial instruments are recognised at fair value. Cash flow hedges are currently applied to future interest cash flows on variable rate loans and on variable foreign exchange rates. The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income and accumulated as a separate component of equity in the cash flow hedge reserve, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

The Company applied Hypothetical Hedge/Matched Terms method to measure effectiveness of the hedge relationship, by comparison of hedging instrument to hypothetical derivative (in which the fair value is determined by the credit-risk free benchmark rate).

Financial liabilities at amortised costs

- iii) **Trade and other payables** are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature. Trade and other payables are not interest-bearing.
- iv) For all **borrowings**, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Financial liabilities at fair value

Hedging derivatives - The Company uses derivative financial instruments to hedge its risks associated with interest rates and foreign currency. Derivative financial instruments are recognised at fair value. Cash flow hedges are currently applied to future interest cash flows on variable rate loans and on variable foreign exchange rates. The effective portion of the gain or loss on the hedging instruments is recognised directly in other comprehensive income and accumulated as a separate component of equity in the cash flow hedge reserve, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects the income statement.

The Company applied Hypothetical Hedge/Matched Terms method to measure effectiveness of the hedge relationship, by comparison of hedging instrument to hypothetical derivative (in which the fair value is determined by the credit-risk free benchmark rate).

Fair value hierarchy

The Company made judgements and estimates in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value levels:

Level 1 - The fair value of financial instruments traded in active markets (e.g. publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 (e.g. unlisted equity securities).

Changes in level 2 and 3 fair values are analysed at the end of each reporting period. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Company's exposure to various risks associated with the financial instruments is discussed in Note 13. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned in Note 13.

J) FOREIGN CURRENCIES

The financial statements are presented in New Zealand dollars, being the Company's functional currency. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to Note 13).

Notes to the Financial Statements

for the year ended 30 June 2025

K) CHANGES IN ACCOUNTING ESTIMATES, ACCOUNTING POLICIES AND DISCLOSURES

The Company accounts for the changes in accounting estimates prospectively in the financial statements. Therefore, carrying amounts of assets and liabilities and any associated expense and gains are adjusted in the period of change in estimate. There were no changes in the accounting estimates in the current year.

New and amended standards and interpretations

New and revised NZ IFRS Accounting Standards and Interpretations Issued but not yet adopted All mandatory new and revised standards and interpretations have been adopted in the current year. At the date of authorisation of these financial statements, certain new standards and interpretations to existing standards have been published but are not yet effective. The Company expects to adopt these when they become mandatory. Of these, the following standard has been assessed as relevant to the Company:

NZ IFRS 18 (Presentation and Disclosure in Financial Statements) – introduces new requirements including a change in the structure of the profit and loss, management defined performance measures being included in a note to the financial statements, and enhanced aggregation/disaggregation clarification. The new standard amends the classification in the statement of cash flows. The Company has not assessed the impact of this standard but it is expected that it will impact the presentation of the financial statements. No others are expected to materially impact the Company's financial statements.

L) SIGNIFICANT EVENTS

There were no Significant Events during the reporting period.

M) SIGNIFICANT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, QAC has made judgements, estimates assumptions about the future, based on historical experience and other factors. These estimates and assumptions affect the application of QAC's accounting policies, and might differ from the subsequent actual results.

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- Estimating Lot 6 provision and compensation payable - refer Note 10
- Estimating the carrying value of land and buildings – refer Note 8

3 SURPLUS FROM OPERATIONS

(a) Operating Revenue

The Company derives revenue from the transfer of services over time and at a point in time through three major revenue categories.

		2025 \$ 000's	2024 \$ 000's
Revenue from contracts with customers	Timing of recognition		
Scheduled airlines and general aviation	At point in time	46,916	34,764
Aircraft Parking	Over time	530	467
Recoveries	Over time	544	455
Total revenue from contracts with customers		47,990	35,687
Lease rental revenue		1,026	790
Other revenue		(5)	120
Total revenue from rental and other income		1,021	910

	2025 \$ 000's	2024 \$ 000's
(b) Operating Expenses		
Administration and other	4,171	3,670
Professional services	3,132	1,891
Repairs and maintenance	915	757
Utilities	2,039	1,615
Total operating expenses	10,257	7,936
Fees paid to auditor includes : (for Whole Company)		
Audit of annual financial statements	85	83
Audit of disclosure financial statements	33	36
Other Services Provided - agreed upon procedures for sustainability linked loans	3	-
Total fees paid to auditor	121	119



Notes to the Financial Statements

for the year ended 30 June 2025

	2025	2024
	\$ 000's	\$ 000's
(c) Employee remuneration and benefits		
Salary and wages	8,700	7,506
Directors fees	284	286
Total employee remuneration and benefits	8,984	7,792
(d) Total impairment and loss on assets	\$ 000's	\$ 000's
Loss on disposal of assets	(11)	(17)
Total impairment and loss on assets	(11)	(17)

4	FINANCE COSTS	2025	2024
		\$ 000's	\$ 000's
	Interest and finance charges paid for financial liabilities not at fair value through profit or loss	5,035	2,871
	Interest on internal debt	1,735	3,079
	Total finance costs	6,770	5,950

Capitalised interest for the year ended 30 June 2025 was \$0.6m (2024: \$nil). Finance income from financial assets held for cash management purposes was immaterial and it was classified as revenue in the Income Statement. Finance costs include an estimate of use of money interest that would be required to be paid in relation to 'Lot 6' should the Land Valuation Tribunal adopt the QAC valuation.

5	TAXATION	2025	2024
		\$ 000's	\$ 000's
	a) Current income tax expense/(benefit)		
	Current income tax	6,259	2,625
	Deferred income tax	-	-
	Prior period adjustment	(79)	34
	Origination and reversal of temporary differences	(880)	5,192
	Total income tax expense	5,300	7,851
	b) Numeric reconciliation between income tax expense/(benefit) and profit before tax		
	Surplus before taxation per the Income Statement	14,823	7,266
	Prima Facie Taxation @ 28%	4,150	2,034
	Adjusted for tax effect of:		
	Permanent differences	60	(10)
	Creation/(reversal) of temporary differences	1,090	5,825
	Income tax expense as per the income statement	5,300	7,851



Notes to the Financial Statements

for the year ended 30 June 2025

	2025 \$ 000's	2024 \$ 000's
c) Net deferred tax liabilities		
Balance at beginning of the year	23,512	18,345
Deferred tax benefit/(charge) charged to income	1,539	5,226
Deferred tax benefit charged to comprehensive income	(79)	(59)
Balance at end of year	24,972	23,512
The balance of deferred tax liabilities comprises:		
i Deferred tax liabilities		
Intangible assets	(152)	421
Property, plant and equipment	25,236	23,035
Derivatives	77	214
	25,161	23,670
ii Deferred tax assets		
Trade & Other Payables	-	-
Employee benefits	189	159
	189	159
Net deferred tax liability	24,972	23,512

	2025 \$ 000's	2024 \$ 000's
6 CASH AND CASH EQUIVALENTS		
Cash at bank	1,086	1,707
Cash on hand	-	5
Cash and cash equivalents	1,086	1,711

	2025 \$ 000's	2024 \$ 000's
7 TRADE AND OTHER RECEIVABLES		
Trade receivables	3,566	2,844
less provision for expected credit losses	-	-
Revenue Accrual	123	4
Closing balance	3,689	2,848
Recognised in the statement of financial position		
Current assets	3,689	2,848
Non-current assets	-	-
Closing balance	3,689	2,848

Trade receivables have general payment terms of the 20th of the month following invoice. Movements in the provision for expected credit losses have been included in net impairment losses on financial assets in the income statement. No individual amount within the provision for expected credit losses is material.



Notes to the Financial Statements

for the year ended 30 June 2025

8 PROPERTY, PLANT AND EQUIPMENT

a) Reconciliation of carrying amounts at the beginning and end of the year

	Land	Buildings	Land Improvements	Runways, Taxiways & Aprons	Car Parking	Plant & Equipment	Total
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
At fair value	100,526	73,534	14,223	39,980	5,575	-	233,838
At cost	-	-	-	-	-	27,521	27,521
Work in progress at cost	-	3,039	373	1,193	-	670	5,274
Accumulated depreciation	-	-	-	-	-	(16,590)	(16,590)
Balance at 30 June 2024	100,526	76,572	14,596	41,173	5,575	11,601	250,044
Revaluation	5,952	14,512	509	723	(25)	-	21,671
Additions	9,360	2,399	59	22,159	2	1,284	35,263
Disposal	-	-	-	-	-	(52)	(52)
Work in progress mvmt	-	1,204	692	505	235	1,504	4,139
Depreciation	-	(3,398)	(222)	(2,100)	(390)	(1,932)	(8,042)
Mvmt to 30 June 2025	15,312	14,717	1,038	21,287	(178)	804	52,979
At fair value	115,838	87,574	14,594	60,515	5,397	-	283,918
At cost	-	-	-	-	-	28,880	28,880
Work in progress at cost	-	3,715	1,040	1,945	-	2,004	8,704
Accumulated depreciation	-	-	-	-	-	(18,479)	(18,479)
Balance at 30 June 2025	115,838	91,289	15,634	62,460	5,397	12,405	303,023

The Company's assets are secured by way of a general security agreement.

	Land	Buildings	Land Improvements	Runways, Taxiways & Aprons	Car Parking	Plant & Equipment	Total
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
At fair value	100,526	73,675	14,145	40,374	5,927	-	234,647
At cost	-	-	-	-	-	22,918	22,918
Work in progress at cost	-	4,299	10	423	14	318	5,064
Accumulated depreciation	-	-	-	-	-	(15,127)	(15,127)
Balance at 30 June 2023	100,526	77,974	14,155	40,797	5,941	8,109	247,501
Revaluation	-	-	-	-	-	-	-
Additions	-	3,389	266	1,598	35	4,628	9,915
Disposal	-	(8)	-	-	-	(24)	(32)
Work in progress mvmt	-	(1,260)	363	770	(14)	352	210
Depreciation	-	(3,522)	(187)	(1,992)	(387)	(1,463)	(7,551)
Mvmt to 30 June 2024	-	(1,402)	441	376	(366)	3,492	2,542
At fair value	100,526	73,534	14,223	39,980	5,575	-	233,838
At cost	-	-	-	-	-	27,521	27,521
Work in progress at cost	-	3,039	373	1,193	-	670	5,274
Accumulated depreciation	-	-	-	-	-	(16,590)	(16,590)
Balance at 30 June 2024	100,526	76,572	14,596	41,173	5,575	11,601	250,044



Notes to the Financial Statements

for the year ended 30 June 2025

b) Revaluation of land, right-of-use asset, buildings, runways, taxiway and aprons and property, plant and equipment (for Whole Company)

At the end of each reporting period, the Company makes an assessment of whether the carrying amounts differ materially from fair value and whether a revaluation is required.

Valuations are completed in accordance with financial reporting and valuation standards. Management reviews the key inputs, assesses valuation movements and holds discussions with the valuers as part of the process. Discussions about the valuation processes and results are held between the Company's management and the Board.

Land, buildings, roading and car parking were independently valued by JLL, registered valuers, as at 30 June 2025. Runways, taxiways and aprons were independently valued by Beca Valuations Limited (Beca), registered valuers, as at the same date.

Fair value measurement at 30 June 2025 (for Whole Company)

The valuation assessments of Aeronautical and Non-Aeronautical assets have been undertaken in accordance with NZ IAS 16. Fair value is 'The amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction where Fair Value can be determined by reference to the price paid in an active market for the same or similar assets, the value of those assets can generally be determined on the basis of Market Value. Under NZ IAS 16 there is no requirement to assess (and deduct) disposal costs.

The valuation has also been prepared in compliance with NZ IFRS 13 Fair Value Measurement. NZ IFRS 13 Fair Value Measurement applies to reporting standards that require or permit fair value measurements or disclosures and provides a single NZ IFRS framework for measuring fair value and requires disclosures about fair value measurement. The Standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement.

The Company's land, buildings, runways, taxiway and aprons and property, plant and equipment are all categorised as Level 3 in the fair value hierarchy. During the year, there were no transfers between the levels of the fair value hierarchy.

The table below summarises the valuation methodology, key valuation assumptions, fair value hierarchy levels and valuation sensitivity analysis for the significant asset classes.

Asset Classification & Description	Asset Class	Valuation Methodology	Key Valuation Assumptions	Closing Value (\$000's) 30 June 2025 (Whole Company)	Valuation Sensitivity
Land	Land	Market Value – based on zonal use. Direct Sales Comparison based on degree of utility within the airport area.	Airport Use zone land compared to commercial and rural values at an average rate of \$87/m2, while Airport terminal land at an average rate of \$1,250/m2.	115,838	Airport use +/- \$4.8 million, Terminal area +/- \$1.0 million (5% change in land value rates)
Commercial Commercial land in the south-western area of the airport.	Land	Market Value on existing airport use. Sales comparisons for land value assessments.	Land areas assessed at \$480/m2.	27,480	+/- \$1.4 million (5% change in land value rate or discount rate for contestable land)
Industrial Vacant land zoned industrial at the northern end of the airport.	Land	Market Value under a Direct Sales Comparison Approach.	Land values range between \$500 – \$900m².	84,581	+/- \$4.3 million (5% change in freehold land rates)
Ground Leases Land leased to third parties for aeronautical activities where the Lessee owns the improvements.	Land	Market Value using a Present Value of future rental annuities plus land value, based upon actual current lease agreements with third parties.	Majority of the ground leased sites assessed at a freehold land value of \$552/m2.	66,073	+/- \$3.3 million (5% change in land value rate or discount rate for contestable land)
Carparking Land accommodating transportation uses including public, rental car and staff parking as well as commercial service operators.	Land	Market Value, based on zonal use, land value sales due to uncertain revenue forecasting.	Based on land sales comparison on zonal approach at \$950/m².	54,935	+/- \$2.8 million (5% change in land value rates)
Residential Various residential sites.	Land	Market Value under a Direct Sales Comparison Approach.	Adopted land value rate of \$1,600/m².	14,472	+/- \$0.7 million (5% change in land value rate)
Wanaka - Non-Aeronautical Windermere Farm and Ferguson land.	Land	Market Value under Direct Sales Comparison and Hypothetical Subdivision Approaches.	Average adopted land value rate of \$8.9/m2.	13,096	+/- \$0.7 million (5% change in average land rate)

Notes to the Financial Statements

for the year ended 30 June 2025

Commercial Queenstown Buildings leased to third parties and surrounding improvements.	Buildings	Commercial buildings have been valued on an investment basis, while the various surrounding improvements have been valued using an ODRC approach.	Yield rates of 4.0% applied to contestable buildings. Land values \$1,000/m ² - \$1,400/m ² .	5,030	+/- \$0.3 million (5% change in land value rate or discount rate for contestable land)
Buildings Aeronautical Terminal Building.	Buildings	Fair Value under an Optimised Depreciated Replacement Cost (ODRC) approach. The cost of constructing an equivalent asset at current market-based input cost rates, adjusted for remaining useful life (depreciation).	Construction cost range \$3,000psm to \$11,500psm and depreciation rates of circa 2.0% per annum.	109,191	+/- \$5.5 million (5% change to replacement rate)
Residential Residential improvements.	Buildings	Market Value under a Direct Sales Comparison Approach.	Dwelling values of \$100,000 - \$400,000 depending upon size and quality of presentation. Kerbside values.	2,134	+/- \$0.1 million (5% change in value)
RESA	Land Improvement	Fair Value under the Depreciated Replacement Cost (DRC) Approach. It is based upon the principle of substitution, assuming the use of modern materials, techniques and designs.	Reference has been made to inflation indices used and construction rates compiled by Beca's cost estimators and valuations team, who are involved in aviation civil works.	13,663	+/- \$0.6 million (5% change in DRC value)
Runway, Taxiway & Aprons	Runways, Taxiways & Aprons			60,518	+/- \$3.0 million (5% change in DRC value)
Carparking improvements	Carparking	Fair Value under Optimised Depreciated Replacement Cost (DRC)	Reference has been made to inflation indices used and construction rates compiled by cost estimators and valuers for sealed areas and associated barrier arm infrastructure.	18,371	+/- \$0.9 million (5% change to replacement rate)

Sensitivity of Inputs

Land	The critical elements in establishing the 'market value existing use' of land is the market rate prevailing for similar land. - An increase in demand for land will increase the fair value, vice versa - Rezoning, servicing upgrades or reconfiguring land can result in an increase in the fair value, vice versa
Runway, Taxiway & Aprons and Land Improvements	The critical elements in establishing the fair value of civil assets is the movement in the average cost rates for concrete, asphalt, base course and foundations, as well as the estimated remaining useful life of the assets. - An increase to any of the average cost rates listed above will increase the fair value, vice versa - A reduction in the estimated remaining useful life of the assets will reduce the fair value, vice versa
Buildings, Plant & Equipment and Car Parking	- An increase in modern equivalent asset replacement cost will increase the fair value, vice versa - A reduction in the estimated remaining useful life of the assets will reduce the fair value, vice versa - An increase in the cashflow from an asset will increase the fair value, vice versa

Notes to the Financial Statements

for the year ended 30 June 2025

9 INTANGIBLE ASSETS

	2025 \$ 000's	2024 \$ 000's
Cost		
Opening balance	5,694	4,648
Impairment of intangible assets	-	-
Transfer to PPE	-	(35)
Additions/(disposals) from internal developments	2,357	1,082
Total cost closing balance	8,051	5,694
Accumulated amortisation		
Opening balance	3,464	3,346
Amortisation expense	146	118
Total accumulated amortisation	3,610	3,464
Total carrying value of intangible assets	4,442	2,230

The following useful lives are used in the calculation of amortisation:

Pricing Project	- 1 to 3 years
Noise boundaries	- 10 years
Planning	- 10 years

The Company has not identified any material assets related to contracts with customers.

10 TRADE AND OTHER PAYABLES

	2025 \$ 000's	2024 \$ 000's
Trade payables	2,383	2,908
Other creditors and accruals	12,465	334
Closing balance	14,848	3,241

The above balances are unsecured.

Significant judgements and uncertainties (for Whole Company)

QAC is currently involved in a dispute with Remarkables Park Limited (RPL) regarding the amount of compensation payable for the compulsory acquisition of land, with the matter currently before the Land Valuation Tribunal (LVT). The dispute arises from differences in the property valuations.

During the year ending 30 June 2021, QAC paid \$18.34 million in compensation for land known as 'Lot 6', which had been acquired under the Public Works Act 1981 (PWA) in 2019. The previous owner (RPL) subsequently indicated that it would seek additional compensation under the PWA. In July 2023, QAC received a claim for further compensation. QAC lodged this claim with the court in November 2023, and the matter was referred to the LVT. In 2024, following receipt of an updated claim from RPL and considering recent case law and forthcoming evidence exchange between the parties, QAC determined that its valuation should be based on an alternative valuation methodology to that previously used by its valuers. QAC's revised value range is between \$26.2 million and \$27.7 million (inclusive of the \$18.34 million already paid), whereas RPL's claim stands at \$73.5 million. The LVT hearing concluded in April 2025, but a decision on the compensation payable is yet to be released. The matter remains unresolved as at 30 June 2025.

As at 30 June 2025, QAC has recognised a provision in relation to this dispute, as management considers it probable that additional compensation will be required. This provision is based on the difference between the original amount paid and the revised valuation of the land, as determined by independent external valuations obtained by QAC and submitted to the LVT. The asset valuation recorded at 30 June 2025 reflects this revised valuation. The provision also includes an estimate of 'use of money' interest that would be payable should the LVT adopt the QAC valuation. The level of compensation that will be determined by the LVT outcome remains highly uncertain.



Notes to the Financial Statements

for the year ended 30 June 2025

11 EMPLOYEE ENTITLEMENTS

	2025	2024
	\$ 000's	\$ 000's
Accrued salary, wages and incentives	979	836
Annual & Alternative Leave	812	722
Closing balance	1,791	1,559

12 DERIVATIVES (for Whole Company)

	2025	2024
	\$ 000's	\$ 000's
Derivative financial assets (liabilities)		
Interest rate swaps (effective)	(234)	661
Foreign exchange forward contracts (effective)	(88)	103
Closing balance	(322)	764
Recognised in the statement of financial position		
Current asset	-	391
Non - current asset	-	373
Current liabilities	(101)	-
Non-current liabilities	(220)	-
Total derivatives	(322)	764

In order to protect against rising interest rates the Company has entered into interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates.

In order to protect against foreign exchange rate risk the Company has entered into a forward contract to purchase AUD for the Aviramps.

13 FINANCIAL RISK MANAGEMENT

a) Foreign exchange risk management (for Whole Company)

It is the policy of the Company to enter into forward foreign exchange contracts to cover committed foreign currency payments and receipts over \$0.5 million by at least 80% of the exposure generated.

	Notional Value (AUD)	Fair Value	Notional Value (USD)	Fair Value
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
2025				
Less than 1 year	(78)	(3)	275	(53)
1 to 2 years	-	-	250	(32)
3 to 5 years	-	-	-	-
	(78)	(3)	525	(85)
2024			\$ 000's	\$ 000's
Less than 1 year			(7,289)	32
1 to 2 years			271	44
3 to 5 years			187	28
			(6,831)	103



Notes to the Financial Statements

for the year ended 30 June 2025

b) Interest rate risk management (for Whole Company)

It is the Company policy that the parameters for the percentage of forecast core debt, including any associated derivatives, that have fixed interest rates in any period shall be within the following profiles:

	0-12 Mths	Yrs 2 & 3	Yrs 4 & 5	Yrs 6 & 7
Maximum fixed rate debt	90%	70%	50%	30%
Minimum fixed rate debt	30%	20%	0%	0%

The maximum term for fixing interest rates is 7 years unless specifically approved by the Board.

The Company has interest rate risk resulting from its floating rate borrowings under its debt facility. In order to protect against this risk, the Company has entered into interest rate swaps agreements, under which it has the obligation to transform a series of future variable interest cash flows, attributable to changes in 3 month NZD-BRR-FRA, back to a known fixed interest cash flow based on the relevant swap rate that existed at the inception of the hedge relationship. The following table details the notional principal amounts and remaining term of interest rate swap contracts outstanding as at reporting date:

	Contract fixed interest rate (weighted average) %	Notional principal amount \$ 000's	Fair Value \$ 000's
2025			
Outstanding floating to fixed contracts			
Less than 1 year	3.9%	25,000	(45)
1 to 2 years	3.7%	5,000	(37)
3 to 5 years	3.6%	20,000	(151)
		50,000	(234)
Cover of principal outstanding (contracts with an effective date before 30 June 2025)		94%	
	Contract fixed interest rate (weighted average) %	Notional principal amount \$ 000's	Fair Value \$ 000's
2024			
Outstanding floating to fixed contracts			
Less than 1 year	1.7%	10,000	360
1 to 2 years	3.2%	10,000	302
		20,000	662
Cover of principal outstanding (contracts with an effective date before 30 June 2024)		62%	

At 30 June 2025, if the interest rates had changed by +/- 1%, with all other variables held constant, the impact on profit before tax would have been \$425,000 (2024: \$220,833) lower/higher, with the impact of hedging factored into the calculation. A sensitivity of 1% has been selected as this is considered reasonable given the current level of interest rates and the trend observed both on a historical basis and market expectations for future moves.

Notes to the Financial Statements

for the year ended 30 June 2025

c) Capital risk management (for Whole Company)

When managing capital, management ensures that the Company continues as a going concern, the Company has access to sufficient capital to fund investments, capital can be accessed at a competitive cost and optimal returns are delivered to shareholders.

The Company is not subject to any externally imposed capital requirements apart from covenants in respect of bank facilities.

d) Credit and liquidity risk management (for Whole Company)

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments, deposits with banks and credit exposures to customers, including outstanding receivables. Credit risk is managed by the senior management and directed by the board. Only independently rated banks with a minimum rating of A (Standard & Poor's) or A1 (Moody's) are accepted. For parties where there is no independent rating, the financial department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. For some customers the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets is mentioned in the Note 7 Trade & Other Receivables, and Note 6 Cash and Cash Equivalents. There are no significant concentrations of credit risk, through exposure to individual customer due to the specifics of the industry. The Company applies the IFRS 9 simplified approach to measuring credit losses, refer to Note 7 Trade & Other Receivables for further discussion.

Liquidity risk represents the risk that the Company may not have the financial ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an on-going basis and reviews the treasury policy headroom levels on an annual basis. In general, the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding in place to cover potential shortfalls.

The table below analyses the company's financial liabilities and derivative financial liabilities that will be settled on a net basis, into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the table are the gross contractual undiscounted cash flows. Balances within 12 months equal their carrying balances.

	Carrying Amount \$ 000's	Total cashflow \$ 000's	On demand \$ 000's	< 1 year \$ 000's	1 - 2 years \$ 000's	3 - 5 years \$ 000's
2025						
Financial liabilities						
Trade and other payables	16,179	16,179	4,279	11,900	-	-
Borrowings	53,000	56,763	-	56,763	-	-
Derivative financial instruments	321	321	-	101	221	-
Total financial liabilities	69,500	73,263	4,279	68,764	221	-
2024						
Financial liabilities						
Trade and other payables	2,971	2,971	2,971	-	-	-
Borrowings	32,500	36,408	-	1,954	34,454	-
Total financial liabilities	35,471	39,379	2,971	1,954	34,454	-

14 BORROWINGS

	Expiry Date	Line Limit \$ 000's	2025 \$ 000's	2024 \$ 000's
Bank Facilities				
ASB	30 June 2026	20,000	10,000	7,500
Bank of China	30 June 2026	20,000	11,500	11,500
BNZ	30 June 2026	20,000	15,000	2,500
Westpac	30 June 2026	40,000	16,500	11,000
Internal debt from commercial activities			47,004	41,689
Total borrowings		100,000	100,004	74,189
Recognised in the statement of financial position				
Current liabilities			53,000	-
Non-current liabilities			47,004	74,189
Total borrowings			100,004	74,189

The bank facilities are secured by a general security agreement over the Company's assets, undertakings and any uncalled capital.

Notes to the Financial Statements

for the year ended 30 June 2025

15 SHARE CAPITAL

	2025		2024	
	No.	\$ 000's	No.	\$ 000's
(a) <u>Authorised share capital</u>				
Ordinary shares – fully paid.	7,142,000	18,892	7,142,000	18,892

(b) Ordinary shares

All ordinary shares have equal voting rights and equal rights to distributions and any surplus on winding up of the Company.

16 RETAINED EARNINGS AND RESERVES

	2025	2024
	\$ 000's	\$ 000's
(a) <u>Retained earnings</u>		
Movements in Retained Earnings were as follows:		
Balance 1 July	6,398	9,748
Profit/(loss) for the year	9,523	(585)
Dividends paid	(6,217)	(2,765)
Balance at 30 June	9,704	6,398

	2025	2024
	\$ 000's	\$ 000's
(b) <u>Asset revaluation reserve</u>		
Movements in the asset revaluation reserve were as follows:		
Balance 1 July	120,444	120,444
Increase arising on revaluation of assets	21,671	-
Deferred tax movement	(2,525)	-
Balance at 30 June	139,590	120,444

	2025	2024
	\$ 000's	\$ 000's
(c) <u>Cash flow hedge reserve</u> (for Whole Company)		
Movements in the cash flow hedge reserve were as follows:		
Balance 1 July	550	702
Gain/(loss) recognised on interest rate swaps	(994)	(544)
Deferred tax movement arising on interest rate swaps	278	152
Gain/(loss) recognised on forward exchange contracts	(92)	333
Deferred tax movement arising on forward exchange contracts	26	(93)
Balance at 30 June	(232)	550

The cash flow hedge reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in the Income Statement when the hedge relationship is discontinued.

Notes to the Financial Statements

for the year ended 30 June 2025

17 DIVIDENDS (for Whole Company)

On 15 August 2024 a final dividend of 88.67 cents per share (total dividend: \$14,241,000) for the year ended 30 June 2024 was paid to holders of fully paid ordinary shares.

On 17 February 2025 an interim dividend of 43.36 cents per share (total dividend of \$6,964,000) for the year ended 30 June 2025 was paid to holders of fully paid ordinary shares.

18 OPERATING LEASE ARRANGEMENTS (for Whole Company)

(a) Company as Lessor: Operating Lease Rental

Operating leases as at 30 June 2025 relate to the commercial property owned by the Company with lease terms between 1 year to 33 years, the longest of which extends 12 years in the future. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Company from its commercial property is set out in Note 3. The Company has contractual rights under leases to the following Minimum Annual Guaranteed rentals and contracted escalations but excludes at risk receipts such as turnover rents and CPI increases:

	2025 \$ 000's	2024 \$ 000's
Less than 12 months	16,776	17,587
1-2 years	12,851	4,768
2-3 years	4,714	3,285
3-4 years	3,696	2,939
4-5 years	2,977	2,928
5+ years	2,602	5,090
Total operating lease rentals receivable	43,616	36,597

19 RELATED PARTY TRANSACTIONS (for Whole Company)

Queenstown Airport is 75.01% owned by the ultimate parent entity, Queenstown Lakes District Council, and 24.99% owned by Auckland Airport Holdings (No 2) Limited.

Related parties of the Company are:

- ▶ Queenstown Lakes District Council (QLDC) - shareholder
- ▶ Auckland International Airport Limited (AIAL) - shareholder
- ▶ Mark R Thomson - Chief Commercial Officer (AIAL) - director of the Company (resigned 31/12/2024)
- ▶ Mary-Liz Tuck - Chief Strategic Planning Officer (AIAL) - director of the Company (appointed 1/1/2025)

(a) Transactions with related parties

The following transactions occurred with related parties:

All transactions were provided on normal commercial terms.

	2025 \$ 000's	2024 \$ 000's
Queenstown Lakes District Council (QLDC)		
Rates paid	471	465
Rental receipts	(43)	(43)
Sundry payments/(receipts)	46	5
Wanaka Airport - management fee	(457)	(365)
Wanaka and Glenorchy Airport - Sundry payments	55	62
Net payment to QLDC	72	125
Auckland International Airport Limited (AIAL)		
Director fees/expenses paid	46	49
Rescue fire training fees paid	-	22
Net payment to AIAL	46	71

During the year, Queenstown Airport Corporation paid Wakatipu Community Foundation \$78,000 for sponsorship and administration. Simon Flood is both the Chairman of Queenstown Airport Corporation and a member of the Investment Committee of the Wakatipu Community Foundation.

Notes to the Financial Statements

for the year ended 30 June 2025

(b) Balances with related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025 \$ 000's	2024 \$ 000's
Queenstown Lakes District Council (QLDC)		
Receivables	(48)	(69)
Payables	-	8
Net (receivable) balance (QLDC)	(48)	(61)
Auckland International Airport Limited (AIAL)		
Receivables	-	-
Payables	-	-
Net payable balance (AIAL)	-	-

(c) Key Management Personnel Compensation

Key management personnel compensation for the year's ended 30 June 2025 and 30 June 2024 is set out below. The key management personnel are all the directors of the Company and the executives with the greatest authority for the strategic direction and management of the Company.

	2025 \$ 000's	2024 \$ 000's
Short term benefits	2,692	2,406
Total	2,692	2,406

20 RECONCILIATION OF CASH FLOWS

	2025 \$ 000's	2024 \$ 000's
a) Operating Activities		
Net profit after taxation	9,523	(585)
Add/(Deduct) non-cash items:		
Amortisation	146	118
Depreciation	8,042	7,551
Other	-	3,136
Changes in Assets and Liabilities:		
(Increase)/decrease in trade and other receivables	(842)	(214)
(Increase)/decrease in prepayments	13	(1)
Increase/(decrease) in current tax payable	156	11,159
Increase/(decrease) in trade and other payables	(294)	(721)
Increase/(decrease) in employee entitlements	233	295
Net cash flows from operating activities	16,977	20,738

Notes to the Financial Statements

for the year ended 30 June 2025

21 CONTINGENT LIABILITIES (for Whole Company)

a) Noise mitigation

The Company has implemented a programme of works to assist homeowners living in the inner and mid noise boundaries to mitigate the effects of aircraft noise exposure. The Company is obligated, on an annual basis, to offer, 100% funding of noise mitigation works for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 65 dB Projected Annual Aircraft Noise Contour. The Company is offering 100% of funding of mechanical ventilation for Critical Listening Environments of buildings that existed on 8 May 2013 containing an Activity Sensitive to Aircraft Noise (as defined in the Queenstown Lakes District Plan) that are within the 60 dB Projected Annual Aircraft Noise Contour.

Offers for noise mitigation have been extended to homeowners in line with the projected annual aircraft noise contours for calendar years 2024 and 2025. Property owners have twelve months from the date of offer to determine if they wish to take the offer made by the Company for mitigation works. It is difficult to estimate the future value of the mitigation works due to the uncertainty of the level of uptake from property owners and the differing construction and acoustic treatment requirements necessary to mitigate each property.

b) Property Covenant

In March 2023, High Court proceedings were served on the Company seeking to modify a restrictive covenant registered against land owned by RPL and two other parties, south of the main runway. The covenant restricts the range of activities that land can be used for, for the benefit of the Airport land so long as it is operated as an airport. The Company has filed a defence and a hearing has been scheduled in February 2026.

22 CAPITAL COMMITMENTS (for Whole Company)

Committed for Acquisition of Property, Plant and Equipment

	2025	2024
	\$ 000's	\$ 000's
	15,644	16,236
	15,644	16,236

23 SUBSEQUENT EVENTS (for Whole Company)

Dividend

On 19 August 2025, the Directors declared a fully imputed dividend of \$18,737,000 in respect of the year ended 30 June 2025.



Notes to the Financial Statements

for the year ended 30 June 2025

Identified Airport Activities Reporting

24 SEGMENT INFORMATION

The preparation of the disclosure financial statements requires the identification and presentation of aeronautical activities. In addition to this the Company is required to present segmented information for Identified Airport Activities. These activities are defined in the Airport Authorities Act 1966 (and subsequent amendments). The Identified Airport Activities are as follows:

- i) Airfield activities:
- ii) Aircraft and freight activities:
- iii) Specified passenger and terminal activities.

Management have assessed the aeronautical activities of the Company against these definitions and allocated them as appropriate. Through this assessment management determined that no material "Aircraft and freight activities" are undertaken by the Company, therefore only the remaining two segments have been reported on.

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

The Company's top two customers represent 72% (2024: 72%) of revenue from substantial customers. This equates to \$34,372k (2024: \$24,286k).

The next two largest customers represent 28% (2024: 28%) revenue from substantial customers. This equates to \$13,264k (2024: \$9,458k).

	Airfield	Specified Terminal	Total
Year ended 30 June 2025	\$ 000's	\$ 000's	\$ 000's
External Income			
Airport charges	23,277	23,639	46,916
Licences & aircraft parking	1,339	761	2,100
Other revenue	(2)	(3)	(5)
Total Income	24,614	24,397	49,011
Expenses			
Administration and other	1,007	3,164	4,171
Professional Services	933	2,199	3,132
Repairs & maintenance	132	783	915
Utilities	178	1,861	2,039
Employee remuneration and benefits	2,923	6,060	8,984
Impairment and Loss/(Gain) On Assets	(11)	-	(11)
Depreciation	3,030	5,012	8,042
Amortisation	146	-	146
Finance costs	3,752	3,018	6,770
Total Expenses	12,090	22,097	34,187
Segment profit before income tax	12,524	2,300	14,824
Income tax expense			5,300
Profit for the period			9,523
Segment total assets	177,131	135,591	312,722
Additions of property plant and equipment included in segment assets	32,717	2,546	35,263
Average number of full-time staff equivalents	28	46	74

The split between 'Specified Terminal' and 'Airfield' for the current year is based on the allocation of assets used for determining the aeronautical prices commencing 1 July 2024, after consultation with the airlines.

There are no significant inter-segment transactions.



Notes to the Financial Statements

for the year ended 30 June 2025

	Airfield	Specified Terminal	Total
	\$ 000's	\$ 000's	\$ 000's
Year ended 30 June 2024			
External Income			
Airport charges	15,867	18,897	34,764
Licences & aircraft parking	1,032	681	1,712
Other revenue	72	48	120
Total Income	16,971	19,626	36,597
Expenses			
Administration and other	1,640	2,031	3,670
Professional Services	1,009	882	1,891
Repairs & maintenance	342	414	757
Utilities	78	1,537	1,615
Employee remuneration and benefits	4,681	3,111	7,792
Impairment and Loss On Assets	(17)	-	(17)
Depreciation	2,758	4,793	7,551
Amortisation	118	-	118
Finance costs	3,201	2,749	5,950
Total Expenses	13,811	15,518	29,331
Segment profit/(loss) before income tax	3,161	4,107	7,266
Income tax expense/(benefit)			7,851
Profit/(loss) for the period			(585)

Segment total assets	136,288	121,805	258,093
Additions of property plant and equipment included in segment assets	2,576	7,339	9,915
Average number of full-time staff equivalents	28	45	73

There are no significant inter-segment transactions.

25 ALLOCATION METHODOLOGY USED IN THE PREPARATION OF THESE STATEMENTS

a) Revenue Categories

Revenue falls into one of the following categories:

- **Passenger/landing charges** relates to the revenue that is directly attributable to aircraft landings and the associated passenger charge. This revenue is directly allocated to the Identified Airport Activities based on the nature of the charge.
- **Licenses, leases and aircraft parking** is the revenue from aircraft parking and the revenue from licenses and leases relating to aviation services. This revenue is directly allocated to the Identified Airport Activities based on the nature of the customer utilising these services.

b) Expenditure Categories and Allocation

Expenditure falls into one of the following categories:

- **Direct operating costs** are those costs which are incurred solely by Identified Airport Activities, or another business unit of the airport, and have been allocated directly to that activity.
- **Indirect operating costs** are either incurred by a number of Identified Airport Activities, or in conjunction with other business units. Indirect costs primarily relate to terminal related activities and an allocation is applied to determine the Specified Terminal (Identified Airport Activity) element of the cost. The Company allocates indirect costs on a share of space attributable to each activity in the terminal building, consistent with the most recent aero-pricing consultation. Each year an analysis is performed of space in the terminal building attributed to Identified Airport Activities versus non-Identified Airport Activities.



Notes to the Financial Statements

for the year ended 30 June 2025

- **Non-operating costs** have been allocated to the Identified Airport Activities on the following basis:
 - Depreciation is allocated across Identified Airport Activities consistent with the methodology used for assets (see below).
 - Interest expense is allocated across Identified Airport Activities consistent with the methodology used for debt (see below).
 - Taxation is allocated across Identified Airport Activities based on a consistent allocation methodology applied to the relevant assessable expenses, for asset allocation (see below) and expenses (see above).

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

c) Allocation of Assets

The Company maintains a detailed property, plant and equipment register. Each asset has been coded directly to an Identified Airport Activity, other business units (non-Identified Airport Activity) or allocated as follows. Fixed assets have been allocated to the following categories as appropriate:

- **Direct assets** are those assets which are directly allocated to an Identified Airport Activity based on their nature.
- **Indirect assets** are those assets that relate to a number of Identified Airport Activities, or are used in conjunction with other business units of the airport. These assets are allocated using appropriate methodology to determine the portion of the asset that relates to each Identified Airport Activity. Material asset classes and allocation methodologies are:
 - Terminal assets, including buildings have been allocated on the basis of an area analysis of terminal usage.
 - Land held for future airport development has been allocated between the various activities based on its intended future use.
 - Corporate/Office assets including plant, equipment, furniture and fittings have been allocated on the proportions of operating expenditure across the Identified Airport Activities applied in the income statement.

d) Allocation of Debt

Debt is allocated between Identified Airport Activities on the assumption that it represents the net position of the activities after all other cash flows. Debt includes both external debt and intra-segmental borrowing.

e) Allocation of Equity

The equity position of the Identified Airport Activities is allocated with reference to the following for those activities:

- The opening level of equity.
- Adjustments for movements due to net profit less dividends.
- Adjustments for any capital issued or repaid.

26 WEIGHTED AVERAGE COST OF CAPITAL

The Company has estimated the prospective weighted average cost of capital (WACC) for its Identified Airport Activities as at 01 July 2024.

The Company has applied a post-tax WACC model. The post investor tax version of the capital asset pricing model (CAPM) has been used to estimate the appropriate cost of equity capital. The debt premium has been based on the estimated margin over the 10-year swap rate yields. The yield, and therefore the cost of debt, reflects the market conditions as at 01 July 2024. This is consistent with the approach used by the Company in aeronautical pricing.

The following table summarises the key parameters used in the Company WACC model.

	2025	2024
	Parameter	Parameter
Risk free rate – 10 year swap rate yields	4.73%	4.36%
Market risk premium	7.00%	7.50%
Company tax rate	28.00%	28.00%
Debt / (Debt + Equity)	8.98%	8.98%
Debt premium	1.73%	1.73%
Business risk factor (asset beta)	0.70	0.70
Calculated WACC	8.41%	8.50%

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

The Company uses a generally-accepted approach to the calculation of the WACC. This represents the weighted average costs of equity (adopting the simplified version of the Brennan-Lally CAPM) plus the cost of debt, net of corporate tax deductions, as follows:

$$WACC = rD \times (1 - TC) \times (D/V) + rE \times (E/V)$$

Where:

rD = The Company's pre-tax cost of debt.

TC = The corporate tax rate.

D = The value of the Company's debt. rE=The Company's post –tax cost of equity. E=The value of the Company's equity.

V = The Company's total enterprise value, i.e. (V = E + D).

Notes to the Financial Statements

for the year ended 30 June 2025

27 METHODOLOGY USED TO DETERMINE AIRPORT CHARGES

Airport charges applying for the disclosure period in respect of airfield and terminal building use for Regular Air Transport Operations were reset as of 1st July 2025 covering the period FY26-FY28 (1 July 2025 to 30 June 2029).

The determination setting the charges included the following key features:

Pricing approach:

- Cost-recovery approach that seeks to recover the future costs of operating and investing in ZQN, including a return on assets.
- Includes allocation of shared costs to meet demand and deliver required service levels and assets consistent with accounting-based allocation approach (ABAA)

Pricing structure

- Per passenger price on landing for each service category - International jets, Domestic jets and Domestic turboprops.
- Annual inflationary price increase

Pricing model:

Discounted cashflow method to calculate prices that recover the revenue requirement based on forecast costs.

Volume forecast:

QAC used a negotiated passenger forecast adjusting for actuals with a moderately lower growth rate.

General Aviation and Helicopters:

QAC chose to not increase prices for the operators of the General Aviation and Helicopter activities over FY25 due to the uncertainty around relocation.

28 SCHEDULE OF AIRPORT CHARGES

a) Regular Air Transport Operations

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

b) Maximum Certified Take-off Weight (MCTOW)

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

c) Landing Charge – General Aviation

A landing charge is payable in respect of each arriving fixed wing aircraft that is not on a Regular Air Transport Operation, based on the MCTOW of the aircraft as set out in the table below.

Aircraft MCTOW (kg)	2025 Charge (excl GST)	2024 Charge (excl GST)
0 to 1,500	\$21.25	\$21.25
1,501 – 2,000	\$32.00	\$32.00
2,001 – 4,000	\$69.25	\$69.25
4,001 – 5,700	\$111.75	\$111.75
5,701 – 8,000	\$191.50	\$191.50
8,001 – 10,000	\$244.75	\$244.75
10,001 – 15,000	\$372.50	\$372.50
15,001 – 20,000	\$521.50	\$521.50
20,001 – 25,000	\$681.25	\$681.25
25,001 – 40,000	\$904.75	\$904.75
40,001 – 45,000	\$1,011.25	\$1,011.25
45,001 and greater	\$2,022.25	\$2,022.25



Notes to the Financial Statements

for the year ended 30 June 2025

d) Landing Charge – Helicopters

For each rotary wing aircraft arriving on any part of the Airport including leased and licensed premises, a charge per landing is payable based on the helicopter's MCTOW as set out in the table below.

Helicopters MCTOW (kg)	2025 Charge (excl GST)	2024 Charge (excl GST)
0 to 1,100	\$21.25	\$21.25
1,101 – 1,500	\$32.00	\$32.00
1,501 – 2,000	\$42.50	\$42.50
2,001 – 4,000	\$69.25	\$69.25
4,001 – 5,700	\$111.75	\$111.75
5,701 – 8,000	\$191.50	\$191.50
8,001 – 10,000	\$244.75	\$244.75
10,001 – 15,000	\$372.50	\$372.50
15,001 – 20,000	\$521.50	\$521.50
20,001 – 25,000	\$681.25	\$681.25
25,001 and greater	\$904.75	\$904.75

e) Aircraft Parking Charge

For each aircraft parked in a designated aircraft parking area for a period in excess of three hours (aircraft with MCTOW greater than 5,700kg) or twenty four hours (aircraft with MCTOW at or below 5,700kg), an aircraft parking charge based on the aircraft MCTOW is payable per calendar day or part thereof as set out in the table below.

Aircraft MCTOW (kg)	2025 Charge (excl GST)	2024 Charge (excl GST)
0 to 1,500	\$20.00	\$20.00
1,501 – 2,000	\$30.00	\$30.00
2,001 – 4,000	\$55.00	\$55.00
4,001 – 5,700	\$90.00	\$90.00
5,701 – 10,000	\$250.00	\$250.00
10,001 – 20,000	\$500.00	\$500.00
20,001 – 30,000	\$1,000.00	\$1,000.00
30,001 and greater	\$1,500.00	\$1,500.00

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

f) Passenger Charges Regular Air Transport Operations for the period ending 30 June 2025

i) Passenger Charge – International Jet Services

A charge of \$22.27 (excluding GST) per embarking and disembarking passenger (excluding transit passengers, transfer passengers, infants and positioning crew) on fixed wing aircraft operating an international service. (2024: \$18.45).

ii) Passenger Charge – Domestic Jet Services

A charge of \$15.06 (excluding GST) per embarking and disembarking Passenger (excluding infants and positioning crew) on fixed wing aircraft operating a domestic service. (2024: \$11.01).

iii) Passenger Charge – Domestic Turboprop Services

A charge of \$13.00 (excluding GST) per embarking and disembarking Passenger (excluding infants and positioning crew) on fixed wing aircraft operating a domestic service. (2024: \$10.82).

Notes to the Financial Statements

for the year ended 30 June 2025

29 BAGGAGE MAKE UP CHARGES

BMU prices are no longer differentiated. These assets are included in a single asset base and reflected in a single price. See above.

30 LANDING STATISTICS

a) Scheduled Domestic Services

Aircraft MCTOW (kg)	Aircraft Type	2025	2024
0 to 20,000	DH8C	3	1
20,001 – 26,000	ATR72	839	882
26,001 – 56,000		-	-
56,001 – 71,000	B737-300	-	-
71,001 and greater	A320 /B737-800	5,319	5,142

b) Scheduled International Services

Aircraft MCTOW (kg)	Aircraft Type	2025	2024
0 to 71,000		-	-
71,001 and greater	A320 /B737-800	3,292	3,151

c) Other Landings

Aircraft MCTOW (kg)	Aircraft Type	2025	2024
All weights		23,018	21,529

d) Passengers

Class of passenger	2025	2024
Passengers arriving and departing on domestic flights	1,657,658	1,630,373
Passengers arriving and departing on international flights	944,225	857,237

31 INTERRUPTIONS TO SERVICES

There were no planned or unplanned disruptions during the period due to the Airport Operations.





INDEPENDENT ASSURANCE REPORT

TO THE DIRECTORS OF QUEENSTOWN AIRPORT CORPORATION LIMITED

REPORT ON QUEENSTOWN AIRPORT CORPORATION LIMITED'S DISCLOSURE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, to undertake a reasonable assurance engagement on whether the disclosure financial statements prepared by the company for the year ended 30 June 2025, complies, in all material respects, with the Regulations. The disclosure financial statements comprise:

- financial statements only for the identified airport activities, and not for the other activities of the company, prepared in accordance with the Regulations; and
- the information specified in section 9 and Schedule 2 of the Regulations.

Opinion

In our opinion the disclosure financial statements on pages 4 to 33 are fairly reflected, in all material respects with the Regulations, and comply, in all material respects, with generally accepted accounting practice in New Zealand.

Our work was completed on 30 October 2025. This is the date at which our conclusion is expressed.

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

Emphasis of Matter – Uncertainties Relating to Lot 6 Provision Estimation

Without modifying our opinion, we draw attention to Note 10 on page 20 of the financial statements which outlines the high level of uncertainty in estimating the additional compensation that may be required to settle the ongoing dispute arising from the compulsory acquisition of Lot 6. QAC has recognised a provision representing potential cash payments, determined based on independent external valuations as at 30 June 2025. The Land Valuation Tribunal hearing for Lot 6 concluded in April 2025, and the decision on the compensation payable remains pending. The ultimate outcome of the decision is uncertain, and any increase in the compensation could be material to the Company. Our opinion is not modified in respect of this matter.

Inherent limitations

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement or non-compliance when it exists. Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control, it is possible that fraud, error, or non-compliance may occur and not be detected.

Further, a reasonable assurance engagement for the disclosure year ended 30 June 2025 does not provide assurance on whether compliance with the requirements of the Regulations will continue in the future.



Restricted use

The Regulations require the disclosure financial statements to include financial statements only for the company's identified airport activities, which are part of the annual financial statements that we have previously audited. Other than as expressly stated below, we have not carried out any additional procedures on the financial statements for the company's identified airport activities since signing our audit report on the company's annual financial statements on 19 August 2025 which contained an unmodified opinion. Explanation of the scope of our audit engagement on the company's annual financial statements and performance information is contained in that audit report.

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

Responsibilities of the Board of Directors for preparing the disclosure financial statements

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

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

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

Our responsibilities

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

We have carried out our engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* which has been issued by the External Reporting Board. A copy of this standard is available on the External Reporting Board's website.

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

The Regulations require the disclosure financial statements to include financial statements for the company's identified airport activities.

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

- Obtaining an understanding of how the company has met the requirements of the Regulations to determine its identified airport activities.

- Obtaining an understanding of how the company has determined its allocation methodology which has been used to allocate shared expenditure, assets, debt and equity balances.
- Evaluating how the allocation methodology has been applied by testing the allocation of shared expenditure, assets, debt and equity balances.
- Agreeing the amounts and disclosures in the disclosure financial statements to the company's underlying records, and to the company's audited annual financial statements, where appropriate.

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

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

Independence and quality control

We complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Auditor-General, and his employees, and Deloitte Limited and its partners and employees may deal with the company on normal terms within the ordinary course of trading activities of the company. Other than any dealings on normal terms with the ordinary course of trading activities of the company, this engagement carried out under the Regulations, our audit of the company's annual financial statements and performance information, and agreed upon procedures relating to company's sustainability linked loan, we have no relationship with, or interests in, the company.



Heidi Rautjoki
Partner
for Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand