

Notice is given that an ordinary meeting of the Joint Shareholders Committee will be held on:

Date: Tuesday 16 April 2024
Time: 9:30 am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street, Richmond
Zoom conference link: <https://us02web.zoom.us/j/86396053367?>
Meeting ID: 863 9605 3367
Meeting Passcode: 772534

Joint Shareholders Committee

Komiti Joint Shareholders

AGENDA

MEMBERSHIP

Council	Tasman District Council	Nelson City Council
Members	Mayor T King (Chair)	Mayor N Smith
	Deputy Mayor S Bryant	Deputy R Mayor O'Neill-Stevens
	Cr B Dowler	Cr M Benge
	Cr C Hill	Cr M Courtney
	Cr C Mackenzie	Cr K Paki Paki
	Cr K Maling	Cr R Sanson

(Quorum 6 members)

Contact Telephone: 03 543 8400
Email: robyn.scherer@tasman.govt.nz
Website: www.tasman.govt.nz

AGENDA

1 OPENING, WELCOME, KARAKIA

2 APOLOGIES AND LEAVE OF ABSENCE

An apology has been received from Councillor K Paki Paki.

Recommendation

That an apology be accepted from Councillor K Paki Paki.

3 PUBLIC FORUM

Nil

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF [MINUTES](#)

That the minutes of the Joint Shareholders Committee meeting held on Tuesday, 22 August 2023, be confirmed as a true and correct record of the meeting.

That the confidential minutes of the Joint Shareholders Committee meeting held on Tuesday, 22 August 2023, be confirmed as a true and correct record of the meeting.

7 REPORTS

- 7.1 Half Yearly reports to 31 December 2023 for Infrastructure Holdings Limited, Port Nelson Limited and Nelson Airport Limited 4
- 7.2 Tasman Bays Heritage Trust - Half Yearly Report to 31 December 2023 and Draft Statement of Intent 2024-2025 60

8 CONFIDENTIAL SESSION

- 8.1 Procedural motion to exclude the public..... 99
- 8.2 Tasman Bays Heritage Trustee Rotation 99
- 8.3 Infrastructure Holdings limited - Draft Statement of Intent 2024/2025 99

9 CLOSING KARAKIA

7 REPORTS

7.1 HALF YEARLY REPORTS TO 31 DECEMBER 2023 FOR INFRASTRUCTURE HOLDINGS LIMITED, PORT NELSON LIMITED AND NELSON AIRPORT LIMITED

Report To:	Joint Shareholders Committee
Meeting Date:	16 April 2024
Report Author:	Nikki Harrison, Group Manager Corporate Services
Report Authorisers:	
Report Number:	RJSC24-04-1

1. Purpose of Report

- 1.1 To receive the Infrastructure Holdings Limited, Port Nelson Limited, and Nelson Airport Limited half yearly reports to 31 December 2023. Report Summary

2. Recommendation

That the Joint Shareholders Committee receives the Half Yearly reports to 31 December 2023 for Infrastructure Holdings Limited, Port Nelson Limited and Nelson Airport Limited report and its attachments.

3. Background and Discussion

- 3.1 Section 66 of the Local Government Act requires Infrastructure Holdings Limited and its subsidiaries to deliver a half yearly report on performance within two months of the end of that period. Each Council must publish the half yearly report on their website within one month of receiving it. These requirements have been met. The half yearly reports of the three entities for the period ending 31 December 2023 are included as Attachment 1 (IHL), Attachment 2 (Port Nelson Limited) and Attachment 3 (Nelson Airport Limited).

4. Discussion

Infrastructure Holdings Limited

- 4.1 This is the first six monthly report from Infrastructure Holdings Limited (IHL) and this has been presented as a consolidated group, including Port Nelson Limited and Nelson Airport Limited.
- 4.2 Infrastructure Holdings Limited finalised the acquisition of Port Nelson Limited and Nelson Airport Limited on 1 July 2023. Subsequently the Group successfully consolidated its debt and entered the LGFA tender round on 3 October 2023 securing funding of \$113 million.
- 4.3 The profitability of the Group has been impacted negatively by recent economic conditions. Revenue is consistent when considering previous trading, however it is down on budget expectations. Expenses have been impacted by inflation and the rise in interest rates has further impacted the net profit after tax.
- 4.4 Infrastructure Holdings Limited is largely on target to meet its performance measures (see page 3 of Attachment 1), noting this is at a group level and the subsidiaries performance measures are separately reported in their six monthly reports.
- 4.5 Commentary on the Port Nelson and Nelson Airport is covered below.

Port Nelson Limited






- 4.6 It has been a challenging first six months of the 2024 financial year. The economic slowdown has resulted in reduced containerised commodities moving through the Port, negatively impacting profitability.
- 4.7 For the first six months of this financial year Port Nelson Limited (PNL) reported profit before tax (PBT) of \$3.557 million compared with the previous year result of \$3.837 million.
- 4.8 The half yearly report shows how PNL is tracking against its Statement of Corporate Intent performance measures for 2023/24 (see page 7 to 8 of Attachment 2).
- 4.9 The remainder of the year should see some trading improvement with a strong kiwifruit and apple season predicted. However, a general softness will continue across most other commodities. The year end profit result will remain below budget.

Nelson Airport Limited

- 4.10 For the first six months of this financial year NAL reported profit before tax (PBT) of \$2.57 million compared with the previous year result of \$2.85 million. Revenue has increased to \$8.8 million compared with the same time last year of \$8.8 million.
- 4.11 The half yearly report shows that Nelson Airport Limited (NAL) is on target to meet the majority of its Statement of Intent objectives for 2023/24 (see page 6 to 7 of Attachment 3).
- 4.12 Nelson Airport is forecasting the financial performance for the second half of the financial year to be more conservative than that reported for the first half. Increased repairs and

maintenance is planned to coincide with the warmer and lighter summer months. However, revenue is expected to be maintained at current levels and the full year forecast remains positive with an estimated Net Profit before tax of \$4.6 million.

4. Attachments

1.	 	Infrastructure Holdings Limited Half Yearly Report	7
2.	 	Port Nelson Limited Half Yearly Report	18
3.	 	Nelson Airport limited Half Yearly Report	37



Infrastructure Holdings Limited

Interim Report

For the six months ended 31 December 2023

**PORT
NELSON**



Contents

Performance Commentary 2

Statement of Intent Measures..... 3

Consolidated Statement Of Comprehensive Income 4

Consolidated Statement Of Changes in Equity 5

Consolidated Statement Of Financial Position 6

Consolidated Statement Of Cash Flows..... 7

Summary of Significant Accounting Policies..... 8

Performance Commentary

NELSON AIRPORT LIMITED

Despite ongoing challenges in the aviation industry, Nelson Airport Limited has demonstrated resilience and adaptability, delivering strong operational and financial performance. Passenger numbers are recovering towards pre-COVID levels, driven by the regional market's strength and effective marketing campaigns. Revenue has increased by 6.4% compared to the same period last year, driven by aeronautical, property, and retail income.

Operating expenses increased primarily due to inflation, resulting in a lower NPAT than the previous year. Progress has been made in the capital works program, enhancing infrastructure and services. Strong relationships with key stakeholders have been maintained, contributing to increased passenger numbers and community engagement. The focus on customer experience remains a priority, with improvements ongoing.

Looking ahead the Airport expect passenger volume growth to be muted in the short term due to constraints in the airlines' ability to add capacity. The focus on customer service will continue as the Airport completes projects designed to further improve the experience through the airport.

PORT NELSON LIMITED

Port Nelson Limited has faced challenges in the first half of the year, with reduced cargo volumes impacting profitability. Total cargo volumes were down 2% on budget, with key containerised commodities such as wine and processed timber/MDF experiencing negative variances.

The Port remains focused on environmental initiatives, including reducing carbon emissions and managing non-carbon environmental impacts. There is an uplift in capital expenditure with key projects progressing, including the new electric cranes and related infrastructure, and the slipway redevelopment.

Looking at the second half of the year, concern remains over key commodities such as logs and wine. The impact of new port user charges, such as the infrastructure levy, will also start to contribute in the latter half of the year.

GROUP PERFORMANCE

Building on the planning from the previous year, Infrastructure Holdings Limited finalised the acquisition of Port Nelson Limited and Nelson Airport Limited on July 1, 2023. Subsequently the Group successfully consolidated its debt and entered the LGFA tender round on the 3rd of October, securing funding of \$113m.

The Group is well positioned to obtain funding and provide Port Nelson and Nelson Airport with long term efficient funding to improve financial performance and complete capital projects.

The profitability of the Group has been impacted negatively by recent economic conditions. Revenue is consistent when considering previous trading, however it is down on budget expectations. Expenses have been impacted by inflation and the rise in interest rates has further impacting the net profit after tax. These challenges are reflected in the Groups Debt to EBITDA ratio, while still about target at 4.2 we expect to maintain profitability in the second half of the year.

Statement of Intent Measures

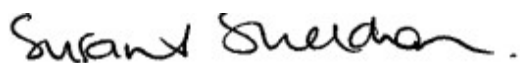
Infrastructure Holdings Limited seeks to maintain a target credit profile set around an investment grade rating of not less than BBB-. Accordingly, Infrastructure Holdings Limited aims to maintain, at the Group level, the performance measures and targets as represented in the following table.

Specific performance measures and targets for Port Nelson Limited and Nelson Airport Limited are available in their respective Statement of Corporate Intent and Statement of Intent.

GROUP	Interim Dec-23	Target 2024
Monitoring		
Net profit after tax (\$m)	3.5	11.3
Dividends (\$m)	-	5.9
Treasury		
Funding Risk		
Compliance with the Group's interest rate debt profile	100%	100%
Debt Credit Metrics		
Funds from Operations / Debt (Annualised)	14%	>13.0%
Debt / EBITDA (Annualised)	4.2	< 4x
Lender Financial Covenants		
Shareholder funds/total assets	69%	>30%
Minimum Shareholder Funds (\$m)	383	>\$300

The Directors are pleased to present the following interim group financial statements, for the six months ended 31 December 2023 and authorises them for issue on 28 February 2024.

Signed on behalf of the Board by:



Sue Sheldon CNZM
Chair of Directors



Paul Zealand
Director

Consolidated Statement Of Comprehensive Income

FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

Unaudited
(6 Months)
Dec-23
\$000

REVENUE

Operating Revenue	48,550
Other Income	129
TOTAL REVENUE	48,679

EXPENSES

Employee Benefit Expenses	14,859
Operating and Other Expenses	20,424
Earnings before Interest, Tax, Depreciation and Amortisation	13,396
Depreciation and Amortisation	7,368
Net Financing Costs	895
NET PROFIT BEFORE INCOME TAX	5,133
Income Tax	1,595
NET PROFIT AFTER INCOME TAX	3,538

OTHER COMPREHENSIVE INCOME

Movements in Hedging Reserves	(125)
TOTAL COMPREHENSIVE INCOME	3,413

Consolidated Statement Of Changes in Equity

FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

	ISSUED CAPITAL	RETAINED EARNINGS	SHARE PREMIUM RESERVE	HEDGING RESERVE	TOTAL EQUITY
	\$000	\$000	\$000	\$000	\$000
BALANCE AT 1 JULY 2023	-	(209)	-	-	(209)
Net Profit	-	3,538	-	-	3,538
Other comprehensive income	-	-	-	(125)	(125)
Issue of Share Capital	379,400	-	1	-	379,400
BALANCE AT 30 JUNE 2023	379,400	3,329	1	(125)	382,605

Consolidated Statement Of Financial Position

AS AT 31 DECEMBER 2023

	Unaudited Dec-23 \$000	Audited Jun-23 \$000
CURRENT ASSETS		
Cash and Cash Equivalents	7,056	-
Trade and Other Receivables	12,291	31
Inventories	964	-
Prepayments	3,502	-
Other Current Assets	36	-
Assets Held for Sale	1,980	-
TOTAL CURRENT ASSETS	25,829	31
NON-CURRENT ASSETS		
Property, Plant and Equipment	485,988	-
Intangible Assets	4,136	-
Investments	2,575	-
Investment Properties	35,610	-
TOTAL NON-CURRENT ASSETS	528,308	-
TOTAL ASSETS	554,138	-
CURRENT LIABILITIES		
Trade and Other Payables	20,295	264
Employee Benefit Entitlements	3,886	-
Provisions and Other Liabilities	55	-
Tax Payable	405	-
Financial Derivatives	468	-
Current Lease Liabilities	1,052	-
TOTAL CURRENT LIABILITIES	26,160	264
Non-Current Liabilities		
Employee Benefit Entitlements	362	-
Deferred Tax Liability	30,914	(24)
Borrowings	113,000	-
Financial Derivatives	174	-
Provisions and Other Liabilities	286	-
Lease Liabilities	638	-
TOTAL NON-CURRENT LIABILITIES	145,373	(24)
TOTAL LIABILITIES	171,533	240
NET ASSET	382,605	(209)
EQUITY		
Share Capital	379,400	-
Retained Earnings	3,328	(209)
Reserves	(124)	-
TOTAL EQUITY	382,605	(209)

Consolidated Statement Of Cash Flows

FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

Unaudited
(6 Months)
Dec-23
\$000

CASH FLOW FROM OPERATING ACTIVITIES

Cash Was Provided From:

Receipts From Customers	52,341
	52,341

Cash Was Applied To:

Payments To Suppliers And Employees	38,075
Taxes Paid	4,803
Net GST Paid	1,803
	44,681

NET OPERATING CASH INFLOWS	7,659
-----------------------------------	--------------

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Was Provided From:

Sale Of Property, Plant And Equipment	1
Acquisition Of Subsidiaries	1,565
	1,566

Cash Was Applied To:

Purchase Of Property, Plant And Equipment	12,076
Purchase Of Intangibles	68
	12,144

NET INVESTING CASH OUTFLOWS	(10,578)
------------------------------------	-----------------

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Was Provided From:

Interest Received	133
Financial Derivatives	4,242
Loans Borrowed	113,000
	117,375

Cash Was Applied To:

Loans Repaid	97,996
Dividend Paid	3,700
Borrower Notes	2,575
Interest Paid	2,472
Payment Of Lease Liabilities	658
	107,401

NET FINANCING CASH INFLOWS	9,974
-----------------------------------	--------------

NET INCREASE IN CASH HELD	7,056
----------------------------------	--------------

Cash and cash equivalents at beginning of period	-
--	---

CASH AT PERIOD END	7,056
---------------------------	--------------

Summary of Significant Accounting Policies

REPORTING ENTITY

The financial statements presented are for Infrastructure Holdings Limited ("the Company") and its subsidiaries ('IHL' or 'the Group'). Infrastructure Holdings Limited is a Council Controlled Trading Organisation under the Local Government Act 2002. The company is jointly, and equally, owned by Nelson City Council and Tasman District Council.

The Group consists of Port Nelson Limited, Nelson Airport Limited, Nelson Marine Precinct Limited, Port Nelson Property Management Limited and Port Nelson Property Investment LLP. All of these are 100% owned.

The primary objective of the Group is to operate infrastructure providing marine, logistics, airport and property services in the top of the South Island.

BASIS OF PREPARATION

The financial statements have been prepared in compliance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting. The financial statements are condensed and do not include all the information required for full financial statements. They should be read in conjunction with the financial statements and related notes for the Group and its subsidiaries as published for the year ended 30 June 2023.

Infrastructure Holdings Limited was incorporated on 17 January 2023, and therefore no comparative information for the prior year is available.

Nelson City Council and Tasman District Council are the ultimate shareholders of all entities in the Group. As a result, the acquisition of Port Nelson Limited and Nelson Airport Limited by Infrastructure Holdings Limited is considered to be a business combination under common control. Predecessor accounting has been applied in preparing the financial statements and comparative values have not been restated. Consolidated results have been prepared from, 1 July 2023, the date of combination.

The interim financial statements are for the six-month period ended 31 December 2023 and are unaudited.

Basis of Measurement

Business combinations, under common control, have been prepared using the predecessor value method. Assets and liabilities acquired from subsidiaries are recorded at their existing carrying value before acquisition.

The financial statements have been prepared based on historical cost, modified by the revaluation of land, buildings, airfield infrastructure, wharves, investment property and financial instruments.

The financial statements are presented excluding Goods and Services Tax (GST), except for receivables and payables which include GST. Unrecoverable GST is recognised within related assets or expenses.

Amounts are presented in New Zealand dollars rounded to the nearest thousand.

Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Monetary items outstanding at balance date are converted at the exchange rate ruling at balance date or the forward exchange contract rate where derivatives have been used to hedge the exposure.

STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET ADOPTED

There are no accounting pronouncements which have become effective during the period that have a significant impact on the Group's interim condensed consolidated financial statements.

CRITICAL JUDGEMENTS AND ESTIMATES

In applying the accounting policies, management are required to make estimates, assumptions, and judgements. Estimates and assumptions are based on historical experience and other factors, including expectations or future events that are expected to be reasonable under the circumstances. Actual results may differ from the estimates and assumptions.

There are no estimates and assumptions in the view of the Directors that have a risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the next financial year.

ACCOUNTING POLICIES

The accounting policies used for the interim period are consistent with those used in the annual financial statements, of the Group and its subsidiaries, for the year ended 30 June 2023.

IMPAIRMENT OF ASSETS

The Group performs its annual impairment test in June and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements of the subsidiaries for the year ended 30 June 2023

SHARE CAPITAL

On 1 July 2023, the Company issued 3,709,540 shares, at a value of \$100 each, divided equally between Tasman District Council and Nelson City Council.

On 26 September 2023, the Company issued a further 2,330,000 shares divided equally to between Tasman District Council and Nelson City Council, these shares are uncalled and unpaid.

GROUP FORMATION AND DEBT RESTRUCTURE

On 1 July 2023, Tasman District Council and Nelson City Council transferred their shares in Port Nelson Limited and Nelson Airport Limited to Infrastructure Holding Limited. This transaction settled all unpaid capital and established Infrastructure Holdings Limited as the parent of the Group. Tasman District Council and Nelson City Council remain the ultimate shareholders of all companies involved.

On 29 September the Company's planned refinancing occurred and the debt of Port Nelson Limited and Nelson Airport Limited was consolidated. A total of \$108.3m was refinanced with Westpac Banking Corporation Limited.

On 3 October, Infrastructure Holdings Limited entered the Local Government Funding Agency (LGFA) tender round and successfully secured funding for \$113m. Upon settlement of the LGFA funding all amounts owed to Westpac were repaid.

The Group continues to hold three line of credit facilities with Westpac totalling \$25m. These facilities provide liquidity and working capital to the subsidiaries. There was no outstanding balance at 31 December 2023.

EVENTS AFTER BALANCE DATE

There were no other significant events after balance date.



INTERIM REPORT

For the six months ended 31 December 2023

PORT  NELSON



E aronui ana ki ō tātou tāngata kei te manawa pātuki o Whakatū, me mihi ka tika hoki.
Mai i ngā pae maunga ki Tangaroa takapou whāriki, Papatūānuku e hora ake nei.
Ko tā tātou i Te Taihū, he tautoko i ngā wawata, he hāpai anō hoki i te oranga o te hāpori.
E kōkiri whakamua ana te kōunga hei painga mā ō tātou kiritaki.
E aronui ana ki te taiao, kia tū, kia oho, kia mataara ki te anamata.
E kaha whakaputa mai ana i ngā hua mā te hunga whaipānga.
E mahi ngātahi ana, e aro ngātahi ana 'ki te hāpai i te puawaitanga ā-rohe'.

We acknowledge our people, who are at the heart of Port Nelson.
We honour the mountains, the sea and the land under, in, and upon which we operate.
We recognise our role within Te Taihū and support the aspirations and wellbeing of our community.
Driving excellence across the supply chain for our customers.
Respecting the environment in which we operate and pushing towards a sustainable future.
Delivering strong and sustained returns for our shareholders.
Working and striving together 'to facilitate regional prosperity'.





Contents

Purpose and Goals4

Performance Commentary5

Statement of Corporate Intent Measures7

Statement of Comprehensive Income9

Statement of Changes in Equity.....10

Statement of Financial Position11

Statement of Cash Flows13

Summary of Significant Accounting Policies.....14



→ Purpose and Goals

Port Nelson's purpose is 'to facilitate regional prosperity/kia āhei ki te kōkiri whakamua ki te taumata ā-rohe'

A key word in our purpose is 'prosperity'. While traditionally seen from an economic perspective, the Port recognises that sustainable prosperity comes from addressing the needs of all its stakeholders.

The port has five stakeholders: Customers, Environment, People, Community, and Shareholders.

The Port also defines what success looks like from each stakeholder's perspective and has established goals that reflect that understanding. The simple days of 'or' – profit or environment; customer or community; profit or safety are gone. Businesses today must embrace the 'and'.

Purpose

Facilitating Regional Prosperity

Kia āhei ki te kōkiri whakamua ki te taumata ā-rohe

Stakeholder Goals



Values

Our values are traits that we continually exhibit on a day-to-day basis to drive us to achieve our purpose:





It has been a challenging first six months of the 2024 financial year. The economic slowdown has resulted in reduced containerised commodities moving through the port, negatively impacting profitability.

In spite of these cargo and financial challenges, the Port continues to grow its customer engagement, people capability, environmental focus, and community involvement.

The remainder of the 2024FY should see some trading improvement with a strong kiwifruit and apple season forecast. However, a general softness will continue across most other commodities. The year-end profit result will remain below budget.

Our Customers

During the first half of 2024FY, the total cargo volume was 1.5 million revenue tonnes, 2% less than the budget. The containerised portion of this cargo was just under 50,000 TEU, which was 7% lower than the budget. Bulk cargo consisting mainly of logs was marginally lower than expected.

Key containerised commodities creating the negative variance were wine and processed timber, including MDF. A longer tail to the apple export season mitigated the variance. In bulk cargo commodities, logs recovered from a slow start to close down 6% on budget. Fuel, mineral sand and fertiliser volumes were above budget.

Looking forward, uncertainty remains regarding log exports, with questions still being asked as to whether

the current downturn is a structural adjustment in China or a more temporary one. The wine trade also has uncertainties, with the US and UK markets still slow to recover from post-Covid supply issues.

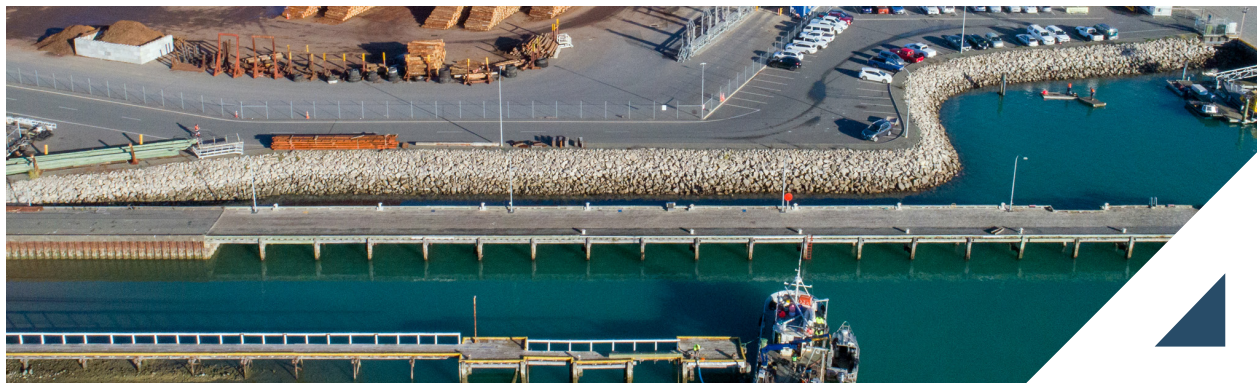
Our Environment

The Port's scope 1 and 2 emissions are forecasted to be down over 18% by the end of the year, from our 2019FY baseline, as per the Port's target. Scope 3 emissions (originated by PNL – waste, travel, accommodation) are forecasted to be down 70% on 2019FY emissions. This is a slight increase on recent emissions with more customer connection and training activities taking place.

To further reduce emissions, a commitment was made to replace an ageing diesel crane with an electric hybrid and convert our newest diesel crane to an electric one. The order for these cranes has been placed, with arrival scheduled for October 2024. A hydrogen injection trial on one of our diesel container movers will commence in the second half of the year.

The Port conducted a waste audit, and waste reduction actions have commenced. In addition, internal education programmes continue to support the Port team in championing carbon reduction.

From a non-carbon environmental impact perspective, noise management remains a focus. The Port experienced a significant noise event during the period, mitigations have been implemented to prevent future occurrences. There was a spill in the harbour originating from a container vessel, fortunately, spill containment measures weren't necessary. Work is underway to improve both dust management and reduction.



Our People

Improving our safety practices continues to be a priority for the Port. Focus areas include Port User Safety Management, Emergency Response Management, Traffic Management, and Public Spaces. Pleasingly, we have seen the number of safety incidents decrease over the reporting period from the uplift at the end of last year.

Work continues on developing a stevedore roster that provides more certainty to workers for shifts, while recognising the variable nature of port activity. Relationships with our unions are strong and provide the basis for collaboratively working on improvement opportunities.

Our Community

The sponsorship budget was committed early in the year. We were delighted with the generous response of port suppliers and customers to our charity golf day. A record \$28k was raised for Riding for the Disabled. We also welcomed the opportunity to support Te mana Kuratahi, the national primary school kapa haka competition, which included children from a number of our Port whānau.

In addition, we supported the seagrass regeneration project, the Nelson Tasman Export Hub, Moananui and the Tasman Mako.

Aligned with our iwi and Māori partnership plan, a focus for the year was raising awareness of Te Tiriti o Waitangi with the Board and leadership team. Increased use of tikanga is taking place within the Port at a pace that reflects a growing understanding of the value and importance of the customs.

Our Shareholders

The economic challenges driving lower cargo volumes have resulted in an interim Net Profit After Tax for the half year of \$2.6m. This is \$1.7m, or 40% down on budget and \$0.2m or 7% down on last year.

This is a disappointing position for the Port and reflects serious challenges felt by primary produce exporters in Te Taihū.

The key drivers of the negative variance were the lower log and container revenue numbers. In addition, cost increases were experienced in a number of areas:

- Increased finance costs associated with the accelerated purchase of the new cranes, as well as higher than forecast interest costs. Noting that this impact was reduced by the benefit of closing interest rates hedges with the establishment of Infrastructure Holdings Limited.
- The write-off of bad debts associated with a stranded vessel berthed in port.
- Negative forex movements on currency hedges taken out in association with purchasing the pilot launch, crane and slipway travel lift.
- Increased maintenance costs.

Looking at the second half of the year, concern remains over key commodities such as logs and wine. We also share a high interest in a successful apple and kiwifruit harvest with growers. The impact of new port user charges, such as the infrastructure levy, will also start to contribute in the latter half of the year.

We will see a strong uplift in capital expenditure with three key projects progressing: a new pilot launch (\$3.4m), the new electric cranes and related infrastructure (\$15m), and the slipway redevelopment (\$20m). The slipway project is progressing well, with piling underway and fabrication of the new travel lift committed.

An interim dividend of \$1.5m has been approved. The Port is committed to making a total dividend for the year of at least \$4.5m.

→ Statement of Corporate Intent Measures



The Port's performance measures details how the Port will deliver its strategic intent in the 2024 financial year.

The below interim results are for the 6 months up to 31 December 2023. The final outcomes of these measures will be reported on in our 2024 Annual Report.

Performance Measures

Performance Measure	Financial Year June 2024	
	Full Year Target	Interim Result
Customers		
Cargo volumes (revenue tonnes)	3,349	1,568
Container throughput (TEU - twenty-foot equivalent units - thousands)	113	48
Vessel visits	776	362
Revenue growth QuayConnect (\$m)	1	0.5
Average container crane rate per hour	>20	19.6
Improved cont. truck waiting time (mins)	<15	14

Financial Year June 2024			
Performance Measure		Full Year Target	Interim Result
Environment			
	Gross reduction on FY19 scope 1 and 2 carbon emissions (cumulative)	18%	on target
	Gross reduction on FY19 levels in scope 3 carbon emissions (PNL originated)	85%	not on target
	Port's significant noise event & events >85dBH (at monitor)	0 & 8	1 & 13
	Dust events external complaint	0	0
	Port substance spills >10L reach harbour	0	1
People			
	High risk events	<=2	1
	Lost time injuries (LTI) greater than 5 days off work	<=2	2
	Lost time injury frequency rate (LTIFR)	<=1.3	3.13
	Critical risk verification reviews	44	22
	Visible safety leadership events	400	226
Community			
	Utilisation of slipway - (Calwell)	85% or 310 days	100%
	Sponsorship as a percentage of NPAT	> 1.2%	6%
	Dividend \$ (% (NPAT) ex. prop. reval.)	\$4.5m (50%)	on target
Shareholders			
	Underlying* revenue	\$86.1m	\$42.8m
	Underlying* earning before interest and taxes	\$16.3m	\$5.7
	Underlying* net profit after tax	\$9.1m	\$2.6
	Underlying* return on assets	2.3%	2.1%
	Underlying* return on equity	3.2%	3.0%
	Gearing percentage	21%	22%

**Underlying financial performance excludes recognition of investment property revaluation.*

→ Statement of Comprehensive Income

For the six months ended 31 December 2023

	Unaudited 6 months Dec 2023	Unaudited 6 months Dec 2022
	\$000	\$000
Revenue		
Port operations	38,390	38,157
Property	3,569	3,320
Other income	880	-
Total revenue	42,839	41,447
Expenses		
Employee benefit expenses	13,397	12,411
Other operational and property expenses	18,397	18,366
Earnings before interest, tax, depreciation and amortisation	11,045	10,700
Depreciation and Amortisation	5,274	5,147
Earnings before interest and tax	5,771	5,553
Financing costs	2,214	1,716
Net profit before income tax	3,557	3,837
Income tax	911	991
Net profit after income tax	2,646	2,847
Other comprehensive income		
Movements in hedging reserve	(701)	1,568
Total other comprehensive income	(701)	1,568
Total comprehensive income	1,945	4,415

→ Statement of Changes in Equity

For the six months ended 31 December 2023

	Unaudited 6 months Dec 2023	Audited 12 months Jun 2023
	\$000	\$000
Balance at 1 July	276,798	272,824
Total comprehensive income	1,945	7,974
Dividends	-	(4,000)
Total equity at the end of the period	278,743	276,798

→ Statement of Financial Position

As at 31 December 2023

	Unaudited Dec 2023	Audited Jun 23
	\$000	\$000
Current assets		
Cash and cash equivalents	3,881	1,393
Trade and other receivables	10,626	12,906
Inventories	882	893
Prepayments and accrued income	3,197	393
Assets intended for sale	1,980	-
Derivatives	-	567
Related party advance	551	-
Total current assets	21,117	16,152
Non-current assets		
Property, plant and equipment	340,779	320,083
Intangible assets	4,051	4,102
Investment properties	35,610	37,590
Derivatives	-	2,673
Total non-current assets	380,440	364,448
Total assets	401,557	380,600
Current liabilities		
Trade and other payables	18,065	4,508
Employee benefit entitlements	3,444	3,170
Tax payable	(526)	1,915
Dividend payable	-	2,500
Derivatives	468	-
Noise mitigation	54	83
Bank loan	-	31,200
Lease liabilities	1,052	1,132
Total current liabilities	22,557	44,508

Statement of Financial Position (continued)

	Unaudited Dec 2023	Audited Jun 23
	\$000	\$000
Non-current liabilities		
Employee benefit entitlements	362	322
Deferred tax liability	17,727	17,744
Bank loan	-	40,000
Related Party Loan	81,250	-
Noise mitigation	286	285
Lease liabilities	632	943
Total non-current liabilities	100,257	59,294
Total liabilities	122,814	103,802
Shareholders' funds		
Issued capital	6,046	6,046
Retained earnings	98,502	95,857
Asset revaluation reserve	174,195	174,195
Hedging reserve	-	700
Total shareholders' funds	278,743	276,798
Total shareholders' funds and liabilities	401,557	380,600

→ Statement of Cash Flows

For the six months ended 31 December 2023

	Unaudited 6 months Dec 23	Unaudited 6 months Dec 22
	\$000	\$000
Cash flows from operating activities		
Cash was provided from:		
Receipts from customers	40,099	36,847
Rent received	3,569	3,320
	43,668	40,167
Cash was applied to:		
Payments to suppliers and employees	34,007	30,607
Interest paid	2,214	1,716
Taxes paid	3,151	2,614
Net GST paid/(received)	1,755	(318)
	41,127	34,619
Net operating cash inflows	2,541	5,548
Cash flows from investing activities		
Cash was provided from:		
Sale of property, plant and equipment	-	7
	-	7
Cash was applied to:		
Purchase of property, plant and equipment	10,079	2,773
Purchase of intangibles	68	2
Purchase of investment properties	-	4
	10,147	2,780
Net investing cash inflows/(outflows)	(10,147)	(2,773)
Cash flows from financing activities		
Cash was provided from:		
Financial derivatives	3,202	-
Loans borrowed	10,050	650
	13,252	650
Cash was applied to:		
Dividend paid	2,500	2,800
Payment of lease liabilities	658	190
	3,158	2,990
Net financing cash inflows	10,094	(2,340)
Net increase/(decrease) in cash held	2,488	435
Cash and cash equivalents at 1 July	1,393	389
Cash at 31 December	3,881	825



Summary of Significant Accounting Policies

About this report

Reporting Entity

The financial statements presented are for Port Nelson Limited (the Company) and its subsidiaries (together, Port Nelson or the Group). Port Nelson is a for-profit entity, the Company is incorporated under the Companies Act 1993 and pursuant to the Port Companies Act 1988. The Group consists of Port Nelson Limited, Nelson Marine Precinct Limited, Port Nelson Property Management Limited and Port Nelson Property Investment LLP.

The financial statements have been prepared in compliance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting. Therefore, the financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements and related notes as presented in the Port Nelson Limited Annual Report for the year ended 30 June 2023.

The interim financial statements are for the six-month period ended 31 December 2023 and are unaudited.

Basis of Measurement

The financial statements have been prepared under the historical cost method, modified by the revaluation of land, buildings, wharves, investment property and financial

instruments. They are presented in New Zealand dollars rounded to the nearest thousand.

Judgements and Estimates

In preparing these financial statements, estimates and assumptions concerning the future are made, which may differ from the subsequent actual results. The estimates and assumptions utilised in these interim financial statements are consistent with the annual financial statements for the year ended 30 June 2023. There are no estimates and assumptions in the view of the Directors that have a risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the next financial year.

Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. Monetary items outstanding at balance date are converted at the exchange rate ruling at balance date or the forward exchange contract rate where derivatives have been used to hedge the exposure.



Standards and Interpretations Issued and Not Yet Adopted

Port Nelson has applied all the new and revised accounting standards and interpretations that are effective in the period. This did not result in a material impact on the financial statements.

Accounting Policies

The accounting policies used for the interim period are consistent with those used in the annual financial statements for the year ended 30 June 2023.

Revenue and Expenses

Port operations revenue is recognised over-time as Port Nelson performs the service and the client simultaneously benefits from that service. Progress towards complete satisfaction of each service is estimated based on the service portion performed to the customer, determined using the percentage completion method.

Revenue is measured based on the service price specified in the specific customer contract. Due to the way our contracts are negotiated and structured, the stated contract price for each service performed reflects the value transferred to the customer.

Property lease revenue is accounted for on a straight-line basis. Rentals are payable in advance.

Administration and Other Expenses

Administration and other expenses are recognised as an expense when they are incurred.

Impairment of Assets

Port Nelson regularly reviews the carrying amount of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Port Nelson has assessed that there have been no significant indicators of impairment since the annual review at 30 June 2023.

Financing Costs

Net financing costs include interest income and finance costs. Interest income is recognised on a time proportionate basis using the effective interest method. Finance costs are expensed as incurred unless related to the acquisition and development of a qualifying asset, in which case they are capitalised.

Taxation

Income tax expense is the tax payable on the current financial years taxable income based on the income tax rate and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised at the rate expected to apply when the assets are recovered, or liabilities are settled.

Deferred tax is charged or credited to the profit or loss, except where it relates to items charged or credited directly to equity, in which case the tax is dealt with in other comprehensive income.

Property, Plant and Equipment and Depreciation

Property, Plant and Equipment is initially measured at cost and subsequently measured at fair value. Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefit will flow to Port Nelson and the items can be reliably measured. Dredging is not amortised. The cost of maintaining the dredged depth is expensed. Port Nelson measures all Property, Plant and Equipment as a single unit using the income-based approach. Port Nelson has assessed that there has been no material movement in the fair value of Property, Plant and Equipment from the amounts reported in the annual financial statements for the year ended 30 June 2023.

Depreciation is written off depreciable assets on a straight-line basis over the estimated economic lives of the assets, ranging as follows:

Asset	Depreciation Rate
Plant, Furniture and Equipment	2 to 50 years
Infrastructural Assets	3 to 50 years
Wharves and Berths	3 to 67 years
Buildings	2 to 50 years

Intangible Assets

Intangible assets comprised of software, licences, and Goodwill. Software and licences have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is measured at cost less any accumulated impairment losses.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by Port Nelson are recognised as intangible assets only if the expenditure can be measured reliably, the product or process is technically

and commercially feasible, future economic benefits are probable, and if Port Nelson intends to and has sufficient resources to complete development and to use or sell the asset. Directly attributable costs that are capitalised as part of the software include employee costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. After initial recognition, development costs are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over a period of 3-14 years.

The amortisation expense of intangible assets is included in the depreciation and amortisation expense total disclosed in the Statement of Comprehensive Income.

Investment Properties

Investment Property is property held to earn rentals and capital appreciation and is measured at its fair value. Gains or losses from changes in the fair value of investment property are included in the profit or loss in the period in which they arise.

Valuation Basis

Investment properties are revalued every year. Investment properties were valued on 30 June 2023 by Ian McKeage, Registered Valuer, FNZIV, FPINZ of Telfer Young. The valuer's have recent experience in the location and category of the item being valued.

Financial Risk Management

Port Nelson is exposed to various financial risks due to its operations. To manage these risks, it follows its Treasury Policy which guides management on undertaking appropriate financial risk management activities. This includes the use of derivative financial instruments to manage the risks. It's worth noting that Port Nelson does not engage in speculative trades.

Interest Rate Risk

Port Nelson is exposed to interest rate risk on the cash flows arising from its variable rate borrowings provided by, its parent company, Infrastructure Holdings Limited. Interest rate exposures of this nature are managed by Infrastructure Holdings Limited in accordance with the Group Treasury Policy. The policy outlines borrowing parameters which require the fixing of interest rates for specified portions of borrowings based upon the term remaining and outlines the approved derivative instruments that can be used to do this. Refer to the financial statements of Infrastructure Holdings Limited for more information.

Credit Risk

Port Nelson is exposed to credit risk on its cash and cash equivalents from the possibility of counterparties failing to perform their obligations. This risk is represented by the carrying value in the Statement of Financial Position. Port Nelson considers this risk to be not material.



Trade and Other Receivables

Trade and Other Receivables arise in the ordinary course of Port Nelson's business and are initially valued at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment. Port Nelson invoices for services as they are performed, monthly. They are non-interest bearing and have payment terms of the 20th of the month of receipt of invoice but vary on a case-by-case basis between 7 to 61 days.

Currency Risk

Port Nelson is exposed to currency risk on purchases of plant and equipment from overseas which it undertakes from time to time. Management actively monitors the currency risk exposure and will enter forward foreign exchange contracts to hedge this risk where required by the Treasury Policy.

Liquidity Risk

Liquidity risk is the risk that Port Nelson will encounter 'difficulty' raising funds to meet commitments as they fall due. Liquidity risk is managed by maintaining sufficient cash. This is achieved by ensuring the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method where this differs from face value. Port Nelson classifies its borrowings as non-current unless it does not have the right defer payment for over 12 months, in which case they are classified as current.

Trade and other payables are recognised at fair value on receipt of goods and services. Payment normally occurs within 30 days. These are non-interest bearing.

Provisions

Employee Entitlements

Provisions for wages, salaries, annual leave, and long service are made when earned by the employee. Provision for gratuities are recognised as expenses when employees have rendered services entitling them to the contributions.

Annual leave and long service leave provisions have been calculated on an actual entitlement basis at current rates of pay. Retirement gratuities are calculated at current rates of pay assuming the payment will be made upon retirement.

Noise Mitigation

Port Nelson reviews its Noise Mitigation provision each year as the mitigation work is undertaken. The provision relates to Stages One, Two and Three. The Noise Variation within the Nelson City Resource Management Plan became operative on the 23rd February 2012. Port Nelson has quantified the costs of its obligation as at 31 December 2023.

Port Nelson recognises it has an obligation to assist with noise mitigation works for noise-affected properties adjacent to the port. Noise mitigation costs may include building work, professional fees, building consents, preparation of drawings and project management.

Events after Balance Date

There were no other significant events after balance date.



PORT  NELSON

Port Nelson
Nelson 7010, New Zealand

INTERIM REPORT

For the Six-Month Period Ended
31 December 2023

NELSON AIRPORT LIMITED



NELSON AIRPORT
Good things start here.

TABLE OF CONTENTS

Directors' and Chief Executive Report.....	3
Service Performance Report.....	6
Condensed Statement of Comprehensive Income	8
Condensed Statement of Changes in Equity.....	9
Condensed Statement of Financial Position	10
Condensed Statement of Cash Flows.....	11
Notes to the Condensed Financial Statements.....	12
Company Directory	23

DIRECTORS' AND CHIEF EXECUTIVE REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2023

We are delighted to share with you the highlights of our operational and strategic performance for the first half of the 2023/24 financial year.

Despite the ongoing impact of airline capacity (as a result of Covid-19) on the aviation industry, NAL has demonstrated resilience and adaptability, delivered strong operational and financial performance while pursuing strategic initiatives and maintaining high standards of safety and customer service.

Our passenger numbers continue to recover towards the record pre-COVID levels experienced in 2018 & 2019, which was also the period that Jetstar last serviced the regions. The recovery reflects the strength of our regional market, the attractiveness of our destination, and the effectiveness of our marketing campaigns. Our revenue has increased by 6.4% compared to the same period last year, driven by increased aeronautical, property, and retail income. However, our operating expenses also increased on last year primarily as a result of inflation impacting our business and the broader economy. This resulted in a lower NPAT than last year's record half-year result, \$1.83m vs \$2.05m a reduction of 10.7% which is one of our strongest results to date delivering a healthy balance sheet and positive cash flow.

We have made good progress in our capital works programme, preparing and reviewing tenders for various projects that will enhance our infrastructure, facilities, and services. These include major works in the Airport House Pathway and Private Car Park improvements, thermal improvement work in the back-of-house area, and Hangar 27 strengthening work. We have also completed minor enabling works, such as runway pavement repairs, terminal roof repairs, and security fencing upgrades.

In addition to our operational and financial achievements, we have strengthened our relationships with our key stakeholders, including airlines, iwi, local authorities, and community groups. We have collaborated with Air New Zealand on a successful joint marketing campaign, which boosted our passenger numbers and promoted our region. We have also launched a noteworthy sponsorship partnership with Nelson Tasman Hospice, supporting their Trees of Remembrance campaign and raising funds for their valuable services. Furthermore, we have maintained a high profile in the media, showcasing our emergency response capabilities and highlighting our achievements and challenges.

Demand for tenancies at the airport continues to be strong with all lettable space occupied and two new tenant buildings nearing completion at the end of the period under review.

Our work to deliver the 2050 Master Plan continues to make strong progress with Project 2-Zero's Notice of Requirement and Private Plan Change (PC30) progressing steadily through the application process ahead of a May 2024 Hearing.

We have continued our focus on the customer experience and were pleased to see efforts rewarded with an "Excellent" customer satisfaction rating in our most recent customer survey. Insights from this survey continue to drive improvements efforts, including more activities and installations taking place in the terminal.

Looking ahead we expect passenger volume growth to be muted in the short term due to constraints in the airlines' ability to add capacity. Our focus on customer service will continue as we complete projects designed to further improve the experience through the airport.

The airport's resilience is a significant focus as we know that natural events are more common today and the need to make our airport resilient to adverse events is a priority.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

The financial performance for the second half of the current financial year is forecast to be more conservative than that reported for the first half. Increased repairs and maintenance is planned to coincide with the warmer and lighter summer months. However, revenue is expected to be maintained at current levels and the full year forecast remains positive with an estimated Net Profit before Tax of \$4.6m.

Thank you for your continued interest and investment in NAL.

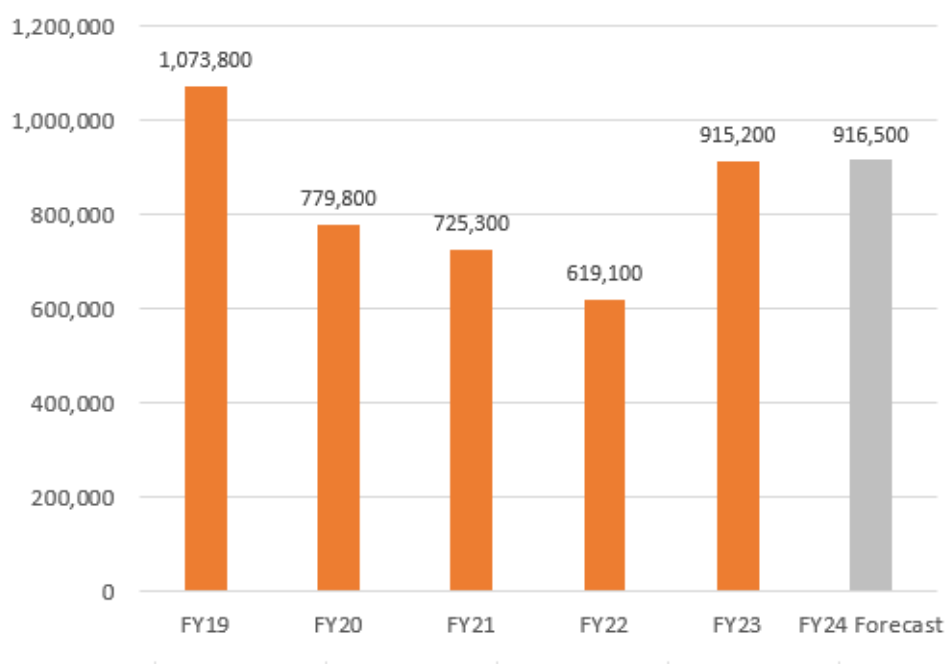
Six-month period ended 31 December	2023	2022	Variance
Total Revenue	\$8.80m	\$8.27m	+6.4%
(EBITDA)	\$5.61m	\$5.31m	+5.6%
Net Profit before Tax	\$2.57m	\$2.85m	-10.0%
Total Assets	\$147.4m	\$149.2m	-1.2%
Equity	\$104.3m	\$102.6m	+1.7%
Passenger Numbers	457,281	457,214	0.0%

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

OVERVIEW

The following graphs show a simple comparison of total passengers by financial year for the last five years.

Passengers per Financial Year



Note: FY19 included Jetstar operating out of Nelson.

Quinton Hall
Chair

Mark Thompson
Chief Executive

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

SERVICE PERFORMANCE REPORT

For the Six-Month Period Ended 31 December 2023

NAL has developed six strategic areas to improve business performance and encourage growth. These strategic areas are underpinned by a series of activities and key performance indicators.

The following table provides a commentary of achievement towards the targets published in the 2023/24 Statement of Intent.

STRATEGIC AREA	MEASURE	TARGET	PROGRESS
People, Culture and Values	Annual employee engagement survey to be undertaken	Maintain a "Great" ¹ result	Employee survey due in May 2024.
	Maintain a formal training and development programme for employees	Achieve 10 hrs/FTE of ongoing personal development	On track
Health, Safety and Risk	Meet all our obligations and standards under Civil Aviation Act Rules	No "major" ² findings	Achieved
	Have a behavioural based safety culture where everyone is responsible for safety on the airport and uses the SMS daily	Top 20 risk register reviewed fortnightly by Senior Leadership Team One key risk reviewed at every Board meeting. Board Safety walks scheduled quarterly	On track
	Have an NAL-facilitated Health and Safety Committee in place	Minimum of 9 safety meetings with all major airside and landside PCBUS ³	On track
	Enhance oversight of noise levels as set out in the Nelson Resource Management Plan	Approval of Noise Management and Monitoring Plan by NANEAC ⁴	Achieved
Infrastructure and Property	Maintain an asset management system to manage the condition, criticality, and life cycle of all assets	Main apron rehabilitation project completed	Not achieved. Deferred until FY2025.
	Attract commercial investment in developments that deliver our vision	New rental car base project completed by 30 June 2024	Achieved
Financial Results	Manage financial performance to ensure we are optimising returns	Total Operating Revenues \$18.1m EBITDA ⁵ \$10.4m	Revenue down by 4.8% to budget EBITDA is on budget

¹ Employee Engagement Survey Net Promoter Score between 30 - 70

² An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or effectiveness of that system.

³ Person Conducting a Business or Undertaking

⁴ Nelson Airport Noise Environment Advisory Committee

⁵ Earnings before interest, taxes, depreciation, amortisation, and other non-operating income/expenses

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

STRATEGIC AREA	MEASURE	TARGET	PROGRESS
	Annual Audit	Achieve an unqualified audit opinion	Achieved
Customers and Stakeholders	Deliver an exceptional customer experience for those visiting the airport in any capacity	Maintain “Excellent” result in FY24 Customer Satisfaction Survey	Customer survey planned for April 2024
	Appoint cultural advisor and provide plan for iwi engagement and strategic partnership opportunities	Implement one iwi partnership outcome by June 2024	Achieved
Environmental Sustainability	Pursue sustainability initiatives that deliver our goal to be carbon neutral by 2030	Achieve Level 2 Airport Carbon Accreditation	Not achieved
	Zero carbon emission	Complete feasibility study for green energy production on airport by June 2024	On track

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Revenue	2	8,796	8,274
Operating costs	3	(2,220)	(2,038)
Administration expenses	3	(1,006)	(927)
Depreciation and amortisation	3	(2,094)	(2,036)
		(5,320)	(5,000)
Profit before Financing and Investing		3,477	3,274
Interest revenue		11	6
Movement in unhedged derivative financial liability - revenue / (expense)		(50)	272
Finance costs	3	(872)	(724)
Net Financing Income		(911)	(446)
Gain on sale of fixed assets		-	23
Investing Income		-	23
Profit before Tax		2,566	2,851
Income tax expense	9	(733)	(802)
Profit after Tax		1,834	2,049
Other Comprehensive Income			
Gain on asset revaluation		-	-
Tax on asset revaluation		-	-
Total Comprehensive Income		1,834	2,049

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Opening Retained Earnings		21,142	19,539
Total profit for the period		1,834	2,049
Distributions to Equity Holders		(100)	-
Balance of disposed asset transferred from asset revaluation reserve		-	71
Retained Earnings as at Period End		22,876	21,659
Opening Asset Revaluation Reserve		79,064	78,614
Gain on asset revaluation		-	-
Balance of disposed asset transferred to retained earnings		-	(99)
Movement in deferred tax on disposed asset transferred to retained earnings		-	28
Asset Revaluation as at Period End		79,064	78,543
Share capital		2,400	2,400
Closing Equity as at Period End		104,339	102,601

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	Dec 2023 \$000s	Jun 2023 \$000s
Assets			
Current Assets			
Trade and other receivables	7	1,698	975
Cash and cash equivalents	8	278	172
Other current assets		83	88
Derivative financial assets	11	-	675
Total Current Assets		2,059	1,909
Non-Current Assets			
Property, plant and equipment	5	145,209	145,198
Intangible assets		85	100
Derivative financial assets	11	-	365
Total Non-Current Assets		145,294	145,663
Total Assets		147,353	147,572
Liabilities			
Current Liabilities			
Trade and other payables	10	1,202	2,470
Current income tax liability		1,003	1,418
Employee entitlements		443	538
Interest bearing loans	12	331	26,802
Total Current Liabilities		2,978	31,227
Non-Current Liabilities			
Deferred tax	9	13,236	13,739
Interest bearing loans	12	26,800	-
Total Non-Current Liabilities		40,036	13,739
Total Liabilities		43,014	44,966
Net Assets		104,339	102,605
Equity			
Issued share capital		2,400	2,400
Retained earnings		22,876	21,142
Asset revaluation reserve		79,064	79,064
Total Equity		104,339	102,605

For and on behalf of the Board



Quinton Hall
Chair
21 February 2024



Darren Mark
Director
21 February 2024

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

CONDENSED STATEMENT OF CASH FLOWS

For the Six-Month Period Ended 31 December 2023

	Note	Dec 2023 \$000s	Dec 2022 \$000s
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from airport users		8,356	7,952
Interest received		11	6
		<u>8,367</u>	<u>7,957</u>
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(3,784)	(2,983)
Interest paid		118	(724)
Income tax paid		(1,652)	(525)
Net GST movement		23	82
		<u>(5,294)</u>	<u>(4,150)</u>
Net Cash Flows from Operating Activities	4	3,073	3,807
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Sale of property, plant and equipment		1	27
		<u>1</u>	<u>27</u>
<i>Cash was disbursed to:</i>			
Purchase of property, plant and equipment		(1,997)	(2,730)
Purchase of intangible assets		-	(4)
		<u>(1,997)</u>	<u>(2,734)</u>
Net Cash Flow from Investing Activities		(1,997)	(2,706)
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Increase in term loans		37,432	6,275
		<u>37,432</u>	<u>6,275</u>
<i>Cash was disbursed to:</i>			
Dividend paid		(1,300)	(1,100)
Decrease in term loans		(37,103)	(6,223)
		<u>(38,403)</u>	<u>(7,323)</u>
Net Cash Flow from Financing Activities		(971)	(1,048)
Net increase / (decrease) in cash and cash equivalents		(106)	53
Opening cash and cash equivalents		172	141
Closing cash and cash equivalents		278	194

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the Six-Month Period Ended 31 December 2023

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Nelson Airport Limited is an Airport Company pursuant to Section 3 of the *Airport Authorities Act 1996* and is a Council Controlled Trading Organisation under Section 6 of the *Local Government Act 2002*. Nelson Airport Limited is registered under the *Companies Act 1993*.

Nelson Airport Limited is a wholly owned subsidiary of Infrastructure Holdings Limited. The shares in Infrastructure Holdings Limited are held by both Tasman District Council (50%) and Nelson City Council (50%). Neither of these entities has the ultimate control over Infrastructure Holdings Limited or Nelson Airport Limited.

Nelson Airport Limited operates and manages the Nelson regional airport. The major activities are the provision of facilities for aircraft landing and servicing, and the airline and landside processing of passengers and freight to and from the aircraft.

The unaudited interim financial statements for Nelson Airport Limited are for the six-month period ended 31 December 2023.

BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with *Generally Accepted Accounting Practice* in New Zealand as required by the *Companies Act 1993*, *Financial Reporting Act 2013* and financial reporting standards adopted by Chartered Accountants Australia and New Zealand.

The interim financial statements are presented in New Zealand dollars. The interim financial statements are prepared on the basis of historical cost with the exception of property, plant and equipment which is measured at fair value.

- The unaudited interim financial statements have been prepared in accordance with the *New Zealand Equivalent to International Accounting Standard No. 34* (Interim Financial Reporting) and should be read in conjunction with the previous annual report.
- There have been no significant changes in accounting policies. All policies have been applied on bases consistent with those used in the previous annual report. To ensure consistency with the current period, comparative figures have been restated where appropriate.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in New Zealand dollars and all values are rounded to the nearest thousand dollars. This may result in some rounding calculation differences in financial statements and notes. The functional currency of Nelson Airport Limited is New Zealand dollars (NZ\$).

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

2. REVENUE

	Dec 2023 \$000s	Dec 2022 \$000s
Contract Revenue		
Aeronautical charges	4,917	4,596
Ground transport revenue	1,621	1,739
Advertising revenue	109	118
Sundry income	0	-
Total Contract Revenue	6,647	6,453
Other Revenue		
Ground transport revenue	666	488
Retail revenue	212	193
Property revenue	1,245	1,140
Sundry income	27	0
Total Other Revenue	2,150	1,821
Total Revenue	8,796	8,274

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

3. EXPENSES

a) Operating Costs

	Dec 2023 \$000s	Dec 2022 \$000s
Employee entitlements	1,462	1,231
Other operating expenses	755	755
Loss on disposal of assets	2	51
	2,220	2,038

b) Administration Costs

	Dec 2023 \$000s	Dec 2022 \$000s
Auditors remuneration	80	31
Directors' fees	87	89
Insurance and rates	487	434
Other administration expenses	352	373
	1,006	927

c) Depreciation and Amortisation

	Dec 2023 \$000s	Dec 2022 \$000s
Depreciation	2,079	2,020
Depreciation – right of use assets	1	2
Amortisation of intangible assets	15	14
	2,094	2,036

d) Finance Costs

	Dec 2023 \$000s	Dec 2022 \$000s
Interest expense	871	723
Interest expense – lease liabilities	0	0
	872	724

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

4. RECONCILIATION OF COMPREHENSIVE INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Dec 2023 \$000s	Dec 2022 \$000s
Net Profit for the Period	1,834	2,049
<i>Add / (less) non-cash and non-operating items:</i>		
(Gain) / loss on disposal of assets	2	28
Depreciation and amortisation	2,094	2,036
Value of donated assets received	(27)	-
Movement in deferred taxation	(504)	(153)
Movement in derivative financial instrument	1,040	(272)
Tax on asset revaluation	-	-
<i>Movement in working capital:</i>		
(Increase) / decrease in other current assets	5	(23)
(Increase) / decrease in receivables	(723)	(579)
Increase / (decrease) in current tax payable	(416)	430
Increase / (decrease) in payables	(232)	291
Net cash flows from operating activities	3,073	3,807

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

5. PROPERTY, PLANT & EQUIPMENT

December 2023	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Motor Vehicles \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation									
Balance as at 1 July 2023	42,448	59,848	26,477	17,703	763	1,348	486	806	149,881
Reclassification	-	43	91	-	31	-	-	(164)	
Additions	-	18	43	42	94	8	-	1,887	2,091
Disposals	-	-	-	(1)	(1)	-	-	-	(2)
Balance as at 31 December 2023	42,448	59,909	26,612	17,744	886	1,357	486	2,529	151,971
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2023	-	1,651	1,707	698	281	97	249	-	4,683
Depreciation	-	812	825	288	64	69	21	-	2,089
Disposals	-	-	-	(0)	-	-	-	-	(0)
Balance as at 31 December 2023	-	2,462	2,532	986	345	166	270	-	6,761
Net Book Value as at 31 December 2023	42,448	57,446	24,080	16,758	541	1,191	216	2,529	145,210

December 2022	Land & Improvements \$000s	Buildings \$000s	Airfield Infrastructure \$000s	Landside Infrastructure \$000s	Equipment \$000s	Motor Vehicles \$000s	Fixtures & Fittings \$000s	Capital Work in Progress \$000s	Total \$000s
Cost or Valuation									
Balance as at 1 July 2022	42,448	58,056	25,249	16,887	452	151	455	2,313	146,011
Reclassification	-	1,870	389	282	92	1,251	-	(3,883)	(0)
Additions	-	8	8	2	29	32	-	2,655	2,734
Disposals	-	-	(49)	-	(3)	(99)	(4)	-	(155)
Balance as at 31 December 2022	42,448	59,935	25,597	17,170	570	1,336	451	1,085	148,591
Accumulated Depreciation and Impairment Losses									
Balance as at 1 July 2022	-	96	1	3	216	101	206	-	623
Depreciation	-	785	824	341	32	18	23	-	2,021
Disposals	-	-	-	-	(2)	(97)	(1)	-	(100)
Balance as at 31 December 2022	-	881	825	344	246	22	228	-	2,541
Net Book Value as at 31 December 2022	42,448	59,054	24,771	16,826	324	1,313	223	1,085	146,041

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

VALUATION

As at 30 June 2023, Nelson Airport Limited reviewed its tangible and intangible assets and established that there were no indications of impairment. Therefore, no independent external revaluations were conducted since 30 June 2022.

Residential and commercial land was valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$3,048,000).

Leasehold aerodrome land, upon which the airport is situated, was vested by the Crown to be held in trust by Nelson City Council. Nelson Airport Limited has a renewable 60-year lease over this land at a peppercorn rental. The leasehold interest in airport land was valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$39,400,000).

Buildings were valued as at 30 June 2022 by Duke & Cooke Limited in accordance with International Financial Reporting Standards, NZ International Accounting Standards, specifically NZ IAS16, the Australia and New Zealand Guidance Papers for Valuers and Property Professionals, and International Valuation Standards (fair value \$57,644,398).

Airfield infrastructure was valued as at 30 June 2022 by Beca Limited in accordance with International Valuation Standards, NZ International Accounting Standards, specifically NZ IAS16, and Property Institute of New Zealand Guidance Papers for Valuers and Property Professionals (fair value \$25,244,518).

Landside infrastructure was valued as at 30 June 2022 by Beca Limited in accordance with International Valuation Standards, NZ International Accounting Standards, specifically NZ IAS16, and Property Institute of New Zealand Guidance Papers for Valuers and Property Professionals (fair value \$16,753,948).

Both Duke & Cooke Limited and Beca Limited are independent registered valuers.

6. INTANGIBLE ASSETS

Dec 2023	Original Cost \$000s	Accum Amortisation \$000s	Opening WDV \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing WDV \$000s
Software	100	79	20	-	-	1	4	15
Other Intangibles	180	100	80	-	-	-	10	70
Total	279	179	100	-	-	1	15	85

Dec 2022	Original Cost \$000s	Accum Amortisation \$000s	Opening WDV \$000s	Additions \$000s	Reclassifications \$000s	Disposals \$000s	Amortisation \$000s	Closing WDV \$000s
Software	96	66	30	4	-	-	8	26
Other Intangibles	180	79	100	-	-	-	6	94
Total	275	145	130	4	-	-	14	121

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

7. TRADE AND OTHER RECEIVABLES

	Dec 2023 \$000s	Jun 2023 \$000s
Trade receivables – contract revenue	1,251	854
Trade receivables – other revenue	107	60
Accrued debtors	0	0
Prepayments	339	60
	1,698	975

8. CASH AND CASH EQUIVALENTS

	Dec 2023 \$000s	Jun 2023 \$000s
Cash on hand	12	10
Bank Balance	266	162
	278	172

9. INCOME TAX

Components of Income Tax Expense

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Current tax expense	1,236	955
Prior years tax under / (over) provided	-	-
Deferred tax expense	(504)	(153)
	733	802

Relationship between Tax Expense and Accounting Profit

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Operating Profit before Taxation	2,566	2,851
Prima facie tax @ 28%	719	798
Adjustment for timing and taxation differences	504	153
Adjustment for permanent differences	14	3
Prior years tax under / (over) provided	-	-
Adjustments for deferred tax	(297)	66
Adjustments for deferred tax – property, plant and equipment	(207)	(220)
Income Tax Expense	733	802

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

Deferred Tax

	Dec 2023 6 months \$000s	Dec 2022 6 months \$000s
Property, Plant and Equipment		
Opening balance	(13,510)	(13,773)
Charged to profit and loss	207	220
Charged to asset revaluation reserve	-	-
Closing balance	(13,303)	(13,553)
Employee Entitlements		
Opening balance	50	41
Charged to profit and loss	6	6
Closing balance	56	47
Derivative Financial Liability		
Opening balance	(291)	(262)
Charged to profit and loss	291	(76)
Closing balance	-	(338)
Other Provisions		
Opening balance	12	1
Charged to profit and loss	(1)	4
Closing balance	11	5
Total	(13,236)	(13,839)

10. TRADE AND OTHER PAYABLES

	Dec 2023 \$000s	Jun 2023 \$000s
Trade payables	595	855
Trade payables (related parties)	149	33
Dividend payable	-	1,200
Accruals	133	136
GST liability	320	215
Income received in advance	5	30
	1,202	2,470

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Dec 2023	Jun 2023
	\$000s	\$000s
Derivative Financial Assets		
Interest rate swaps		
Current portion	-	675
Non-current portion	-	365
	-	1,040

Nelson Airport Limited cancelled its interest rate swap contracts on 6th October 2023 leaving a nil balance at 31 December 2023 (2022: \$19,000,000).

The notional principal amounts of outstanding floating to fixed interest rate swap contracts as at the 6th October 2023 totalled \$19,000,000 (2022: \$19,000,000).

Their fair value at cancellation date was an asset of \$623,911 (June 2023: asset of \$1,039,520).

The weighted average fixed interest rate on swaps held at balance date was 3.63% (June 2023: 3.63%).

The movement in the interest rate swaps has been recognised as a movement in profit or loss within finance costs.

12. INTEREST BEARING LOANS

	Dec 2023	Jun 2023
	\$000s	\$000s
Repayable as follows:		
Less than 1 year	330	26,795
Between 1 and 5 years	26,795	-
	27,125	26,795
Finance Lease Liabilities		
Less than 1 year	1	7
Between 1 and 5 years	5	-
	6	7

On the 6th October 2023, Nelson Airport Limited secured a loan facility with Infrastructure Holdings Limited. The applicable interest rate at balance date was charged at a blended rate of 6.104% with a loan balance of \$27,125,000.

Nelson Airport Limited continues to hold a line of credit with Westpac which has reduced to \$4,400,000 from the 24th November 2023 (previously \$35,000,000). The interest rate applying to this loan facility at balance date was 6.5% (June 2023: 7.20%). These funds are available and drawn down as required. This loan is secured by a general security agreement over assets and undertakings of Nelson Airport Limited and used to finance short term operation costs.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

13. TRANSACTIONS INVOLVING PARENT ENTITIES

TRANSACTIONS WITH SHAREHOLDERS

Nelson Airport Limited is a 100% wholly owned subsidiary of Infrastructure Holdings Limited (IHL). IHL is jointly owned by Nelson City Council (NCC) (50%) and Tasman District Council (TDC) (50%).

The company paid interest on their loan facility to IHL amounting to \$258,037 (2022: Nil) with the payable balance as at 31 December 2023 of \$141,374 (2022: Nil).

Nelson Airport Limited paid rates, maintenance, consents, fees and facility hire costs to NCC amounting to \$431,829 (2022: \$310,059) while receiving income of \$12,333.53 (2022: \$4,600) and the balance included as owing in trade payables as at 31 December 2023 is \$1,517 (2022: \$20,357).

The Company is liable to pay a peppercorn rent to the Nelson City Council, if requested, in respect of aerodrome reserve land.

TRANSACTIONS WITH ENTITIES OWNED BY PARENT ENTITIES

Nelmac Limited is a 100% subsidiary of Nelson City Council. Nelson Airport Limited paid grounds maintenance and other fees to Nelmac Limited amounting to \$61,565.61 (2022: \$48,452) and the balance included as owing in trade payables as at 31 December 2023 was \$5,120 (2022: \$6,670).

Nelson Regional Development Agency Limited is wholly owned by the Nelson City Council. Nelson Airport Limited paid costs of Nil (2022: \$17,250) and the balance included as owing in trade payables as at 31 December 2023 was Nil (2022: Nil).

Port Nelson Ltd is jointly owned by Nelson City Council (50%) and Tasman District Council (50%). Nelson Airport Limited paid costs of \$923 (2022: Nil) and the balance included as owing in trade payables as at 31 December 2023 was Nil (2022: Nil).

TRANSACTIONS WITH ENTITIES RELATED TO KEY MANAGEMENT PERSONNEL

During the period, Nelson Airport Limited paid \$142 (2022: Nil) for travel expenses to Vertus Group Ltd, of which Quinton Hall, NAL Chair, is a director and shareholder.

Nelson Airport Limited paid \$18,630 (2022: \$2,807) for director fees to Findex NZ Ltd, of which Darren Mark, NAL Audit & Risk Chair, is a senior partner.

Nelson Airport Limited paid \$923 (2022: Nil) for travel expenses to Port Nelson Limited, of which Matthew McDonald, NAL Director, is the General Manager of Operations.

Nelson Airport Limited paid \$22,964 (2022: \$21,362) for an annual membership to NZ Airport Association Inc, of which Matt Clarke, NAL Director, is the Chair.

With the exception of a peppercorn rent in relation to the aerodrome land all related party transactions are at arms-length and were charged on normal terms and conditions and outstanding accounts are payable on normal trading terms. No related debts have been written off or provided for as doubtful. All related party balances are unsecured.

14. DISTRIBUTIONS TO SHAREHOLDERS

No interim dividend has been declared for the period ending 31 December 2023. The final dividend for the 2022/23 financial year of \$1,200,000 was accrued as at 30 June 2023 and paid to shareholders on 04 July 2023.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

15. CONTINGENCIES

There are no material contingent liabilities to record as at 31 December 2023.

16. EVENTS AFTER BALANCE DATE

There were no significant events after balance date 31 December 2023.

17. CAPITAL COMMITMENTS

Nelson Airport Ltd has \$1,186,884 worth of contractual commitments for property, plant and equipment as at 31 December 2023 (2022: \$23,306).

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the board of directors on 21 February 2024.

The financial statements have not been subject to an audit and should be read in conjunction with accompanying Notes to the Financial Statements

COMPANY DIRECTORY

Directors

Quinton Hall - Chair
Darren Mark - Audit & Risk Chair
Emma Ihaia - Health & Safety Chair
Matthew Clarke
Matthew McDonald

Registered Office

Nelson Airport Management Offices
Trent Drive, Nelson 7011
Telephone 03-547-3199
Email office@nelsonairport.co.nz

Senior Leadership Team (as at 31 December 2023)

Chief Executive Officer	Mark Thompson
Chief Financial Officer	Adrian Ferris
Commercial	Simon Barr
Communications and Marketing	Beth Catley
Customer Service	Michael Jukes
Facilities and Assets	Jonathan Truslove
Operations	Jesse Woods
Support Services	Tania Mitchell

Auditor

Audit New Zealand, on behalf of the Auditor-General

Accountant

Johnston Associates Chartered Accountants

Banker

Westpac Banking Corporation

Lawyer

Ford Sumner Lawyers

7.2 TASMAN BAYS HERITAGE TRUST - HALF YEARLY REPORT TO 31 DECEMBER 2023 AND DRAFT STATEMENT OF INTENT 2024-2025

Report To:	Joint Shareholders Committee
Meeting Date:	16 April 2024
Report Author:	Martin Croft, Strategic Advisor Community Services
Report Authorisers:	
Report Number:	RJSC24-04-2

1. Purpose of Report

- 1.1 To receive the Tasman Bays Heritage Trust (TBHT) half yearly performance report 1 July to 31 December 2023 (Attachment 1).
- 1.2 To receive the TBHT draft Statement of Intent 2024/25 and provide shareholder comments to the Trust (Attachment 2).

2. Report Summary

- 2.1 This report provides an opportunity for both Council's to review the TBHT half yearly report and draft Statement of Intent (SOI).

3. Recommendation

That the Joint Shareholders Committee

- 1. receives the Tasman Bays Heritage Trust - Half Yearly Report to 31 December 2023 and Draft Statement of Intent 2024-2025 report and its attachments; and**
- 2. notes the delivery of the Tasman Bays Heritage Trust Draft Statement of Intent 2024/2025 as required under the Local Government Act 2022; and**
- 3. instructs staff to advise the Tasman Bays Heritage Trust of the following comments on the Draft Statement of Intent 2024/25:**

- *To be discussed at the meeting***

OR

- 4. that the Tasman Bays Heritage Trust Draft Statement of Intent 2024/25 meets Committee's expectations, as set out in the letter of Expectations dated 7 December 2023.**

4. Background and Discussion

Half Yearly Report

- 4.1 The THBT half yearly report covers the period 1 July 2023 to 31 December 2023 (Attachment 1 – 1511110536-989).
- 4.2 This report details the strategic goals of the Trust, and the actions planned to achieve these goals. All have been achieved or are on target to be achieved, except for those relating to securing funding for the Archives, Research and Collections (ARC) project. (Attachment 1, pp. 10-17).
- 4.3 The Statement of Comprehensive Income shows a net surplus of \$183,885 for the period, which is better than the projected deficit of \$99,272.
- 4.4 In this period, Stephen Broad Paul was elected Chair of the Board and Brendon Silcock resigned his position as a trustee.
- 4.5 The new ARC capital project has progressed significantly in this period, with the development design being approved, an updated budget set at \$14.9 million, and \$300,000 in grant funding received from the Lotteries Environment and Heritage Fund.
- 4.6 Some of the highlights in this period for the Museum include:
 - 4.6.1 A salary benchmarking exercise was commissioned to align salaries to those of other similar sized museums across New Zealand.
 - 4.6.2 Volunteers have given 793 hours of work to the collection in this period, estimated to be worth \$20,000 of donated work.
 - 4.6.3 The Melissa Banks exhibition 'Te Ara o Hine Rēhia: A journey into the world of Kapa Haka' was hugely popular, along with a taonga puoro workshop with Brian Flintoff, providing access to the taonga to Te Taihū weavers and competitors visiting the national kapa haka competition.
 - 4.6.4 Other exhibitions that took place in this period include: Code Breakers: Women in Games; Tautoko Ukraine; Animal Antics – Comedy Wildlife Photography; and Te Hītori Aotūreo – Learning from Nature.
- 4.7 Visitation numbers have picked up significantly, finishing at over 26,000 for the period. One of the reasons for this is the return of international visitors, with December seeing 700 international visitors alone, the largest number since 2019.
- 4.8 The Chief Executive, Lucinda Jimson will attend the meeting to present the report and respond to any questions.

Draft Statement of Intent

- 4.9 TBHT is a joint Council Controlled Organisation.
- 4.10 Under the Local Government Act 2002, the Trust is required to provide a draft Statement of Intent (SOI) to the shareholding councils, no later than 1 March each year. This requirement has been met.
- 4.11 The Councils have an opportunity to provide comments to the Trust within two months of this date, and the Trust has until 30 June 2024 to deliver the final SOI to the Councils. The draft SOI is included as Attachment 2 (1511110536-988).
- 4.12 Schedule 8 of the Local Government Act outlines the purpose of an SOI, what is to be included, and how it is to be approved. The SOI, as supplied by the Trust, is compliant.

- 4.13 A Statement of Expectations (SOE) was sent to the Trust on 7 December 2023, to help guide the Trust in the creation of the SOI. This is available on Council's website at <https://www.nelson.govt.nz/assets/Our-council/Downloads/Plans-strategies-policies/statement-of-expectations/2023/Tasman-Bays-Heritage-Trust-Statement-of-Expectations-2024-25.pdf>

It did not include any specific expectations.

- 4.14 The Committee should note that in the Projected Operating Statement of Financial Performance, the TBHT has assumed a 5.6% increase in Council funding from this financial year and forecast a \$140,996 deficit to June 2025.

5. Options

- 5.1 There is no decision to be made on the half-yearly report. The Trust has complied with the legislation in preparing and presenting the report to the Councils.
- 5.2 The Committee may decide to:

Option 1: Note the TBHT's Draft SOI 2024/25 meets the Committee's expectations	
Advantages	<ul style="list-style-type: none"> Gives clarity to the TBHT and the Committee on the direction for the period 2024-2025
Risks and Disadvantages	<ul style="list-style-type: none"> None obvious
Option 2: Instruct staff to provide comments to the TBHT on its draft SOI, including a comment to adjust Council funding to match what is confirmed in both Nelson City Council's and Tasman District Council's annual plans.	
Advantages	<ul style="list-style-type: none"> The Trust will have an opportunity to make changes to the draft SOI to reflect the Committee's comments.
Risks and Disadvantages	<ul style="list-style-type: none"> None obvious.

6. Important considerations for decision making

6.1 Fit with Purpose of Local Government

The preparation of a draft Statement of Intent and delivery of the half yearly report is a requirement of Schedule 8 of the Local Government Act.

6.2 Consistency with Community Outcomes and Council Policy

The Trust contributes to the outcomes 'Our communities have opportunities to celebrate and explore their heritage, identity and creativity' and 'Our communities have access to a range of social, educational and recreational facilities and activities'.

6.3 Risk

There is a medium risk that expectations of funding for the ARC capital project to house and care for the Nelson Tasman regional heritage collect may not be realised.

6.4 Financial impact

The provision of the museum is a budgeted activity for both Councils.

6.5 Degree of significance and level of engagement

This matter is of low significance and no further consultation is proposed.

6.6 Climate Impact

Climate impact is addressed through the strategic objective of sustainability performance.

6.7 Inclusion of Māori in the decision-making process

No engagement with Māori has been undertaken in preparing this report. Iwi are represented on the Trust Board and through an advisory komiti.

6.8 Delegations

The Joint Shareholders Committee has the following delegations to consider:

Areas of Responsibility:

- *All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations and port companies, including statements of intent, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors' fees.*

Powers to Decide:





- *All matters relating to jointly owned Council Controlled Organisations and Council Controlled Trading Organisations and port companies including statements of intent, statements of corporate intent, half yearly reports, the appointment of directors and setting of directors' fees.*

7. Conclusion and Next Steps

7.1 TBHT has submitted the draft Statement of Intent 2024/25 as required by the Local Government Act.

7.2 The Committee has an opportunity to provide comments to TBHT on the draft SOI for consideration by the TBHT Board in finalising the draft SOI 2024/25.

8. Attachments

- | | | |
|--|---|----|
| 1.   | Tasman Bays Heritage Trust - Half Yearly Performance Report, 1 July to 31 December 2023 | 64 |
| 2.   | Tasman Bays Heritage Trust - Draft Statement of Intent 2024/2025 | 84 |



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

Tasman Bays Heritage Trust Half Year Report to Joint Committee

Nelson Provincial Museum



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

Contents

Introduction and Commentary.....Page 3

Key Performance Indicator table.....Page 10

Statement of Comprehensive Income.....Page 18

Statement of Financial Position.....Page 19

Cashflow Statement.....Page 20



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

TASMAN BAYS HERITAGE TRUST HALF-YEAR REPORT TO JOINT COMMITTEE

Introduction

Nelson Provincial Museum's Purpose is:

To care for, strengthen and make widely accessible the taonga and heritage collections of Nelson Tasman; and to create unforgettable experiences that stimulate awareness, celebrate diversity and entertain.

The Museum makes a significant contribution to Council Community Outcomes in the Nelson Tasman region. As identified in the recent BERL (Business Economic Research Ltd) report into 'The Value of Museums and Galleries in Aotearoa'¹, museums make quantifiable contributions to the Economic, Cultural, Social and Environmental Wellbeing of their rohe. Research demonstrates that our communities feel passionately about both our value, and our vital role in creating liveable cities.

On behalf of NCC and TDC, the Tasman Bays Heritage Trust, operating as the Nelson Provincial Museum, cares for a significant Regional Heritage Collection currently valued at \$20m. We are an employer of 22 staff including a number of highly skilled and internationally respected museum professionals. While receiving less funding than some other comparable regional museums, we continue to punch above our weight in bringing outstanding value to ratepayers and non-fiscal benefits to our local families who engage with our programmes inside and outside our walls.

It is a pleasure to present Nelson Provincial Museum's Half-Yearly Report which outlines how we performed against our Statement of Service Indicators from 1st July – 31st December 2023.

Trustee changes

This report is prepared under the Chairmanship of Stephen Broad-Paul. Stephen was appointed by the Joint Committee in May 2023 following the resignation of Olivia Hall after eleven years of sterling service on the Trust and Te Tai Ao Komiti. Stephen has brought a wealth of experience in leadership and strategy development, with an extensive career in Senior Leadership for large-scale commercial entities. Stephen was elected as Chair in July 2023. After the period in question, Stephen announced he will unfortunately be moving to Dunedin in April, and the Joint Committee has since been notified of the need to recruit for his replacement.

The Trust would like to acknowledge the outstanding contribution made by Olivia and Stephen to the Trust's vision, strategy and operation. The Board also thanks Deputy Chair Emma Thompson for her service as Acting Chair after Olivia's departure.

As Olivia was the mana whenua appointment to the Trust, her departure also required the election of a new iwi representative. The new trustee appointed by mana whenua iwi is Kimiora McGregor. Of Ngāti Koata, Ngāti Toa Rangatira, Ngāti Kuia, Ngāti Apa ki te Rā Tō and Te Ātiawa descent, Kimiora worked for Ngāti Koata Trust for the past seven years and is currently employed by TDC. She is in her



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

third year as the Ngāti Koata representative on the Te Tai Ao Komiti and is committed to preserving and promoting the heritage of the region.

Sadly, this period also saw the resignation of Brendon Silcock as Trustee due to work commitments on the Tairāwhiti flood recovery management. The Trust is grateful to Brendon for his strong contribution to the Archives, Research and Collections project.

Brendon's resignation brings the number of Trustees to six until April: Stephen Broad-Paul (Chair), Emma Thompson (Deputy Chair), Darren Mark, Derek Shaw, Jo Brady and Kimiora McGregor.

Archives, Research and Collections Facility

As outlined in the Museum's Statement of Intent for the past six years, our key strategic goal is to **plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection.**

Significant progress has been achieved in the period of this report. The Project Control Group consists of Trustee Derek Shaw (PCG Chair), external advisors John Hambleton and Ian MacLennan, and provides rigorous guidance to the project team. Our selected project management partner is Cameron Gibson Wells (CGW), who work alongside architect Andrew Irving (Irving Smith Architects), a team of specialist building designers, Scott Construction (appointed in an early contractor engagement agreement) and expert museum staff in the design team.

Robin Slow, noted Ngāti Tama artist, will be designing a metal screen artwork, which will cover the facing of the building on Church Street. Iwi are meeting with the artist to inform the taonga and purakāū which will be featured on the screen. The finished piece will be a significant, largescale Māori artwork in the Nelson cityscape.

Developed design has been approved, with an updated budget of \$14.9m replacing the 2018 estimate of \$12.4m. As discussed with the Joint Committee 14th November 2023 an updated budget was inevitable given the cost increases in materials over the past six years. The PCG and design team is confident that a quality, fit-for-purpose building can be delivered within the revised budget, as presented to the Joint Committee in November.

Detailed design is currently in progress with completion expected in April. Building consent will then be lodged with NCC, and the construction should be able to commence in July assuming sufficient funds are in place. Archaeological Authority to proceed with the building has been approved.

A new Naming and Rebranding Committee has also been established to review the names of both facilities and branding in the lead-up to the opening of the new research facility. This committee will seek iwi and stakeholder involvement in the naming process and ensure the museum is branded as one united organisation when the new facility opens. The members of the committee are Jo Brady, Kimiora McGregor and Stephen Broad-Paul.

ARC Fundraising

The Trust was delighted to receive a grant of \$300,000 from the Lotteries Environment and Heritage Fund towards the ARC project in November. We were also extremely grateful to receive a pledge of



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

\$15,000 from the McKee Trust. These generous grants strengthen funding commitments from Nelson City Council, Tasman District Council, the Tasman Bays Heritage Trust and The Bett Trust.

The Trust has also applied to the Rātā Foundation. Rātā staff have told us that Trustees are extremely supportive of the project. Some additional information has been requested and a decision is expected in March.

In this period the museum soft-launched the fundraising campaign, with the formal public launch to follow in autumn.

Funding from central government via the Ministry of Culture & Heritage will be key to the success of the project. The Museum is engaging Funding HQ to assist with the application which will be submitted when the fund reopens in 2024.

Audit

After receiving the permission of the office of the Auditor General, the Museum moved from Audit New Zealand to BDO. The Museum received an unqualified audit as presented in the Annual Report.

Staff & Volunteers

In this period the Museum undertook a salary benchmarking exercise and commissioned a bespoke report from Strategic Pay. This enabled the comparison of remuneration across similar sized museums, an exercise which was last undertaken by the museum three years ago. Staff salaries were then adjusted to bring them to the mid-point of the salary range paid at other regional museums. This has been important in the Trust's responsibility to be a good employer, and also to aid retention of our highly experienced professional staff.

The Trust is grateful to our team of highly committed volunteers, who have undertaken a number of projects this year including textile conservation, cataloguing the Geoffrey C Wood photographic collection and archival research. Eight volunteers work at the Isel Research Facility, and have donated a total of 793 hours in these six months. This can be conservatively valued at almost \$20,000 worth of donated work. We are also grateful to the two young interns who have committed their time and talents to assist the museum.

Taonga Māori

The Museum is guided by Te Taiao Komiti, the iwi advisory group consisting of the six mana whenua iwi from the marae in Whakatū, Motueka and Mōhaua.

Key work has involved working with Te Taihu iwi to develop an exhibition on the regional taonga pakohe. Tentatively titled 'Mana Pakohe', this exhibition will take place in winter 2024 to coincide with the secondary school kapa haka competitions held in Nelson this year. The Museum's Kaitiaki Taonga Hamuera Robb was also involved in photographer Melissa Banks' exhibition 'Te Ara o Hine Rēhia: A Journey into the World of Kapa Haka' and the associated education programme.

Mahi in this period has also included hosting a taonga puoro workshop with Brian Flintoff, providing access to the taonga to Te Taihu weavers and competitors visiting the national kapa haka competition. Te Papa conservator Dr Rangi Te Kanawa visited for a week (funded by National Services Te Paerangi) to conserve a fragile kākahu. During her visit, she mentored the Kaitiaki Taonga in the treatment of fragile Māori textiles and Hamuera is now undertaking preservation work with



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

the taonga with her support. Tikumu specimens were also acquired and woven maru accessioned into the collection. The tikumu also formed the basis for a Nelson Mail article.

Hamuera also worked with Manawhenua ki Mōhua to assist in the conservation and care of the taonga resting in the whare taonga at Onetahua Marae.

The Kaitiaki Taonga facilitated taonga loans to the Suter Art Gallery for the 'Kanohe Kitea' exhibition, and helped to negotiate a loan of a significant mere pounamu from Te Papa at the request from the Park whānau. The mere pounamu will be exhibited in the regional gallery alongside hei tiki o Merenako. Te Papa are working on repatriating ownership of the taonga to the whānau permanently, and whānau wishes are for the taonga to be cared for and displayed at the museum long-term.

The Museum is an active member of the Ngākahu National Repatriation network, and have attended all the nationwide hui this year. In December, Ngāti Koata approached the Museum to receive a kōiwi tangata temporarily while plans are made for its future – this has been temporarily stored in the museum's wāhi tapu.

The Regional Heritage Collection

The collection and curatorial staff continued to use their considerable professionalism and expertise to protect and care for the Regional Heritage Collection in the very difficult circumstances at the Isel Park Research Facility. Once again, no collection objects were damaged, despite leaking ceilings in the Bett store and rare book room, and other risks of the location. This is a testament to the staff's commitment to keep the collection safe.

Several key objects were acquired by the Museum in this period:

- Sketchbook of Reverend RH Codrington of the Collingwood Mission, depicting significant sites for Māori (donation)
- Ledgers owned by Messrs Rout & Co Nelson from 1863, associated with the early history of NBS and the banking/financial history of early Nelson (purchased at auction)
- Ephemera from The Gathering dance parties in the 1990s and early 2000s, and from NCMA (donation)
- Objects from Kush coffee bar (donation and purchase)
- Christening gowns from the Greenwood and Holyoake families (donation)
- The tikumu samples and tikumu maru mentioned above (donation)

The collections team have also worked at backlog cataloguing process, and added 300 records to Collections Online, bringing the total number of online records up to almost 200,000. The first two of the new Topics feature were written and uploaded. Additionally, this year the staff have researched and written several collection stories for the Nelson Mail, involving primary research and adding to the body of historic Nelson Tasman knowledge available.

Staff also helped a number of researchers including family members, professional writers and local government. Over 130 hours were spent in this period answering research enquiries.



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

Visitor Experience and Exhibitions

The second half of 2023 saw a number of exciting visitor experience programmes.

The 'Code Breakers: Women in Games' exhibition was very popular with youth, a target demographic it is often difficult to connect with in museums. It had strong reach to digital technology classes around the rohe.

'Te Ara o Hine Rēhia: A Journey into the World of Kapa Haka' was an exhibition by photographer Melissa Banks who worked closely with the museum team to bring her vision to life. Timed to coincide with the kapa haka competitions, this exhibition was massively popular with kura, whānau and kapa haka groups, who "saw themselves within the exhibition." The opening was attended by several hundred guests, the largest event hosted by the Museum since its opening in 2005.

'Tautoko Ukraine' was produced by the Tautoko Ukraine Charitable Trust to thank Nelsonians for their contributions to the children of Ukraine. The exhibit of children's drawings was heartfelt and powerful.

Two different exhibitions opened in late December, 'Animal Antics – Comedy Wildlife Photography' and 'Te Hitori Aotūroa – Learning from Nature.' The former is a charming exhibition which engages visitors with the natural world through humour; the latter a fascinating look at the Museum's own taxidermy and specimen collection. Both are proving a big hit with families.

Other events have included a pop-up display by the Nelson Embroiderers Guild, hosting the opening breakfast for the Nelson Arts Festival and participating in their Night Vision event, a popup display at the Collecting History event hosted by the Philatelic Society in Hope, a Chinese Language Week calligraphy and lantern making workshop with Dr Alistair Kwan and Wendy Liu, the launch of Alistair Hughes' book 'New Zealand Night Sky', a floor talk by Tibetan Thangka artist Tenzin Dhargeyt, and a lecture by Dr Edwin Rose and Professor Staffan Müller-Willie (University of Cambridge Departments of History & Philosophy).

The CEO and internal ARC Project Manager presented as part of 'What If? Nelson' on the value and importance of museums to liveable cities, and specifically what ARC can contribute to Nelson Tasman.

Pleasingly, the museum-curated exhibition 'Our Moon' continues to tour around the country, with Aratoi in Masterton the latest venue.

A trial for the Museum to host the isite was concluded as it was not found to be a beneficial location for either party.

The Museum free after-school drop-in sessions 'Toi Ahiahi | Afternoon Art' continued every Thursday afternoon during term time. This initiative saw great uptake with over 100 participants. School holiday workshops were again quickly booked out. We are looking forward to offering further events the second part of the financial year, including those for Tuku 24 Heritage Festival.

Education

The Museum receives funding from the Ministry of Education Enriching Local Curriculum (ELC) fund to deliver programmes to Nelson Tasman education providers. Our Educator Kelly O'Leary has a



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

strong reputation in her ability to share taonga-based local knowledge and iwi histories with tamariki and rangatahi. Teacher satisfaction levels are still sitting at an exemplary 100%.

In this period Museum education services reached almost 3,000 students at 24 organisations, including Early Childhood Education/ Kohanga, Primary, Intermediate, Secondary and Tertiary providers. Tasman Schools made up 46% of schools taught in this period.

Many of these sessions were conducted in schools themselves, saving precious school travel funds in more remote regions. Sixty one outreach classes were delivered.

Schools who participated in this period include: Mahana, Lower & Upper Moutere, Richmond, Dovedale, Motueka South, Waimea Intermediate, St Josephs, Rudolph Steiner Motueka, Salisbury School, St Peter Chanel Catholic School, and Broadgreen Intermediate.

A large variety of programmes were taught in line with the ELC focus, including the Nelson Tenth and Appo Hocton, New Zealand's first Chinese citizen.

Visitation

The Museum finished this six-month period with over almost 26,000 visitors (excluding education visits).

It was a pleasure to see the return of international visitors, with 700 international visitors in December (the highest amount since 2019). Their return has also had a positive impact in our gift shop sales, and also put money into the pocket of the local artists and makers whose products we stock. The museum shop generated \$21,000 income in December alone, a healthy result, well above target.

Sustainability

In prior financial years, the Museum undertook an EMSOL Energy Audit to measure our energy footprint and identify ways to reduce our energy footprint. As a result we have implemented a number of recommendations. Recently, a seasonal (summer) adjustment to nightly HVAC shutdowns has lowered energy consumption by 13% in December 2023 compared to the same month the previous year.

Following flooding events around the motu in 2022/23, the museum sector has been focusing on disaster preparedness and preparation for climate change events. Staff have attended a number of workshops and a major piece of work will be done in the following financial year to ensure the museum is fully prepared for more numerous climate events. Of course, the first line of preparation will need to be moving the collection from the risky Isel Park site.

We have also purchased a Terracycle box to recycle the nitrile and latex gloves used by our Collections team for object handling and exhibit installation.

Facilities, Maintenance and Infrastructure

As is widely acknowledged, the Research Facility at Isel Park is at the end of its useful life. Unfortunately, expenditure is still required on the building to protect the Regional Collection in the



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

short-term. In this period, work has been undertaken to repair leaks and improve watertightness, and the security system has been upgraded.

Mould remediation work has been undertaken at the Elms St site.

A security review was also undertaken at the Trafalgar St site following some concerns with shoplifting, vandalism and threatening behaviour in August. This behaviour has significantly lessened since the Museum hired a security guard for a short-term period. New security infrastructure has been installed for staff welfare following these incidents.



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

Strategic goal	Actions	Measures / KPI	Detail	Status
1. To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection.	1.1 Robust planning, budgeting, fundraising and project management.	1.1.1 Project Phases 4 & 5 complete including: <ul style="list-style-type: none"> • Iwi design input • Detailed Design • Community consultation including Church St precinct owners and proprietors • Construction commences subject to successful funding 	<ul style="list-style-type: none"> • Ongoing iwi design input; collaboration with Robin Slow on screen artwork for front of building • Developed Design complete • Detailed Design underway • Construction on track to commence after July 2024 assuming all funds in place 	Work in progress
	1.2 Canvassing and securing funding sources	1.2.1 Funding commitments obtained including: <ul style="list-style-type: none"> • Nelson City Council and Tasman District Council ARC Facility funding commitment confirmed in the Councils Annual Plans • Applications for at least two large grant funders completed, subject to timely processing of Resource Consent by NCC as per funding requirements 	<ul style="list-style-type: none"> • Lotteries Environment & Heritage application successful - \$300k paid in January 2024 • Ministry of Culture and Heritage Regional Culture and Heritage Fund application declined in 2023 (funder of last resort). Ministry staff have given excellent 	Of come concern due to timing of grant announcements



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

		<ul style="list-style-type: none">Funding commitment from Ministry of Culture & Heritage	<p>feedback and we will resubmit in 2024 when the fund reopens. At time of writing the date when the fund opens has not been determined, meaning payment of successful grants may be after July 1.</p> <ul style="list-style-type: none">Culture and Heritage Minister Paul Goldsmith invited to visit the Isel Park Research FacilityFunding HQ bought on to assist with preparation of the 2024 Ministry of Culture & Heritage grantRātā Foundation building projects grant application submitted with favourable response from Trustees. More information sought in	
--	--	--	--	--



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

			January - decision due in March <ul style="list-style-type: none"> \$15,000 grant committed by McKee Trust for when building commences 	
2. To be a highly valued visitor destination, educational provider and venue for cultural and community connection	2.1 Implement a programme which attracts our diverse local communities	2.1.1 Design and deliver a varied visitor experience including at least three short-term exhibitions	<ol style="list-style-type: none"> 'Code Breakers: Women in Games'. (11 Aug – 12 Nov) 'Te Ara o Hine Rēhia: A Journey into the world of Kapa Haka' (8 Sep – 12 Nov) 'Thank you from Ukraine' (25 Aug – 1 Oct) 'It Started with a Stitch' Community display with Nelson Embroiderers Guild (16 – 23 Oct) 'Te Hītori Aotūroa: Learning from Nature' curated by NPM, 6/9/23 – 5/5/24 'Animal Antics: Comedy Wildlife Photography' 	Complete



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

			Awards' 15/12/23 – 5/5/24	
		2.1.2 Implement at least one new accessibility improvement	Hapai Card scheme. Accessible business directory, explaining the type of access available to visitors. Free to join and be listed on website.	In progress
		2.1.3 Refresh one manawhenua iwi case in the Museum's Regional Gallery	WIP with Ngati Kuia. Installation scheduled in third quarter	In progress
	2.2 Consolidate and attain visitation Targets	2.2.1 Achieve target visitation of 54,000 across all venues (excluding education)	July 1-December 31 st : 25,903 (all sites excluding Education)	In progress
	2.3 Achieve Ministry of Education visitation target	2.3.1 Achieve target of 5,500 education visits and outreach, including early childhood, primary, and secondary groups.	July 1 – Sept 30: 1795 students 205 adult	In progress



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

	2.4 Provide a high-quality customer service and visitor experience	2.4.1 Demonstrated by a minimum of two customer surveys with rating of at least 85% satisfaction	Codebreakers exhibition satisfaction survey: 87.7% Satisfaction Animal Antics exhibition satisfaction survey: 100% satisfaction	Complete
	2.5 Provide a high-quality educational service	2.5.1 Teacher satisfaction demonstrated by an average of at least 90% over all teacher evaluations.	100% satisfaction rate maintained since 1 July	In progress
3. To actively support and collaborate with iwi and Nelson Tasman cultural heritage organisations	3.1 Providing advice, guidance, content, mentoring and support to iwi, smaller galleries, libraries, archives and museums within Nelson Tasman	3.1.1 Provide Museum support and assistance on request to Te Taihū district museums, iwi and cultural organisations	<ul style="list-style-type: none"> • 30 Hours of Professional support in September to Mana Whenua ki Mohua delivered in 2023 • Network coordination of local Galleries Libraries Archives Museums (GLAM) sector • 1 day at Collecting History event, Hope Hall. 	In progress



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

			<ul style="list-style-type: none"> • 41 hours Curatorial professional support provided since July 	
		3.1.2 Organise at least two regional museum hui	<ul style="list-style-type: none"> • 2/8/23 Hosted local GLAM hui for Auckland Medical Museum Trust presentation, 10 attendees. • 20/9/23 Coordinated local GLAM lunch and tour of Melissa Banks kapa haka exhibition, seven attendees. • 27/10/23 Regional Hui at Murchison Museum, 18 attendees from eight institutions across Te Tau Ihu and West Coast. • Textile Workshop planning underway for 2024 with Broadgreen House. 	Complete



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

4. To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities	4.1 Actively collecting objects that are strongly related to the history and cultural story of Nelson Tasman	4.1.1 Collect at least two relevant contemporary local objects or taonga	<ul style="list-style-type: none"> • Kush Coffee memorabilia collected • Tikumu woven maru • The Gathering dance party memorabilia 	Complete
	4.2 Provide access for our visitors to connect with the Collection digitally, on-site and in the community	4.2.1 Add at least six Topics to Collections Online to support the interpretation of significant objects/collections	<ul style="list-style-type: none"> • Topics launched online in Jan 2024. • Two Topics uploaded Jan 2024 • Plans made to include Maungatapu Murders, WWI Gallipoli photographs as topics. 	In progress
5. To improve our sustainability performance.	5.1 Implement actions to improve sustainability performance	5.1.1 Measure ecological impact of planned collection move and identify at least one measure to reduce this	<ul style="list-style-type: none"> • Transport for Collection Move estimated to produce over 20 tonnes of CO2. • Possibility of using NCC e-van to move collections being actively investigated 	In progress



PO Box 853, Nelson 7040, New Zealand
enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

	5.2 Support and promote sustainable transport options for visitors	5.2.1 Implement one initiative to support sustainable transport options for visitors	Sustainable transport options included on NPM website and promoted via competition.	Complete
--	---	---	---	----------



STATEMENT OF COMPREHENSIVE INCOME
For the Period 1 July - 31 December 2023

	Actual 2023	Budget 2023	Actual 2022
Revenue	1,501,852	1,216,970	1,158,686
Less Direct Costs	880,008	870,022	789,543
Gross Profit	621,844	346,948	369,144
Less Expenses	194,487	200,118	185,164
Operating Profit	427,357	146,830	183,980
Less Depreciation	243,472	246,102	239,325
Net Surplus/Deficit	183,885	(99,272)	(55,345)



PO Box 853, Nelson 7040, New Zealand

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	2023	2022
<u>Assets</u>		
Cash and Bank	516,639	203,787
Debtors and Prepayments	69,337	54,021
Term Deposit	0	160,873
Stock on Hand	38,996	34,519
WIP (ARC Project)	548,920	107,784
Non Current Assets	31,518,707	31,967,595
Total Assets	32,692,599	32,528,579
<u>Liabilities</u>		
Creditors and GST	141,962	155,432
Income in Advance	4,878	46,199
Accruals (Annual leave and Wages)	78,500	73,335
Term Liabilities	539,036	706,220
Total Liabilities	764,376	981,187
Net Assets	31,928,223	31,547,392
<u>Equity</u>		
Current Year Earnings	183,885	(55,345)
Retained Earnings	14,724,765	14,583,164
Revaluation Reserve	17,019,573	17,019,573
Total Equity	31,928,223	31,547,392

•



PO Box 853, Nelson 7040, New Zealand
 enquiries@museumnp.org.nz | www.nelsonmuseum.co.nz

CASHFLOW STATEMENT
 For the Period 1 July - 31 December 2023

	2023	2022
<u>Cash flows from Operating Activities</u>		
Council Operating Grants	1,034,358	999,380
Contracts	(6,164)	42,295
Interest Received	6,130	2,887
Receipts from Other Revenue	427,174	113,968
Payments to Suppliers (incl GST) and Employees	(1,021,926)	(951,671)
Net Cash from Operating Activities	439,572	206,859
<u>Cash flows from Investing Activities</u>		
WIP - ARC Project	(189,882)	(107,784)
Purchase of Property Plant and Equipment	(11,611)	(66,309)
Net Cash from Investing Activities	(181,292)	(174,093)
<u>Cash flows from Financing Activities</u>		
Repayment of Council Loans	(100,000)	(100,000)
Net Cash from Financing Activities	(100,000)	(100,000)
Net Increase/(Decrease) in Cash	158,280	(67,234)
Cash at 1 July 2023	358,330	271,021
Cash at 31 December 2023	516,610	203,787

**TASMAN BAYS HERITAGE TRUST | NELSON
PROVINCIAL MUSEUM STATEMENT OF
INTENT (DRAFT) 2024 - 2025**

Table of Contents

Introduction and Statement of Intent 2

Strategic Goals 2

Alignment with Joint Community Outcomes 7

Goals, Actions and Measures 9

Financial forecasts 12

Appendices

Click to view on our [website](#)

[Purpose Statement and Mission](#)

[Governance Statement: Structure, Function and Obligations of the Board](#)

Tasman Bays Heritage Trust**Statement of Intent 2024 - 2025****Introduction**

This Statement of Intent (SOI) is submitted by the Tasman Bays Heritage Trust ('the Trust'), operating as Nelson Provincial Museum ('the Museum'), a Council Controlled Organisation of Nelson City Council and Tasman District Council ('the Stakeholders'), and in accordance with Section 64 of the Local Government Act 2002 and its amendments, and sets out the intentions and expectations of the Trust for the period 1 July 2024 – 30 June 2025.

In presenting this SOI the Trust thanks Nelson City Council and Tasman District Council for their continued support of Tasman Bays Heritage Trust. We are confident that our strategic plan will enhance the value of the Museum to our communities for current and future generations, adding to the vibrancy and attractiveness of the region as a destination for visitors and for our resident communities.

Please click through to the Museum's website to read the Trust's [Purpose Statement, Mission, Values and Activities](#) and [Governance Statement: Structure, Function and Obligations of the Board](#).

STRATEGIC GOALS 2024/25 FY

This SOI defines six strategic objectives with associated activities and KPIs, which underpin the strategic plan for the next three years. These are largely derived from the priorities and stated objectives of the Trust, combined with the expressed expectations of our two stakeholder Councils:

1. To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection;
2. To be a highly valued visitor destination, educational provider and venue for cultural and community connection;
3. To actively support and collaborate with iwi, cultural heritage organisations and schools within Nelson Tasman;
4. To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities;
5. To improve our sustainability performance; and
6. To grow and diversify our revenue streams.

1. To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection

The Museum's key strategic goal for the 2024/25 FY is to **commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection.**

As is widely acknowledged, the Isel Research Facility is at the end of its functional life. A replacement facility is urgently required to provide ongoing care for the Museum's nationally significant Regional Collection.

We are grateful to Nelson City Council and Tasman District Council for recognising this great need, and for allocating \$3.165m and \$3.2m respectively towards the project in their Long-Term Plans.

Progressing the Archives, Research and Collections (ARC) Facility (working title) is the primary strategic aim of the Trust. Robust planning, budgeting and project management will see construction commence in the coming financial year, assuming sufficient funds are in place to ensure a successful completion of the project.

The Fundraising Subcommittee is led by TBHT Deputy Chair Emma Thompson, with fellow Trustee Jo Brady and Chair Stephen Broad-Paul adding their considerable expertise. The Fundraising Committee are ably supported in their work by a team of respected Nelson Tasman ambassadors, with external advice from external expert Jenni Giblin of Funding HQ.

The build project is being overseen by the ARC Subcommittee, chaired by Derek Shaw, together with internal museum Project Manager Belinda Wheatley and external advisors John Hambleton and Ian MacLennan. Following rigorous procurement processes, Andrew Irving of Irving Smith Architects has been engaged to design the building, and external project management services have been contracted to Cameron Gibson Wells (CGW). Scott's Construction have also been engaged through an early contractor involvement procurement process. We are confident this experienced and professional team will be able to deliver the project within the project budget of \$14.9 million as discussed at the Joint Committee meeting in November 2023.

Mōhua artist Robin Slow is designing the large-scale artwork screen which will cover the ARC building on the Church Street frontage. The artist is working with iwi to establish the kaupapa for the work and the purakaū, narrative elements and taonga which will be depicted within it. This will be a significant large-scale Māori artwork within the Nelson cityscape.

The Trust has also formed a Naming and Rebranding Committee, chaired by Jo Brady with members Kimiora McGregor and Stephen Broad-Paul. The committee will consult with iwi and stakeholders about the naming process for the new facility, and also whether the name of the Museum itself should be revised to a name which better reflects the Nelson Tasman region.

2. To be a highly valued visitor destination, educational provider and venue for cultural and community connection

We will continue to evolve the visitor experience to more closely represent our values and strategic aspirations. Our aim is to be a vibrant, dynamic, and contemporary institution that is relevant to, and inclusive of, all people in the Nelson Tasman region. We will continue to grow our reputation as

a provider of quality content and dynamic storytelling with a strong connection to local communities. We will deliver compelling narratives through a variety of formats and media including onsite experiences, engaging special exhibitions, educational and outreach programmes, and digital channels.

However, we recognise that our staffing is limited and our resources will need to focus on the ARC project. This will be especially true for our collection staff, and there will be a resultant impact on our ability to curate our own in-house exhibitions. During the period of the ARC build and collection relocation, we are planning for a higher ratio of touring exhibitions.

Exhibitions

The financial year begins on 1st July with 'Mana Pakohe' (working title) on display in the upper gallery. This exhibition is currently being curated by the Museum in partnership with the eight iwi of Te Taihupo, who will tell their own stories of pakohe (argillite) from their own iwi perspective. The museum acknowledges Ngāti Kuia for their considerable support in developing this highly significant exhibition. 'Mana Pakohe' has been timed to coincide with Ngā Kapa Haka Kura Tuarua secondary school kapa haka festival which will be held in Nelson this winter.

As signalled above, we will then move into a programme of touring exhibitions. Our summer exhibition is currently in negotiation, but we are confident that it will be a strong attractor for local families.

Visitation

In the 2022/23 financial year we received over 56,000 visitors and 6,000 odd education visits. This is against a target of 54,000 visitors and 5,500 education visits. For simplicity and clarity, we will combine these targets going forward. For the 2024/25 FY, we have set a combined target of 60,000.

Education

Our school programme is funded by the Ministry of Education through the Enriching Local Curriculum programme on a contract until end of the 2025 calendar year. The aim of the programme is to deliver upon the new Aotearoa New Zealand Histories curriculum by sharing local stories and knowledge including purakau in partnership with mana whenua for the Nelson Tasman region.

It should be noted though that the value of Ministry of Education funding has not increased materially in over eight years, although the expectation is that it now also covers early childhood education. Our inhouse visitation target for student visits remains at 5,500, but the Ministry reporting focus is on quality over quantity. The teacher satisfaction level is currently tracking at 100% and has done for the last two years.

3) To actively support and collaborate with iwi, cultural heritage organisations and schools within Nelson Tasman

The Museum works with iwi through Te Tai Ao Komiti, consisting of representatives of the six mana whenua and tangata whenua iwi of the marae in Wakatū, Mōhūa and Motueka. This forum provides expert guidance on matters of tikanga, taonga and mātauranga Māori, and is shared with the Bishop Suter Trust, providing opportunities for collaboration and cross-organisational synergies.

As the regional Museum for Nelson Tasman, the Trust aims to continue supporting the Tasman district museums (Golden Bay, Motueka and Murchison) and institutions such as Willow Bank Heritage Village and Higgins Heritage Park. We also work to support iwi, cultural and community organisations throughout Nelson Tasman including marae, Founders Park, Isel House and Broadgreen House. We do this through support and participation in community-based events, through the provision of expertise, hands-on assistance, professional museum support, and providing exhibits for display. In recent years this support has taken a variety of forms including expert assistance, providing a free venue, professional advice, exhibition loans, programme provision and exhibition development.

Our intention is to continue to add cultural, social and economic value across the wider Nelson Tasman region through our outreach programme, supporting our communities in their goals and smaller organisations in their aspirations.

In addition to working with individual organisations to meet their goals, we also support collaboration and partnerships across the region's galleries, libraries, archives and museums (the GLAM sector). We provide advice, guidance, mentoring and coordination for regional hui. We also develop workshops to help strengthen the sector, loan objects for exhibit, and share skills and resources digitally and in person.

This year we will provide professional support on request to Te Taihū district museums and cultural organisations, rather than specifying a set number of hours. This will enable our Collections team to both focus on preparing for the relocation, and to be able to be more responsive when those requests do come in. We will also organise at least two regional hui on topics relevant to all participants.

Over the past year our Education service has provided a 97 outreach sessions to primary, intermediate, secondary, early childhood and tertiary education providers. 46% of students engaging in our programmes last year were from Tasman schools. We envision a similar percentage of outreach and engagement going forward.

4) To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities

The Trust's focuses our collecting on material with strong significance and relevance to the Nelson Tasman communities. Active measures are taken to acquire items for the Collection that represent our region's rich cultural history and unique biodiversity. In addition to securing significant historic items for the Regional Heritage Collection as they become available, we also collect objects relating to significant contemporary events and individuals. These objects will better enable our successors to tell the history of today. A focused piece of work this coming FY will be to review, and if necessary update, our Collections Management policy in advance of the relocation.

This year the focus of the Collection staff will be on auditing/updating records, measuring and packing objects to be move-ready when the ARC building is completed. This is a massive task which will require additional resource – this has been budgeted within the ARC project budget over the next two FY. This focus may require curatorial and collection staff to be involved in fewer outreach programmes this year.

5). To improve our sustainability performance

Our focus on preserving the past for future generations means that we are also very conscious of the need to safeguard natural resources. As an institution of scientific knowledge, we have a role in

disseminating research and information about the climate crisis. The Museum places sustainability front and centre of all our operations. In 2021 we commissioned an Audit and Energy Management plan from EMSOL and implemented many of its recommendations. The Trust is pleased with the progress it has made compared to many of our sister arts and culture organisations and will continue to actively work on reducing our environmental impact.

A strong opportunity for the Museum to reduce our energy footprint is with the ARC Facility project, and we will implement measures to reduce energy consumption as far as budget constraints allow. By these actions the Museum can demonstrate good organisational citizenship, community leadership, best practice sustainability and make our own contribution to addressing the pressing global challenges of climate change. Installing solar generation capability on the ARC Facility and the existing museum would make a significant impact on lessening our emissions; however this expense is above budgetary capacity.

A staff Sustainability Committee also meets regularly to identify areas for improvement and brainstorms solutions.

Over 2022 and 23 New Zealand saw a number of weather emergencies, including the major flooding event in Nelson. A focus for this coming FY for staff will be to develop a formal Emergency and Collections Recovery Plan to deal with ongoing issues caused by climate change. This will include learning from institutions affected by recent flooding, and engaging in national conversations about how to assist marae and other organisations conserve precious taonga and collections cared for in the community in the wake of such disasters.

6. To grow and diversify our revenue streams.

The Museum is preparing to operate the new ARC building from the Church Street premises adjacent to our Trafalgar Street site. In the 2024/25 FY we will work to further define and predict operating costs, including air-conditioning, staffing, cleaning etc and establish a schedule for ongoing maintenance. This will inform the operating budget for the Museum going forward, which will incorporate the ARC Facility as part of ongoing operations from the date of opening.

We are also cognisant that the funding environment for non-profit organisations has changed post-Covid, and are aware of the competing demands on local bodies. This work will include investigating opportunities to grow revenue going forward, enabling future refreshment of Museum displays (which are now approaching twenty years old) once the ARC project is completed.

TASMAN BAYS HERITAGE TRUST

Alignment with Joint Community Outcomes

The Museum is actively aligned with the Joint Community Outcomes of Tasman District Council and Nelson City Council, which both Councils adopted as part of their respective Long Term Plans.

1. Our unique natural environment is healthy and protected

The Museum profiles a variety of environmental issues and encourages engagement with, and protection of, our regional biodiversity through education, events and exhibitions such as 'MELTDOWN: Visualising Climate Change' in 2022.

We are implementing internal initiatives and measures for sustainability as outlined in Goal 5 of our Statement of Intent.

2. Our urban and rural environments are people friendly, well-planned, and sustainably managed

The Museum works to create a welcoming and engaging social space contributing to the activation of the Upper Trafalgar precinct. The Museum is free to visit for Nelson Tasman residents (except for occasional major touring exhibitions for which there may be a small entry fee based on a cost recovery basis). Our contribution to the vibrancy of the region has become especially important since the start of the pandemic, providing community engagement in the heart of the city and a domestic tourism destination. We will continue to support cultural heritage activities across the region through outreach to district museums, galleries, libraries, marae, and heritage facilities and organisations.

3. Our infrastructure is efficient, cost effective and meets current and future needs

The Archive, Research and Collections Facility capital works project will deliver a facility that provides the most cost-effective, appropriate and long-term solution to care for the Regional Heritage Collection for future generations. The Trust maintains an Asset Register and Building Maintenance Schedule.

4. Our communities are healthy, safe, inclusive and resilient

We provide many opportunities for community engagement, lifelong learning and engaging experiences. These have been widely identified as key components of Liveable Cities. Our core activities are free for Nelson Tasman residents and our programming will increasingly cater to the diversity of the region. Our public programmes focus on inclusivity. Bespoke programmes are available for visitors with disabilities or neural diversity. We are currently working with Q Youth to better cater to the rainbow community.

5. Our communities have opportunities to celebrate and explore their heritage, identity and creativity

Our core business is to enable local residents to connect with their heritage, both cultural and environmental. We do this through a range of programmes at the Museum, in the community and digitally, making the region's treasures available for visitors and locals alike. We are focused on ensuring engagement across the region as well as increasingly catering to a broader demographic.

6. Our communities have access to a range of social, cultural, educational and recreational facilities and activities

We provide social engagement across demographics and opportunities for life-long learning, recreation and leisure. In the last year we have delivered free-of-charge programmes for thousands

of school children, plus tertiary groups, English as a Second Language (ESL) classes, pre-schoolers, aged communities, special interest groups and the general public.

7. Our Council provides leadership and fosters partnerships, a regional perspective and community engagement

The Museum works with the community to create opportunities for engagement on-site, on-line and in the community. We provide leadership and guidance within and across the sector, to support the activities of local museums and heritage parks, heritage houses, marae, historic organisations, galleries and libraries.

8. Our region is supported by an innovative and sustainable economy

As arguably the most visited cultural tourism attraction in the region, the Museum supports and complements the region's tourism offerings. High-impact window displays, an enhanced digital experience and an attractive retail area has markedly improved the Museum's value proposition and helps bring destination traffic to the Upper Trafalgar precinct.

We attract innovative, highly-educated specialists and creative people from around New Zealand and the world to work at the Museum, who contribute to the regional arts and cultural sector and the local economy.

STRATEGIC GOALS 1 July 2024 – 30 June 2025

Strategic goal	Actions	Measures / KPI
1. To plan for and commence a capital works project which will safely and appropriately house and care for the Nelson Tasman Regional Heritage Collection.	1.1 Ensure sufficient funds are in place for completion of project.	1.1.1 Sufficient funding in place to commence construction.
	1.2 Robust planning, budgeting, and project management.	1.2.1 Construction commenced by the end of the Financial Year.
2. To be a highly valued visitor destination, educational provider and venue for cultural and community connection.	2.1 Implement a high-quality visitor experience programme which attracts our diverse local communities and visitors to the region.	2.1.1 Design and deliver a varied visitor experience including at least three exhibitions.
		2.1.2 Implement at least one new accessibility improvement.
		2.1.3 Deliver one visitor experience initiative in partnership with iwi.

	2.2 Consolidate and attain visitation targets.	2.2.1 Achieve target visitation of 60,000 visitors including education visits.
	2.3 Provide a high-quality customer service and visitor experience.	2.3.1 Demonstrated by a minimum of two customer surveys with rating of at least 85% satisfaction.
	2.4 Provide a high-quality educational service.	2.4.1 Teacher satisfaction demonstrated by an average of at least 90% over all teacher evaluations.
3. To actively support and collaborate with iwi, cultural heritage organisations and schools within Nelson Tasman.	3.1 Providing advice, guidance, content, mentoring and support to iwi, smaller galleries, libraries, archives and museums within Nelson Tasman.	3.1.1 Provide Museum support and assistance on request to Te Taihū district museums, iwi and cultural organisations.
		3.1.2 Organise at least two regional museum hui.
	3.2 Provide outreach services to schools, early childhood education centres and other educational institutions within the Tasman area.	3.2.3 Deliver outreach programmes to at least 10 Tasman schools.

4. To continue to develop and provide appropriate care for a strong Collection which is relevant and accessible to, and valued by, Nelson Tasman communities.	4.1 Actively collecting objects that are strongly related to the history and cultural story of Nelson Tasman.	4.1.1 Acquire at least two items of significance to Nelson Tasman (historical or contemporary).
		4.1.2 Review Collections Management Policy in advance of collection move to ARC.
	4.2 Provide digital access to the regional heritage collection.	4.2.1 Upload 3,000 new object records to Collections Online.
	4.3 Pack and care for the Collection during the transition to the new ARC Facility.	4.3.1 Audit and pack all items in key movement pathways.
5. To improve our sustainability performance.	5.1 Preparation to operate under extreme climate-change related weather events.	5.1.1 Develop an Emergency Management & Collections Recovery Plan.
6. Grow and diversify our revenue streams.	6.1 Identify new funding streams to allow for planned operational developments including ARC.	6.1.1 Develop and implement a new operational plan and budget.

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF FINANCIAL PERFORMANCE

	Actual June 2023	Forecast June 2024	Forecast June 2025	Forecast June 2026	Forecast June 2027
		3.48%	5.62%	3.00%	3.00%
Revenue					
TDC Operating Grant	958,984	992,394	1,048,128	1,079,572	1,111,959
NCC Operating Grant	958,833	991,112	1,047,972	1,079,411	1,111,793
NCC Operating Grant Extra	80,943	83,776	88,464	91,118	93,851
Total Councils	1,998,760	2,067,282	2,184,564	2,250,101	2,317,604
Contracts - Education LEOTC/ELC	82,190	82,189	82,188	82,188	82,188
Other Non Exchange Revenue	36,089	16,684	26,800	28,140	29,547
Exchange Revenue	290,365	250,217	298,380	300,000	307,500
Total Revenue	2,407,404	2,416,372	2,591,932	2,660,429	2,736,839
Staffing	1,214,887	1,361,239	1,413,678	1,441,952	1,470,791
Property	217,785	212,802	209,164	264,622	232,853
Other	205,555	186,344	227,702	232,256	236,901
Total Direct Costs	1,638,227	1,760,384	1,850,544	1,938,830	1,940,545
Gross Surplus	769,177	655,988	741,388	721,599	796,294
Overheads	282,243	268,817	301,429	316,500	332,325
Trustee Fees	70,413	70,440	74,388	76,620	78,918
Finance Costs	7	0	0	0	0
Depreciation	482,953	487,069	487,200	498,000	504,000
Total Operating Expenses	835,616	826,327	863,017	891,120	915,244
Net Result from Operating Activities	(66,439)	(170,339)	(121,629)	(169,521)	(118,950)
Fair Value adjustments on Council Loans	32,816	26,227	19,367	12,225	2,395
Operating Surplus/(Deficit) Before ARC	(99,256)	(196,566)	(140,996)	(181,746)	(121,345)
ARC Project Funding (external sources)	250,000	850,000	12,600,000	-	-
ARC Project Direct Costs	(9,144)	(2,965)	(275,000)	(195,000)	-
Operating Costs ARC	240,856	847,035	12,325,000	(195,000)	-
Net Result incl ARC Project	141,601	650,469	12,184,004	(376,746)	(121,345)

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF FINANCIAL POSITION

	Actual June 2023	Forecast June 2024	Forecast June 2025	Forecast June 2026	Forecast June 2027
Assets					
Cash & Bank	262,956	319,686	435,257	23,686	59,486
Bank (ARC Project)	95,289	189,252	1,119,218	-	-
Debtors	68,708	68,708	68,708	68,708	68,708
Stock on Hand	34,935	34,935	34,935	34,935	34,935
WIP ARC Project	379,238	1,332,310	12,861,635	-	-
Non Current Assets	31,750,567	31,323,498	30,886,298	44,364,200	44,110,200
Total Assets	32,591,693	33,268,389	45,406,051	44,491,529	44,273,329
Liabilities					
Bank Overdraft (Revolve Facility)	-	-	-	-	-
Creditors	118,361	102,652	102,652	102,651	102,651
Creditors ARC Project	-	215,709	350,000	-	-
Wage & Holiday Pay Accrual	85,079	85,079	85,079	85,079	85,079
Grants Received in Advance	4,878	4,878	4,878	4,878	4,878
Loan ex NCC/TDC	639,036	465,263	284,630	96,855	-
Total Liabilities	847,355	873,582	827,240	289,464	192,609
Net Assets	31,744,338	32,394,807	44,578,811	44,202,065	44,080,720
Equity					
Retained Earnings	14,583,164	14,724,765	15,375,234	27,559,238	27,182,492
Current Year Earnings	141,601	650,469	12,184,004	(376,746)	(121,345)
Revaluation Reserve	17,019,573	17,019,573	17,019,573	17,019,573	17,019,573
Total Equity	31,744,338	32,394,807	44,578,811	44,202,065	44,080,720

TASMAN BAYS HERITAGE TRUST

PROJECTED OPERATING STATEMENT OF CASHFLOWS

	Actual June 2023	Forecast June 2024	Forecast June 2025	Forecast June 2026	Forecast June 2027
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Council Operating Grants	1,998,760	2,067,282	2,184,564	2,250,101	2,317,604
Contracts	84,349	82,190	82,189	82,188	82,188
External ARC Funding	250,000	850,000	12,600,000	-	-
Interest Received	9,767	-	-	-	-
Receipts from Other Revenue	305,419	266,900	325,179	328,139	337,047
Payments to Suppliers & Employees	(2,032,873)	(2,102,606)	(2,501,361)	(2,526,950)	(2,351,789)
Interest Paid	7	-	-	-	-
Net Cash from Operating Activities	615,429	1,163,765	12,690,571	133,478	385,050
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Maturing/Sale of Investments	-	-	-	-	-
Purchase of New Property & Fixed Assets	(92,910)	(60,000)	(50,000)	-	(250,000)
ARC Project WIP	(235,295)	(753,072)	(11,395,034)	(1,464,267)	-
Purchase of Investments	-	-	-	-	-
Net Cash from Investing Activities	(328,205)	(813,072)	(11,445,034)	(1,464,267)	(250,000)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Cash from/(to) Overdraft Facility	-	-	-	-	-
Repayment of Council Borrowings	(200,000)	(200,000)	(200,000)	(200,000)	(99,250)
Net Cash from Financing Activities	(200,000)	(200,000)	(200,000)	(200,000)	(99,250)
Net Increase (Decrease) in Cash	87,224	150,693	1,045,537	(1,530,789)	35,800
Opening Cash Balance	271,021	358,245	508,938	1,554,475	23,687
Closing Cash Balance	358,245	508,938	1,554,475	23,687	59,487

8 CONFIDENTIAL SESSION

8.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

8.2 Tasman Bays Heritage Trustee Rotation

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

8.3 Infrastructure Holdings limited - Draft Statement of Intent 2024/2025

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.