



Statement of Corporate Intent

For the period from 1 July 2021 to 30 June 2024





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Introduction

About this Statement

This Statement of Corporate Intent (SCI) is submitted by the Board of Directors of Port Nelson Limited in accordance with Section 9 of the Port Companies Act 1988.

It sets out the Board's overall intention and objectives for Port Nelson Limited for the year commencing 1 July 2021 and the following two financial years.

Throughout the SCI, Port Nelson Limited is referred to as "Port Nelson" or "the Company."

Port Nelson Limited is a subsidiary of Nelson City Council (referred to as "NCC" or "the shareholder") and Tasman District Council (referred to as "TDC" or "the shareholder").

About Port Nelson

Port Nelson is the maritime gateway for Te Taihu – a vital hub for economic activity and a key stakeholder in our region's continued growth and prosperity.

From modest beginnings in the early days of European settlement in Nelson, Port Nelson has welcomed commercial operators and visitors to the region for over 170 years.

Starting with sawn timber, wool, and apple exports in the late 1850s, major export commodities from Te Taihu today include forestry products (logs, sawn, and processed lumber), seafood, pip fruit, and wine. Port Nelson is also the largest seafood processing Port in Australasia, supporting and catering to the needs of some of New Zealand's leading seafood companies and associated fishing fleets.

A third of the cargo through the Port is imported, primarily fuel, empty containers and vehicles.

Port Nelson creates value for its stakeholders by providing a suite of marine, cargo handling, warehousing, logistic, slipway, and property portfolio services.

Marine services include– pilotage, towage, navigation aids, and the berthing, and departure of vessels. The Port operates three tugs and maintains a dredged channel to allow vessels up to 260m in length to access the Port. Cargo handling services include the unloading, temporary storage, and loading of many forms of cargo including containers, logs, cars, fertiliser, cement, methanol, and fuel.

Warehousing and logistics services are provided through our QuayConnect and QuayPack businesses. QuayConnect works with on-site partner QuayPack to offer integrated transport and third-party logistics (3PL) storage solutions to our customers. The Port utilises 23,000m² of British Retail Consortium accredited storage facilities, at the Patterson Logistics Centre, New Zealand's largest on-port storage facility, and has a dedicated and scheduled trucking service. QuayConnect enables the efficient connection of products to market.

Port Nelson's scope of services also includes slipway services for vessels up to 2,400t. This facility supports one of New Zealand's strongest marine engineering clusters.

In addition, the Port has over 235,000 m² of commercial land that it develops and leases to support the fishing, marine services, and other export-related industries.

Port Nelson's Purpose

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

Commercial success is critically important to the Port, and enables a fair return to our shareholders for the funds invested and enables the Port to sustain and modernise its infrastructure. At the same time, without regional customers who can be competitive in national and international markets and without a safe and motivated Port Nelson Team, the Port would not be in business. Overlaying these drivers and stakeholders recognise the legacy and inter-generational responsibilities that the Port has to the Te Taihu community and the environment.

The Port has five key stakeholders which are equally considered in all business decisions of the Port.

The Stakeholders and our foundation goals related to each are shown below:

Purpose:
To facilitate regional prosperity
Kia āhei ki te kōkiri whakamua ki te taumata ā-rohe



Port Nelson is the maritime gateway for Te Taihu - a vital hub for economic activity.

Our Performance in 2021

Refer to Port Nelson's 2021 Financial Statements & Disclosures at portnelson.co.nz for the Ports 2021 performance results

2021 was marked by severe disruptions to the supply chain as the impacts of COVID-19 continued to reverberate globally. Locally, the region also experienced a severe weather event on boxing day, causing a \$100mil loss for the pipfruit industry.

These impacts included shipping disruptions, inconsistency of container supply for exporters, lack of space on container vessels, dramatic increases in shipping costs, and labour shortages. Locally, the region experienced a severe weather event on boxing day, causing a \$100mil loss for the pipfruit industry. This was followed by wind, frost, and rain events that damaged the 2021 grape harvest throughout Te Taihupo.

The brunt of these impacts has been felt by the region's exporters and the Port fully empathises with the difficulties they have been experiencing.

Managing the disrupted shipping and supply chain placed significant pressure on the Port Team. We are proud of the way our people adapted and worked through the challenges. The Port was also able to push through a number of key growth and improvement initiatives this year, including:

- Committing to a carbon reduction programme using science-based initiatives that contribute to keeping global warming below 2 degrees
- Achieving a dramatic reduction in all Health & Safety incident statistics
- Promoting and enabling the possibility of a Science and Technology Precinct at the 'front door' of Nelson City

- Establishing the opportunity to redevelop the slipway operation in Nelson for the benefit of the local marine engineering cluster
- Obtaining approval to establish a holding company to support the Port and Airport in accessing more effective borrowing facilities
- Completing the \$20m Main Wharf North redevelopment and procurement of a new crane and new style of full container mover

A review of the year's performance is covered below through each of our stakeholder lenses.

Our Customers

A frustrating year for many. The demand for both exports and imports was strong, however the lack of both ships and equipment saw cargo volumes across the Port drop.

- Total cargo was 3.3 million tonnes; down 3.4% on budget
- Container numbers were 103,000; down 13% on budget

The drop-in container volumes particularly impacted the apple and wine exporters.

On the positive, log exports were strong with exporters buoyed by strong log export prices, largely driven by demand in China.

Operational efficiency at the Port was severely impacted by ship omissions and delays. This required our container terminal operators and stevedores to continually reorganise the terminal and depot to meet the needs of the ever changing shipping schedule.

Disruption to supply chains also provided opportunities. The Port's logistics and warehousing operations, QuayPack and QuayConnect, were active in supporting customers respond to the delays in shipping and in sourcing alternative routes to market. New technologies implemented in QuayConnect were critical in this responsiveness.

Our Environment

The Port announced its environmental and sustainability strategy during the year, adopting science-based targets that established an objective to reduce the Port's carbon footprint by over 42% over the next 15 years. The Port identified four key environmental strategies and drafted 3-5 year action plans for each strategy.

The Port commenced a stormwater upgrade of the log yard area to improve the capture of bark debris.

Other environmental initiatives included the purchase of replacement plant, which is estimated to be 40% more fuel-efficient and has 50% less tyre burn than the previous plant, and the commencement of a dust reduction project for the log yard area.

Noise management stemming from port operations continued to be prioritised, with the Port investing in infrastructure and equipment to lessen these issues. No significant noise events were generated by the Port during the year.

Our People

COVID-19 protocols and requirements placed a heavy load on many of the Port Teams. Approximately 100 of our people are in the mandatory COVID testing regime, with a number of these facing weekly rather than fortnightly tests. The compliance of our team has been outstanding and is a credit to them.

Port operations around vessels have continued under COVID level 3 or 4 conditions throughout the year and the Port is confident, but not complacent, in the security of this critical border for our community.

Vaccination rates at the Port compare favourably with other Port operations around New Zealand.

A major push on reducing Health & Safety incidents proved successful with dramatic reductions, this was particularly in our stevedoring area which poses the highest level of risk to our people. The Port also completed a review of its Critical Risks (risks that could kill or main a worker) and undertook 44 detailed reviews in these areas.

The Port has also fully reviewed its health & safety system against the International Standard ISO 45001. Improvement projects are underway to address any shortfalls.





Our Community

Engaging with Te Taihū iwi has been a priority for the Port this year. While a respectful relationship with iwi has existed for many years, the Port sees an opportunity to engage in a more sustained and holistic manner rather than focusing on major events.

Sponsoring community events is important to the Port. Our areas of focus for sponsorship are marine related community and environmental sustainability activities, community events and charities that reflect the Port's key platforms, and initiatives that encourage business innovation particularly in the export sector.

This year sponsorship recipients included: Hearing Nelson's School Dangerous Decibel Workshops, Nelson Tasman Chamber of Commerce: Port Nelson Export Hub, Maitahi Outrigger Canoe Club's radio equipment, Navy Cadet's new rescue boat, as well as roll-over sponsorships such as the Haulashore trapping programme, Port Nelson's charity golf tournament in aid of LifeLine and QuayConnect's key backing of the Marlborough Wine Show.

Due to COVID-19, Port Nelson was unable to hold its public open day. However, the Port did hold a smaller event as part of Tuku 21 Whakatū Heritage Month. The Port displayed a historical exhibition, had family

activities, and four highly-in-demand Port tours throughout the event.

The Port paid \$4mil in dividends to Nelson City Council and Tasman District Councils during the year.

The Port has also been a strong advocate and leader for the redevelopment of Nelson's slipway facilities. A package has been put together with central government, Nelson City Council, the local marine industry, and the Port, to fund and support the development. At the close of the year, we are positive of a construction start in the new financial year.

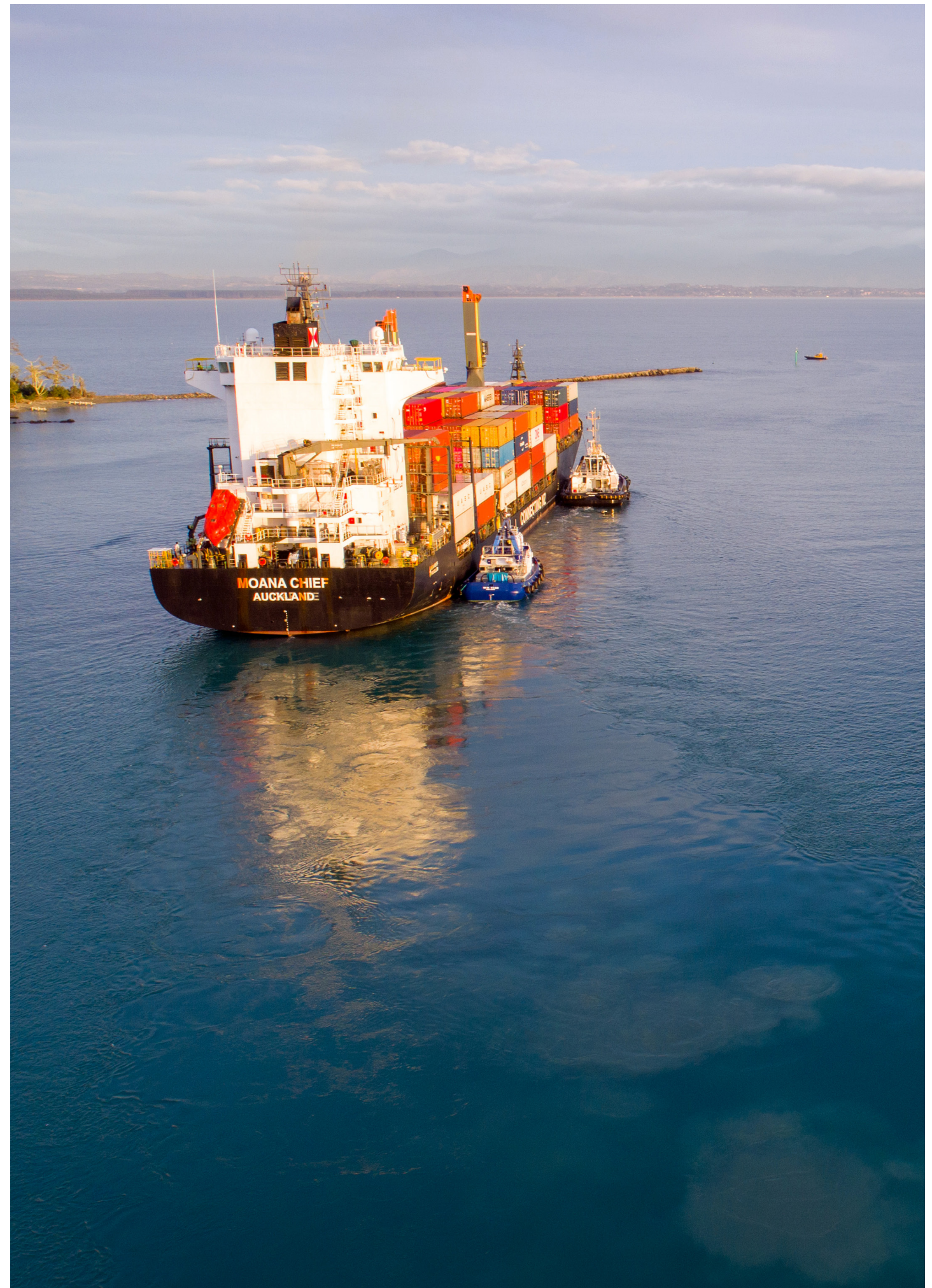
Our Shareholders

Coming into the year, the Port envisaged a slow recovery due to the impact of COVID-19. As a result, we forecast our smallest profit budget for five years. Due to the lower cargo volumes, revenue was below budget, however the Port put considerable effort into cost reduction and deferral of costs to future years. A reduction in insurance costs and most significantly deferral of maintenance costs to future years has resulted in the Port delivering a strong profit for 2021. The final result will be finalised post audit. At the time of providing this statement, the forecast 2021 Net Profit After Tax (NPAT), excluding investment property revaluations of \$3.9 million is \$9.1 million.

Port Nelson continues to invest in critical infrastructure for the sustainability of regional Port services. At a cost of \$9.6mil, a new replacement crane was commissioned in December 2020. Work on replacing and strengthening 100m of Main Wharf North has been completed. Further work to the surrounding area of the wharf is expected to be completed by the end of July 2021.

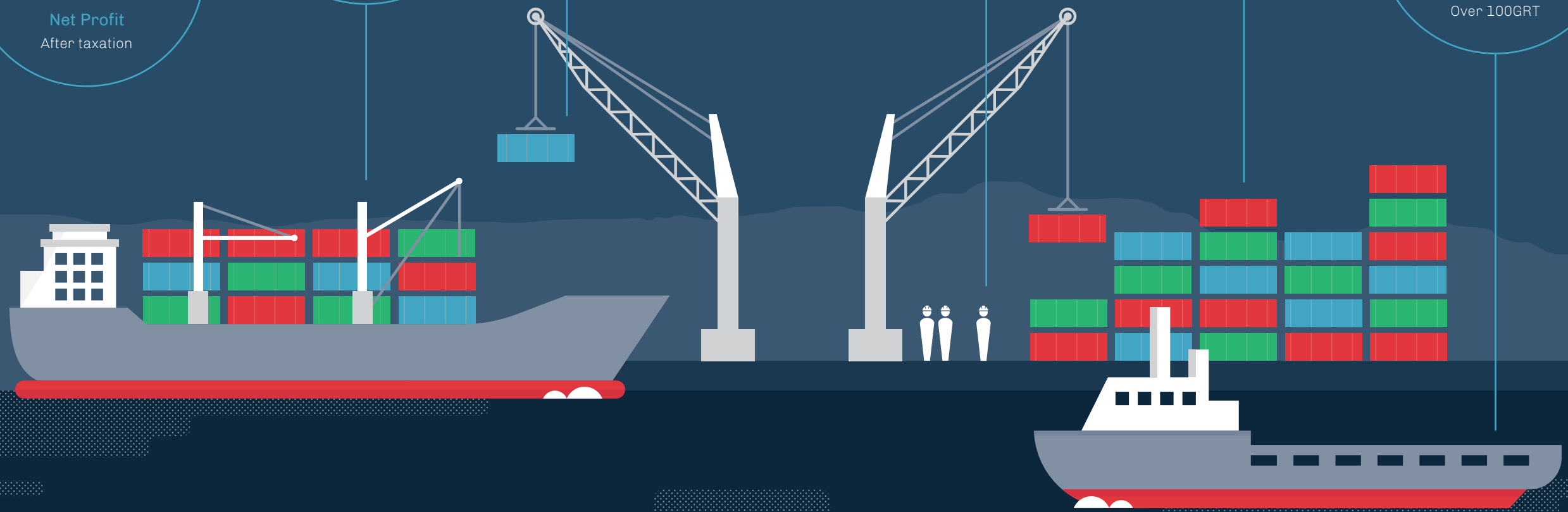
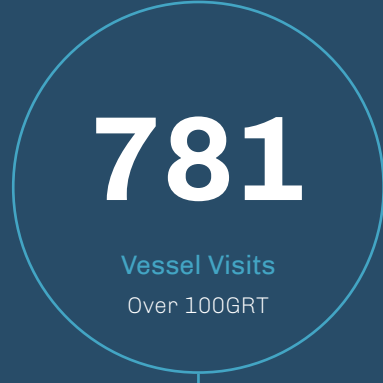
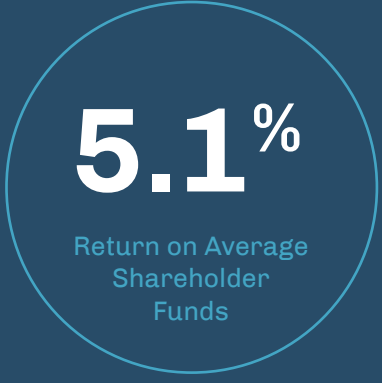
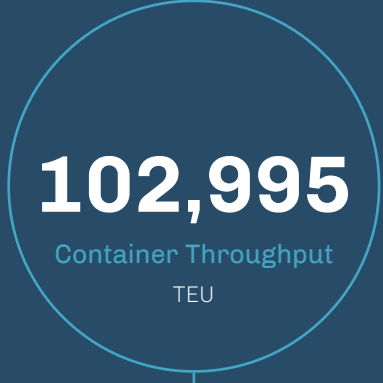
Property investment remains a critical part of the Port's strategy. Accordingly, the Port explored several opportunities to grow its property portfolio during the year and announced the Science and Technology Precinct development. This project, promoted in association with Cawthron Institute, and supported by Nelson City Council, is an exciting initiative that will hopefully lead to the introduction of new businesses to the region that are focused on the science and technology sector.

The Port's shareholders announced the establishment of a holding company in response to a proposal from the Port. The initiative will provide Port Nelson and Nelson Airport access to lower cost of funding.





2021 Performance



Looking Forward

Port Nelson has a very clear view of its role as a Port company. We work to be a smart regional Port serving our natural catchment, Te Taihū, in a sustainable manner while providing strong and consistent dividends.

Five foundation goals drive the business:

- **Provide leading port and logistics operations and drive supply chain innovation** – keep getting better and more efficient at what we do.
- **Improve our environment** – work to reduce the impact we make on the environment, both carbon emissions and non-carbon impacts.
- **Build and keep safe a high-performing team** – our team arrives at work motivated and equipped to excel and returns home safely.
- **Improve our community** – we will be a transparent and respectful part of our community, strengthening its wellbeing.
- **Deliver strong returns to our shareholders** – our returns will be fair (appropriate return on assets); sustained (ensure that the infrastructure and technology is optimal); and predictable (diversified, to enable our shareholders to manage their budgets).



“We will be a transparent and respectful part of our community, strengthening its wellbeing.”

Our three year objectives are:



“We work to be a smart regional Port serving the Te Taihū region”

2022

The 2022 year will reflect many of the challenges that we saw in 2021.

Shipping disruption and container supply constraints will continue to be issues. Availability of space on container vessels and the high cost of exporting will also be a challenge for exporters. Adding to this risk at the waterfront will be the possibility of disruption due to labour constraints arising from the general shortage of labour in the country and the added pressure that COVID testing and compulsory vaccinations are placing on that labour.

Like many in our community, the Port Team goes into the new financial year with a level of fatigue from the challenges of the last year. Team wellbeing and its implications on safety will be a high priority for the Port this year.

Offsetting the COVID related frustrations, the Port has numerous exciting growth and improvement initiatives planned for the year, these include:

Our Customers

- Improving the efficiency of the logistics link between Nelson and Marlborough, primarily for the benefit of the wine industry, while also improving resilience and reducing carbon emissions
- Efficiency and safety improvement in the stevedoring of logs
- A survey of export customers and shipping lines to obtain feedback on services and required improvements
- Implementation of two technology projects. One to improve container yard efficiency and one to improve export customer visibility of the logistics chain

Our Environment

- Commencing operator education programmes and monitoring to reduce carbon emissions
- Scoping of a healthy harbours initiative
- Improved noise monitoring and operator feedback systems

Our People

- Embedment of critical risk management in the operational businesses
- Embedment of fatigue risk management in the operational businesses
- Two team engagement surveys
- Major event emergency response planning and drill

“The Port has numerous exciting growth and improvement initiatives planned for the year.”

Our Community

- Develop and agree an iwi engagement and Te Ao Māori plan
- Commence the slipway redevelopment programme
- Maintain a safe Port from a COVID perspective

Our Shareholders

- Technology platform established for an asset management approach to maintenance
- Holding company for PNL and NAL established to access cost-effective funding
- Science & Technology Precinct Master Plan and feasibility completed, with first tenant commitment
- Long term Strategic Plan and Infrastructure Master Plan completed
- Economic improvement plans established; targeted at lifting Return on Assets





Shareholder Letter of Expectations

Specific matters referred to in the Shareholders, Letter of Expectations, but not directly addressed elsewhere in this Statement are covered below:

Compliance with legislation and reporting on health and safety matters must be given due emphasis: The Port's H&S systems are fully compliant with legislation and are being developed to achieve higher standards through adopting the international standard, ISO45001. The Port regularly undertakes external audits and has a robust internal audit process.

Sustainability: In adopting the science-based target initiative approach to emissions reduction, Port Nelson looks at carbon reduction through three lenses. Scope 1 deals with fuel and Scope 2 with Electricity. By the end of 2022 we are targeting a 9% reduction in Scope 1 and 2 fuel use from 2019. This will initially come from operator education and plant optimisation, as well as recognition that electricity supply comes from renewable resources. Scope 3 can be split into two components: company controlled matters such as travel and waste – in these areas we are looking at a 2% reduction from 2019. The second component

is influencing the decisions of our suppliers and customers – in this area we are focusing on our key supplier areas and seeking to support, then monitor their emissions.

Capital expenditure and asset management intentions: The capital budget for 2022 is \$18m. Key areas of investment include: the Nelson Slipway redevelopment; log yard paving and the upgrade of environment management facilities; purchase of land and buildings; pavement strengthening; and investment in technology. Maintenance expenditure for 2022 is forecast to be \$3.8m. This is up on the previous year, reflecting the deferral of work from that year. A key focus for the year is establishing a technology platform that will enable maintenance to move from a reactive to a planned nature, with the objective of reducing long-term maintenance costs.

Risk management – including natural hazards and climate change: The Port maintains a current risk management schedule and reports on risk matters each month to the board, with a quarterly overview. 'Deep dives' are undertaken at each board meeting into key risks. Reporting on climate change risks, both the potential impact on business trading operations and direct impacts on the Port's infrastructure, will commence in the 2021 Annual Report. Natural hazard risks form part of the risk matrix. Significant work has been undertaken in 2021 to understand exposures. This information is feeding into our capital and maintenance planning and will be a key part of our Infrastructure Master Plan.

Relationship of Māori and their culture and traditions related to decisions that affect land or water: Through the Resource Management Act consultation process the Port has engaged with iwi on historic matters related to land and water. With the Port's refreshed approach to iwi engagement, the Port will be looking for earlier engagement with iwi related to wider matters than impacts on land and water.

Challenges of COVID-19 and the likely economic downturn: This Statement has addressed both the impact of COVID on the Port's people and the detrimental impact that COVID related matters will have on the Port's financial performance.



Performance Targets

For the three year period July 2021 to June 2024

The performance targets are presented as an annual measure of our progress against each key stakeholder outcome.

Performance Measure FY2022

Customers

Cargo Volumes of 3.3mil revenue tonnes
 Container Throughput of 111,000 TEU
 Vessel Visits of 781
 Average container crane rates exceed 21.4 moves per hour
 Customers engagement survey exceeds 70% satisfaction score

Environment

A 9% gross reduction on FY19 Scope 1 and 2 carbon emissions
 A 2% gross reduction on FY19 levels in scope 3 carbon emissions (controlled by PNL)
 Maintaining Port Nelson's ISO 14001 Certification
 No significant noise events >89 dbA LMAX at the noise monitor
 A Port Nelson sponsored initiative to halt the loss of biodiversity/prevent the extinction of threatened species
 No uncontrolled discharges from the Port Nelson operational area to the coastal marine area
 Compliance with regulatory requirements
 Compliance with NZ Maritime safety standards

People

Critical Risk Verification Reviews >50 per year
 Lost Time Injury Frequency Rate <2
 Lost Time Injuries greater than 5 days <4 incidences
 Employee engagement survey exceeds 70%

Performance Measure FY2022

Community

Dividends paid to the shareholders are not less than 50% of net profit after tax.
 Sponsorship >1.2% of NPAT
 Iwi Engagement and Te Ao Plan agreed
 Commence the Nelson Slipway redevelopment
 Port Nelson will hold a public open day

Shareholders

Revenue of \$72mil
 EBIT of \$13.4mil
 NPAT of \$8.6mil
 Return on Equity of 3.3%
 Gearing <45%
 Return on Assets of 2.2% (NPAT/Total Assets)

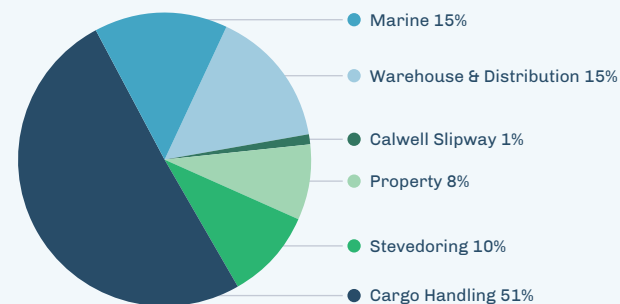
Financial Performance

For the three year period July 2021 to June 2024

	2022	2023	2024
Operations			
Cargo volume (expressed as millions of tonnes)	3.3	3.4	3.5
Container throughput (expressed as thousands of TEU)	111	120	121
Shipping tonnes (expressed as millions of GRT)	10.3	10.4	10.4
Vessel visits	781	785	787
Financial			
Revenue	\$72m	\$73m	\$74m
Earnings before interest, tax, depreciation and amortisation	\$26m	\$27m	\$27m
Net profit after taxation	\$8.6m	\$10m	\$9m
Total assets	\$371m	\$373m	\$380m
Total borrowings	\$75m	\$72m	\$73m
Total equity	\$261m	\$266m	\$271m
Shareholder funds to total assets	70.2%	71.3%	70.8%
Gearing	22.4%	21.3%	21.3%
Return on equity	3.3%	3.6%	3.4%
Return on assets	2.3%	2.6%	2.5%
Dividend declared	\$4.3m	\$5m	\$4.5m

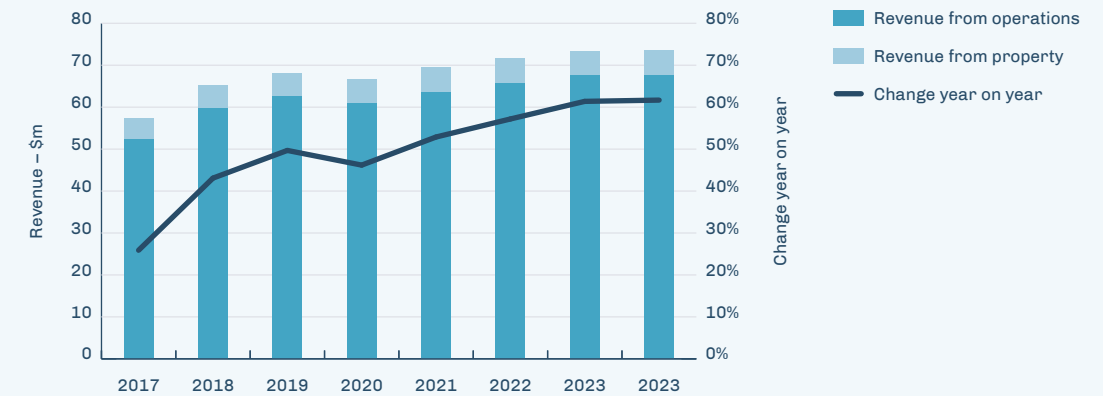
Revenue Breakdown

For the year ended June 2022



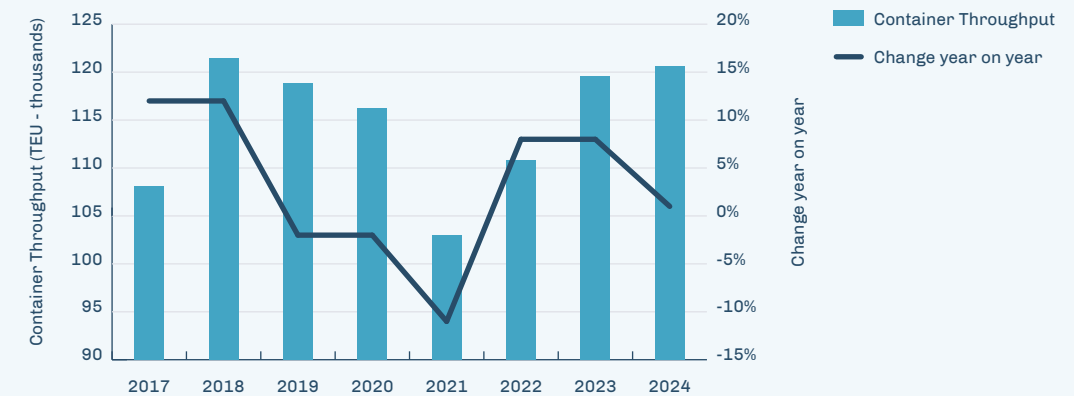
Revenue

2017 - 2024



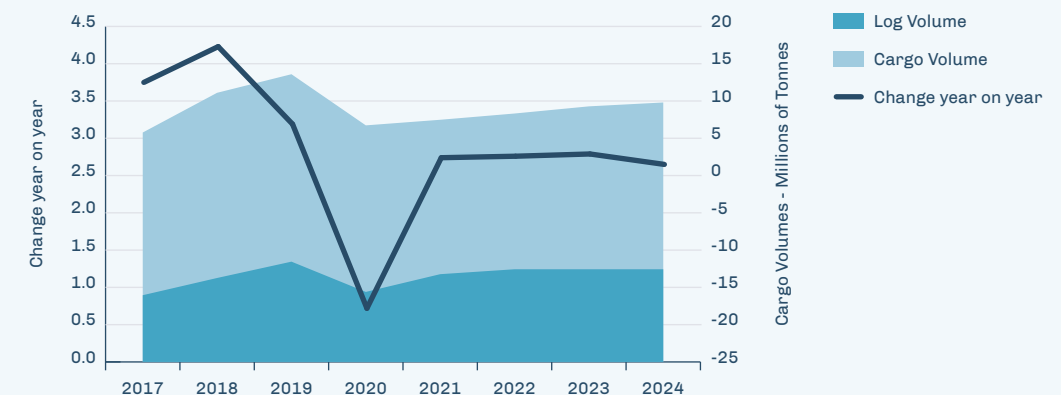
Container Throughput

2017 - 2024



Cargo Volume

2017 - 2024



Governance

Port Nelson recognises the importance of strong corporate governance to its ability to create value for its stakeholders. Accordingly, Port Nelson has a comprehensive set of governance structures and practices to promote best practice, high ethical standards and sound decision making in all areas of Governance activity.

Company

The company's principal objective is to operate as a successful business as defined by section 5 of the Port Companies Act 1988.

Corporate Code of Governance

The Board of Port Nelson operates within an agreed Corporate Code of Governance and Board Charter reviewed annually by the Board.

Board

The Shareholders appoint the Board. The Board is responsible for the governance, strategic direction and monitoring of the company's business to achieve its objectives in accordance with Port Nelson's Corporate Code of Governance and Board Charter.

Board Committees

The Board uses committees to allow areas requiring detailed consideration to be dealt with separately by Directors with specialist knowledge and experience, thereby enhancing the effectiveness of the Board. Accordingly, the Board has constituted two standing committees: the Finance and Risk Committee and the Remuneration and Appointments Committee. In addition, it may form ad hoc committees to deal with specific issues.

Chairperson

The Board elects a Chairperson and may elect a deputy Chairperson or alternate. The Chairperson is to be responsible for the efficient functioning of the Board.

Chief Executive

The Board appoints a CEO. The CEO is responsible for leading and managing the company in accordance with the directions of the Board. The CEO may further delegate to other levels for day to day operational decisions of the company in accordance with delegated authorities as approved by the Board.

Health and Safety

Health and Safety governance is a priority for the Board. The Board will take a leading role in health and safety by reviewing and approving the safety management plan and understanding the effectiveness of the Company systems and performance.

The Board supports the "Good Governance Practice Guidelines for Managing Health and Safety Risks" produced by the Institute of Directors and the Ministry of Business, Innovation and Employment.

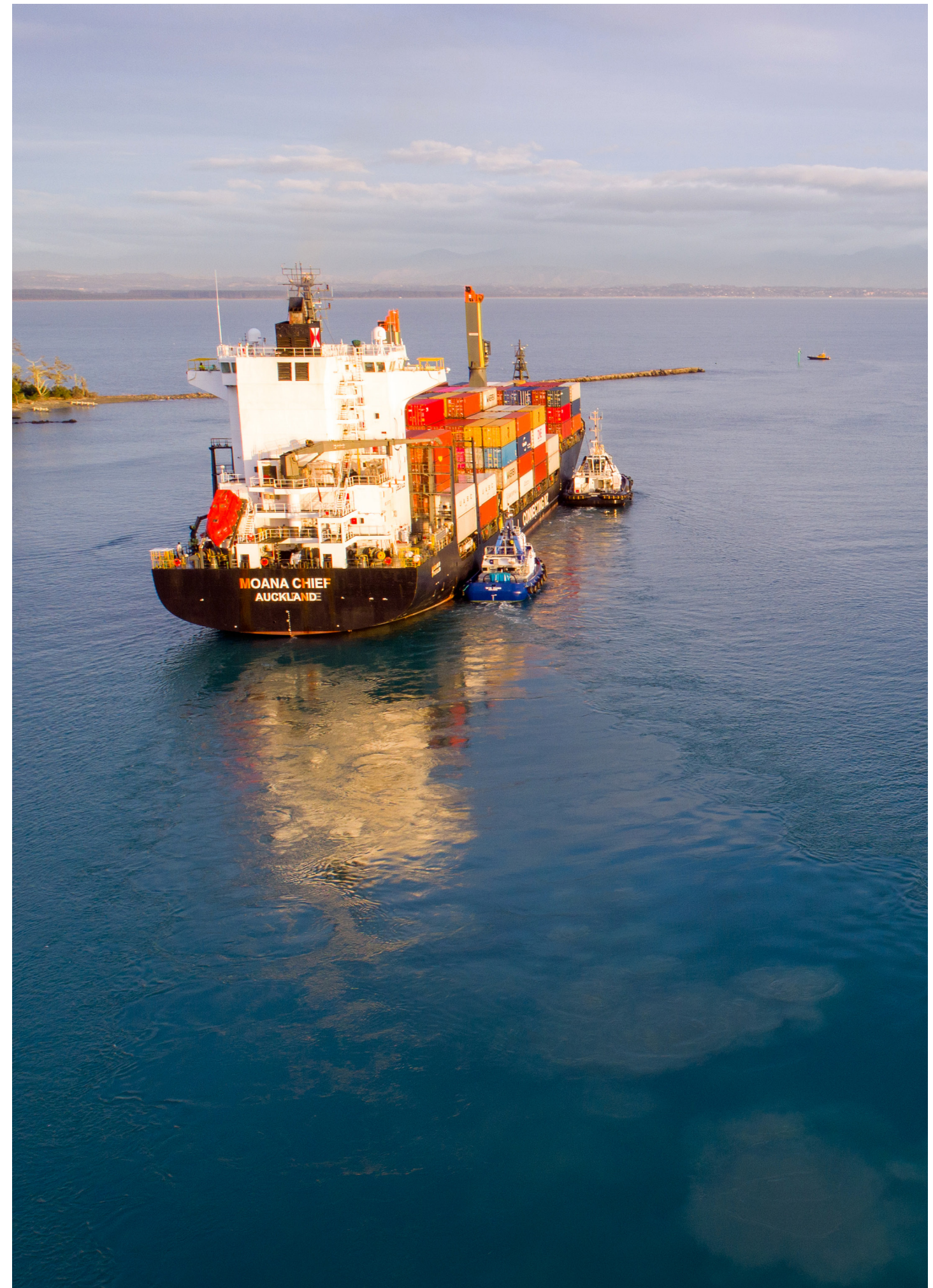
Port Nelson takes an active role in the Business Leaders' Health and Safety Forum and a lead role in health and safety amongst the region's businesses.

Dividends and Distribution

The Port Nelson Board will use its best endeavours to accommodate the Shareholders desire for dividend growth within the constraints imposed by the Directors' obligations to act in accordance with their statutory duties.

The Shareholders desire to receive dividends representing not less than 50% of net profit after tax. Similarly, the Port Nelson Board expectation is that not more than 75% of net profit after tax shall be distributed to the shareholders. This policy does not cover special dividends.

Proposed dividend distributions are expected to be \$4.3m for the year ended June 2022, followed by \$4.9m and \$4.7m for the next two years.



Stakeholders

The Port has adopted the principle of transparency when it comes to reporting to its key stakeholders. Over the period covered by this Statement of Corporate Intent, the Port will evolve an integrated reporting framework.

Annual Statement of Corporate Intent (SCI)

The company will not later than one month after the commencement of each financial year provide the shareholder with an SCI as required by the Port Companies Act and any other information it considers appropriate. The SCI will be finalised within three months of the commencement of the new financial year.

Half Yearly Report

Within two months after the end of the first half of each financial year, the company will deliver to the Shareholders and the Minister of Transport its Half Yearly Report prepared in accordance with the NZ IFRS and the Financial Reporting Act 1993, including the unaudited consolidated financial statements and performance commentary, together with such other information as the Board consider appropriate. The report will include:

- Performance Commentary
- Statement of Comprehensive Income
- Balance Sheet
- Statement of Cash Flows
- Performance against the SCI Performance Targets and Other Measures

Annual Report

Within three months after the end of each financial year, and no less than ten working days from the date on which the shareholders meeting is to be held, the company will deliver to the Shareholders and the Minister of Transport its Annual Report prepared in accordance with the reporting requirements of the NZ IFRS and the Financial Reporting Act 1993 and will include the audited annual consolidated financial statements and performance commentary, together with such other information as the Board considers appropriate.

The report will include:

- Performance Commentary
- Statement of Comprehensive Income
- Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity
- Notes to the Financial Statements
- Performance against the SCI performance targets and other measures
- Auditor's Report

Quarterly Reporting

Within six weeks after the end of each financial year's September and March quarters, the company will deliver to the Shareholders a quarterly report on the preceding quarter. The company's quarterly report to Shareholders shall include a performance commentary, together with such other information as the Board consider appropriate.

Financial results for the December and June quarters will be incorporated in the Half Year Reports and Annual Reports to be delivered to Shareholders in accordance with the timetables of those stated above.

Any reports provided to the Shareholders may be released at their discretion.

General Disclosure

The company will provide information to the Shareholders on an ongoing but confidential basis to ensure that the Shareholders are informed promptly of significant events related to the company and which may affect the Shareholders.

Any reports, including the Company's Quarterly and Half Year reports provided to the Shareholders, may be released to the public at their discretion.

Communication of Information

For all formal reports and ad hoc business matters, the company's primary line of communication is direct to the Shareholders or their nominated representatives.

Procedure for Acquisition of Shares

The company's ability to subscribe for, purchase or otherwise acquire shares in any company or other organisation is governed by the Company's Constitution and the Companies Act 1993. Any major share investment (other than operational investment) inconsistent with the five-year strategic plan will be subject to Shareholder approval.

Compensatory Activities

The company will seek compensation for all non-commercial activities performed by it on behalf of local authorities.

Value of Shareholder's Investment

The Directors assessment of the value of the Shareholders investment in the company is \$260m. The value is the prospective value of Total Shareholders' Funds as at June 30, 2022.



Financial Statements Summary

For the three year period July 2021 to June 2024

	2022	2023	2024
	\$000	\$000	\$000
Revenue			
Port Operations	65,570	67,510	67,640
Property	5,970	5,920	5,920
Total revenue	71,540	73,430	73,560
Expenses			
Employee Benefit Expenses	21,330	21,700	21,720
Other Operational and Property Expenses	24,510	24,520	25,150
Earnings before Interest, Tax, Depreciation and Amortisation	25,700	27,210	26,690
Depreciation and Amortisation	10,590	11,040	11,080
Earnings before Interest and Tax	15,110	16,170	15,610
Net Financing Costs	2,800	2,330	2,260
Net profit before income tax	12,310	13,840	13,350
Income Tax	3,700	4,160	4,020
Net profit after income tax	8,610	9,680	9,330

Balance Sheet

For the three year period July 2021 to June 2024

	2022	2023	2024
	\$000	\$000	\$000
Current assets			
Cash and Cash Equivalents	70	150	270
Trade and Other Receivables	10,550	10,660	11,130
Inventories	570	570	570
Prepayments and Accruals	240	240	240
Total Current Assets	11,430	11,620	12,210
Less current liabilities			
Trade and Other Payables	3,320	3,010	4,360
Employee Benefit Entitlements	1,850	1,500	1,140
Tax Payable	2,370	2,440	2,400
Dividend Payable	2,500	3,000	3,000
Derivatives - Cash Flow Hedges	260	260	260
Noise Mitigation	150	150	150
Total Current Liabilities	10,450	10,360	11,310
Working capital	980	1,260	900
Non-current assets			
Property, Plant and Equipment	330,980	332,870	340,000
Intangible Assets	3,070	2,760	2,290
Investment Properties	25,480	25,480	25,480
Derivatives	0	0	0
Total Non-Current Assets	359,530	361,110	367,770
Less non-current liabilities			
Employee Benefit Entitlements	260	260	260
Deferred Tax Liability	18,390	18,390	18,390
Term Loan	75,140	72,010	73,530
Derivatives - Cash Flow Hedges	5,820	5,820	5,820
Noise Mitigation	160	130	90
Operational Lease Liabilities	170	0	0
Total Non-Current Liabilities	99,940	96,610	98,090
Net assets	260,570	265,760	270,580
Shareholders' funds			
Issued Capital	6,050	6,050	6,050
Retained Earnings	84,520	89,710	94,530
Asset Revaluation Reserve	174,280	174,280	174,280
Hedging Reserve	4,280	4,280	4,280
Total shareholders' funds	260,570	265,760	270,580

Statement of Cash Flows

For the three year period July 2021 to June 2024

	2022	2023	2024
	\$000	\$000	\$000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers	65,060	67,420	67,240
Rent received	5,950	5,920	5,920
Interest received	0	0	0
	71,010	73,340	73,160
Cash was applied to:			
Payments to suppliers and employees	41,590	46,260	46,280
Interest paid	2,650	2,340	2,260
Taxes paid	3,650	5,070	5,050
Net GST paid/(received)	40	50	140
	47,930	53,720	53,450
Net operating cash inflows	23,080	19,620	19,710
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant and equipment	0	500	0
	0	500	0
Cash was applied to:			
Purchase of property, plant and equipment	17,370	12,160	16,010
Purchase of intangibles	1,480	750	600
	18,850	12,910	16,610
Net investing cash (outflows)	(18,850)	(12,410)	(16,610)
Cash flows from financing activities			
Cash was provided from:			
Loans borrowed	11,470	7,970	7,110
	11,470	7,970	7,110
Cash was applied to:			
Loans repaid	12,000	11,100	5,590
Dividend paid	4,000	4,000	4,500
	16,000	15,100	10,090
Net financing cash inflows/(outflows)	(4,530)	(7,130)	(2,980)
Net increase/(decrease) in cash held	(300)	80	120
Cash and cash equivalents at 1 July	370	370	150
Cash at 31 December 2020	70	150	270

Accounting Policies

Port Nelson Limited is a for-profit company incorporated under the Companies Act 1993 and created pursuant to the Port Companies Act 1988.

The accounting policies for Port Nelson are consistent with the legal requirements of the Companies Act 1993, the Financial Reporting Act 1993 and prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable reporting standards appropriate for profit-orientated entities.

Port Nelson's accounting policies are detailed in the most recent annual financial statements, which can be found using the following link:

<https://www.portnelson.co.nz/news-room/publications/>



PORT  NELSON

Port Nelson
Nelson 7010, New Zealand

