



## Financial report contents

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## Directors' Report

Your Directors present their report on the consolidated entity consisting of Adelaide Airport Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024 (referred to hereafter as the Group or Adelaide Airport Limited or 'AAL').

### Directors

The following persons were Directors of Adelaide Airport Limited during the financial year and up to the date of this report:

Alan Wu  
 Brenton Cox  
 James (Jay) Hogan  
 John Ward (passed away 17 August 2024)  
 Liša Brock  
 Michael Gorman  
 Michael (Mike) Hirst (Appointed 29 August 2023)  
 Robert Chapman  
 Vivien Cheung  
 Abbie Sui (Alternate for Vivien Cheung from 1 August 2024)  
 Kate McCawe (Alternate for Alan Wu)  
 Kent Robbins (Alternate for John Ward and Michael Gorman until 29 August 2023)  
 Sandra Lee (Alternate for Michael Gorman, John Ward until 17 August 2024 and Mike Hirst from 29 August 2023)

### Principal activities

The Group acts principally within the airport industry in Australia by virtue of holding the leasehold interests in Adelaide and Parafield airports.

### Dividends

Dividends provided for during the financial year were as follows:

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Final ordinary dividend of \$10.87 (2023: nil) per fully paid share paid on 27 June 2024	<b>20,700</b>	-
Redeemable Preference Share dividend (in quarterly instalments)	<b>21,574</b>	21,685
	<b>42,274</b>	21,685

Dividends on Redeemable Preference Shares (RPS), which are classified as finance costs, amounting to \$21.6 million were provided for during the year (30 June 2023: \$21.7 million).

The Group recommenced the payment of dividends in FY24 with a payment of a fully franked dividend of \$20.7 million in June 2024, providing shareholders \$8.9 million in franking credits in addition to the \$20.7 million cash.

The Group refinanced the RPS which matured on 18 June 2024 through the issuance of a new 10-year RPS instrument, with the proceeds applied to the repayment of the maturing RPS. In relation to the matured RPS, the Group made total distributions amounting to \$28.3 million. This included interest payments for the June 2023 to March 2024 quarters, which were made within the original 90-day payment terms, as well as the final interest payment covering the period from 31 March 2024 to 18 June 2024 which was paid on the maturity date. A redemption premium of \$1 per share was also paid on the maturity date.

### Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the year.

### Review of operations

#### Net Operating Results

The Group's full year earnings before interest, income tax, depreciation and amortisation (EBITDA) excluding changes in fair value of investment properties was \$173.4 million, outperforming the prior year by +\$16.9 million or +10.8%.

EBITDA outperformance compared to prior year was due the continued recovery of passenger volumes. The increase in EBITDA included a +\$33.6 million or +13.4% increase in revenue, partially offset by a \$(16.7) million or (17.7)% increase in operating cost.

#### Passenger Numbers

Total passenger volumes during FY24 reached 8.5 million, an increase of 9.7% compared to prior year, reflecting the introduction of new domestic and international services, as well as expanded capacity on existing routes. FY24 total passenger numbers fully recovered to pre-COVID levels.

Passenger numbers on the Group's domestic routes rose by 7.8% year-on-year and now exceed pre-COVID levels by 1.2%.

International passenger numbers increased by 37.1% compared to the previous year, driven by significant capacity growth across existing networks and the launch of flights to a new destination. However, this segment continues to be impacted by the delayed return of pre-COVID carriers, particularly in the Chinese market. International passenger numbers were 9.9% below pre-COVID levels for the year.

#### Revenues

Total revenue has increased from prior year by +\$33.6 million or +13.4% due to passenger driven revenue streams including aeronautical charges (including mandated security charges), car parking and turnover rent on retail, particularly in the international market where Duty Free benefitted from a full year of operations after reopening in November 2022. This revenue growth was also supported by the transition to new aeronautical pricing agreements and escalations tied to inflation.

Revenue growth was also supported by an increase in non-passenger linked revenue sources including growth in property revenue due to new developments and the impact of annual rent reviews.

#### Expenses

Operating expenditure for the full year was \$111.2 million, an increase of 17.7% compared to FY23 due to increased activity across the organisation, including government-mandated security charges and additional resources to support operations. The increase also reflects inflationary pressures on the cost base and changes in the regulatory and operating environment, such as higher costs related to cyber security prevention, detection, and monitoring, as well as the transition of software licenses to Software-as-a-Service arrangements.

Additionally, the cost base was impacted by market adjustments reflecting the current labour market, new electricity pricing under the renewable Power Purchase Agreement from 1 January 2024, and increased utility expenses associated with higher site valuations. The Power Purchase Agreement includes additional costs for Large-Scale Generation Certificates for the renewable energy which has eliminated carbon emissions from the Group's own electricity use.

Operating expenditure also includes an allowance for expected credit loss, primarily related to aeronautical customers currently undergoing administration or liquidation.

### Liquidity and Capital Management

The Group held unrestricted cash balances of \$339.6 million at 30 June 2024. The cash balance together with undrawn bank debt facilities of \$345 million are forecast to provide sufficient liquidity to meet operational and capital requirements for the foreseeable future.

The Group established \$200 million of new 5-year revolving bilateral bank facilities in March 2024 to facilitate debt funding of future capital expenditure and has drawn \$90 million of this facility after cancelling and repaying the \$50 million ESG loan scheduled to mature in December 2025.

In April 2024, the Group issued \$200 million in new 7-year Australian dollar medium term notes (AMTN), ahead of the existing facility's maturity in July 2024. As a result, total debt balances of \$1,436.3 million reduced by \$200 million on 12 July 2024 following repayment of the maturing AMTN, with an equivalent decrease in cash balances.

The Group completed the issuance of new RPS on 18 June 2024, the proceeds of which were used to repay an equivalent amount of RPS that matured on that date. The new RPS mature in FY34 and are classified as non-current.

Statutory profit adjusted for the investment properties fair value movement and consequential tax impacts was as follows:

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Profit after tax	<b>83,477</b>	43,600
Less:		
Changes in fair value of investment properties (net of tax)	<b>(29,103)</b>	(2,821)
<b>Profit after tax (before investment property revaluation)</b>	<b>54,374</b>	40,779

### Matters subsequent to the end of the financial year

On 12 July 2024 the Group repaid \$200 million of existing Australian dollar medium term notes which reached maturity.

On 30 July 2024, Regional Express Holdings Limited and a number of its subsidiaries entered voluntary administration. This development is not expected to materially affect the Group's financial position or operational outlook.

On 19 August 2024, Minister King approved the draft Parafield Master Plan without conditions. The next Parafield Master Plan is due in 8 years.

Other than the above, there were no further subsequent events to report since the end of the financial year to the date of signing.

### Likely developments and expected results of operations

The Group will continue to pursue its long-term objectives consistent with the Adelaide and Parafield Airport Masterplans. The documents, published every eight years, outline the vision for the development of the airports to support the continued growth of the State's economy, aviation activities, commercial development, environmental sustainability, and infrastructure delivery. The Adelaide Airport Master Plan was approved in March 2020 and Parafield Airport Master Plan was approved in August 2024.

Information on other likely developments in the operations of the Group, and the expected results of these developments, has not been included in these financial statements because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

### Environmental regulation

All compliance obligations, including those under the *Airports Act 1996* and *Airports (Environment Protection) Regulations 1997*, are rigorously pursued and monitored through our Environment Management System, and we continue to meet and, where possible, exceed relevant compliance standards.

### Information on directors

<b>Alan Wu, M.Com., CFA, GAICD</b> <i>Director</i>	
Experience and expertise	<p>Alan joined the Board on 23 February 2022 as a non-executive director nominated by Igneo Infrastructure Partners. Alan was previously an alternate director of Adelaide Airport since 30 March 2011. Alan is a Director, Infrastructure Investments, at Igneo Infrastructure Partners.</p> <p>Alan is responsible for the management of transport and utilities infrastructure assets and evaluation of new investment opportunities within the Infrastructure Investments team. Alan has been involved in the investment, management and divestment of infrastructure assets, as well as portfolio management since 2000. Alan was also actively involved in the establishment and growth of Igneo Infrastructure Partners flagship infrastructure funds in Australia.</p>
Other directorships and positions	Alan currently serves as a director on a number of Boards including Brisbane Airport Corporation and coNEXA Infrastructure Partners. Alan has also previously served as a director of Bankstown and Camden Airports and International Parking Group.
Special responsibilities	<p>Member of the Audit &amp; Compliance Committee</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p>

<b>Brenton Cox, LLM (Cantab), LLB (Hons), GDLP, B.Com. (Acc), B.Fin</b> <i>Managing Director</i>	
Experience and expertise	<p>Brenton has been Managing Director of Adelaide Airport since the end of 2021. He joined Adelaide Airport in 2013 and performed a number of Executive General Manager responsibilities. Brenton was previously an executive with Sydney Airport, Macquarie Airports in Sydney and Macquarie Capital in London where he had a particular focus on European Airports. He has also acted as a non-executive director of Sydney Airport and Hobart Airport. Brenton has a Master of Law from Cambridge University in the UK, a First Class Honours Degree in Law from Adelaide University as well as a Bachelor of Commerce (Accounting and Corporate Finance) and Bachelor of Finance from Adelaide University. Brenton is admitted to practise as a solicitor and barrister of the Supreme Court of South Australia and the High Court of Australia.</p>
Other directorships and positions	Brenton is a Director of the Adelaide Festival, a Board member of Adelaide University Business School Advisory Board, a Director of Seymour College, and a Councillor of the Property Council of South Australia and Freight Council of South Australia.
Special responsibilities	<p>Managing Director</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p> <p>Member of the Audit &amp; Compliance Committee</p>

## Information on directors (continued)

<b>James (Jay) Hogan, MBA, AFAMI, JP</b> <i>Director</i>	
Experience and expertise	Jay was appointed on 29 July 2009 as a non-executive director nominated by Host-Plus Pty Ltd. Jay has over 40 years' experience in the property development and construction industry around Australia and overseas, across a broad range of property asset classes. He has occupied Chief Operating Officer roles with high profile national ASX listed companies including Jennings Group and Stockland.
Other directorships and positions	<p>Jay is currently Chair of Mercure Kangaroo Island Lodge and Sevenhill Wines and is a major project consultant to Lendlease.</p> <p>Jay has been a member of numerous Boards, joint ventures and Government Advisory Committees including the Natural Resource Council of Australia and Chair of the Urban and Regional Development Advisory Committee to Government. He was previously Chair of the Land Management Corporation, Chair of the South Australian Housing Trust, Chair of the Torrens Catchment Water Board, Deputy Chair of Homestart Finance and a Past President of the Urban Development Institute of Australia. In 1998 Jay was awarded Life Member of the Urban Development Institute of Australia in recognition of his contribution and services to the development industry and leadership in Urban Sustainability.</p>
Special responsibilities	<p>Chair of the Infrastructure Committee</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Remuneration Committee</p> <p>Member of the Audit &amp; Compliance Committee</p>

<b>John Ward, B.Sc., FAICD, FCILT, FRAeS</b> <i>Director (Passed away on 17 August 2024)</i>	
Experience and expertise	John joined the Board on 28 August 2002 as a non-executive director nominated by UniSuper Limited. He was a professional company director and corporate advisor specialising in governance and strategy development, particularly in transport, tourism, communications, infrastructure and technology focused industries. He retired as the General Manager Commercial of News Limited in 2001. Prior to joining News Limited in 1994 John was Managing Director and Chief Executive of Qantas Airways Limited, in which he spearheaded its acquisition of a merger with Australian Airlines and the group's subsequent privatisation. This culminated a 25-year career with the airline in a variety of corporate and line management roles covering Australia, Asia, Europe and North America.
Other directorships and positions	John is an Honorary Life Governor of the Research Foundation of Information Technology and up until his passing was a Director of Brisbane Airport Corporation. He was the former Chair of Wolseley Private Equity and was a seasoned and well credentialed non-executive director, having served, including as Chair, on the boards of many listed and unlisted public companies headquartered in both Australia and overseas. He has also held appointments on several government bodies in the fields of tourism, aviation, freight and economic regulation.
Special responsibilities (up until his passing on 17 August 2024)	<p>Chair of the Remuneration Committee</p> <p>Member of the Audit &amp; Compliance Committee</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p>

## Information on directors (continued)

<b>Lisa Brock, B.Sc. (Hons), MAppFin, ACA, GAICD</b> <i>Director</i>	
Experience and expertise	<p>Lisa was appointed to the Board as an independent non-executive director on 25 May 2021. Lisa has over 20 years senior executive experience with Qantas across a broad range of roles including Executive Manager Qantas Freight, Chief Commercial Officer Jetstar and more recently as Executive Manager Commercial Airports and Procurement. Lisa has held a number of other aviation and freight Board roles including for Jetstar Pacific, StarTrack Express and Australian Air Express.</p> <p>Lisa has a Master of Applied Finance at Macquarie University, is a Chartered Accountant in England and Wales and holds a Honours Degree majoring in Maths at the University of Birmingham.</p>
Other directorships and positions	Lisa is a director of the Macquarie Technology Group and was appointed a Director of WiseTech Global Limited in February 2024.
Special responsibilities	<p>Member of the Audit &amp; Compliance Committee (Acting Chair from 30 May 2023 to 27 February 2024)</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p>

<b>Michael Gorman, B.Sc. (Arch), B.Arch., MBA, AMP</b> <i>Director</i>	
Experience and expertise	<p>Michael was appointed on 5 December 2017 as a non-executive director nominated by UniSuper Ltd. Michael has experience in both real estate and public equity and debt markets. He has held roles as Chief Investment Officer and Deputy Chief Executive Officer of a significant Australian Real Estate Investment Trust. Michael's experience extends beyond the investment in real estate to the master planning, management and development of large public property assets, including shopping complexes, as well as monitoring the ongoing management of retail environments to optimise the customer experience.</p> <p>Michael holds a Bachelor of Science (Architecture) from the University of New South Wales, a Bachelor of Architecture awarded with First Class Honours and University Medal from the University of New South Wales, a Master of Business Administration from the Australian Graduate School of Management and completed the Advanced Management Programme at INSEAD.</p>
Other directorships and positions	Michael is a non-executive director of both Charter Hall Retail Management Limited and GPT Funds Management Limited. He is also a Fellow of the Australian Property Institute and the Royal Society of Arts.
Special responsibilities	<p>Chair of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p> <p>Member of the Remuneration Committee</p> <p>Member of the Audit &amp; Compliance Committee</p>

## Information on directors (continued)

<b>Michael (Mike) Hirst, B.Com</b> <i>Director</i>	
Experience and expertise	<p>Mike Hirst was appointed on 29 August 2023 as a non-executive director as nominated by UniSuper Ltd. Mike has more than 40 years of experience in board and senior executive leadership roles within retail banking, treasury, funds management and financial markets. Mike was the Managing Director of Bendigo and Adelaide Bank from 2009 to 2018 and prior to this, he worked in senior executive and management positions with Colonial Limited, Westpac Banking Corporation and Chase AMP Bank.</p> <p>Mike was a Commissioner on the Federal Government's National COVID-19 Commission Advisory Board, a member of the Federal Government's Financial Sector Advisory Council and was Deputy Chair of the Australian Banking Association.</p>
Other directorships and positions	<p>Mike also has considerable experience in both South Australia and across a wide range of directorships, currently with AMP (Chair from April 2024), GMHBA Health Insurance and Racing Victoria (Acting Chair), and previously with the Australian Banking Association, Colonial First State and the Federal Government Financial Sector Advisory Board, among others.</p>
Special responsibilities	<p>Chair of the Audit &amp; Compliance Committee (appointed on 27 February 2024)</p> <p>Member of the Infrastructure Committee</p> <p>Member of the Property, People and Customer Committee</p>

<b>Robert (Rob) Chapman, AssocDipBus, FAICD, FFSIA</b> <i>Chair</i>	
Experience and expertise	<p>Rob was appointed to the Board as Chair on 25 February 2014. Rob has enjoyed an extensive executive career within the financial services industry, having acted as both the Chief Executive Officer of St George Banking Group (2010 to 2012) and the Managing Director of BankSA (2002 to 2010). Prior to these roles Rob worked in Prudential Corporation, Colonial State Bank and the Commonwealth Bank across a variety of positions.</p> <p>Rob is a Fellow of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia and holds an Associate Diploma in Business from the South Australian Institute of Technology.</p>
Other directorships and positions	<p>Rob currently serves as a Director on a number of prominent South Australian Boards including: Barossa Infrastructure Ltd (Chair), Chapman Capital Partners (Chair), ZeroCo (Chair), Fusetec (Chair), Coopers Brewery Limited (Director), EFA (Director), Ultra Golf Championships (Director), AFL Max (Director), Litifation Lending Services Limited (Director) and is the former Chair of BankSA and the Adelaide Football Club.</p>
Special responsibilities	<p>Chair of the Board</p> <p>Member of the Audit &amp; Compliance Committee</p> <p>Member of the Property, People and Customer Committee</p> <p>Member of the Infrastructure Committee</p> <p>Member of the Remuneration Committee</p>

## Information on directors (continued)

<b>Vivien Cheung, B.Com., B.Ec</b> <i>Director</i>	
Experience and expertise	Vivien Cheung was appointed on 30 August 2022 as a non-executive director appointed by IFM Investors. Vivien brings considerable knowledge to the Board through her experience with IFM Investors' Infrastructure team. She has developed a strong reputation for her aviation infrastructure asset management expertise. Vivien's asset management responsibilities have included energy and utility assets, toll roads and major capital city airports across Australia, including more than six years' experience managing IFM Investors' investment in Adelaide Airport.
Other directorships and positions	Vivien holds a Bachelor of Commerce and Bachelor of Economics (Finance and Economics majors) at Monash University and brings strategic thinking, analytical decision making and a track record of industry advocacy to the role.
Special responsibilities	Member of the Property, People and Customer Committee Member of the Infrastructure Committee Member of the Audit & Compliance Committee

<b>Abbie Sui, B.Mgt., MBA</b> <i>Alternate Director</i>	
Experience and expertise	Abbie was appointed as an alternate director for Vivien Cheung from 1 August 2024 for a period of 10 months. Abbie is a senior member of the Infrastructure Portfolio Management Team, responsible for a broad set of portfolio construction, risk management and fund analysis outcomes across all of IFM Investors' infrastructure products as well as asset management of Adelaide Airport.

<b>Kate McCawe, B.Com., CFA</b> <i>Alternate Director</i>	
Experience and expertise	Kate was appointed as an alternate director to Alan Wu on 23 February 2022. Kate is an Associate Director at Igneo Infrastructure Partners and joined in December 2015. Kate is responsible for transaction origination and execution, and the ongoing asset management of Igneo's portfolio assets. Kate previously held positions at Commonwealth Bank of Australia, CLSA and KPMG.
Other directorships and positions	Kate currently serves as a director at Quantem and International Parking Group.

<b>Kent Robbins, B.Bus. (Property), AAPI, GAICD</b> <i>Alternate Director</i>	
Experience and expertise	Kent was appointed as an alternate director to John Ward in March 2011 and Michael Gorman in February 2018. Kent is the Head of Property for UniSuper. Kent has in excess of 30 years' experience in the finance industry, predominantly in superannuation funds management.  Kent is an Associate of the Australian Property Institute and Member of the Australian Institute of Company Directors. Kent ceased to be an alternate for John Ward and Michael Gorman on 29 August 2023.
Other directorships and positions	Kent is a current director of Plenary Health (Victorian Comprehensive Cancer Centre) and representative on numerous domestic property investment committees.

**Information on directors (continued)**

<b>Sandra Lee, B.Econ., CPA, GAICD</b> <i>Alternate Director</i>	
Experience and expertise	<p>Sandra was appointed as an alternate director for John Ward, Michael Gorman and Michael Hirst from 29 August 2023.</p> <p>Sandra is Head of Private Markets at UniSuper and has over 25 years' experience in the investment management and financial services industry. She has responsibility over UniSuper's infrastructure and private equity investments, currently totalling over \$15 billion.</p>
Other directorships and positions	Sandra also currently serves as a Director on Sydney Airport and is an alternate director for Aquasure and Plenary Health.

**Information on company secretaries**

<b>Alicia Bickmore, LLB (Hons), GDLP, B.BehavSc. (Psych), LLM (Applied Law), GAICD</b> <i>Company Secretary</i>	
Experience and expertise	<p>Alicia is Adelaide Airport's Executive General Manager - Corporate and General Counsel (appointed on 10 December 2021) and was appointed Company Secretary in February 2017 after joining Adelaide Airport in July 2015.</p> <p>Alicia was previously Legal Counsel for Viterra &amp; Glencore Grain and a solicitor at Thomson Geer Lawyers. Alicia has a Bachelor of Laws and Legal Practice Honours and a Bachelor of Behavioural Science (Psychology) from Flinders University. Alicia has completed a Masters of Law (In House Practice) at the College of Law and is a graduate and member of the Australian Institute of Company Directors. Alicia is admitted to practise as a solicitor and barrister of the Supreme Court of South Australia and the High Court of Australia. Alicia was listed as a leading Australian In-House Property and Real Estate lawyer in the Doyle's Guide 2019.</p>
Other directorships and positions	Alicia is a current committee member of the Adelaide Football Club Governance, Risk and Integrity Committee and a past president and current committee member of the Association of Corporate Counsel Australia (SA Division).

<b>Sarah Westmoreland, B.Com., CA</b> <i>Company Secretary</i>	
Experience and expertise	<p>Sarah is Adelaide Airport's Head of Finance and was appointed Company Secretary in December 2021 after joining Adelaide Airport in December 2015.</p> <p>Prior to joining Adelaide Airport, Sarah held roles as Financial Controller at Santos Limited, RAA Insurance and Manager at PricewaterhouseCoopers. Sarah is a Chartered Accountant and holds a Bachelor of Commerce (Accounting and Corporate Finance) from the University of Adelaide.</p>

### Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

	Full meetings of directors	Meetings of committees			
		Audit and Compliance Committee	Remuneration Committee	Property, People & Customer Committee	Infrastructure Committee
		Attended/Held	Attended/Held	Attended/Held	Attended/Held
Alan Wu	10 of 10	5 of 5	n/a	10 of 10	10 of 10
Brenton Cox	10 of 10	5 of 5	n/a	10 of 10	10 of 10
James Hogan	10 of 10	5 of 5	3 of 3	10 of 10	10 of 10
John Ward	10 of 10	5 of 5	3 of 3	10 of 10	10 of 10
Lisa Brock	10 of 10	5 of 5	n/a	10 of 10	10 of 10
Michael Gorman	10 of 10	5 of 5	3 of 3	10 of 10	10 of 10
Robert Chapman	10 of 10	5 of 5	3 of 3	10 of 10	10 of 10
Vivien Cheung	10 of 10	5 of 5	n/a	10 of 10	10 of 10
Michael Hirst	8 of 8	4 of 4	n/a	7 of 8	7 of 8
Abbie Sui *	n/a	n/a	n/a	n/a	n/a
Katherine McCawe *	n/a	n/a	n/a	n/a	n/a
Kent Robbins *	n/a	n/a	n/a	n/a	n/a
Sandra Lee *	n/a	n/a	n/a	n/a	n/a

\*Alternate Director

### Insurance of officers

During the financial year, Adelaide Airport Limited paid a premium to insure the directors and officers of the company and its controlled entities. The terms of the policy prohibit disclosure of the premiums paid.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 52.

### Rounding of amounts

The Company is of a kind referred to in *Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors, pursuant to s.298(2) of the *Corporations Act 2001*.



Michael Hirst  
Director



Brenton Cox  
Director

Adelaide  
24 September 2024

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

		<b>Consolidated</b>	
		<b>30 June 2024</b>	30 June 2023
	Notes	<b>\$'000</b>	\$'000
<b>Revenue</b>	5	<b>284,610</b>	251,022
Changes in fair value of investment properties	9	<b>41,576</b>	4,031
Other income		<b>59</b>	42
Employee benefits expense		<b>(24,464)</b>	(21,893)
Services & utilities		<b>(61,690)</b>	(51,202)
Consultants & advisors		<b>(2,886)</b>	(3,462)
General administration		<b>(11,178)</b>	(8,696)
Increase of expected credit loss		<b>(1,929)</b>	(23)
Leasing & maintenance		<b>(8,967)</b>	(9,248)
(Loss)/Gain on disposal of property, plant & equipment		<b>(127)</b>	24
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>215,004</b>	160,595
Interest income	16	<b>6,191</b>	2,630
Finance costs	16	<b>(72,206)</b>	(70,238)
Depreciation & amortisation	8, 10, 11	<b>(29,348)</b>	(30,216)
Impairment of property, plant & equipment	8	<b>(24)</b>	(504)
Changes in fair value of financial instruments		<b>(194)</b>	108
<b>Profit before income tax</b>		<b>119,423</b>	62,375
Income tax expense	6	<b>(35,946)</b>	(18,775)
<b>Profit for the year</b>		<b>83,477</b>	43,600
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges, net of tax	18	<b>(2,111)</b>	10,727
Changes in the fair value of foreign currency basis spread reserve, net of tax	18	<b>429</b>	(8)
<b>Other comprehensive income for the year, net of tax</b>		<b>(1,682)</b>	10,719
<b>Total comprehensive income for the year</b>		<b>81,795</b>	54,319

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Balance Sheet As at 30 June 2024

		Consolidated	
		30 June 2024	30 June 2023
	Notes	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	12	339,600	72,830
Trade and other receivables	13	33,475	35,795
Derivative financial instruments	17	13,270	20,411
<b>Total current assets</b>		<b>386,345</b>	129,036
<b>Non-current assets</b>			
Derivative financial instruments	17	76,622	85,245
Property, plant and equipment	8	623,740	548,561
Investment properties	9	615,190	568,160
Intangible assets	10	183,868	183,116
Capitalised lease - operational land	11	118,869	120,488
<b>Total non-current assets</b>		<b>1,618,289</b>	1,505,570
<b>Total assets</b>		<b>2,004,634</b>	1,634,606
<b>Current liabilities</b>			
Trade and other payables	14	42,201	36,426
Borrowings	15	199,991	190,262
Derivative financial instruments	17	11,578	12,149
Current tax liabilities		24,490	8,284
Provisions	24	6,094	5,303
Deferred revenue		6,561	4,253
<b>Total current liabilities</b>		<b>290,915</b>	256,677
<b>Non-current liabilities</b>			
Borrowings	15	1,236,270	967,947
Deferred tax liabilities	7	184,723	182,881
Provisions	24	2,400	1,471
Derivative financial instruments	17	14,352	13,303
Deferred revenue		3,224	672
<b>Total non-current liabilities</b>		<b>1,440,969</b>	1,166,274
<b>Total liabilities</b>		<b>1,731,884</b>	1,422,951
<b>Net assets</b>		<b>272,750</b>	211,655
<b>Equity</b>			
Contributed equity		1,905	1,905
Other reserves	18	45,660	47,342
Retained earnings		225,185	162,408
<b>Total equity</b>		<b>272,750</b>	211,655

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity For the year ended 30 June 2024

Consolidated	Notes	Attributable to owners of Adelaide Airport Limited			
		Share Capital <sup>1</sup> \$'000	Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2022</b>		1,905	36,623	118,808	157,336
Profit for the year		-	-	43,600	43,600
Other comprehensive income	18	-	10,719	-	10,719
<b>Total comprehensive income for the year</b>		-	<b>10,719</b>	<b>43,600</b>	<b>54,319</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	19	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>1,905</b>	<b>47,342</b>	<b>162,408</b>	<b>211,655</b>
<b>Balance at 1 July 2023</b>		1,905	47,342	162,408	211,655
Profit for the year		-	-	83,477	83,477
Other comprehensive income	18	-	(1,682)	-	(1,682)
<b>Total comprehensive income for the year</b>		-	<b>(1,682)</b>	<b>83,477</b>	<b>81,795</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends provided for or paid	19	-	-	(20,700)	(20,700)
<b>Balance at 30 June 2024</b>		<b>1,905</b>	<b>45,660</b>	<b>225,185</b>	<b>272,750</b>

<sup>1</sup> Share capital comprises 1,904,676 fully paid ordinary shares (2023: 1,904,676 fully paid ordinary shares). Each fully paid ordinary share carries one vote per share and right to dividends.

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Cash Flows For the year ended 30 June 2024

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2024</b>	<b>2023</b>
Notes	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	<b>320,986</b>	265,345
Payments to suppliers and employees (inclusive of GST)	<b>(129,899)</b>	(110,853)
	<b>191,087</b>	154,492
Interest paid	<b>(35,573)</b>	(31,939)
RPS dividend	<b>(28,342)</b>	(75,986)
Interest received	<b>4,305</b>	2,369
Income taxes paid	<b>(17,178)</b>	(104)
Net cash inflow from operating activities	<b>12 114,299</b>	48,832
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, intangible assets and investment properties	<b>(106,829)</b>	(39,541)
Proceeds from sale of property, plant and equipment	-	110
Net cash outflow from investing activities	<b>(106,829)</b>	(39,431)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>340,000</b>	105,000
Payment of borrowings	<b>(60,000)</b>	(130,000)
Dividends paid to company's shareholders	<b>(20,700)</b>	-
Net cash inflow/(outflow) from financing activities	<b>19 259,300</b>	(25,000)
Net increase/(decrease) in cash and cash equivalents	<b>266,770</b>	(15,599)
Cash and cash equivalents at the beginning of the financial year	<b>72,830</b>	88,429
<b>Cash and cash equivalents at the end of the financial year</b>	<b>12 339,600</b>	72,830

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Basis of Preparation

This section provides information about the basis of preparation of the financial statements, and certain accounting policies that are not disclosed elsewhere in the financial statements. Accounting policies specific to individual elements of the financial statements are located within the relevant section of the report.

### 1 Statement of compliance

These general purpose financial statements have been prepared in accordance with *the Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law. Adelaide Airport Limited is a for-profit entity for the purpose of preparing the financial statements.

The presentation currency used in these financial statements is Australian dollars (\$).

#### (a) Compliance with AASB

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

#### (b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments and US dollar debt hedged by cross-currency interest rate swaps and investment properties at fair value).

#### (c) Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2024, the Group was in a net asset position of \$272.8 million (30 June 2023: \$211.7 million). The Group had current assets in excess of current liabilities as at 30 June 2024 amounting to \$95.4 million.

The directors are satisfied that there are reasonable grounds to believe that funds will be available to pay debts as and when they become due and payable.

### 2 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adelaide Airport Limited ('Company' or 'Parent Entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Adelaide Airport Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

### 3 Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### 4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in the following notes:

- Impairment of goodwill assessment (note 10)
- Fair value measurement of investment properties (note 9)
- Fair value measurement of financial instruments (note 17)

##### *Fair value measurement hierarchy*

In fair value measurement, the Group uses the following fair value measurements hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in an active market for identical assets or liabilities;
- Level 2: valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: valuation techniques using inputs that are not based on observable market data (unobservable inputs).

## Earnings before Interest, Taxes, Depreciation and Amortisation

This section focuses on the operating results and financial performance of the Group. It includes disclosures of revenue and the relevant accounting policy.

### 5 Revenue

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Revenue (Services transferred over time)</b>		
Aeronautical revenue	136,972	121,365
Commercial trading revenue	32,338	28,672
Property revenue	68,989	59,322
Car parking revenue	37,462	33,605
Other revenue	8,849	8,058
	<b>284,610</b>	<b>251,022</b>

#### Revenue recognition

Revenue Stream	Nature	Recognition
Aeronautical revenue	Aeronautical revenue is comprised of landing fees based on the Maximum Take Off Weight (MTOW) of aircraft or passenger numbers; terminal charges based on passenger numbers and a recovery of Government mandated security charges on a per passenger basis.	Revenue is recognised on an accruals basis in the period when the services are provided, net of rebates. Rebates are provided in line with terms of contracts with airlines and are generally based on passenger numbers. Revenues from passenger charges are therefore variable consideration and estimated monthly. Variable revenue is only recognised when it is highly probable the revenues will not reverse.
Commercial trading revenue	Commercial trading revenue is comprised of rental income from car rental and retail tenants, whose sale activities include duty free, food and beverage, banking and currency and advertising services.	Revenue is recognised on an accruals basis when the service is provided. Contingent revenue is recognised when the contingent event occurs. These contracts contain lease components and are recorded in line with AASB 16.
Property revenue	Property revenue is comprised of rental and outgoings from airport terminals, buildings and other leased areas.	Revenue is accounted for on a straight-line basis over the lease term. These contracts contain lease components and are recorded in line with AASB 16.
Car parking	Car parking revenue is generated from passengers and staff for the provision of car parking.	Revenue is recognised over the period of time the car parking service obligation is satisfied.
Other revenue	Other revenue consists of revenue generated from Adelaide Airport non-terminal facilities such as ground facilities fees (bus, taxi and ride share service fee), fuel throughput charges and other miscellaneous revenue.	Revenue is recognised on an accruals basis in the period when the services are provided.

## Taxation

### 6 Income tax expense

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Current tax on profit for the year	<b>33,082</b>	24,269
Adjustments for current tax of prior periods	<b>301</b>	241
	<b>33,383</b>	24,510
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	<b>491</b>	(11,907)
Increase in deferred tax liabilities	<b>2,343</b>	6,413
Adjustment for deferred tax of prior periods	<b>(271)</b>	(241)
	<b>2,563</b>	(5,735)
<b>Income tax expense</b>	<b>35,946</b>	18,775

Income tax expense is calculated at the applicable corporate tax rate of 30%, which was the tax rate enacted at reporting date. Income tax expense comprises both current and deferred tax expense:

- Current tax expense represents the expense relating to the expected current year taxable income.
- Deferred tax expense represents the expense relating to the future tax consequences of all transactions undertaken in the current year, regardless of when their tax impact may occur.

Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### Tax consolidation

Adelaide Airport Limited is head of the tax consolidated group, formed as of 1 July 2003, which includes its wholly owned Australian entities. As a consequence, all members of the tax consolidated group are taxed as a single entity.

Members of the tax consolidated group have also entered into tax sharing and tax funding agreements.

Under the tax funding agreement Adelaide Airport Limited is compensated by members for any of their current tax payables assumed. Equally, members are compensated by Adelaide Airport Limited for any current tax receivables and deferred tax assets arising from unused tax losses transferred to Adelaide Airport Limited. The funding amounts received or paid are determined based on the amounts recognised in member entities' financial statements and settled via intercompany receivables or payables.

In the event of default by Adelaide Airport Limited on its tax obligations, the tax liabilities of members of the tax consolidated group will be governed by the tax sharing agreement.

**(a) Numerical reconciliation of income tax expense to prima facie tax payable**

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Profit from continuing operations before income tax expense	<b>119,423</b>	62,375
Tax at the Australian tax rate of 30.0% (2023: 30.0%)	<b>35,827</b>	18,713
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expense	<b>90</b>	62
Under/(over provided) in prior years balance	<b>30</b>	-
Income tax expense	<b>35,946</b>	18,775

**(b) Amounts recognised directly in equity**

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Deferred tax: Hedges and interest bearing liabilities	<b>(721)</b>	4,595
	<b>(721)</b>	4,595

**7 Deferred tax balances**

The carrying amount of assets and liabilities for accounting purposes and the amounts used for taxation purposes are not always the same. These differences result in temporary tax differences which usually reverse over time. The amount of these temporary differences is based upon the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Until these differences reverse a deferred tax asset or liability must be recognised on the balance sheet using the applicable tax rates enacted or substantially enacted at reporting date. This is referred to as the balance sheet liability method.

Deferred tax is not recognised for the following temporary differences:

- initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (other than in a business combination); and
- differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future.

A deferred tax asset is also only recognised to the extent it is probable that future taxable amounts will be available against which those temporary differences can be utilised.

Deferred tax assets and liabilities are offset by the Group as:

- it has a legally enforceable right to offset current tax assets and liabilities, and
- deferred tax balances relate to the same taxation authority.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>As at 30 June</b>				
Investment property revaluations*	-	-	(171,912)	(159,196)
Capitalised lease - operational land	-	-	(35,661)	(36,146)
Property, plant and equipment	-	-	28,114	25,483
Intangible assets	-	-	(1,087)	(1,112)
Accrued revenue and expenses	-	-	1,375	(508)
Cash flow hedges	-	-	(9,164)	(14,418)
Fair value hedges	10,108	10,534	-	-
Borrowings	-	-	(9,827)	(9,922)
Provisions	3,202	2,202	-	-
Other	129	202	-	-
Tax value of recognised tax losses	-	-	-	-
<b>Recognised deferred tax assets/liabilities</b>	<b>13,439</b>	<b>12,938</b>	<b>(198,162)</b>	<b>(195,819)</b>
Set-off of deferred tax assets	(13,439)	(12,938)	13,439	12,938
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(184,723)</b>	<b>(182,881)</b>

\* Deferred tax in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

#### Movement in temporary differences during the financial year

	Deferred tax assets		Deferred tax liabilities	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening balance at 1 July	12,938	21,506	(195,819)	(189,406)
Recognised in profit & loss	(220)	12,148	(2,343)	(6,413)
Recognised in equity	721	(4,594)	-	-
Franking deficit tax	-	104	-	-
Tax value of recognised tax losses	-	(16,226)	-	-
<b>Closing balance at 30 June</b>	<b>13,439</b>	<b>12,938</b>	<b>(198,162)</b>	<b>(195,819)</b>

## Capital Expenditure and Investment Properties

This section includes information about the assets used by the Group to generate profits and revenue, specifically information relating to property, plant and equipment, investment properties, intangible assets and capitalised lease – operational land.

### 8 Property, plant and equipment

	Capital works in progress (CWIP) \$'000	Leasehold buildings and improvements \$'000	Plant and equipment \$'000	Total \$'000
Useful life (years)		8 yrs - balance of lease term	3 -25	
<b>Year ended 30 June 2024</b>				
Opening net book amount	46,962	458,195	43,404	548,561
Additions	102,533	-	-	102,533
Transfers to/from CWIP	(14,289)	8,799	5,490	-
Disposals	-	(68)	(36)	(104)
Depreciation charge	-	(18,900)	(8,326)	(27,226)
Impairment loss (b)	-	-	(24)	(24)
Closing net book amount	<b>135,206</b>	<b>448,026</b>	<b>40,508</b>	<b>623,740</b>
<b>At 30 June 2024</b>				
Cost (net of impairment)	135,206	681,216	176,070	992,492
Accumulated depreciation	-	(233,190)	(135,562)	(368,752)
Net book amount	<b>135,206</b>	<b>448,026</b>	<b>40,508</b>	<b>623,740</b>
<b>At 30 June 2023</b>				
Cost (net of impairment)	46,962	673,082	171,325	891,369
Accumulated depreciation	-	(214,887)	(127,921)	(342,808)
Net book amount	46,962	458,195	43,404	548,561

#### (a) Recognition and measurement

The Group recognises items of property, plant and equipment at cost less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, labour and associated oncosts, capitalised borrowing costs and any other costs directly attributable to bringing the asset to a working condition for their intended use.

Except for the low value asset pool, depreciation of property, plant and equipment is on a straight-line basis in profit or loss over the estimated useful lives of each component from the date that they are installed and are ready to use, or in respect of internally constructed assets that are completed and ready to use.

Subsequent expenditure is capitalised only when it is probable that future economic benefit will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

#### (b) Impairment and write-offs

The carrying amount of the Group's property, plant and equipment is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. At 30 June 2024, there were no indicators of impairment in the property, plant and equipment portfolio. The Group has reassessed the capital work in progress portfolio and, for the year ended 30 June 2024, has reported write-offs of \$0.2 million (30 June 2023: \$0.9 million). The impairment assessment methodology was consistent with the

prior year and the Group considered the following factors, including the extent to which projects:

- are designed, approved, currently active and intended to be completed;
- are still contemplated by the airport masterplan or are a strategic priority; and
- for aeronautical-related projects, whether or not they are still expected to be included in the aeronautical asset base.

Following any impairment of property, plant and equipment and any write-offs of capital work in progress, the Group has also considered whether there is any further indication of impairment at the cash-generating unit level. The Group has assessed Parafield and Adelaide Airports and investment property as separate cash-generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income in relation to Parafield Airport.

The Group also considered its enterprise market valuation and the long-term nature of its assets and concluded that there is no further impairment at the cash-generating unit level.

### (c) Capital expenditure commitments

At reporting date, the Group had capital expenditure commitments of \$74.038 million (2023: \$24.563 million).

## 9 Investment properties

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Investment properties movements</b>		
<b>At fair value</b>		
Opening balance 1 July	568,160	563,271
Capitalised subsequent expenditure	5,477	3,341
Disposals	(23)	-
Net gain from fair value adjustments	41,576	4,031
Reclassification from investment to operating	-	(2,483)
	<b>615,190</b>	<b>568,160</b>

### Nature

Investment property is held to earn rental income or for capital appreciation, but not for sale. Investment property is comprised of land, buildings and plant and equipment intended to be leased to third parties and are not occupied by the Group. This includes commercial, industrial, offices and other non-aviation tenants and facilities, aircraft maintenance and freight facilities. Investment property excludes owner occupied and operational property (including terminal, carpark, fuel facility and retail property) and land held for strategic purposes which is held at cost in property, plant and equipment. The basis of the valuation of the properties is fair value, with the valuations based on independent assessments made by an accredited independent valuer annually.

Contractual obligations to purchase, construct or develop investment property are included in note 8(c).

Land or property reclassified from investment property to operating land is described in note 11(c).

### (a) Recognition and measurement

Investment properties are initially recognised at cost and are subsequently measured at fair value with any changes therein recognised in profit or loss.

At each balance date, management update their assessment of the fair value, taking into account an external independent valuation conducted by Knight Frank Pty Ltd ('Knight Frank'). Knight Frank undertake a full scope

valuation of investment properties once every three years and adopt a 'desktop' review method in years 2 and 3. Financial year 2024 represents the third year of the cycle.

'Desktop' valuation processes adjust and flex full valuations with reference to building price indices, inflation, interest rates and other factors which may impact market values. 'Full scope' valuation processes incorporate all of the above plus site inspections.

In undertaking the valuation Knight Frank use a variety of valuation methods:

Valuation Approach	Description
Capitalisation	<p>A valuation method that determines fair value by capitalising actual or imputed net rental income at an appropriate yield. The capitalisation rate adopted is derived from drawing comparisons with similar investment sales that have transacted in the market place with subsequent capital adjustments to reflect the specific characteristics of the property. Such adjustments include rental shortfalls/profit rent being received (as compared with the market rents adopted in the valuation calculations), leasing fees, loss of rental during the potential let-up period and incentives to reflect the value of the tenancies with vacant possession and any imminent lease expiries, as opposed to existing long-term leases.</p> <p>The Group adopted a capitalisation rate ranging between 6.00%-8.75% for Adelaide Airport and 6.75%-10.5% for Parafield Airport.</p>
Discounted Cash Flow (DCF)	<p>A valuation method carried out over an investment horizon of ten years. The discounted cash flow approach assesses the overall cost consequences of an investment, considering the amount and timing of inflows and outflows and the targeted rate of return over the notional holding period of ten years, and allows for a terminal value. The value derived by the DCF approach is assessed by discounting the net cash flow over the investment horizon to a present value at a rate reflecting the desired return, or overall yield, commensurate with the quality of the property and the stature of the lease covenants.</p> <p>The Group adopted a discount rate ranging between 6.75%-9.50% for Adelaide Airport and 7.75%-12.00% for Parafield Airport.</p>
Direct Comparison	<p>A valuation method used for valuing freehold land and involves comparing sales of similar properties in the same or similar areas.</p>

The fair value measurement hierarchy used in calculating fair value has been classified as level 3 on the basis that there are significant inputs that are not based on observable market data. Unobservable inputs include:

Inputs	Impact of increase in input
Capitalisation rate	Decrease fair value
Discount rate	Decrease fair value
Annual net property income per square metre	Increase fair value

**(b) Leasing arrangements**

The investment properties range from short-term ground leases to long-term leases of the Group's owned assets with a weighted average life expiry of 11.6 years across the portfolio. The investment properties are leased to tenants under operating leases with rental payments monthly. There are no purchase options in the lease. To reduce credit risk, the Group may obtain bank guarantees from the tenants, which are held for the terms of the leases. Most leases include a clause to enable upward revision of the rental charge on contractual rent review dates according to prevailing market conditions.

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	<b>42,676</b>	38,788
Later than one year but not later than 5 years	<b>182,288</b>	169,095
Later than five years	<b>263,532</b>	236,950
	<b>488,496</b>	444,833

These amounts do not include variable percentage rentals which may become receivable under certain leases on the basis of turnover in excess of stipulated minimums and do not include recovery of outgoings.

## 10 Intangible assets

	Goodwill \$'000	Master plan costs \$'000	Property leases \$'000	Total \$'000
Useful life (years)	Indefinite	8	Balance of lease term	
<b>Year ended 30 June 2024</b>				
Opening net book amount	179,410	1,553	2,153	183,116
Additions	-	834	421	1,255
Amortisation charge	-	(333)	(170)	(503)
Closing net book amount	179,410	2,054	2,404	183,868
<b>At 30 June 2024</b>				
Cost	179,410	7,017	21,274	207,701
Accumulated amortisation and impairment	-	(4,963)	(18,870)	(23,833)
Net book amount	179,410	2,054	2,404	183,868

### (a) Nature

Intangible asset	Nature
Goodwill	Goodwill on acquisition of the operating leases predominantly for Adelaide Airport.
Property leases	Excess value of certain revenue generating operating leases acquired with the operating leases for Adelaide and Parafield airports over the fair value of those leases.
Master plan costs	Under the <i>Airports Act 1996</i> Adelaide and Parafield Airports are required to prepare a Master Plan every 8 years. All fees and costs incurred in the development of Adelaide and Parafield Airport master plan are included as an intangible asset.

### (b) Recognition and measurement

Goodwill arises on acquisition of a business. It is subsequently measured at cost less accumulated impairment losses and tested for impairment annually.

Except for goodwill, the Group recognises intangible assets at cost directly attributable to the acquisition of the asset. The subsequent measurement of intangible assets is at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is accounted for on a straight-line basis in profit or loss over the assets' estimated useful lives from the date they are available for use.

### (c) Impairment of intangible assets

The carrying amounts of the Group's intangible assets other than deferred tax assets are reviewed at each reporting date to determine any indication of impairment. Assets with finite lives are subject to amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life (including goodwill) are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in profit and loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. As described in note 8(b), for the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is never reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. For the year ended 30 June 2024 no intangible assets were impaired (30 June 2023: nil).

#### **(d) Critical estimates and assumptions - impairment test for goodwill**

Assessing value in use requires management to make significant estimates and assumptions. A discounted cash flow methodology has been adopted to value the Group's investment. Under this methodology, estimated cash flows are discounted to their present value using a discount rate which reflects the risks pertaining to the Group's operations.

Value in use calculations are based on a long term financial model using forward estimates of cash flows arising from the Group's operations and economic assumptions. Projected revenue growth is primarily driven by the passenger traffic forecast. Growth in passenger numbers over the forecast period is based on information provided by an independent specialist.

With regard to the assessment of value in use, the Group believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill to materially exceed its recoverable amount.

An independent valuation of the Group's equity value at 30 June 2024 supports the net asset position, including the carrying value of goodwill. The valuation includes assumptions regarding passenger numbers, revenue, operating expenses, capital expenditure and interest rates. There were no changes to the valuation methodology. The result of the updated valuation indicated that significant headroom remains and hence no impairment was required.

## 11 Capitalised lease – operational land

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Capitalised lease - operational land movements</b>		
Opening balance 1 July	120,488	119,716
Reclassification from investment to operating	-	2,483
Amortisation	(1,619)	(1,711)
	<b>118,869</b>	<b>120,488</b>

### (a) Nature

The Group operates Adelaide Airport under a lease granted by the Commonwealth Government for an initial period of 50 years commencing 29 May 1998 with a free option exercisable at the Group's discretion, to extend for a further 49 years.

### (b) Recognition and measurement

The lease is a right-of-use asset and recognised at the original (May 1998) valuation of the land that still remains operational. The lease amount is amortised on a straight-line basis over the term of the lease. The lease was prepaid in May 1998 and hence no corresponding lease liability.

### (c) Transfer to/from investment property

When the use of land or property changes from operational land to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised directly in the asset revaluation reserve.

When the use of investment property changes to owner-occupied or operational purposes, the property is measured at fair value as per directors' valuation and reclassified as capitalised lease – operational land.

## Working Capital Management

This section provides information about the Group's working capital balances and management, including cash flow information. Cash flow management is a significant consideration in running our business in an efficient and resourceful manner.

### 12 Cash and cash equivalents

	30 June 2024 \$'000	30 June 2023 \$'000
Cash at bank	139,600	72,830
Term Deposits	200,000	-
	<u>339,600</u>	<u>72,830</u>

### Reconciliation of profit after income tax to net cash inflow from operating activities

	30 June 2024 \$'000	30 June 2023 \$'000
Profit for the year	83,477	43,600
Depreciation of property plant and equipment	27,226	27,934
Amortisation of intangible assets	503	571
Amortisation of borrowing costs	3,168	3,605
Amortisation of discontinued interest rate swaps	13,814	15,246
Amortisation of capitalised lease - operational land	1,619	1,711
RPS redemption premium	191	190
Loss/(Gain) on fair value hedges	194	(108)
Loss/(Gain) on sale of assets	127	(24)
Fair value adjustment to investment property	(41,576)	(4,031)
Impairment of assets	24	504
Borrowing costs paid	(5,477)	(2,489)
Capitalisation of borrowing costs	(1,202)	-
Movements in current and deferred tax assets and liabilities	18,048	23,266
Deferred tax movements recognised in equity	721	(4,594)
Decrease/(Increase) in trade and other receivables	2,319	(11,540)
Increase/(Decrease) in trade creditors and other liabilities	11,123	(45,009)
Net cash inflow from operating activities	<u>114,299</u>	<u>48,832</u>

### 13 Trade and other receivables

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Current receivables</b>		
<b>Net trade receivables</b>		
Trade debtors	26,386	23,874
Allowance for expected credit loss	<u>(2,128)</u>	<u>(207)</u>
	<u>24,258</u>	<u>23,667</u>
<b>Other receivables</b>		
Accrued revenue	6,690	10,070
Prepayments	<u>2,527</u>	<u>2,058</u>
	<u>9,217</u>	<u>12,128</u>
<b>Total current receivables</b>	<u>33,475</u>	<u>35,795</u>

#### (a) Recognition and measurement

Trade receivables are recognised initially at fair value which approximates their carrying value. Subsequent measurement is recorded at amortised cost, less allowance for expected credit loss. Trade receivables are due for settlement no later than 30 days from the date of recognition.

The Group recognised an allowance for expected credit losses against its aeronautical and commercial customers as at 30 June 2024. The allowance is based on a simplified impairment provision as permitted by AASB 9. This requires that expected lifetime losses be recognised from initial recognition of all financial assets. The Group assessed expected credit losses based on customer groupings (such as aeronautical, property or retail) using a provision matrix with reference to past default experience and interactions. The assessment adopted a higher risk to customers in voluntary administration and liquidation and a lower risk is attached to major airlines, stable property tenants such as Government agencies and essential services. It has been determined that the impact of this assessment does not have a material effect on the financial report.

## 14 Trade and other payables

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Current liabilities</b>		
Trade payables	15,314	11,786
Interest payables	7,646	9,851
Other payables	18,510	14,154
Retentions and deposits	731	635
	<b>42,201</b>	<b>36,426</b>

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and usually settled on 30-day terms. Trade payables are held at amortised cost.

Interest payables represent accrued interest on borrowings that are payable on a quarterly or bi-annual basis.

## Funding and Risk Management

Our business has exposure to capital, credit, liquidity and market risks. This section provides information relating to our management of, as well as, our policies for measuring and managing these risks.

### 15 Borrowings

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Current liabilities</b>		
<i>Secured</i>		
Medium Term Notes	199,991	-
Total secured current borrowings	<u>199,991</u>	<u>-</u>
<i>Unsecured</i>		
Redeemable preference shares	-	190,262
<b>Total current borrowings</b>	<u>199,991</u>	<u>190,262</u>
<b>Non-current liabilities</b>		
<i>Secured</i>		
Medium Term Notes	198,194	199,726
Bilateral banking facility	157,959	28,366
US Bonds	691,875	690,003
ESG Loan	-	49,852
Total secured non-current borrowings	<u>1,048,028</u>	<u>967,947</u>
<i>Unsecured</i>		
Redeemable preference shares	188,242	-
<b>Total non-current borrowings</b>	<u>1,236,270</u>	<u>967,947</u>
<b>Total borrowings</b>	<u>1,436,261</u>	<u>1,158,209</u>

#### (a) Recognition and measurement

Borrowings are recognised initially at fair value less attributable transaction costs and are subsequently stated at amortised cost. Any difference between cost and redemption value (i.e. transaction costs) is recognised in profit or loss over the period of the borrowings on an effective interest basis.

Where the Group applies fair value hedges to borrowings, the carrying value of the borrowings is adjusted for fair value changes. US dollar debt is reported at spot exchange rates with any movement in the spot rate reflected in the hedge reserve to the extent the borrowings are effectively hedged.

Establishment costs incurred in connection with the arrangement of borrowings are capitalised and recognised on an effective interest basis over the anticipated term of the applicable borrowings.

#### (b) Secured liabilities and assets pledged as security

Senior secured lenders benefit from security over the capitalised lease – operational land and a fixed and floating charge over the assets of the Group.

The balances and other details related to the Group's borrowings as at 30 June 2024 are presented in the following table:

	Financial Year of Maturity	2024			2023		
		Drawn Amount \$'000	Carrying Amount \$'000	Limit \$'000	Drawn Amount \$'000	Carrying Amount \$'000	Limit \$'000
<b>Medium Term Notes</b>							
BBSW + margin	2025	200,000	199,991	200,000	200,000	199,726	200,000
Fixed at 5.67%	2031	200,000	198,194	200,000	-	-	-
<b>Bilateral Banking Facilities</b>							
BBSY + margin	2027	70,000	68,838	305,000	30,000	28,366	305,000
BBSY + margin	2029	90,000	89,121	200,000	-	-	-
<b>ESG Loan</b>							
BBSW + margin based on AAL's ESG rating	2026	-	-	-	50,000	49,852	50,000
<b>US Bonds - AUD</b>							
Fixed at 5.39%	2026	25,000	24,967	25,000	25,000	24,938	25,000
BBSW + Margin	2031	25,000	24,967	25,000	25,000	24,938	25,000
Fixed at 5.043%	2044	140,000	139,219	140,000	140,000	139,165	140,000
<b>US Bonds - USD</b>							
Fixed at 3.73%	2026	118,016	115,489	118,016	118,016	112,887	118,016
Fixed at 3.83%	2028	133,020	143,848	133,020	133,020	141,856	133,020
Fixed at 3.98%	2031	101,008	105,020	101,008	101,008	104,829	101,008
Fixed at 4.39%	2034	137,627	138,365	137,627	137,627	141,390	137,627
<b>Redeemable Preference Shares*</b>							
Fixed 11.5%	2024	-	-	-	188,563	190,262	188,563
Fixed 8.75%	2034	188,563	188,242	188,563	-	-	-
<b>Total</b>		<b>1,428,234</b>	<b>1,436,261</b>	<b>1,773,234</b>	<b>1,148,234</b>	<b>1,158,209</b>	<b>1,423,234</b>

\* RPS shareholder entitlement: The holder of a RPS is entitled to a non-cumulative interest payment. Interest is accrued quarterly subject to availability of distributable cash calculated in accordance with the terms of a Loan Note Deed Poll. RPS holders are subordinated to the senior creditors. Since the shares are mandatorily redeemable, they are recognised as liabilities.

**(c) Reconciliation of drawn amount to carrying amount**

	30 June 2024 \$'000	30 June 2023 \$'000
Drawn amount	1,428,234	1,148,234
Unamortised borrowing costs	(6,253)	(3,008)
Unamortised CCIRS final exchange funding costs	(4,558)	(5,687)
Fair value adjustments	(32,758)	(33,075)
FX translation adjustments	67,109	67,258
Final exchange on CCIRS (included as Derivative)	(15,513)	(15,513)
<b>Carrying amount</b>	<b>1,436,261</b>	<b>1,158,209</b>

**16 Net finance costs**

	30 June 2024 \$'000	30 June 2023 \$'000
Finance income		
Bank interest	6,191	2,630
Total finance income	6,191	2,630
Finance costs		
Interest paid or payable	(34,660)	(29,512)
Dividends on RPS paid and/or provided	(21,574)	(21,685)
Amortisation of borrowing costs	(3,168)	(3,605)
Amortisation of discontinued interest rate swaps	(13,815)	(15,246)
Redemption Premium Expense	(191)	(190)
Borrowing costs capitalised	1,202	-
Total finance costs	(72,206)	(70,238)
<b>Net finance costs</b>	<b>(66,015)</b>	<b>(67,608)</b>

**(a) Recognition and measurement**

Finance income relates to the interest income on cash and term deposits receivable which are brought to account using the effective interest rate method.

Finance costs are recognised as expenses when incurred using the effective interest rate method, except where they relate to qualifying assets.

**(b) Capitalisation of borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

## 17 Derivative financial instruments

The Group holds interest rate swaps and cross currency swaps as derivative instruments. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged, refer below section (a). Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The following table shows derivatives that are designated and effective as hedging instruments carried at fair value:

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Current assets</b>		
Interest rate swaps	13,270	20,411
Total current derivative financial instrument assets	<u>13,270</u>	<u>20,411</u>
<b>Non-current assets</b>		
Interest rate swaps	30,273	41,503
Cross currency swaps	46,349	43,742
Total non-current derivative financial instrument assets	<u>76,622</u>	<u>85,245</u>
<b>Current liabilities</b>		
Cross currency swaps	11,578	12,149
Total current derivative financial instrument liabilities	<u>11,578</u>	<u>12,149</u>
<b>Non-current liabilities</b>		
Cross currency swaps	14,352	13,303
Total non-current derivative financial instrument liabilities	<u>14,352</u>	<u>13,303</u>
<b>Total net derivative financial instrument assets</b>	<u>63,962</u>	<u>80,204</u>

The fair value of a hedging derivative is classified as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The fair value of interest rate swaps and cross currency swaps are calculated by discounting the expected future cash flows using assumptions supported by observable market rates (e.g. interest rates and exchange rates) adjusted for specific features of the instruments and debit or credit value adjustments based on the Group's or the derivative counterparties' credit risk.

### (a) Derivatives and hedging activities

The Group uses its derivative financial instruments to hedge its exposure to fluctuations in interest and foreign exchange rates. At the inception of the hedging transaction, the Group designates and documents the economic relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The accounting for the subsequent changes in fair value of derivative instruments used for hedging activities

depends on the nature of the item being hedged and the type of hedging relationships designated. The Group designates certain derivatives as either:

- hedges of the fair value of recognised liabilities (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised liabilities (cash flow hedges).

#### *Fair value hedge*

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability that is attributable to a particular risk.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within changes in fair value of financial instruments, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss also within changes in fair value of financial instruments.

#### *Cash flow hedge*

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or highly probable forecast transaction that could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the cash flow hedge reserve, limited to the lower of change in hedging instrument or cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are recorded in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast interest payment that is hedged takes place).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for at the time of the hedge relationship rebalancing. During the year, the Group assessed the cash flow hedges to be highly effective and therefore continue to qualify for hedge accounting.

#### *Foreign currency basis spread reserve*

The foreign currency basis spread reserve represents the fair value movement of the currency basis spread component of the Group's cross currency interest rate swaps which has been excluded from the hedging relationship. The currency basis spread component of the swaps is deferred in equity as a cost of hedging and released to the income statement over the life of the instruments.

**(b) Risk management strategies**

The Group's activities expose it to foreign currency risk and interest rate risk (market related risks). In order to minimise any adverse effects on the financial performance of the Group, cross currency swaps and interest rate swaps are used to hedge these risk exposures. These swap contracts have the effect of:

- Cross currency swaps: Converting USD fixed interest rate borrowings into AUD floating rate borrowings, securing a fixed AUD/USD exchange rate.
- Interest rate swaps: Converting floating interest rate borrowings to fixed interest rate borrowings, locking in a fixed interest rate.

Financial risk management is controlled under policies approved by the Board of Directors.

*(i) Foreign currency risk*

The Group is exposed to foreign currency risk on its USD denominated US Bonds. The Group's Risk Management Policy is to fully hedge the foreign currency risk on these US Bonds (that is, fluctuations in the AUD-USD exchange rate) from the initial issuance date through to the maturity date of each US Bond, as shown in note 15(b). The Group does not have any material ongoing exposure to foreign currency risks on revenue, operating expenses and capital expenditure and will consider hedging requirements for ad hoc foreign currency transactions on a materiality basis as they arise. The Group has entered into cross currency swaps to hedge this foreign currency risk exposure.

For the purpose of hedge accounting these cross currency swap instruments are split into four components:

- A USD interest rate swap where the Group receives a USD fixed rate and pays floating USD SOFR (previously LIBOR) (fair value hedge). This component of the swap manages the Group's exposure to changes in fair value of the fixed rate USD debt arising from fluctuations in the USD SOFR.
- A cross currency basis swap where the Group receives floating USD SOFR and pays floating AUD BBSW (cash flow hedge). This component of the swap hedges the Group's variability in cash flows relating to the principal and interest components of the USD debt due to movements in exchange rates, and converts the Group's exposure to USD SOFR to an AUD BBSW exposure, which is subsequently mitigated through the Group's AUD floating to fixed interest rate swaps.
- A swap where the Group receives fixed USD margin and pays a fixed AUD margin (cash flow hedge). This component of the swap hedges the foreign currency exposure on the USD margin component of the USD interest payments to achieve a fixed AUD/USD exchange rate, fully mitigating foreign exchange risk.
- Currency basis spread which represents the liquidity charge for exchanging different currencies (deferred in equity as a cost of hedging).

At 30 June 2024, 100% (30 June 2023: 100%) of the Group's USD denominated US Bonds were hedged in respect of foreign currency risk. As at the end of the reporting period, the Group had the following amount of US Bonds (USD denominated) and notional principal amount of cross currency swap contracts outstanding:

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
<b>Outstanding derivative contracts</b>		
US Bonds	423,159	423,159
Cross currency swaps (notional amount)	(423,159)	(423,159)
	<u>-</u>	<u>-</u>

The currency basis spread incorporated within the margin on the cross-currency swaps has been excluded from the hedging relationship and deferred in the foreign currency basis spread reserve. Refer to note 18 for movements in the foreign currency spread reserve.

(ii) *Interest rate risk*

The Group is exposed to two forms of interest rate risk:

- Cash flow interest rate risk (exposure to variable interest rates); and
- Fair value interest rate risk (exposure to fair value movements on fixed rate debt)

*Cash flow interest rate risk:*

The Group is exposed to variability in cash flows as a result of changes in interest rates on its floating rate bonds, bank debt facilities and on the AUD floating interest rate exposure created from the USD fixed to AUD floating interest rate swap component of its cross-currency swaps.

The Group's interest rate risk management policy is to fix interest rates across the total debt portfolio through the issuance of either fixed rate debt or execution of derivatives in line with the hedging bands set out below:

Interest Rate Hedging Policy Bands										
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Upper Band	100%	95%	90%	85%	80%	75%	70%	65%	60%	55%
Lower Band	80%	70%	60%	50%	40%	30%	20%	10%	0%	0%

The Board approved a revised Hedging Policy in June 2024 adopting the above bands. Prior to this any deviations from the Hedging Policy bands were approved by the Board. The Group has entered into interest rate swaps which are designated in cash flow hedge relationships. Under these swaps the Group agrees, at specified intervals, to receive interest at variable rates and pay interest at fixed rates, effectively fixing the Group's interest rate.

Fixed rate loans and derivatives currently in place cover 99% (2023: 92%) of the loan principal outstanding at 30 June 2024, this has reduced to 83% after the repayment of the \$200 million Australian medium term notes in July 2024. The average fixed interest rate is 0.87% (2023: 1.62%) and the variable rates are based on the 90-day BBSY (bid) bank bill rate or 90-day BBSW bank bill rate.

*Fair value interest rate risk:*

The Group is also exposed to fair value interest rate risk on its fixed interest rate US Bonds. Fluctuations in interest rate impact the fair value of the Group's US Bonds, with increases in the benchmark interest rate decreasing the fair value of the Bonds and decreases in the interest rate having the opposite effect.

The Group uses the USD fixed-to-floating interest rate swap on the benchmark interest component of the cross-currency swaps to manage this fair value interest rate risk exposure. This component of the cross-currency swaps is designated in a fair value hedge relationship. This results in fair value changes in this component offsetting fair value adjustments recognised on the Group's US Bonds, which are recognised at fair value on the balance sheet until hedge accounting is discontinued.

Hedge ineffectiveness: The terms of the Group's cross currency swaps and interest rate swaps (hedging instruments) have been specifically structured to match the underlying terms of its borrowing exposures (hedged items), such that the hedge ratio is 1:1 for all hedge relationships. As the terms of the hedging instruments exactly mirror the terms of the hedged items the cash flow and fair value hedges are expected to be highly effective both at designation and at all future measurement dates.

Ineffectiveness may however arise from time to time as a result of differences between the credit risk inherent

within the hedged items and the hedging instruments.

**(c) Impact of the application of Interest Rate Benchmark Reform**

From 1 July 2023, USD LIBOR rates ceased to be applied. From 30 June 2023 the Group did not have:

- any debt instruments linked to USD LIBOR as all USD bonds issued are fixed rate; or
- any interest rate swaps or cross currency interest rate swaps directly linked to LIBOR as these instruments swap the fixed foreign denominated interest rate to either a fixed or floating BBSW(Y) interest rate.

Despite not having any direct USD LIBOR linked debt or swap instruments, some cross currency swap hedge relationships reference USD LIBOR for both hedge accounting and valuation purposes. The Group has performed an initial high level LIBOR exposure review and has not identified any direct USD LIBOR exposures. For hedge relationships with indirect USD LIBOR exposures, management has assessed that overall economics of the hedging transactions will not be modified as part of the transition process as there is no direct exposure to LIBOR, however, should any benchmark rates change this will be effected in the underlying hedge relationships.

The Group's indirect exposure to USD LIBOR benchmark within the hedge accounting relationships are subject to interest rate benchmark reform with transition occurring on 1 July 2023. There was no material valuation impact on transitioning from LIBOR to SOFR.

## (d) Effects of applying hedge accounting

As at 30 June 2023	Carrying amount of Hedging Instrument		Carrying amount of the Hedged Item		Change in value of the Hedging Instrument since inception	Change in value of the Hedged Item since inception	Loss on Hedging Activities	Total Hedge Reserves
	Asset	Liability	Asset	Liability	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
\$'000	Asset	Liability	Asset	Liability	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
<b>Cash flow hedges</b>								
Interest Rate Swaps	61,914	-	n/a	n/a	48,435	49,852	-	47,676
Cross Currency Swaps	66,705	(13,303)	n/a	n/a	58,257	62,358	121	(2,175)
<b>Fair value hedges</b>								
Cross Currency Swaps	-	(35,112)	-	(457,343)	(35,112)	35,367	(77)	-

As at 30 June 2024	Carrying amount of Hedging Instrument		Carrying amount of the Hedged Item		Change in value of the Hedging Instrument since inception	Change in value of the Hedged Item since inception	Loss on Hedging Activities	Total Hedge Reserves
	Asset	Liability	Asset	Liability	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
\$'000	Asset	Liability	Asset	Liability	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)	Gain/(Loss)
<b>Cash flow hedges</b>								
Interest Rate Swaps	43,543	-	n/a	n/a	30,506	30,740	13	43,575
Cross Currency Swaps	68,464	(14,352)	n/a	n/a	59,902	62,275	68	(476)
<b>Fair value hedges</b>								
Cross Currency Swaps	-	(33,693)	-	(457,513)	(33,693)	34,097	150	-

## 18 Reserves

	Asset revaluation reserve \$'000	Hedging reserve - cash flow hedges \$'000	Foreign currency basis spread reserve \$'000	Total \$'000
<b>Year ended 30 June 2023</b>				
Balance 1 July	15,492	21,642	(511)	36,623
Revaluation (net of tax)	-	10,727	(8)	10,719
<b>Total</b>	<b>15,492</b>	<b>32,369</b>	<b>(519)</b>	<b>47,342</b>
<b>Year ended 30 June 2024</b>				
Balance 1 July	15,492	32,369	(519)	47,342
Revaluation (net of tax)	-	(2,111)	429	(1,682)
<b>Total</b>	<b>15,492</b>	<b>30,258</b>	<b>(90)</b>	<b>45,660</b>

**(a) Asset revaluation reserve**

The asset revaluation reserve records gains or losses recognised upon transfer of properties from operating to investment assets.

**(b) Hedging reserve - cash flow hedges**

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

**(c) Foreign currency basis spread reserve**

The foreign currency basis spread reserve represents the fair value movement of the currency basis spread component of the Group's cross currency interest rate swaps which has been excluded from the hedging relationship. The currency basis spread component of the swaps is deferred in equity as a cost of hedging and released to the income statement over the life of the instruments.

## 19 Dividends

### Consolidated and Parent Entity

30 June 2024 \$'000	30 June 2023 \$'000
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Dividends for the year ended 30 June 2024 of \$10.87 (2023: nil) per fully paid share paid on 27 June 2024  
Final ordinary dividend

20,700	-
20,700	-

### (a) Ordinary shareholders' entitlement

Shareholders of each fully paid ordinary share have the right to receive dividends as declared and in the event of winding up the companies, the proceeds from the sale of surplus assets in proportion to the number of and amounts paid on shares held. Ordinary dividends are paid only after the payment of interest on RPS.

### (b) Dividend franking account

### Consolidated and Parent Entity

30 June 2024 \$'000	30 June 2023 \$'000
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Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)

8,211	-
8,211	-

## Group Structure

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. Specifically, it contains information about the Parent Entity, related party transactions, as well as parties to the Deed of Cross Guarantee under which each company guarantees the debts of others.

### 20 Parent entity financial information

The parent entity within the Group is Adelaide Airport Limited which is also the ultimate parent entity and ultimate controlling party.

#### Summary financial information

The individual financial statements for the Parent Entity show the following aggregate amounts :

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
<b>Balance sheet</b>		
Current assets	365,733	101,486
Non-current assets	1,455,931	1,340,688
Total assets	<u>1,821,664</u>	<u>1,442,174</u>
Current liabilities	66,606	44,604
Non-current liabilities	1,619,951	1,314,161
Total liabilities	<u>1,686,557</u>	<u>1,358,765</u>
Net assets	<u>135,107</u>	83,409
<i>Shareholders' equity</i>		
Ordinary shares	1,905	1,905
Reserves	15,492	15,492
Retained earnings	<u>117,710</u>	<u>66,012</u>
	<u>135,107</u>	83,409
<b>Profit for the year</b>	<u>72,398</u>	39,336
<b>Total comprehensive income for the year</b>	<u>72,398</u>	39,336

#### (a) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2024, the Parent Entity had contractual commitments for the acquisition of property, plant and equipment totalling \$74.038 million (2023: \$24.563 million). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

**(b) Guarantees entered into by the parent entity**

Each of the Adelaide Airport Group Companies (the Security Providers) has executed a deed of cross guarantee and indemnity dated 8 December 2000 in favour of a Security Trustee on behalf of all Financiers (the “AAL Group Guarantee”). Pursuant to the AAL Group Guarantee, each Security Provider (as Guarantor) guarantees to each Financier:

- (i) the payment of all money which the Security Providers at any time are actually or contingently liable to pay to or for the account of a Financier under its Financing Documents (the “Guaranteed Money”); and
- (ii) the performance by each Security Provider of its obligation to pay the Guaranteed Money to the Financiers and other non-monetary obligations to the Financiers under the Financing Documents.

No amendments will be made to the AAL Group Guarantee.

No liability was recognised by the parent entity in relation to these two guarantees, as the fair value of both guarantees is considered immaterial.

**21 Subsidiaries and transactions with non-controlling interests**

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in this financial report.

Name of entity	Country of incorporation	Equity holding	
		2024 %	2023 %
Adelaide Airport Management Limited*	Australia	100	100
Parafield Airport Limited*	Australia	100	100
New Terminal Financing Company Pty Ltd	Australia	100	100
New Terminal Construction Company Pty Ltd*	Australia	100	100

\* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 23.

Adelaide Airport Limited is the main operating entity and holds the lease rights to manage and operate Adelaide Airport. The lease and management rights form Adelaide Airport Limited’s main asset and consist of a 99-year lease (50 + 49 option) acquired in 1998 from the Federal Government. Adelaide Airport Management Limited is responsible for the employment of staff of the Group. Parafield Airport Limited holds the lease rights to operate Parafield Airport, South Australia’s principal general aviation and civilian flight training airport. New Terminal Financing Company Pty Ltd is the financing vehicle for the Group, whilst New Terminal Construction Company Pty Ltd was the company responsible for the construction of Terminal 1.

The class of shares issued are ordinary shares for all entities and carrying values remain unchanged subsequent to issue.

## 22 Related party transactions

### (a) Key management personnel compensation

	<b>30 June 2024</b>	30 June 2023
	\$	\$
Employee benefits	<b>6,167,428</b>	5,358,563
Superannuation	<b>343,604</b>	330,683
	<b><u>6,511,032</u></b>	<u>5,689,246</u>

Key management personnel compensation (KMP) relates to employee benefits paid or accrued in relation to board members and executives. KMP excludes insurance premiums paid by the Parent Entity in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out in the Directors' report. The terms of the insurance policy prohibit disclosure of the premiums paid.

### (b) Superannuation contributions

	<b>30 June 2024</b>	30 June 2023
	\$	\$
Contributions to superannuation funds on behalf of employees	<b><u>2,835,149</u></b>	<u>2,136,115</u>

## 23 Deed of cross guarantee

Adelaide Airport Limited, Adelaide Airport Management Limited, Parafield Airport Limited and New Terminal Construction Company Proprietary Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Adelaide Airport Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income, a consolidated balance sheet and a summary of movements in consolidated retained earnings for the year ended 30 June 2024 of the closed group consisting of Adelaide Airport Limited, Parafield Airport Limited, Adelaide Airport Management Limited and New Terminal Construction Company Pty Ltd.

(a) Consolidated statement of profit and loss and other comprehensive income and summary of movements in consolidated retained earnings

	30 June 2024 \$'000	30 June 2023 \$'000
<i>Consolidated statement of profit or loss and other comprehensive income</i>		
Revenue	284,611	251,021
Other income	5,958	2,478
Changes in fair value of investment properties	41,576	4,031
Employee benefits expense	(24,465)	(21,893)
Depreciation & amortisation	(29,348)	(30,216)
Services & utilities	(61,690)	(51,202)
Consultants & advisors	(2,886)	(3,462)
General administration	(11,178)	(8,696)
Increase of expected credit loss	(1,929)	(23)
Leasing & maintenance	(8,967)	(9,248)
Finance costs	(72,205)	(70,238)
Impairment of property, plant & equipment	(24)	(504)
(Loss)/Gain on disposal of property, plant & equipment	(127)	24
Profit before income tax	<u>119,326</u>	<u>62,072</u>
Income tax expense	(35,917)	(18,684)
Profit for the year	<u>83,409</u>	<u>43,388</u>

	30 June 2024 \$'000	30 June 2023 \$'000
<i>Summary of movements in consolidated retained earnings</i>		
<b>Retained earnings at the beginning of the financial year</b>	<b>139,665</b>	<b>96,277</b>
Profit for the year	83,409	43,388
Dividends provided for or paid	(20,700)	-
<b>Retained earnings at the end of the financial year</b>	<u><b>202,374</b></u>	<u>139,665</u>

**(b) Consolidated balance sheet**

Set out below is a consolidated balance sheet as at 30 June 2024 of the closed group.

	<b>30 June 2024 \$'000</b>	30 June 2023 \$'000
<b>Current assets</b>		
Cash and cash equivalents	332,436	65,958
Trade and other receivables	33,452	35,771
<b>Total current assets</b>	<u>365,888</u>	<u>101,729</u>
<b>Non-current assets</b>		
Property, plant and equipment	623,740	548,561
Investment properties	615,190	568,160
Intangible assets	183,867	183,116
Capitalised lease - operational land	118,869	120,488
<b>Total non-current assets</b>	<u>1,541,666</u>	<u>1,420,325</u>
<b>Total assets</b>	<u>1,907,554</u>	<u>1,522,054</u>
<b>Current liabilities</b>		
Trade and other payables	35,398	32,105
Borrowings	-	190,262
Current tax liabilities	23,552	8,284
Provisions	6,094	5,303
Deferred revenue	6,561	4,253
<b>Total current liabilities</b>	<u>71,605</u>	<u>240,207</u>
<b>Non-current liabilities</b>		
Borrowings	1,433,777	953,568
Deferred tax liabilities	176,777	169,074
Provisions	2,400	1,471
Deferred revenue	3,224	672
<b>Total non-current liabilities</b>	<u>1,616,178</u>	<u>1,124,785</u>
<b>Total liabilities</b>	<u>1,687,783</u>	<u>1,364,992</u>
<b>Net assets</b>	<u>219,771</u>	<u>157,062</u>
<b>Equity</b>		
Contributed equity	1,905	1,905
Reserves	15,492	15,492
Retained earnings	202,374	139,665
<b>Total equity</b>	<u>219,771</u>	<u>157,062</u>

## Other Information

This section provides information that is not directly related to the specific line items in the financial statements, including employee entitlements, remuneration of auditors and contingent liabilities.

### 24 Provisions

	30 June 2024 \$'000	30 June 2023 \$'000
<b>Current liabilities</b>		
Annual leave	1,638	1,182
Long service leave	2,558	2,557
EIP provision and short-term incentives	1,898	1,564
	<u>6,094</u>	<u>5,303</u>
<b>Non-current liabilities</b>		
Long service leave	522	622
EIP provision	1,878	849
	<u>2,400</u>	<u>1,471</u>

#### (a) Wages and salaries, short-term incentives, annual leave and personal leave

Liabilities for wages and salaries, including short-term incentives and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The obligation for non-accumulated personal leave is recognised when the leave is taken and is measured at the rates paid or payable.

#### (b) Long service leave

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (c) Executive Incentive Plan (EIP)

The Group recognises a liability and an expense for bonuses based on a formula that takes into account total Shareholder Return arising from each year of the Group's operations which are payable after a period of four years' accumulation subject to certain conditions contained in a formal agreement.

## 25 Remuneration of auditors

The auditor of the Group is Deloitte Touche Tohmatsu Australia.

	30 June 2024 \$	30 June 2023 \$
<b><i>Deloitte Touche Tohmatsu</i></b>		
Audit and other assurance services		
Audit and review of financial statements	150,676	146,530
Other assurance services	24,881	19,250
Total remuneration of Deloitte Touche Tohmatsu	<u>175,557</u>	<u>165,780</u>

## 26 Contingent liabilities

As required by the Group's agreement with the Commonwealth of Australia, certain property developments on the airport site may be undertaken at some future date requiring tenants to relocate from existing properties.

In the event that these relocations are required, certain reimbursements may be claimed by the tenants from the consolidated entity for improvements made by the tenants to existing properties.

At this stage, the consolidated entity has no material obligations to make any such reimbursements to tenants and no provision has been recorded in the financial statements to reflect these contingent obligations.

## 27 Events subsequent to balance date

On 12 July 2024 the Group repaid \$200 million of existing Australian dollar medium term notes which reached maturity.

On 30 July 2024, Regional Express Holdings Limited and a number of its subsidiaries entered voluntary administration. This development is not expected to materially affect the Group's financial position or operational outlook.

On 19 August 2024, Minister King approved the draft Parafield Master Plan without conditions. The next Parafield Master Plan is due in 8 years.

Other than the above, there were no further subsequent events to report since the end of the financial year to the date of signing.

## 28 Additional company information

Adelaide Airport Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Adelaide Airport Limited  
1 James Schofield Drive  
Adelaide Airport SA5950

Phone: (08) 8308 9211

Website: [www.adelaideairport.com.au](http://www.adelaideairport.com.au)

Email: [airport@aal.com.au](mailto:airport@aal.com.au)

Consolidated entity disclosure statement

As at 30 June 2024

Name of entity	Entity type	Country of incorporation	% of share capital held	Tax residency
Adelaide Airport Management Limited	Body corporate	Australia	100	Australian
Parafield Airport Limited	Body corporate	Australia	100	Australian
New Terminal Financing Company Pty Ltd	Body corporate	Australia	100	Australian
New Terminal Construction Company Pty Ltd	Body corporate	Australia	100	Australian

## Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 49 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards – Simplified Disclosures requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
- (b) the consolidated entity disclosure statement set out on page 50 is true and correct, and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 23 will be able to meet any obligations or liabilities to which they are, or may become liable, by virtue of the deed of cross guarantee described in note 23.

This declaration is made in accordance with a resolution of Directors, pursuant to s.295(5) of the *Corporations Act 2001*.



Michael Hirst  
Director



Brenton Cox  
Director

Adelaide  
24 September 2024

24 September 2024

The Board of Directors  
Adelaide Airport Limited  
1 James Schofield Drive  
ADELAIDE AIRPORT SA 5950

Dear Board Members,

### **Auditor's Independence Declaration to Adelaide Airport Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Board of Directors of Adelaide Airport Limited.

As lead audit partner for the audit of the financial report of Adelaide Airport Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**Lee Girolamo**  
Partner  
Chartered Accountants

## Independent Auditor's Report to the members of Adelaide Airport Limited

### *Opinion*

We have audited the financial report of Adelaide Airport Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated balance sheet as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report, for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards – Simplified Disclosures; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**Lee Girolamo**

Partner

Chartered Accountants

Adelaide, 24 September 2024



**Adelaide Airport Limited**  
1 James Schofield Drive  
Adelaide Airport  
SA 5950