



ANNUAL REPORT

For the year ended 30 June 2021

www.wellingtoncablecar.co.nz

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CHAIRMAN'S REPORT

For the year ended 30 June 2021

The 2020/21 year has been one of challenge and opportunity for Wellington Cable Car Limited (WCCL). The Company and its staff have responded well to the challenge of lower international visitor numbers due to COVID. We have revitalised the company's vision and values and ensured we have a fit for purpose operational structure to meet current needs and those of an evolving future.

Up until February 2020, international tourists provided approximately 60% of the Cable Car's revenue, contributing approximately \$3 million to the WCCL bottom-line. Revenue generated by the growth of the cruise ship market helped ensure that the company could also provide a reliable and cost-effective transport option for locals and an iconic visitor experience for domestic tourists.

This also meant that up until 2020 the Cable Car company was able to provide for itself, including setting aside funds for asset replacement, without needing any funding support from its 100% shareholder, Wellington City Council.

The challenge of significantly lower operating revenues has provided an opportunity for the Cable Car company to review its operations to reduce costs, optimise the service offering and seek out new visitation and revenue generation opportunities.

As a Board we are hugely appreciative of the positivity and drive shown by our Chief Executive, Cesar Piotto and his staff through what has been a particularly challenging period.

In response to COVID induced lower revenues and acknowledging the high level of fixed costs of operating the Cable Car, our shareholder Wellington City Council has also provided funding support during the past year. The Board of WCCL appreciates this support as it has enabled the Cable Car to continue to provide a regular transport link and a unique experience and connection to local and domestic visitors alike.

COVID impacts are likely to continue to impact on the Cable Car's revenue and operational sustainability for the next year or two. We have been prudent in recent years and built-up financial reserves to fund future asset renewals. If necessary, these funds can be diverted to meet operating cash losses, but in turn future shareholder financial support will likely be required to meet asset replacement.

Key to the long-term sustainability of the iconic Cable Car experience is renewal and maintenance of the cable cars and supporting infrastructure. The cars are in a good state with significant investment in recent years. Strengthening of the cable car tunnels between Lambton Quay and Kelburn is a major focus for the coming years. It is particularly encouraging that Wellington City Council has recognised the importance of this work by including part funding of the investment required in its long-term plan. This project will get underway in the coming year.

In closing I would like to thank our customer focused and extremely positive and resilient staff and my fellow Directors for their commitment to ensuring the Cable Car is well-positioned to respond to the challenges and opportunities ahead.



Andy Matthews
Chair

CEO'S REPORT

For the year ended 30 June 2021

Kia Ora Koutou,

2020/21 saw the Wellington Cable Car pivot its business and operations significantly to take advantage of the opportunities presented by COVID.

Like all tourism operators in NZ, the Cable Car was forced to reflect on how it operates and adapt the business to domestic visitors. The Team rose to the challenge, and this year's results are a testament to their flexibility, adaptability and resolve. With reduced passenger numbers and facing an uncertain future, we took the opportunity to review our strategic direction. Through several sessions, which included Directors to front line staff, we established our Shared Purpose to host great Wellington experiences that locals are proud of and visitors talk about, and company values, Kaitiakitanga, Safe Workplace, Guest Centered, Pride, Team and Adaptability. Our Shared Purpose and Values have helped guide us as we transition into a new operational norm, with a renewed focus on the customer experience.

If you compared FY 2020/21 to our last 'normal' year of operations, FY 2018/19, the Cable Car passenger numbers were 600,000 lower, equating to a \$3.6M reduction in revenue. This reduction in passengers enabled Wellingtonians to access the Cable Car without experiencing any lines or delays and gave the operational team the freedom to host a variety of new events such as "What if the city was a theatre". Whilst the Trans Tasman bubble was open, we welcomed many Australian passengers, which gives us confidence that the Cable Car will immediately benefit when travel resumes. As vaccination rates increase globally, we remain optimistic that travel bubbles will re-open and bring much-needed tourism back to Aotearoa and Wellington. Meanwhile, the Team continues to use this time to ensure that the Cable Car is ready to be a valued community asset for years to come.

The Cable Car turned 119 this year, and plans are in place for next years big celebrations. As Kaitiaki of this Wellington Taonga, we remain focused and committed to ongoing seismic resilience work and to stay ahead of the maintenance required to keep the Cable Car operating in a safe and compliant manner. Significant work is needed to ensure the assets, including cars, safety systems, tunnels, bridges and terminals are compliant. We are thankful for Wellington City Council's ongoing support, and work continues to ensure the Cable Car is here for another century.

The dedication to the safe and efficient running of one of Wellington's taonga is thanks to a small but highly dedicated group of individuals who are passionate about their work. It is essential to acknowledge that the organisation would not be in the position that it is now without their hard mahi.

Finally, I want to take this opportunity to personally thank Andy Matthews for his support and guidance over the last 18 months. Andy's term as Chair of the board will come to an end on 31 December 2021, and the Cable Car is in a better place thanks to his leadership.



Cesar N Piotto
Chief Executive

COVID AND ITS IMPACT

The Wellington Cable Car has been hugely impacted by the effect of COVID on Aotearoa, New Zealand.

In pre-COVID operations, it was the second most visited tourist attraction in the city, welcoming close to 1.2 million passengers in FY 2018/19 (WCCLs last normal year of operation).

As a result of closed international borders and the lack of cruise ship visitation to Wellington, it has lost approximately 600,000 passengers (more than 50%). Being 100% exposed to fare revenues, this has impacted revenues significantly.

The graph below illustrates the impact of COVID in FY 2019/20 and the effects of closed borders and lack of international visitors in FY 2020/21. The 600k deterioration in passenger numbers is illustrated in the difference between FY 2018/19 and FY 2020/21.

In mid-August 2020, community transmission of COVID was detected in Auckland, and the New Zealand Government again placed restrictions on businesses, organisations and individuals within New Zealand. Those restrictions were fully lifted by early October 2020. The Company applied for and received the Government resurgence wage subsidy.

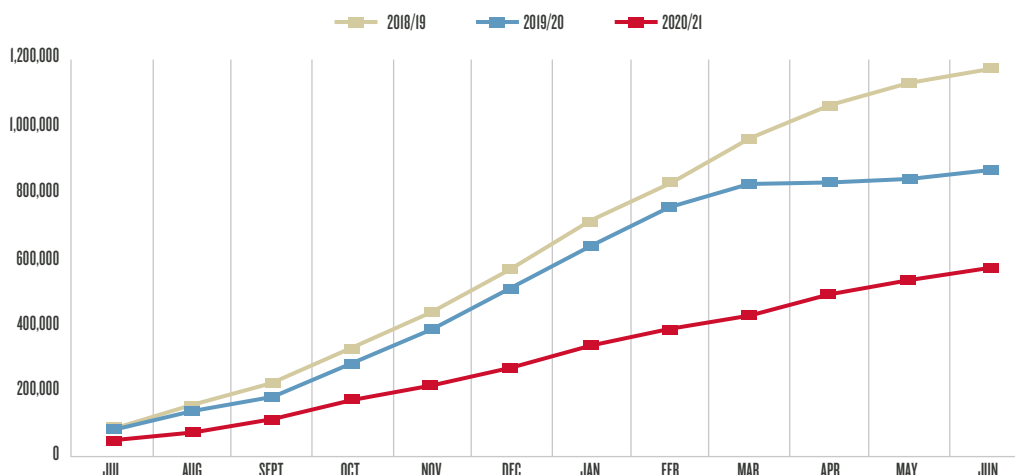
In June 2021, restrictions were placed on businesses, organisations and individuals in Wellington by the New Zealand Government following the confirmation of an Australian traveller being infected with COVID whilst visiting the city. Those restrictions were fully lifted by 30 June 2021.

As at 30 June 2021, the Company is in a good financial position and continues to hold sufficient cash reserves to help mitigate any currently foreseen adverse economic impact COVID may have. At the reporting date, COVID was not present in the community and there were no restrictions on the activities of individuals, organisations or businesses within New Zealand, although substantial restrictions remained at the border.

On 18 August 2021, New Zealand was once again put into a Level 4 nationwide lock down by the New Zealand Government after COVID was found present in the community in Auckland and Wellington. Wellington was reduced to alert level 3 from 1 September, with Auckland continuing to remain in alert level 4 until reducing to alert level 3 on 22 September. The cable car was closed for operation on 18 August and reopened to the public again on 8 September when Wellington restrictions were reduced to alert level 2.

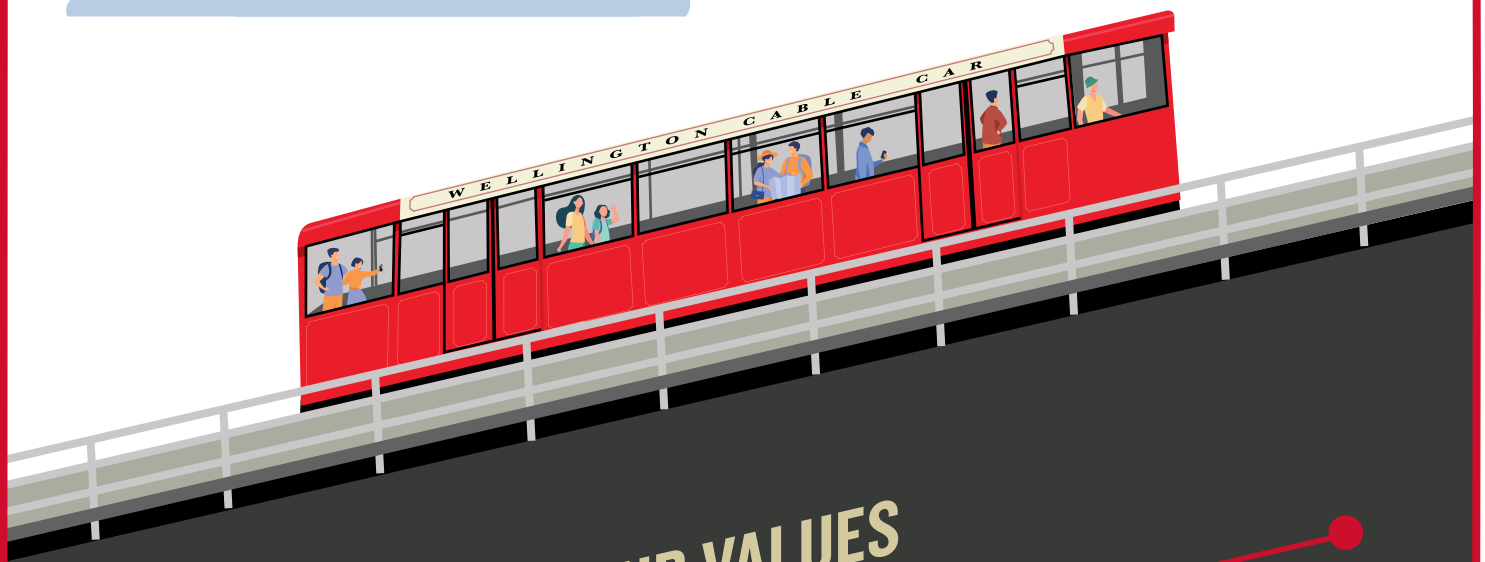
The Cable Car is constantly trying to find ways to attract more visitors and plug the deficit to ensure the operation has a long term sustainable future. To return to pre-COVID visitation numbers with only domestic visitation means that the Cable Car would need to host every resident of Hamilton, Tauranga, Napier, Nelson, Dunedin, and Invercargill once each year. The Cable Car business model is evolving and is likely to need ongoing support from Wellington City Council until international borders re-open and cruise ships return to Wellington.

WCCL CUMULATIVE ANNUAL PASSENGER NUMBERS



OUR SHARED PURPOSE

Host great Wellington experiences that locals are proud of and visitors talk about.



OUR VALUES

KAITIAKITANGA
Custodians of a Wellington taonga & our environment.

SAFE WORKPLACE
Safe Site & Safe Conversations.

GUEST CENTRED
The guest experience makes our business.

PRIDE
We strive to take pride in everything we do.

TEAM
The Team works together to deliver consistently great Wellington experiences.

ADAPTABILITY
We embrace new ideas to sustain & improve our business.



KAITIAKITANGA

Custodians of a Wellington taonga & our environment.

- Our small but dedicated Maintenance team are committed to ensuring that this Wellington taonga is safe and compliant for future generations. The Team looks after the Cars, Tunnels, Bridges, Stations, Terminals, Stations, Drive, Control and Safety systems.
- During FY 2020/21, we embarked on our most complex and comprehensive maintenance program since the asset was installed in 1979, replacing two boggies during our Annual Maintenance Shutdown.
- Support WCC Te Atakura – Carbon-zero policy, the Cable Car runs on electricity and the clever regenerative braking system allows energy to be fed back to the grid.

PERFORMANCE INDICATOR: Wellington Cable Car has a robust Asset Management Plan (AMP).	
TARGET MEASURE: Asset Management Plan will be approved and implemented.	
ACTUAL - 2021	ACTUAL - 2020
Achieved – Asset Management plan is being implemented.	<i>New Measure.</i>

PERFORMANCE INDICATOR: WCCCL can fund its long-term Cable Car capital expenditure programme.	
TARGET MEASURE: Sufficient financial reserves are maintained to permit funding of capital works programme as included in the Asset Management Plan, through a combination of cash, external borrowing, and grants / external funding.	
ACTUAL - 2021	ACTUAL - 2020
Achieved – WCCCL is continuing to fund capital works programs through a combination of internal and external funding.	<i>New Measure.</i>



SAFE WORKPLACE

Safe Site & Safe Conversations.

- The Cable Car maintained its Qualmark silver certification. Amongst 4 pillars, Health and Safety is a vital component of the re-certification process.
- The Cable Car worked with FENZ in a coordinated exercise to improve capability and be better prepared to respond to unforeseen events.

PERFORMANCE INDICATOR: Health and Safety is actively managed and systematically improved.	
TARGET MEASURE: Safety improvements are identified and implemented. Health and Safety meetings are well attended. Workers report incidents and hazards.	
ACTUAL - 2021	ACTUAL - 2020
Achieved - WCCL H&S committee meets monthly and discusses any incidents/accidents / near misses. The committee is made up of up to 9 individuals and monitors the risk register, including mitigation and reduction strategies. This is communicated to staff after each meeting and reported to the Board Quarterly. A SafePlus self assessment has been carried out.	<i>Achieved - Wellington Cable Car Limited management has a risk register and monitors and manages all identified risks, including regular reporting to the board.</i>

PERFORMANCE INDICATOR: Cable Cars, track, tunnels, bridges, buildings and equipment are maintained to the required standard.	
TARGET MEASURE: Rail safety licence will be maintained.	
ACTUAL - 2021	ACTUAL - 2020
Achieved – Rail Safety License was maintained.	<i>New Measure.</i>



GUEST CENTRED

The guest experience makes our business.

- The Cable Car is proud to welcome all guests on the iconic trip from Lambton Quay to Kelburn. The Cable Car maintains its Be accessible platinum accreditation thanks to the specially designed wide gates at Lambton Quay terminal which is suitable for prams, bikes, mobility scooters and wheelchairs.
- The Cable Car continues to support Aho – Tini Strategy and provide a unique canvas to inject vibrancy into Wellington.
- In support of WCC efforts, the Cable Car hosted several *What if the City was a Theatre* performances.
- The Cable Car was featured to over 40k viewers when Drax Project used it as a stage for their Tik Tok live stream.
- China Cultural Centre, Chinese mid Autumn festival.



PERFORMANCE INDICATOR: Cable car user satisfaction.	
TARGET MEASURE: Maintain Net Promoter Score equal to CXI Benchmark and ideally 5% above benchmark. Maintain Trip advisor and Google rating of 4.2 or higher.	
ACTUAL - 2021	ACTUAL - 2020
<p>NPS <i>Not Achieved</i> - Wellington Cable Car NPS for the year is 71, with the CXI Benchmark NPS at 73. This means that the Cable Car's NPS sits 2 points below the benchmark and falls slightly short of our target.</p> <p>Trip Advisor Rating <i>Achieved</i> - The company had an average Trip Advisor rating for the year of 4.21 out of 5</p> <p>Google Review Rating New Measure <i>Achieved</i> - The company had an average Google Review Rating for the year of 4.5 out of 5.</p>	<p><i>Achieved</i> - During the year, external consultants were engaged to execute the CXI survey on behalf of the Cable Car. Their survey was on a 7 point scale which required some translation to equate to the target of 85% good or very good reviews. It was decided that average score of 6 or higher would mean that we achieved our target.</p> <p><i>The Cable Cars average CXI result for the year was a 6.4 out of 7.</i></p> <p>Trip Advisor Rating <i>Achieved</i> - The company had an average Trip Advisor rating for the year of 4.3 out of 5.</p>

PERFORMANCE INDICATOR: The service level meets established tourism standards.	
TARGET MEASURE: Qualmark endorsement will be maintained.	
ACTUAL - 2021	ACTUAL - 2020
<p>Qualmark <i>Achieved</i> – Qualmark Silver endorsement was achieved.</p>	

PERFORMANCE INDICATOR: Cable car passenger trips.	
TARGET MEASURE: 517k passenger trips, split as follows:	
	<p>1st Qtr.: 62,887 2nd Qtr.: 126,961 3rd Qtr.: 163,614 4th Qtr.: 163,515 Full year: 516,977</p>
ACTUAL - 2021	ACTUAL - 2020
<p><i>Achieved</i></p> <p>1st Qtr.: 106,784 2nd Qtr.: 158,490 3rd Qtr.: 156,117 4th Qtr.: 146,330 Full year: 567,721</p> <p>We had not budgeted for any international visitation during the year, and as a result of better than expected domestic tourism number, we achieved passenger trips.</p>	<p><i>Not Achieved</i></p> <p>1st Qtr.: 179,669 2nd Qtr.: 320,506 3rd Qtr.: 322,533 4th Qtr.: 39,777 Full year: 862,487</p> <p><i>Due to COVID, and national lock down, the Cable Car was closed for 53 days during Q4. (23/3/20 to 14/5/20). Once re-opened, due to closed international borders and restrictions on regional travel, visitation was significantly reduced.</i></p>

PRIDE

We strive to take pride in everything we do.

- Our entire team takes pride to ensure the service is safe and reliable.

PERFORMANCE INDICATOR: Cable car service reliability.	
TARGET MEASURE: Percentage reliability greater than 99.0%.	
ACTUAL - 2021	ACTUAL - 2020
Achieved - 99.94% of trips starting on time By using the daily trip counts, we calculate the number of missed trips. There were 16 missed trips during FY 2020/21. Therefore 99.94% of service trips departed as scheduled and 0.06% of trips were missed. We do not count trips not run as a result of scheduled maintenance nor do we count trips not run as a result of COVID-19 lock downs.	<i>Achieved 99.94% of trips starting on time By using the daily trip counts, we calculate the number of missed trips. There were 16 missed trips during FY 2019/20. Therefore 99.94% of service trips departed as scheduled and 0.06% of trips were missed. We do not count trips not run as a result of scheduled maintenance nor do we count trips not run as a result of COVID-19 lock downs.</i>

PERFORMANCE INDICATOR: Compliance with appropriate legislation and regulations.	
TARGET MEASURE: The number of adverse comments from the relevant regulatory authorities are nil.	
ACTUAL - 2021	ACTUAL - 2020
Achieved.	<i>Achieved.</i>



TEAM

The Team works together to deliver consistently great Wellington experiences.

- The Cable Car supports Te Taihū Te Reo Māori Policy and used the Annual Maintenance Shutdown to put the Team through some Te Reo Māori lessons.
- Te Reo Māori signage is being installed as signage is being replaced.



ADAPTABILITY

We embrace new ideas to sustain & improve our business.

- Collaborated with CCO Whanau (Experience Wellington) on a new initiative to combo the Cable Car with a movie screen at Space Place. This gave Wellingtonians discounted access to two 'must do' attractions which sold over 900 tickets in FY 2020/21.
- WCCL developed a School tour that gives Tamariki a behind-the-scenes look and understanding of the history and engineering of the Cable Car. This has been sold as a standalone product that can also be added to a school trip or combined with STEM sessions delivered at the Cable car Museum.



PERFORMANCE INDICATOR: Budgetary requirements approved by the Wellington Cable Car Limited Board are met.

TARGET MEASURE: Degree of variance from budget - within 10% of board approved variance.

ACTUAL - 2021	ACTUAL - 2020
Achieved. All variances approved and signed off by the Directors at the following Board meeting.	Achieved. All variances approved and signed off by the Directors at the following Board meeting.

PERFORMANCE INDICATOR: Board delegations are adhered to.

TARGET MEASURE: Board and leadership team approvals of financial and contractual commitments and expenditure - all in accordance with the delegations policy.

ACTUAL - 2021	ACTUAL - 2020
Achieved.	Achieved.

ANNUAL REPORT & STATEMENT OF COMPLIANCE

As at 30 June 2021

Wellington Cable Car Limited is a council-controlled organisation as defined by section 6 of the Local Government Act 2002. Wellington Cable Car Limited is also covered by the Companies Act 1993 and governed by law and best practice.

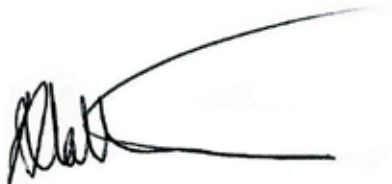
The Board of Directors present their Annual Report including financial statements for the Branch for the year ended 30 June 2021 and the auditor's report thereon.

The shareholders of Wellington Cable Car Limited have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this Annual Report need not comply with any of paragraphs (a), and (e) to (j) of section 211(l) of the Act.

STATEMENT OF COMPLIANCE

The Directors of Wellington Cable Car Limited hereby confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with, being:

- Within five months after the end of the financial year (extended from three months)
- An annual report that provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances
- Audited consolidated financial statements for that financial year and
- An auditor's report (in accordance with sections 67, 68 and 69 of the Local Government Act).



Andy Matthews
Director



David Perks
Director

Date: 15 November 2021

COMPANY DIRECTORY

As at 30 June 2021

Issued Capital:	7,434,746 fully paid Ordinary Shares
Registered Office:	Level 4, 276 Lambton Quay Wellington Central, 6011 Wellington, NEW ZEALAND
Directors:	Mr A W Matthews Mr D McComb Mr D Perks
Company Number:	502158
Auditors:	Audit New Zealand on behalf of the Auditor-General
Bankers:	ANZ Bank New Zealand Limited
Share Registry:	101 Wakefield Street Wellington, NEW ZEALAND
Solicitors:	Morrison Mallet
Date of Formation:	2 April 1991

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2021

	<i>Note</i>	<i>Actual 2021 \$</i>	<i>Budget 2021 \$</i>	<i>Actual 2020 \$</i>
REVENUE				
Exchange revenue				
Operating Revenue		1,644,019	1,437,987	2,782,803
Miscellaneous Revenue		35,828	-	16,049
Interest Revenue		32,866	108,000	111,598
Total exchange revenue		1,712,713	1,545,987	2,910,449
Non-exchange revenue				
Grants & Subsidies Received	*	1,638,097	138,864	138,859
TOTAL REVENUE	9	3,350,811	1,684,851	3,049,308
EXPENSES				
Operations and general	10	1,375,848	1,524,334	1,829,070
Auditor's remuneration	11	43,516	50,004	36,425
Directors' remuneration	12	60,000	60,000	45,000
Depreciation	21	578,640	288,000	286,492
Amortisation	22	6,699	12,000	7,427
Employees' remuneration	13	1,289,531	1,316,412	1,354,363
Operating leases		110,428	119,101	110,945
TOTAL EXPENSES		3,464,662	3,369,851	3,669,723
(DEFICIT) / SURPLUS BEFORE TAX		(113,851)	(1,685,000)	(620,414)
Income Tax (Benefit) / Expense	20	7,903	-	(320,779)
NET (DEFICIT) / SURPLUS AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS		(121,754)	(1,685,000)	(299,635)
Other Comprehensive Revenue or Expense		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO SHAREHOLDERS		(121,754)	(1,685,000)	(299,635)

* Covid-19 support grants were received during the year from Wellington City Council (\$1,587,376), Inland Revenue (\$6,870) and Work and Income (\$43,852). These grants were used to pay general operating costs and salaries and wages during the year.

** During the year the Company reviewed the useful lives of the property, plant and equipment, and the Lambton Quay Terminal fitout was identified as requiring a change in depreciation rate. This change in accounting estimate resulting in an additional \$295k of depreciation recorded this year.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	<i>Accumulated Revenue and Expense</i>	<i>Issued Capital</i>	<i>Total</i>
	\$	\$	\$
BALANCE AT 1 JULY 2019	3,440,699	7,434,846	10,875,545
Total comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(299,635)	-	(299,635)
BALANCE AT 30 JUNE 2020	3,141,064	7,434,846	10,575,910
Total comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(121,754)	-	(121,754)
BALANCE AT 30 JUNE 2021	3,019,310	7,434,846	10,454,156

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2021

	<i>Note</i>	<i>Actual 2021</i>	<i>Budget 2021</i>	<i>Actual 2020</i>
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	14	1,372,055	444,198	358,623
Short term deposits	15	1,802,321	2,045,802	3,427,406
Trade and other receivables	17	1,234,479	86,000	33,794
Inventories	18	293,018	-	330,837
Income Tax Receivable	20	17,190	-	103,662
Prepayments		10,500	-	-
GST Receivable		-	-	81,186
TOTAL CURRENT ASSETS		4,729,563	2,576,000	4,335,508
NON-CURRENT ASSETS				
Property, plant & equipment	21	7,022,125	7,368,000	7,529,888
Intangibles	22	12,135	-	14,563
TOTAL NON-CURRENT ASSETS		7,034,260	7,368,000	7,544,451
TOTAL ASSETS		11,763,823	9,944,000	11,879,959
CURRENT LIABILITIES				
Trade and other payables	19	275,169	490,000	413,272
Employee Benefit Liabilities		134,210	-	187,191
GST Payable		163,141	-	-
TOTAL CURRENT LIABILITIES		572,520	490,000	600,462
NON-CURRENT LIABILITIES				
Deferred tax liability	20	737,147	750,000	703,587
TOTAL NON-CURRENT LIABILITIES		737,147	750,000	703,587
TOTAL LIABILITIES		1,309,667	1,240,000	1,304,049
NET ASSETS		10,454,156	8,704,000	10,575,910
EQUITY				
Contributed Equity		7,434,846	7,434,846	7,434,846
Accumulated Revenue and Expense		3,019,310	1,269,154	3,141,064
TOTAL EQUITY		10,454,156	8,704,000	10,575,910

For and on behalf of the Board:



Andy Matthews
Director

Date: 15 November 2021



David Perks
Director

STATEMENT OF CASH FLOW

For the year ended 30 June 2021

	<i>Note</i>	<i>Actual</i> 2021 \$	<i>Budget</i> 2021 \$	<i>Actual</i> 2020 \$
Receipts from operations		1,702,519	1,785,945	2,837,646
Receipts from grants & subsidies		555,526	138,864	160,222
Payments to suppliers and employees		(2,864,040)	(3,436,362)	(4,021,450)
Refunds of tax		129,318	-	-
Payments of tax		(17,190)	-	(94,070)
Goods and services tax (net)		(65,436)	-	(53,990)
NET CASH FLOWS FROM OPERATING ACTIVITIES		(559,303)	(1,511,553)	(1,171,642)
Receipts from interest		29,068	108,000	120,007
Investment in term deposits		1,625,085	1,294,485	(87,120)
Sale of property, plant and equipment		4,250	-	-
Purchases of property, plant and equipment		(85,668)	(172,000)	(169,591)
NET CASH FLOWS FROM INVESTING ACTIVITIES		1,572,735	1,230,485	(136,705)
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET CASH FLOW		1,013,432	(281,068)	(1,308,345)
Cash and cash equivalents as at the beginning of the year		358,623	725,266	1,666,968
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	1,372,055	444,198	358,623

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

1 REPORTING ENTITY

Wellington Cable Car Limited is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council Controlled Organisation (CCO) as defined by Section 6 of the Local Government Act 2002 and is domiciled in New Zealand.

The primary objective of the Wellington Cable Car Limited is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Wellington Cable Car Limited has designated itself as a public benefit entity for Financial Reporting Purposes.

2 BASIS OF PREPARATION

Statement of Compliance

These financial statements are for the year ended 30 June 2021. They have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Local Government Act 2002 and comply with generally accepted accounting practice in New Zealand (NZ GAAP) and Tier 2 PBE Standards Reduced Disclosure Regime (PBE Standards RDR) accounting standards applicable for Public Sector entities.

The company qualifies as a Tier 2 reporting entity with reduced disclosures on the basis that it does not have public accountability, is not large and has total expenses < \$30 million but > \$2 million, and that elects to be in Tier 2.

These financial statements have been prepared on the basis that the Company is a going concern and has the continuing support of its shareholders. Based on the continuing financial support of its shareholders, the Company would satisfy the solvency requirements of the Companies Act 1993.

The financial statements are for the year ended 30 June 2021 and were approved by the Board of Directors on 15 November 2021.

Measurement Base

The financial statements of Wellington Cable Car Limited have been prepared on an historical cost basis.

Functional and presentation currency

These financial statements are presented in New Zealand dollars (NZ\$) which is the company's functional and presentation currency, and all values are rounded to the nearest (NZ\$), except where otherwise indicated.

Changes in Accounting Policies

The accounting policies detailed in the following notes have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company, except as explained in Note 4, which addresses the changes in accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from those estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) Judgements

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the financial statements include the application of the going concern assertion. The Covid-19 pandemic has had a significant impact on the Company, as disclosed in the notes below.

(b) Assumptions and estimation uncertainties

There are no key estimates that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(c) Changes in accounting estimates

During the period the company revised the remaining useful life of the Lambton Quay terminal fit-out from 36 years to 6 years. The change in estimate will accelerate the recognition of depreciation in surplus or deficit, as detailed in the relevant accounting policy note below.

4 CHANGES IN ACCOUNTING POLICIES

Changes due to the initial application of new, revised, and amended PBE standards

(a) Going concern disclosures (amendments to PBE IPSAS 1)

During the period, an amendment to PBE IPSAS 1 in relation to going concern disclosures was adopted by the Company. The amendment introduced more specific disclosures about going concern assessments to provide more relevant and transparent information about matters considered when making such assessments. This amendment has not had an impact on the accounting policies of the Company. The covid-19 pandemic has had a significant impact on the Company and further disclosures around the going concern assessment are detailed in the Covid-19 Pandemic note below.

(b) Standards issued and not yet effective, and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Company are:

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ended 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Company will not early adopt this amendment.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Company has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

5 SUMMARY OF ACCOUNTING POLICIES

In the preparation of these financial statements, the specific accounting policies are as follows:

(a) Property, Plant & Equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

Measurement

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised.

Cable Car Assets

The Cable Car assets comprising the Cable Car, Tracks and Cable Car Equipment are valued at cost less accumulated depreciation and annually reviewed for impairment to ensure its carrying value is accurately reflected.

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment in accordance with PBE IPSAS 21 and PBE IPSAS 26. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the surplus or deficit.

Disposal

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the surplus or deficit in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks	2%
Cable Car & Equipment	2%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Change in accounting estimate

During the year the Company reviewed the useful lives of the property, plant and equipment, and one asset was highlighted as requiring a change in depreciation rate, as indicated below. The fit-out at the Lambton Quay Terminal is expected to be refreshed after 20 years of use, rather than the initially indicated 50 years of use. This change in accounting estimate resulted in an additional \$295k of depreciation being recorded in the 2021 financial year. Further, an additional \$20k depreciation will be recorded per year for the next six years, at which time the asset will have reached the end of its revised useful life.

Lambton Quay terminal fit-out	5% SL (2020: 2% SL)
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Work-in-progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

(b) Foreign Currencies

Transactions in foreign currencies that are settled in the accounting period are translated into NZD (the functional currency) using the spot exchange rates at the dates of the transaction. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the surplus or deficit.

(c) Intangible Assets

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the surplus or deficit on a straight-line basis over the useful life of the asset.

Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the surplus or deficit in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the surplus or deficit.

(d) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable which are shown inclusive of GST. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(e) Income Tax

Income tax expense is charged in the Statement of Comprehensive Revenue and Expense in respect of the current year's results. Income tax on the surplus or deficit for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable revenue for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at reporting date. Deferred income tax assets are recognised to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilised.

(f) Inventories

Wellington Cable Car Limited's inventory comprises of items held in respect of maintaining and operating the Cable Car, and merchandise held for sale. In accordance with PBE IPSAS 12, all inventory has been valued at the lower of cost using the weighted average cost formula or net realisable value.

(g) Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in surplus or deficit in the period in which they are incurred. Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Revenue and Expense as an integral part of the total lease payment.

(h) Statement of Cash Flow

The Statement of Cash Flow has been prepared using the direct approach.

Operating activities include cash received from all revenue sources of the Company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(i) Related Parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

(j) Financial Instruments

Wellington Cable Car Limited classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

The entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade and other receivables

Trade and other receivables are initially recorded at their fair value plus directly attributable transaction costs, and subsequently at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted using effective interest method. Receivables with a short duration are not discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their fair value.

Short term investments

Short term investments comprise term deposits which have a term of greater than three months and invested for a period of less than 12 months and therefore do not fall into the category of cash and cash equivalents. These are accounted for on the same basis as trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Financial Liabilities

Trade and other payables

Short term payables are initially recorded at fair value (plus transaction costs) and are measured subsequently at amortised cost using the effective interest method.

(k) Exchange Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the main source of exchange revenue along with a minor amount of income from merchandise sales.

Revenue is recognised when billed or earned on an accrual basis.

Rental income arising from sub-lease of the office premises is accounted for on a straight-line basis over the lease term.

Interest income is recognised as the interest accrued, using the effective interest method.

(l) Grants - Non-exchange revenue

Grants are recognised as revenue when received, unless conditions apply. Any grants for which conditions apply under the grant agreement are carried as liabilities until all the conditions have been fulfilled.

(m) Employee Benefit liabilities

Short term employee benefit liabilities are recognised when the Company has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

(n) Share Capital

The total number of authorised, issued and fully paid shares at reporting date was 7,434,846 (2020: 7,434,846) ordinary shares.

These shares have full voting rights and participate fully in all dividends and proceeds upon winding up.

6 NATURE OF THE BUSINESS

Wellington Cable Car Limited owns and operates the Wellington Cable Car providing passenger service to Kelburn and a tourist attraction for the city of Wellington.

The Cable Car business is funded from Cable Car fares.

There has been no change in the nature of business during the year under review.

7 UNQUANTIFIABLE CONTINGENT LIABILITIES

A number of New Zealand's public and private organisations have identified issues with the calculation of leave entitlements under the Holidays Act 2003.

On 4 June 2020, the Company received a notification from MYOB regarding our payroll software which stated that they had identified issues with the calculations of leave rates and entitlements for employees who have variable hours and pay, treatment of changes to work patterns and certain special circumstance leave types that impact annual holiday entitlements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

WCCL have been proactive in identifying areas of potential non-compliance. WCCL has since implemented a new payroll system. To remediate the on-going implications of potential non-compliance with the old system, WCCL have engaged BDO Wellington Limited to complete sample testing of the holiday payments and determine the extent of the remediation project for calculating any liabilities that are due and owing to employees. WCCL are currently getting advice in terms of the time period that it needs to go back and remediate the issue fully.

WCCL's liability cannot be reliably estimated at this time and therefore no provision has been recognised at 30 June 2021. The liability is not expected to be significant or material for WCCL, and, since the implementation of the new Holidays Act 2003 compliant payroll system in February 2021, the issue no longer exists.

8 VARIANCES TO BUDGET

Commentary is provided for major variances to budget

Statement of comprehensive revenue and expenses	2021	2021	Variance	Variance
	Actual	Budget		
	\$	\$	\$	%
Operating revenue	1,712,713	1,545,987	166,726	11%
Non-exchange revenue	1,638,097	138,864	1,499,233	1080%
Operating expenses	2,879,323	3,069,851	(190,528)	-6%
Depreciation and amortisation	585,339	300,000	285,339	95%

The company made a deficit of \$114k before tax, which is significantly better than the budgeted deficit of \$1,685k before tax. The majority of the variance against budget relates to operational grants received from Wellington City Council of \$1,587k (GST excl) which were not budgeted for. The remaining variance relates to small improvements in operating revenue over budget, and small cost savings in operating expenditure over budget.

Depreciation was over budget for the year due to a change in the useful life the Lambton Quay terminal fit-out. This change in estimate resulted in an additional \$295k of depreciation being recorded through the 2021 financial year.

Statement of financial position	2021	2021	Variance	Variance
	Actual	Budget		
	\$	\$	\$	%
Current assets	4,729,563	2,576,000	2,153,563	84%
Non-current assets	7,034,260	7,368,000	(333,740)	-5%
Current liabilities	572,520	490,000	82,520	17%
Non-current liabilities	737,147	750,000	(12,853)	-2%
Equity	10,454,156	8,704,000	1,750,156	20%

Current assets were significantly above budget at 30 June 2021 due to the operational grants allocated from the Wellington City Council during the year. \$613k (GST incl) of these grants were received in cash during the year, and \$1,212k (GST incl) was recorded as a trade debtor at 30 June 2021. This has had a positive impact on the net asset position at year-end.

Non-current assets were slightly under budget at 30 June 2021 to a change in the useful life the Lambton Quay terminal fit-out. As highlighted above, this change in estimate resulted in an additional \$295k of depreciation being recorded through the 2021 financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

8 VARIANCES TO BUDGET (CONTINUED)

Statement of cash flows	2021	2021	Variance	Variance
	Actual	Budget		
	\$	\$	\$	%
Net cash flow from operating activities	559,303	1,511,553	(952,250)	-63%
Net cash flow from investing activities	(1,572,735)	(1,230,485)	(342,249)	28%
Net cash flow from financing activities	-	-	-	0%

Due to the ongoing revenue impacts of Covid-19, the Company continued to utilise its cash reserves in the 2021 year to fund operating activities. The impact of this was included in the budget, and the cash reserves held at year-end were \$684k higher than budgeted. This was predominantly due to the operating grant received from Wellington City Council, along with fare revenues and operating expenditure both performing slightly ahead of budget.

9 REVENUE

	2021	2020
	\$	\$
Exchange revenue		
Cable Car revenue	1,644,019	2,782,803
Miscellaneous revenue	35,828	16,049
Interest Revenue - loans and receivables	32,866	111,598
Total exchange revenue	1,712,713	2,910,450
Non-exchange revenue		
Covid-19 wage subsidy	43,852	138,859
Wellington City Council Grant received	1,587,376	-
Covid-19 Resurgence Support grant received	6,870	-
Total non-exchange revenue	1,638,097	138,859
Total Revenue	3,350,811	3,049,309

For the current year, Cable Car fare revenue was \$1,138k less than in the 2020 year. This was predominately due to the follow on impacts of COVID-19 and the international borders remaining closed, as well as organisations continuing to offer flexible working arrangements which results in a large proportion of CBD workers continuing to work remotely during the year.

The Company received a Covid-19 support grant in the current year of \$1,587,376 (2020: \$nil) from Wellington City Council. This grant was used to pay general operating costs during the year. The Company received a Covid-19 resurgence support grant in the current year of \$6,870 (2020: \$nil) from Inland Revenue, relating to the resurgence of Covid-19 in the community in June 2021 and the subsequent increase in alert level to L2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Covid-19 Wage Subsidy	2021	2020
	\$	\$
Balance at 1 July 2020	21,363	-
Covid-19 Wage Subsidy Received	22,489	160,222
Subsidy Used	(43,852)	(138,859)
Balance at 30 June 2021	-	21,363

The Company received a Covid-19 Resurgence wage subsidy in the current year of \$22,489 (2020: \$160,222). The Company used this resurgence subsidy, along with \$21,363 unpaid subsidies from the 2020 year, to pay current year salaries. There is a balance of \$nil identified as a liability as at 30 June 2021 (2020: \$21,363).

IO OPERATIONS AND GENERAL EXPENSES	2021	2020
	\$	\$
Cable Car operational costs	218,371	372,756
Cable Car maintenance costs	398,001	805,311
Marketing costs	30,565	57,829
Administration costs	190,056	140,273
Insurance costs	538,855	415,322
Miscellaneous expenses	-	37,579
Total Operations and General Expenses	1,375,848	1,829,070

Maintenance costs are significantly lower this year than the 2020 year due to the work completed during annual maintenance shutdown differing year on year. The August 2019 annual maintenance shutdown was the single largest body of work, consisting of both planned tasks and minor maintenance tasks that evolved into larger projects. In comparison the annual maintenance shutdown in August 2020 was significantly less involved.

II AUDITOR'S REMUNERATION	2021	2020
	\$	\$
Auditing the financial statements	43,516	36,425
Total Auditor's Remuneration	43,516	36,425

No payments were made to the auditor for other services during the year under review (2020: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

12 RELATED PARTIES

Wellington Cable Car Limited contracts various services from the Wellington City Council.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Wellington Cable Car Limited would have adopted in dealing with the party at arms' length in the same circumstances. Further, transactions with other Councils / Council Controlled Organisations are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Councils / Council Controlled Organisations and undertaken on the normal terms and conditions for such transactions.

As disclosed in Note 9, the Company received Covid-19 operating grants from Wellington City Council of \$1,587,376 during the reporting period, which were used to pay general operating costs during the year.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive, Asset and Engineering Manager and the Passenger Service Manager.

Key Management Personnel

The key management personnel are the directors, Chief Executive and Senior Leadership Team. The full-time equivalent (FTE) number of individuals receiving remuneration as key management (excluding directors) during the year was 2.5 (2020: 3.3). At 30 June 2021 this number was two.

	2021	2020
	\$	\$
Salaries and wages	455,385	441,433
Directors' fees	60,000	45,000
Total key management personnel remuneration	515,385	486,433

The FTE number of directors at 30 June 2021 was three (2020: two). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

Directors' Remuneration	2021	2020
	\$	\$
A Matthews	30,000	30,000
H Evans (end date 19 June 2020)	-	15,000
D McComb (appointed 19 June 2020)	15,000	-
D Perks (appointed 19 June 2020)	15,000	-
Total Directors' remuneration	60,000	45,000

There have been no other transactions with Directors other than Directors' remuneration. It is noted that the directors' remuneration listed above for D McComb and D Perks is payable to Wellington City Council.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

13 EMPLOYEES' REMUNERATION	2021	2020
	\$	\$
Salaries and wages	1,264,844	1,328,041
Contributions to defined contribution funds	24,688	26,322
Total employees' remuneration	1,289,531	1,354,363

14 CASH AND CASH EQUIVALENTS	2021	2020
	\$	\$
ANZ Cheque Account	181,075	30,975
ANZ Savings Account	783,792	238,830
ANZ Foreign Current Accounts	7,188	88,817
ANZ Term deposit	400,000	-
Total cash and cash equivalents	1,372,055	358,623

The ANZ Term deposit has a term of 61 days, and interest rate of 0.25% p.a., and matures 5 July 2021. The ANZ bank accounts have interest rates of 0% - 0.05% p.a.

15 SHORT TERM DEPOSITS	2021	2020
	\$	\$
ANZ Term deposits	1,802,321	3,427,406
Total short term deposits	1,802,321	3,427,406

The ANZ Term deposits have terms of five - six months, interest rates of 0.55% p.a. - 0.80% p.a., and maturity dates of July - November 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

16 FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2021	2020
	\$	\$
Financial Assets		
Loans and receivables		
Cash and cash equivalents	1,372,055	358,623
Short term deposits	1,802,321	3,427,406
Receivables and prepayments	1,234,479	33,794
Total financial assets	4,408,855	3,819,822

Financial Liabilities

Financial liabilities at amortised cost

Trade payables and payables with related parties	275,168	600,462
Total financial liabilities	275,168	600,462

17 TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
Exchange		
Trade receivables	8,326	2,579
Other receivables	6,794	31,214
Total exchange	15,120	33,794
Non-exchange		
Trade receivables	1,212,490	-
Other receivables	6,870	-
Total non-exchange	1,219,359	-
Total trade and other receivables	1,234,479	33,794

All receivables greater than 30 days in age are considered past due. There are no material trade receivable balances past due.

The Company has not provided for any impairment of debtors based on a review of significant debtor balances and a collective assessment of all debtors. The collective impairment assessment is based on an analysis of past collection history and write-offs.

Trade receivables from non-exchange is the Covid-19 operating grant receivable from Wellington City Council, which was received in July 2021. This is the first year a Covid-19 operational grant was received from the Council.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

18 INVENTORY	2021	2020
	\$	\$
Cable Car parts	276,244	303,536
Merchandise	16,774	27,301
Total inventory	293,018	330,837

Due to the nature of specific components having to be sourced from Europe on long lead in times, the Cable Car began to acquire critical parts and increase our inventory holdings in preparation for the 2020 annual shutdown. A large proportion of these parts are still held at 30 June 2021.

19 TRADE AND OTHER PAYABLES	2021	2020
	\$	\$
Exchange		
Trade payables	104,823	187,439
Accrued Expenses	170,346	174,083
Related party payables (Note 12)	-	51,750
Total exchange	275,169	413,272
Total trade and other payables	275,169	413,272

20 INCOME TAX	2021	2020
	\$	\$
Components of tax expense		
Current tax expense	-	-
Adjustments to current tax in prior periods	(25,658)	-
Deferred tax expense	33,561	(320,780)
Adjustments to deferred tax in prior years	-	-
Tax expense	7,903	(320,780)

Reconciliation of effective tax rate		
Net (deficit) for the period before tax	(113,851)	(620,414)
Tax at 28%	(31,878)	(173,716)
Plus/(less) tax effect of:		
Non-deductible expenditure	457,008	39
Non-taxable income	(456,744)	-
Reintroduction of tax depreciation on buildings	-	(72,885)
Deferred tax adjustment	65,175	(74,218)
Prior period adjustment	(25,658)	-
Tax expense	7,903	(320,780)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Movement in deferred tax asset/(liability)

	Property, plant & equipment	Provisions	Tax Losses	Total
	\$	\$	\$	\$
Balance at 30 June 2019	(1,054,145)	29,779	-	(1,024,364)
Charged to surplus or deficit	170,009	13,521	137,250	320,780
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2020	(884,136)	43,300	137,250	(703,586)
Charged to surplus or deficit	73,948	(13,005)	(94,504)	(33,561)
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2021	(810,187)	30,295	42,745	(737,147)

	2021	2020
	\$	\$
Income tax receivable/(payable)		
Opening balance	103,662	9,591
Tax on income	-	-
RWT deducted	17,190	34,023
Provisional tax paid/(refunded)	(129,320)	60,048
Prior period tax adjustment	25,658	-
Income tax receivable/(payable)	17,190	103,662

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

21 PROPERTY, PLANT & EQUIPMENT

	Cable Car equipment & tracks	Furniture & Computer equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 30 June 2020	9,892,140	141,166	68,852	128,928	10,231,087
Additions	18,977	8,696	-	48,918	76,591
Disposals	-	(15,619)	-	-	(15,619)
Balance at 30 June 2021	9,911,117	134,243	68,852	177,846	10,292,060
Depreciation and amortisation					
Balance at 30 June 2020	2,554,868	99,042	47,288	-	2,701,198
Charge for the year	552,564	20,571	5,505	-	578,640
Disposals	-	(9,905)	-	-	(9,905)
Balance at 30 June 2021	3,107,432	109,708	52,793	-	3,269,934
Carrying amount					
Balance at 1 July 2019	7,602,658	45,970	30,771	13,135	7,692,534
Balance at 30 June 2020	7,337,272	42,124	21,564	128,928	7,529,888
Balance at 30 June 2021	6,803,685	24,535	16,059	177,846	7,022,125

There are no restrictions over Wellington Cable Car Limited's property, plant & equipment. No property, plant or equipment is pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

22 INTANGIBLES

	Intangibles Software
Cost	
Balance at 30 June 2020	230,557
Additions	9,050
Disposals	(217,712)
Balance at 30 June 2021	21,895
Depreciation and amortisation	
Balance at 30 June 2020	215,993
Charge for the year	6,699
Disposals	(212,932)
Balance at 30 June 2021	9,759
Carrying amount	
Balance at 1 July 2019	9,146
Balance at 30 June 2020	14,563
Balance at 30 June 2021	12,135

There are no restrictions over Wellington Cable Car Limited's intangible assets. No intangible assets are pledged as security for liabilities.

23 OPERATING LEASE COMMITMENTS

	2021	2020
Non-cancellable operating lease commitments:	\$	\$
As lessee		
Not later than 1 year	83,544	102,495
Later than 1 and not later than 2 years	5,039	63,564
Later than 2 and not later than 5 years	-	2,519
Total lessee	88,583	168,578
As lessor		
Not later than 1 year	2,500	-
Later than 1 and not later than 2 years	-	-
Later than 2 and not later than 5 years	-	-
Total lessor	2,500	-

During the period Wellington Cable Car Limited sub-leased part of their office premises at 276 Lambton Quay, Wellington, to Wellington Museums Trust. The agreement is cancellable with 30 days notice by either party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

24 CAPITAL COMMITMENTS

At reporting date there are no capital commitments (2020: \$0)

25 SUBSEQUENT EVENTS

No significant events have occurred since reporting date requiring disclosure in these financial statements, other than those detailed in Note 26 (2020: nil).

26 COVID-19 PANDEMIC

The 20/2021 year saw significant impacts of COVID-19 on the Company with the long-term restrictions the New Zealand Government has continued to place on the border, resulting in minimal international tourism. With this having a significant impact on visitor numbers, the Company continued to shift focus towards the domestic tourist and Wellington local market.

In mid-August 2020, community transmission of COVID-19 was detected in Auckland, and the New Zealand Government again placed restrictions on businesses, organisations and individuals within New Zealand. Those restrictions were fully lifted by early October 2020. The Company applied for and received the Government resurgence wage subsidy.

In June 2021, restrictions were placed on businesses, organisations and individuals in Wellington by the New Zealand Government following the confirmation of an Australian traveller being infected with COVID-19 whilst visiting the city. Those restrictions were fully lifted by 30 June 2021.

As at 30 June 2021, the Company is in a good financial position and continues to hold sufficient cash reserves to help mitigate any currently foreseen adverse economic impact COVID-19 may have. At the reporting date, COVID-19 was not present in the community and there were no restrictions on the activities of individuals, organisations or businesses within New Zealand, although substantial restrictions remained at the border.

On 18 August 2021, New Zealand was once again put into a Level 4 nationwide lockdown by the New Zealand Government after Covid-19 was found present in the community in Auckland and Wellington. Wellington was reduced to alert level 3 from 1 September, with Auckland continuing to remain in alert level 4 until reducing to alert level 3 on 22 September. The cable car was closed for operation on 18 August and reopened to the public again on 8 September when Wellington restrictions were reduced to alert level 2.

We are continuing to monitor the economic situation closely so we can remain agile and respond quickly to further developments. Non-committed capital or maintenance expenditure has been deferred until the economic outlook is more certain.

On consideration of the factors above, the Board of Directors consider the preparation of the financial statements on a going concern basis is appropriate.

Independent Auditor's Report

To the readers of the Wellington Cable Car Limited's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Wellington Cable Car Limited (the Company). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 15 to 36, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flow for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company on page 7 to 11.

In our opinion:

- the financial statements of the Company on pages 15 to 36:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the performance information of the Company on page 7 to 11 presents fairly, in all material respects, the Company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Company's objectives for the year ended 30 June 2021.

Our audit was completed on 15 November 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the ongoing impact of Covid-19 on the Company. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Emphasis of matter – Ongoing impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the ongoing impact that the COVID-19 pandemic is having on the Company's operations as set out in Notes 9 and 27 to the financial statements, and the performance information on page 10.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the Company.

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

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are 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 carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, 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.
- We 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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 statements and the performance information 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 Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 21, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

We are independent of the Company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Company.

Karen Young

Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



www.wellingtoncablecar.co.nz