



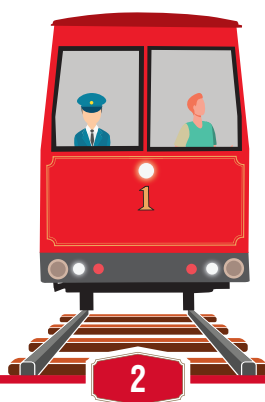
ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

WWW.WELLINGTONCABLECAR.CO.NZ

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CHAIRMAN'S REPORT

For the year ended 30 June 2022

In 2022, the Wellington Cable Car (WCCL), celebrated 120 years of service to Wellington and Wellingtonians. As kaitiaki of this Te Whanganui-a-Tara / Wellington taonga, WCCL is responsible for providing an amazing experience to locals and visitors using the Cable Car, as well as the ongoing maintenance and safe operation of the Cable Car, ensuring it adheres to the highest engineering standards and complies with all relevant legislation.

The challenges faced due to the pandemic are well documented, and now two years plus down the track, they are still impacting operations and having long-term effects on our business. There is though now hope that the light at the end of the tunnel is real.

Despite forecasting for marginal growth in FY 2020/21, we only welcomed 448k visitors, the lowest number on record. The complete lack of international visitors, the lengthy Auckland lockdowns, and the impact of Omicron on even locals' travel was worse than what was experienced in the 2020-21 year.

The lack of passengers led to a significant reduction in revenue. For FY 2021/22, operating revenue was \$1.297m compared to a budget of \$1.838m (29% decrease), compared to FY 2020/21 \$1.644m (21% decrease). We remain very grateful for the support received from Wellington City Council to help the Cable Car navigate these challenging years and prepare for the return of tourism and brighter times.

Regardless of the pandemic challenges, a full Cable Car service has been maintained throughout the year except for a small number of days when Wellington was in full lockdown. The time was used to press on with some of the infrastructure investment required to protect the experience and business for the future.

As kaitiaki, we remain focused and committed to ongoing seismic resilience work on the Cable Car line. After securing LTP funding from Wellington City Council in 2021, work has progressed during the year on the tunnel that carries the Cable Car underneath Everton Hall between Everton Terrace and Clifton Terrace. During FY 2021-22, all consents and relevant permissions were obtained, and physical works began in August 2022 with an expected completion date of February 2023. This is important work to ensure the Cable Car stays ahead of the maintenance required to keep the Cable Car operating in a safe and compliant manner.

With renewed focus on our locals and students who use the Cable Car for commuting, we developed and released a membership product that offers the owner unlimited rides for a three-month period. This new product was released to coincide with 120th birthday celebrations and has demonstrated solid success equating to approximately 16,000 subsidised trips for our commuters.

To support Wellington City Council's endeavours during the pandemic to bring people back into the city and give locals more and easier ways of getting into the CBD, we trialled allowing people to bring their dogs on the Cable Car. This was a great success, and since the trial in August 2021 we have welcomed more than 700 four-legged friends.

Throughout this year we have completed our carbon accounting and are now working through a reduction plan. WCCL will soon be Carbon Zero certified, with the aim of further reductions to support our ambition to be the first carbon positive visitor attraction in Wellington.

CHAIRMAN'S REPORT CONTINUED

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 their efforts and mahi during these difficult years.

Finally, I want to take this opportunity to thank Cesar Piotto who has been the CEO of WCCL through the period of the pandemic. Cesar has recently resigned to return with his family to Australia. Cesar led the Cable Car through some of its most challenging days in recent times, but he has built a solid platform for the future return of the WCCL business to profit now that visitors from near and far are returning to Wellington. I know that Cesar would thank everyone who has supported him and WCCL in his tenure, and likewise, on behalf of the board, I note the board's thanks to Cesar for his endeavours and contribution.



Chair
Wellington Cable Car Ltd

NOTE FROM THE INCOMING CHIEF EXECUTIVE

Tēnā koutou katoa

In 2022 the Wellington Cable Car celebrated 120 years of service to both our local, domestic, and international visitors. Whilst it has been a challenging three years for the company, the opening of air and maritime borders is exciting, and I am privileged to be leading this iconic Wellington taonga into the future.

The opportunity presented by the return of our international manuhiri is a promising one. Increased visitor numbers will allow WCCL to move ahead with exciting projects around infrastructure, customer experience and the rejuvenation of the Kelburn Paekākā precinct in collaboration with our local stakeholders.

I'm looking forward to getting to know our local and loyal passengers, to understand their needs and how we can enhance their experience. The recent introduction of membership cards for our frequent passengers has been well received and we'll be looking to do more projects like this in the upcoming financial year.

Finally, I'm also looking forward to celebrating the return of business alongside my committed and loyal team, and echoing the Chair, I thank them for their dedicated mahi during the pandemic years.

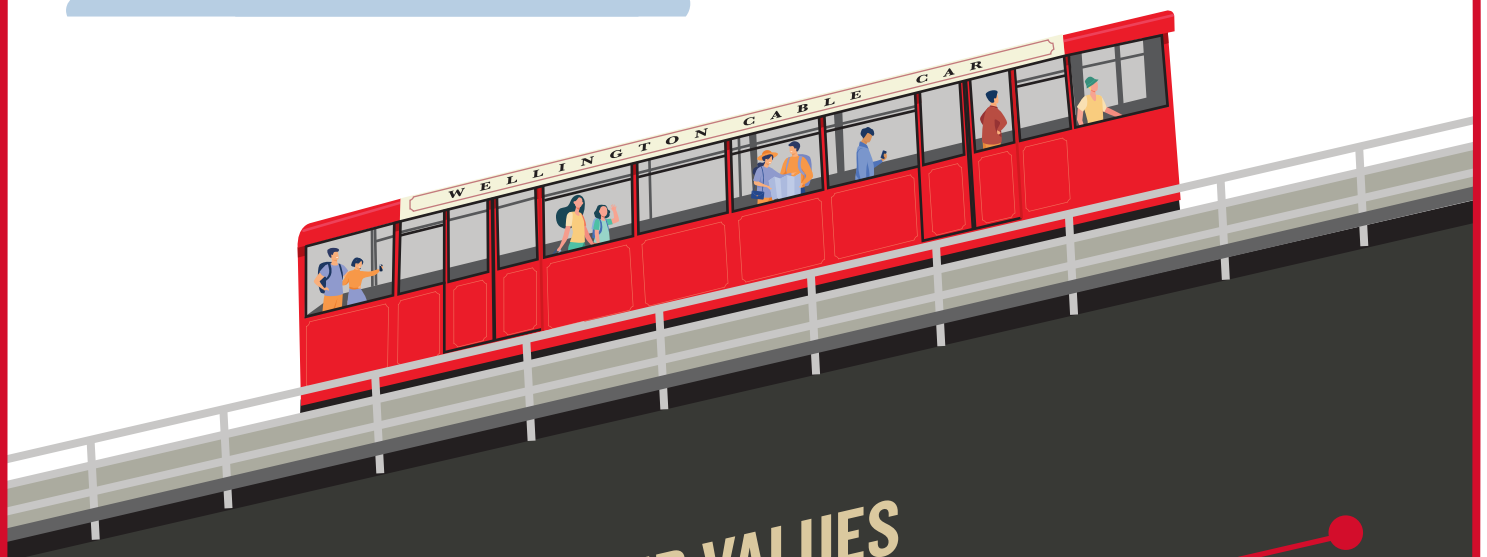
Tansy Tompkins



Chief Executive
Wellington Cable Car Ltd

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.

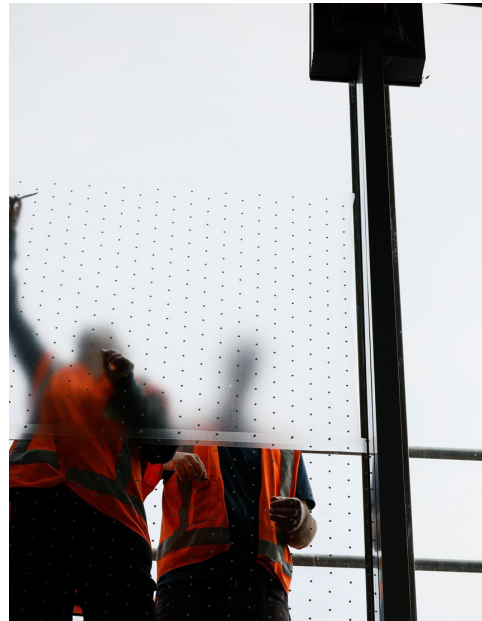
ADAPTABILITY
We embrace new ideas
to sustain & improve our
business.



KAITIAKITANGA

Custodians of a Wellington taonga and our environment

- WCCL engaged contractors to proceed with detailed design, preparation of drawings, specifications and tender documents, and application for building consents for the earthquake strengthening of our middle tunnel. This proactive work will ensure the integrity of our assets for future generations
- In collaboration with the Urban Wildlife trust, Feather Friendly® Technologies decals were installed on the Kelburn terminus windows with the aim of reducing and hopefully eliminating any further native bird deaths caused by them striking the windows. The high-quality cast-vinyl 3M materials cover less than 8% of the entire window space, allowing for uninterrupted views whilst preventing birds from flying into the windows. WCCL is the first company in New Zealand to have this technology installed
- In collaboration with our cleaning provider, WCCL implemented sustainable recycling options in staff areas of the terminal with the intention to consciously minimise our waste and divert it from landfill
- In FY22, a new KPI was introduced to the Cable Car statement of intent, focused on creating an emissions reduction plan. By Q1 of the new financial year, WCCL will be Carbon Zero certified.



WELLINGTON •

Wellington Cable Car gets makeover after more than 100 native birds die flying into glass terminal

10/03/2022  Mitchell Alexander



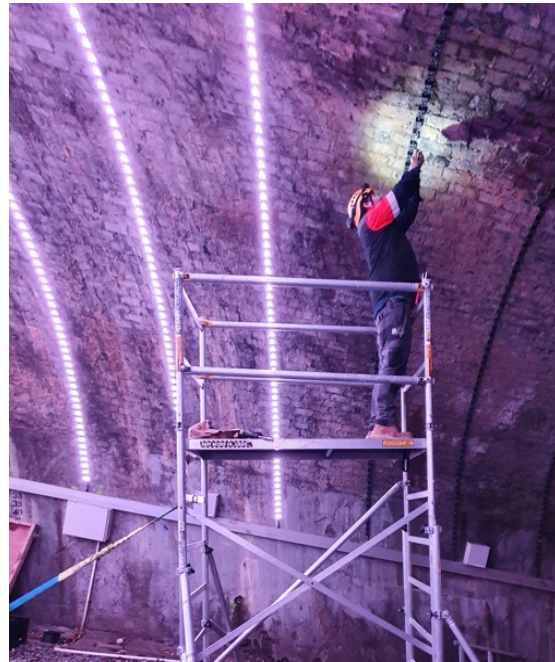
Watch: Wellington Cable Car gets makeover after more than 100 native birds die flying into glass terminal. Credits: Newshub.



SAFE WORKPLACE

Safe site and safe conversations

- WCCL closed for its Annual Maintenance Shutdown from Monday 26 July to Sunday 1 August 2021 with all scheduled maintenance tasks successfully completed, including all bogies now in service having been fully stripped down and critical components inspected via measurement, visual inspection or Non-Destructive Testing
- WCCL engaged an independent company to undertake an external Health and Safety Audit on our systems and processes, with key recommendations worked into our ongoing Health and Safety plans
- WCCL also completed an internal audit of our Waka Kotahi Rail Safety Case. No substantive issues were identified, but several recommendations for improvement were made
- 15 staff completed the SafePlus Assessment with assessment results positive. SafePlus is a health and safety improvement toolkit for businesses, developed jointly by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE).



GUEST CENTRED

The guest experience makes our business

- In celebration of our 120th birthday, an educational 3.5m x 1.6m display was installed in the Lambton terminal, detailing the significant moments in the company's history. Partnership and promotional activities were also undertaken, including a collaboration with Wellington Chocolate Factory to produce a celebration bar, and 'Golden Tickets' competition with prizes sponsored by local partners
- Extensive signage and way finding work was undertaken in both Kelburn and Lambton terminals, the winding room, and intermediate stations. The improved customer experience includes directions to other Kelburn attractions, flexible design for future updates, and the incorporation of Te Reo Māori
- After a successful pilot in collaboration with the SPCA, WCCL introduced 'Bark and Ride', allowing customers to travel with their dogs on the Cable Car. The initiative was welcomed by locals and gained positive social media and news engagement following the launch on International Dog Day
- Cable Car Memberships (Nga Meme Tanga) launched in February allowing local commuters unlimited rides on the Cable Car for a period of three months. Offering almost 65% discount on rack rates, the memberships have been well received by the community
- WCCL continues to maintain BeLab Platinum Accessibility rating and is featured on Firstport – Accessible Day Out Library website as one of the few accessible activities in Wellington
- WCCL continued to explore innovative venue hire options, with bookings including weddings, fashion shows and student projects taking place.



PRIDE

We strive to take pride in everything we do

- Following upgrades and improvements over the year, WCCL was proud to be accredited with Qualmark GOLD in October
- WCCL achieved a score of 71% which was over its targeted Net Promoter Score, and had favourable reviews on Google and Trip Advisor with ratings of 4.5 out of 5 on both platforms
- WCCL's driver manual was re-written during the year providing clear instructions to the team, enabling us to ensure consistency, and improve the quality of what we do. It is an important step to improve safety and our approach to customer service.



TEAM

The Team works together to deliver consistently great Wellington experiences

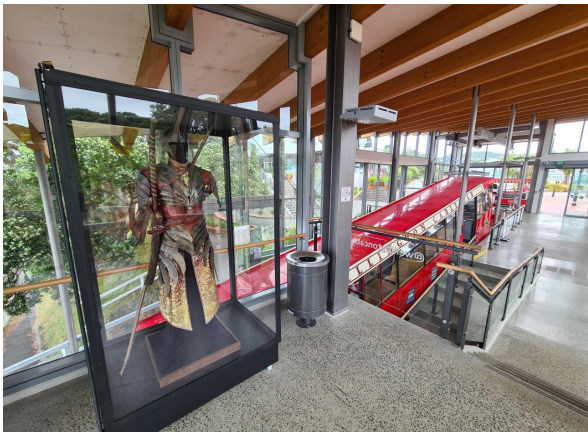
- Throughout the year extensive and formalised staff training has taken place including development and documentation of Training Pathways, Training and Assessment and Training Manual resources
- WCCL adopted a two-team approach to manage staffing and operational hours during Covid-19. This tactic was used as WCCL responded to the downturn in passengers during lockdown periods
- The team collaborated on a working together agreement which sets out expectations and needs of the team with the intention of improving the way we operate together.



ADAPTABILITY

We embrace new ideas to sustain and improve our business

- WCCL adopted a digital approach to its maintenance management system. The computerised system allows us the ability to: improve understanding and knowledge of our asset condition; have a central repository for our maintenance records; manage asset risks; plan maintenance; and plan asset renewal and/or replacement
- WCCL embraced new ways to sell tickets through partnerships and trade agreements with both i-SITE and the Cable Car Museum
- WCCL re-signed its collaboration with CCO whānau (Experience Wellington) on the combo product 'Take a Red Rocket to Space' which includes a ride on the Cable Car and a movie screening at Space Place
- To entice families back into the city following lockdowns, a 'Kids Ride Free' promotion was created for September. Gaining good media interest including a spot on The Project, 395 free child tickets were processed during the promotional period
- In collaboration with the Cable Top Eatery, an ice-cream and waffle truck was established at the Kelburn Terminal
- In partnership with Wētā as part of the 20-year anniversary of LOTR, a 3rd Age Elf and a Guard of Rohan costume have been permanently installed at the Kelburn terminal.







KIDS RIDE FREE IN SEPTEMBER

Get the whānau out of the house and rediscover the iconic Wellington Cable Car

Children 15 years and under receive a complimentary return ticket when accompanied by a paying adult*

- * Accompanying adult must purchase a standard return fare (SR). Discount cannot be combined with any other offer.
- * Up to two children ages 5-15 ride free with an accompanying adult. All other children ages 0-4 are free.
- * Tickets must be purchased in a single transaction and used between 19-30 September 2021.

- * Only available at the Linderoth Quay Ticket Box. Not available online.
- * Face coverings are required for anyone over the age of 12.
- * Remember to sign in via the COVID Tracer APP.

See our website for more info & FAQs
www.wellingtoncablecar.co.nz





ANNUAL REPORT & STATEMENT OF COMPLIANCE

As at 30 June 2022

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 2022 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).



Chair

David Perks

Date: 18 November 2022

COMPANY DIRECTORY

As at 30 June 2022

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 Matthews (Resigned 24 December 2021)
Mr D McComb
Mr D Perks

Company Number: 502158

Auditors: Moore Markhams Wellington Audit

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 SERVICE PERFORMANCE

SERVICE PERFORMANCE MEASURES

For the year ended 30 June 2022

PERFORMANCE INDICATOR	TARGET MEASURE	ACTUAL - 2022	ACTUAL - 2021
HEALTH & SAFETY			
Cable Cars, track, tunnels, bridges, buildings, and equipment are maintained to the required standard	Rail safety licence maintained	Achieved - Rail safety licence was maintained	<i>Achieved - Rail safety licence was maintained</i>
Wellington Cable Car has a robust Asset Management Plan (AMP)	Asset Management Plan will be approved and implemented	Achieved - Asset Management plan is approved and implemented	<i>Achieved - Asset Management Plan is being implemented</i>
Health and safety is actively managed and systematically improved	<p>Safety improvements are identified and implemented</p> <p>Health and Safety meetings are well attended</p> <p>Workers report incidents and hazards</p>	<p>Achieved - WCCL H&S committee continued to meet monthly to discuss any incidents/accidents/near misses, the risk register, and risk mitigation and reduction strategies</p> <p>Health & safety updates are communicated to staff monthly, and reported to the Board quarterly</p> <p>This is communicated to staff and reported to the Board Quarterly</p>	<p><i>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</i></p> <p><i>This is communicated to staff after each meeting and reported to the Board Quarterly</i></p> <p><i>A SafePlus self assessment has been carried out</i></p>
ENVIRONMENTAL			
Cable Car sustainability	An Emissions Reduction plan is developed, approved and implemented	We have worked with EKOS to measure our Carbon Footprint and develop an Emissions Reduction plan	<i>New measure</i>
QUALITY			
Cable Car user satisfaction	<p>NPS Maintain Net Promoter Score equal to or better than CXI Benchmark</p> <p>Trip Advisor/Google Review Maintain a rating of 4.2 or higher</p>	<p>NPS <i>Achieved - Wellington Cable Car NPS for the year is 71, with the CXI Benchmark NPS at 70. This means that the Cable Car's NPS is better than the CXI benchmark.</i></p> <p><u>Trip Advisor Rating</u> <i>Achieved - The company had an average Trip Advisor rating for the year of 4.5 out of 5</i></p> <p><u>Google Review Rating</u> <i>Achieved - The company had an average Google Review Rating for the year of 4.5 out of 5</i></p>	<p>NPS <i>Not Achieved - 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</i></p> <p><u>Trip Advisor Rating</u> <i>Achieved - The company had an average Trip Advisor rating for the year of 4.21 out of 5</i></p> <p><u>Google Review Rating</u> <i>Achieved - The company had an average Google Review Rating for the year of 4.5 out of 5</i></p>

PERFORMANCE INDICATOR	TARGET MEASURE	ACTUAL - 2022	ACTUAL - 2021
QUALITY CONTINUED			
The service level meets established tourism standards	Qualmark GOLD standard reached and maintained 2021 measure: Qualmark Silver standard	Achieved - Qualmark Gold endorsement was achieved	<i>Achieved - Qualmark Silver endorsement was achieved</i>
RELIABILITY/TIMELINESS			
Cable car service reliability	Percentage reliability greater than 99.0%	Achieved - 99.46% of trips starting on time By using the daily trip counts, we calculate the number of missed trips During FY 2021-22, there were 142 missed trips representing 0.46% of trips not run. 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 lockdowns	<i>Achieved 99.94% of trips starting on time</i> <i>By using the daily trip counts, we calculate the number of missed trips.</i> <i>During FY 2020-21, there were 16 missed trips. Therefore 99.94% of service trips departed as scheduled and 0.06% of trips were missed</i> <i>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 lockdowns</i>
VISITOR NUMBERS			
Cable car passenger trips	At least 0.602 Million passenger trips, split as follows: 1st Qtr: 114,469 (2021: 62,887) 2nd Qtr: 172,881 (2021: 126,961) 3rd Qtr: 183,809 (2021: 163,614) 4th Qtr: 131,331 (2021: 163,515) Full year: 602,490 (2021: 516,977)	<i>Not achieved</i> 1st Qtr: 83,146 2nd Qtr: 113,842 3rd Qtr: 114,940 4th Qtr: 136,378 Full year: 448,306 Despite a forecasted reduction in visitor numbers, we could not foresee the prolonged closed international borders, and the number of times Auckland moved into Alert Level 2 and 3, halting the movements of domestic tourists	<i>Achieved overall</i> 1st Qtr: 106,784 2nd Qtr: 158,490 3rd Qtr: 156,117 4th Qtr: 146,330 Full year: 567,721 <i>We had not budgeted for any international visitors during the year, and as a result of better than expected domestic tourism numbers, we achieved passenger trips</i>
FINANCIAL DISCIPLINE			
Board delegations are adhered to	Board and leadership team approvals of financial and contractual commitments and expenditure - all in accordance with the delegations policy	Achieved	<i>Achieved</i>

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the year ended 30 June 2022

	<i>Note</i>	<i>Actual 2022 \$</i>	<i>Budget 2022 \$</i>	<i>Actual 2021 \$</i>
REVENUE				
Exchange revenue				
Operating revenue		1,297,025	1,838,604	1,644,019
Miscellaneous revenue		78,834	-	35,828
Interest revenue		34,480	-	32,866
Total exchange revenue		1,410,339	1,838,604	1,712,713
Non-exchange revenue				
Grants and subsidies received	*	1,111,901	-	1,638,097
TOTAL REVENUE	9	2,522,240	1,838,604	3,350,811
EXPENSES				
Operations and general	10	1,174,821	1,597,338	1,375,848
Auditor's remuneration	11	42,812	42,000	43,516
Directors' remuneration	12	52,500	60,000	60,000
Depreciation	21	299,057	288,000	578,640
Amortisation	22	4,604	12,000	6,699
Employees' remuneration	13	1,137,436	1,126,266	1,289,531
Operating leases		111,760	93,000	110,428
TOTAL EXPENSES		2,822,989	3,218,604	3,464,662
(DEFICIT) / SURPLUS BEFORE TAX		(300,749)	(1,380,000)	(113,851)
Income tax (benefit) / expense	20	(83,701)	-	7,903
NET (DEFICIT) / SURPLUS AFTER TAX				
ATTRIBUTABLE TO SHAREHOLDERS		(217,048)	(1,380,000)	(121,754)
Other comprehensive revenue or expense		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE				
ATTRIBUTABLE TO SHAREHOLDERS		(217,048)	(1,380,000)	(121,754)

* Covid-19 support grants were received during the year from Wellington City Council (\$1,049,427), Inland Revenue (\$23,130) and Work and Income (\$39,344). These grants were used to pay general operating costs and salaries and wages during the year, as well as project costs for the tunnel strengthening upgrades.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	<i>Accumulated Revenue and Expense</i>	<i>Issued Capital</i>	<i>Total</i>
	\$	\$	\$
BALANCE AT 1 JULY 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
Total comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(217,048)	-	(217,048)
BALANCE AT 30 JUNE 2022	2,802,262	7,434,846	10,237,108

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2022

	<i>Note</i>	<i>Actual 2022 \$</i>	<i>Budget 2022 \$</i>	<i>Actual 2021 \$</i>
CURRENT ASSETS				
Cash and cash equivalents	14	993,325	285,964	1,372,055
Short term deposits	15	2,705,753	1,317,036	1,802,321
Trade and other receivables	17	318,547	29,000	1,234,479
Inventories	18	268,452	294,000	293,018
Income tax receivable	20	6,593	-	17,190
Prepayments		6,751	-	10,500
TOTAL CURRENT ASSETS		4,299,421	1,926,000	4,729,563
NON-CURRENT ASSETS				
Property, plant and equipment	21	6,872,361	7,010,000	7,022,125
Intangibles	22	4,461	-	12,135
TOTAL NON-CURRENT ASSETS		6,876,822	7,010,000	7,034,260
TOTAL ASSETS		11,176,243	8,936,000	11,763,823
CURRENT LIABILITIES				
Trade and other payables	19	127,806	296,000	275,169
Income in advance		1,106	-	-
Employee benefit liabilities		149,612	200,000	134,210
GST payable		7,165	-	163,141
TOTAL CURRENT LIABILITIES		285,689	496,000	572,520
NON-CURRENT LIABILITIES				
Deferred tax liability	20	653,446	704,000	737,147
TOTAL NON-CURRENT LIABILITIES		653,446	704,000	737,147
TOTAL LIABILITIES		939,135	1,200,000	1,309,667
NET ASSETS		10,237,108	7,736,000	10,454,156
EQUITY				
Contributed equity		7,434,846	7,434,846	7,434,846
Accumulated revenue and expense		2,802,262	301,154	3,019,310
TOTAL EQUITY		10,237,108	7,736,000	10,454,156

For and on behalf of the Board:



David Perks

Chair

Date: 18 November 2022

STATEMENT OF CASH FLOW

For the year ended 30 June 2022

	<i>Note</i>	<i>Actual</i> <i>2022</i> \$	<i>Budget</i> <i>2022</i> \$	<i>Actual</i> <i>2021</i> \$
Receipts from operations		1,372,305	1,839,000	1,702,519
Receipts from grants and subsidies		1,885,858	-	555,526
Payments to suppliers and employees		(2,607,612)	(2,923,000)	(2,864,040)
Refunds of tax		17,190	-	129,318
Payments of tax		(6,593)	-	(17,190)
Goods and services tax (net)		(5,653)	-	(65,436)
NET CASH FLOWS FROM OPERATING ACTIVITIES		655,496	(1,085,000)	(559,303)
Receipts from interest		23,856	-	29,068
Investment in term deposits		(903,432)	(1,317,036)	1,625,085
Sale of property, plant and equipment		1,013	-	4,250
Purchases of property, plant and equipment		(155,663)	-	(85,668)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,034,226)	(1,317,036)	1,572,735
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-
NET CASH FLOW		(378,730)	(2,402,036)	1,013,432
Cash and cash equivalents as at the beginning of the year		1,372,055	2,688,000	358,623
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	993,325	285,964	1,372,055

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 2022. 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 2022 and were approved by the Board of Directors on 18 November 2022.

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 2022

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.

4 CHANGES IN ACCOUNTING POLICIES

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

(a) Cash flow statement (amendments to to PBE IPSAS 2)

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 was effective for the period ended 30 June 2022, with early adoption permitted. The Company chose not to adopt the standards early. This amendment does not apply for the 2022 financial year as the Company does not have liabilities arising from financing activities.

(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:

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS I 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 2022

5 SUMMARY OF ACCOUNTING POLICIES

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

(a) Property, plant and 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	1.5% - 2%
Cable Car and equipment	2% - 33%
Computer equipment	7% - 33%
Motor vehicles	20%
Furniture and fittings	2% - 30%

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 2022

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 and 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 2022

(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 2022

(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 2022

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 (2021: 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 2022

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 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 were due and owing to employees.

On Tuesday, 3 May 2022 WCCL paid a total of \$1,123 to previous and current employees in remediation. The liability was not 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	2022	2022	Variance	Variance
	Actual	Budget		
	\$	\$	\$	%
Operating revenue	1,410,339	1,838,604	428,265	-23%
Non-exchange revenue	1,111,901	-	1,111,901	
Operating expenses	2,519,329	2,918,604	(399,275)	-14%
Depreciation and amortisation	303,660	300,000	3,660	1%

The company made a deficit of \$300k before tax, which is significantly better than the budgeted deficit of \$1,380k before tax. The majority of the variance against budget relates to operational grants received from Wellington City Council of \$1,049k (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.

Statement of financial position	2022	2022	Variance	Variance
	Actual	Budget		
	\$	\$	\$	%
Current assets	4,299,421	1,926,000	2,373,421	123%
Non-current assets	6,876,822	7,010,000	(133,178)	-2%
Current liabilities	285,689	496,000	(210,311)	-42%
Non-current liabilities	653,446	704,000	(50,554)	-7%
Equity	10,237,108	7,736,000	2,501,108	32%

Current assets were significantly above budget at 30 June 2022 due to the operational grants allocated from the Wellington City Council during the current and prior year. \$1,908k (GST incl) of these grants were received in cash during the year, and \$287k (GST excl) was recorded as a trade debtor at 30 June 2022. This has had a positive impact on the net asset position at year-end.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

8 VARIANCES TO BUDGET (CONTINUED)

Statement of cash flows	2022 Actual \$	2022 Budget \$	Variance \$	Variance %
Net cash flow from operating activities	655,496	(1,085,000)	1,740,496	-160%
Net cash flow from investing activities	(1,034,226)	(1,317,036)	282,810	-21%
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 2022 year to fund operating activities. The impact of this was included in the budget, and the cash reserves, including short-term deposits, held at year-end were \$2.1m higher than budgeted. This was predominantly due to the operating grant received from Wellington City Council, along with operating expenditure performing slightly ahead of budget.

9 REVENUE

	2022 \$	2021 \$
Exchange revenue		
Cable Car revenue	1,297,025	1,644,019
Miscellaneous revenue	78,834	35,828
Interest revenue - loans and receivables	34,480	32,866
Total exchange revenue	1,410,339	1,712,173
Non-exchange revenue		
Covid-19 wage subsidy	39,344	43,852
Wellington City Council grants received	1,049,426	1,587,376
Covid-19 support payments	23,130	6,870
Total non-exchange revenue	1,111,901	1,638,097
Total revenue	2,522,240	3,350,711

For the current year, Cable Car fare revenue was \$347k less than in the 2021 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 \$977,396 (2021: \$1,587,376) from Wellington City Council. This grant was used to pay general operating costs during the year. The Company also received a Covid-19 resurgence support grants in the current year of \$23,130 (2021: \$6,870) from Inland Revenue, relating to the resurgence of Covid-19 in the community in June 2022 and the subsequent increase in alert level to L2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Covid-19 wage subsidy	2022	2021
	\$	\$
Balance at 1 July 2021	-	21,363
Covid-19 wage subsidy received	39,344	22,489
Subsidy used	(39,344)	(43,852)
Balance at 30 June 2022	-	-

The Company received a Covid-19 Resurgence wage subsidy in the current year of \$39,344 (2021: \$22,489). The Company used this resurgence subsidy to pay current year salaries. There is a balance of \$nil identified as a liability as at 30 June 2022 (2021: \$nil).

LTP funding grant	2022	2021
	\$	\$
Balance at 1 July 2021	-	-
Long-term plan funding grant received	72,030	-
Grant used on capital expenditure	(72,030)	-
Balance at 30 June 2022	-	-

The Company received a grant from Wellington City Council during the year from the Long-Term Plan Fund of \$72,030 (2021: \$nil). The Company used this grant to pay for work completed on asset improvements to the tunnels. There is a balance of \$nil identified as a liability at 30 June 2022 (2021: \$nil).

IO OPERATIONS AND GENERAL EXPENSES	2022	2021
	\$	\$
Cable Car operational costs	205,301	218,371
Cable Car maintenance costs	120,742	398,001
Marketing costs	39,458	30,565
Administration costs	212,688	190,056
Insurance costs	596,632	538,855
Total operations and general expenses	1,174,821	1,375,848

Maintenance costs are significantly lower this year than the 2021 year due to the work completed during annual maintenance shutdown differing year on year.

II AUDITOR'S REMUNERATION	2022	2021
	\$	\$
Auditing the financial statements	42,812	43,516
Total auditor's remuneration	42,812	43,516

No payments were made to the auditor for other services during the year under review (2021: \$nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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 \$977,396 during the reporting period, which were used to pay general operating costs during the year. The Company also received LTP funding of \$72,030 from Wellington City Council which was used to pay for the tunnel strengthening project.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive and the Asset and Engineering 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 (2021: 2.5). At 30 June 2022 this number was two.

	2022	2021
	\$	\$
Salaries and wages	345,065	455,385
Directors' fees	52,500	60,000
Total key management personnel remuneration	397,565	515,385

The FTE number of directors at 30 June 2022 was two (2021: three). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

Directors' remuneration	2022	2021
	\$	\$
A Matthews (end date 24 December 2021)	15,000	30,000
D McComb	15,000	15,000
D Perks	22,500	15,000
Total directors' remuneration	52,500	60,000

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 2022

13 EMPLOYEES' REMUNERATION

	2022	2021
	\$	\$
Salaries and wages	1,108,066	1,264,844
Contributions to defined contribution funds	29,370	24,688
Total employees' remuneration	1,137,436	1,289,531

14 CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
ANZ cheque account	50,239	181,075
ANZ savings account	935,590	783,792
ANZ foreign current accounts	7,496	7,188
ANZ term deposit	-	400,000
Total cash and cash equivalents	993,325	1,372,055

The ANZ bank accounts have interest rates of 0% - 0.50% p.a.

15 SHORT TERM DEPOSITS

	2022	2021
	\$	\$
ANZ term deposits	2,705,753	1,802,321
Total short term deposits	2,705,753	1,802,321

The ANZ Term deposits have terms of six months, interest rates of 1.50% p.a. - 2.10% p.a. (2021: 0.55% p.a - 0.80% p.a), and maturity dates of August - October 2022

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

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:

	2022	2021
	\$	\$
Financial assets		
Loans and receivables		
Cash and cash equivalents	993,325	1,372,055
Short term deposits	2,705,753	1,802,321
Receivables and prepayments	318,547	1,234,479
Total financial assets	4,017,625	4,408,855

Financial liabilities

Financial liabilities at amortised cost

Trade payables and payables with related parties	126,114	275,168
Total financial liabilities	126,114	275,168

17 TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Exchange		
Trade receivables	16,871	8,326
Other receivables	14,424	6,794
Total exchange	31,295	15,120
Non-exchange		
Trade receivables	287,252	1,212,490
Other receivables	-	6,870
Total non-exchange	287,252	1,219,359
Total trade and other receivables	318,547	1,234,479

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 8 September 2022. This is the second year a Covid-19 operational grant was received from the Council.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

18 INVENTORY	2022	2021
	\$	\$
Cable Car parts	256,846	276,244
Merchandise	11,606	16,774
Total inventory	268,452	293,018

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 2020. A large proportion of these parts are still held at 30 June 2022.

19 TRADE AND OTHER PAYABLES	2022	2021
	\$	\$
Exchange		
Trade payables	49,918	104,823
Accrued expenses	77,889	170,346
Total exchange	127,806	275,169
Total trade and other payables	127,806	275,169

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

20 INCOME TAX	2022	2021
	\$	\$
Components of tax expense		
Current tax expense	-	-
Adjustments to current tax in prior periods	-	(25,658)
Deferred tax expense	(83,702)	33,561
Tax expense	(83,702)	7,903

Reconciliation of effective tax rate		
Net (deficit) for the period before tax	(300,749)	(113,851)
Tax at 28%	(84,210)	(31,878)
Plus/(less) tax effect of:		
Non-deductible expenditure	285,196	457,008
Non-taxable income	(284,687)	(456,744)
Deferred tax adjustment	-	65,175
Prior period adjustment	-	(25,658)
Tax expense	(83,702)	7,903

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Movement in deferred tax asset/(liability)

	Property, plant & equipment	Provisions	Tax Losses	Total
	\$	\$	\$	\$
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)
Charged to surplus or deficit	17,354	(10,381)	76,728	83,702
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2022	(792,833)	19,914	119,473	(653,445)

	2022	2021
	\$	\$
Income tax receivable/(payable)		
Opening balance	17,190	103,662
Tax on income	-	-
RWT deducted	6,593	17,190
Provisional tax paid/(refunded)	(17,190)	(129,320)
Prior period tax adjustment	-	25,658
Income tax receivable/(payable)	6,593	17,190

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

21 PROPERTY, PLANT AND EQUIPMENT

	Cable Car equipment & tracks	Furniture & Computer equipment	Motor Vehicles	Work in Progress	Total
Cost					
Balance at 30 June 2021	9,911,117	134,243	68,852	177,846	10,292,058
Additions	129,308	26,356	-	-	155,663
Transfers to/(from) WIP	173,454	-	-	(173,454)	-
Disposals	-	(7,428)	-	(4,392)	(11,820)
Balance at 30 June 2022	10,213,879	153,170	68,852	-	10,435,901
Depreciation and amortisation					
Balance at 30 June 2021	3,107,432	109,708	52,793	-	3,269,934
Charge for the year	278,840	14,711	5,505	-	299,057
Disposals	-	(5,450)	-	-	(5,450)
Balance at 30 June 2022	3,386,272	118,969	58,298	-	3,563,540
Carrying amount					
Balance at 1 July 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
Balance at 30 June 2022	6,827,606	34,201	10,554	-	6,872,361

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

22 INTANGIBLES

	Intangibles Software
Cost	
Balance at 30 June 2021	21,895
Additions	-
Disposals	(7,945)
Balance at 30 June 2022	13,950
Depreciation and amortisation	
Balance at 30 June 2021	9,759
Charge for the year	4,604
Disposals	(4,874)
Balance at 30 June 2022	9,489
Carrying amount	
Balance at 1 July 2020	14,563
Balance at 30 June 2021	12,135
Balance at 30 June 2022	4,461

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

	2022	2021
Non-cancellable operating lease commitments:	\$	\$
As lessee		
Not later than 1 year	11,528	83,544
Later than 1 and not later than 2 years	4,003	5,039
Later than 2 and not later than 5 years	-	-
Total lessee	15,531	88,583
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, and ceased in June 2022. In June 2022 Wellington Cable Car Limited moved premises and hired a shared office space at Wellington Museums Trust. This lease is cancellable within three months notice by either party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

24 CAPITAL COMMITMENTS

At reporting date Wellington Cable Car Limited has a capital commitment of \$1.4m for the tunnel strengthening project (2021: \$0) as per the tender agreement. The Company is guaranteed to receive LTP funding from Wellington City Council Limited of \$2.4m to fund the project. As outlined in Note 9, \$72,030 of the LTP funding was received and spent in the current year.

25 SUBSEQUENT EVENTS

No significant events have occurred since reporting date requiring disclosure in these financial statements, other than those detailed in Note 26 (2021: nil).

26 COVID-19 PANDEMIC

In mid-August 2021, 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. This resulted in the whole of New Zealand entering in to Level 4 Lockdown for approximately 3 weeks. The Company applied for and received the Government resurgence wage subsidy. Following this Auckland remained in either Level 4 or under strict COVID-19 prevention measures until early December. The rest of the country had various changes in Alert Levels since the initial lockdown. In early December the country moved to a new COVID-19 protection framework known as the "Traffic Light System". This was in response to the highly transmissible Delta variant of COVID-19 and that the virus would likely be endemic in the future. The new framework granted greater freedoms to those that are vaccinated. During this time the government offered a Resurgence Support Payment which the Company applied for and received, along with the wage subsidy payment.

A second wave of community transmission of the more contagious "Omicron" variant impacted the later half of 2022. Restrictions in relation to vaccine mandates have since relaxed, and the COVID-19 protection framework ended in mid-September 2022.

The 21/2022 year saw once again a significant impact 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 February 2022 the New Zealand Government announced the re-opening of the border in July 2022. This is expected to result in an increase in visitor numbers once international tourism picks up in again New Zealand.

The Company continues to monitor the economic situation closely so we can remain agile and respond quickly to further developments.

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



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PAWITI TERRACE
VICTORIA UNIVER