# WELLINGTON CABLE CAR LIMITED ANNUAL REPORT for the year ended 30 June 2023

Presented to: Wellington City Council pursuant to Section 67, 68 and 69 of the Local Government Act 2002.

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## **CHAIR AND CHIEF EXECUTIVE FOREWORD**

For the year ended 30 June 2023

### Tēnā koutou

We are proud to present Wellington Cable Car Limited's (WCCL) Annual Report for the year ending 30 June 2023, outlining WCCL's performance and achievements during this period.

It has been an extraordinary year for the Cable Car. The reopening of New Zealand's air and maritime borders saw the almost immediate return of international manuhiri to our door and a return to near precovid levels of business. Cruise passengers in particular have added significant revenue. This, alongside a small price increase in December has allowed WCCL to return to financial autonomy and post a profit for the year. Whilst we did not require any Covid-19 operating grants from the Council this year, we remain grateful for the continued Long-Term-Plan funding to complete our seismic strengthening works.

Full year results of 922,959 passenger trips and \$3.22m fare revenue are comfortably over our SOI targets by 48% and 60% respectively. This return to surplus has allowed the Cable Car to reignite projects that were deferred over the pandemic years including non-safety related maintenance and building projects and the upgrading of the CCTV system and other digital equipment.

As guardians of this Te Whanganui a Tara/Wellington taonga, a key value for the business is Kaitiakitanga and ensuring that the Cable Car is fit for future generations. A substantial part of this is our focus on seismic resilience. Within this financial year we were proud to see the completion of a significant project – the strengthening of the middle tunnel upper portal and wall, and we were also pleased to progress both the detailed design for Lambton Terminal works, and a preliminary seismic assessment of our three bridges. Again, we extend our thanks to Wellington City Council for the Long-Term-Plan funding that allowed us to complete this important work, and we will continue to draw down the remaining funding allocated to complete further works in FY24.

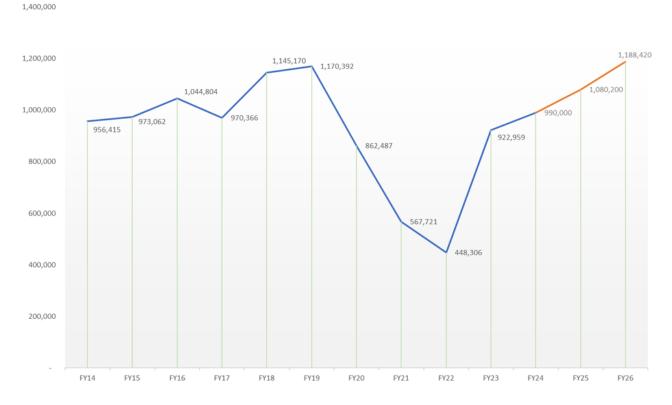
During the year we took the opportunity to realign our long-term strategic direction, focus areas, objectives and desired outcomes. For the FY24-26 SOI period our strategic focus areas are: Care for our taonga; Leverage our tourism mana; Supercharge our customer experience; Partner for success; and Nurture our whānau. These focus areas uphold the core values and purpose of the company. We aim to maintain our position as a leader in the tourism industry, a preferred commuter service for our locals, and to contribute positively to the economic, cultural, environmental, and social development of Wellington.

Following a concentrated effort and a strategy for carbon reduction, we were proud to be accredited as a net zero carbon business in 2023. The team continues to work on initiatives to further reduce our emissions and in 2024 we will investigate the installation of photovoltaics (solar panels) at the Kelburn terminal.

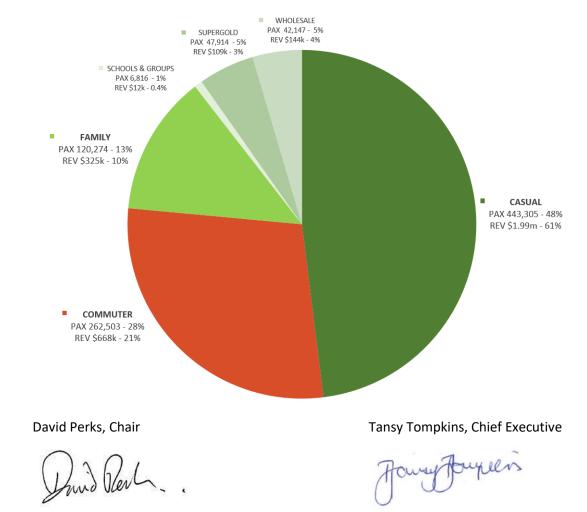
Our Cable Car operations are only possible thanks to the dedication and mahi of our small but talented team and we would like to extend our thanks to them all for their efforts. Many operational improvements have been made throughout the year to enhance our customer experience and the results speak for themselves with a Net Promotor Score (NPS) of 71% (which is above the CXI benchmark) and favourable reviews on Google and Trip Advisor with ratings of 4.6 out of 5 on both platforms. We were also thrilled to be re-awarded Qualmark GOLD status in May.

The Cable Car is well on its way to returning to pre-Covid levels of business and we have set ambitious targets to achieve in the coming years. Alongside a robust strategy, we look forward to the return of the market from China and a continued increase in aviation and cruise capacity to help us achieve these aspirations.

### PASSENGER NUMBER RESULTS AND TARGETS FY14 - FY26



### PASSENGER BREAKDOWN FY23



## **STATEMENT OF SERVICE PERFORMANCE**

### Who we are

Wellington Cable Car Limited (WCCL) is a Council Controlled Organisation (CCO). Wellington City Council (WCC) is the sole shareholder. WCCL is governed by an independent Board of Directors appointed by WCC. The Cable Car employs 22 people. In 2023 the Cable Car celebrated 121 years of service to Wellington.

### What we do

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. Cable Car operations are primarily financed from passenger fare income.

### Our strategic direction, purpose, and values

**Our vision:** The Wellington Cable Car is the most iconic tourist attraction in Wellington and the transport of choice for our local whānau. It is an enduring, carbon positive Wellington experience that connects our people, spaces, places, and venues.

**Our purpose** is to host uniquely Wellington experiences that locals are proud of, and visitors remember and share.

Our values enable our purpose:

Kaitiakitanga	Custodians of a Wellington taonga and our environment
Safe Workplace	Safe site and 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 and improve our business

WCCL's FY23 Statement of Intent outlined seven key priorities and projects for the company to focus on within the financial year – all of which have been achieved. They are discussed in the following sections, alongside how we delivered on our performance measures, the expectations as set out by Council, and other highlights from the year.



## KAITIAKITANGA

Custodians of a Wellington taonga and our environment

- Commencing during our Annual Maintenance Shutdown, in April we completed an 8-month project to strengthen our middle tunnel. The project involved installing 15 rock anchors along the portal wall, parapet, and adjacent north wall. This proactive work has improved the Cable Car's overall seismic resilience and ensured the integrity of our assets for future generations
- Detailed design was completed for our Lambton Terminal to allow for strengthening work to be undertaken during our next Annual Maintenance Shutdown in August 2023
- We also completed a preliminary seismic assessment of our three bridges, which means we now have a good understanding of the seismic resilience of all our assets including tunnels, track, buildings, and bridges
- We investigated the repair and enhancement of our tunnel lights (as they are nearing 'end of life') and restored as many as possible with our onsite inventory/parts. Unfortunately, our current product is no longer manufactured, therefore planning is underway to explore next generation opportunities including power saving initiatives coupled with revenue generation opportunities
- In October we were officially accredited as a Carbon Zero business. The team continues to work on our carbon reduction plan and is investigating a range of initiatives.







PERFORMANCE INDICATOR:	Zero Carbon accreditation	
TARGET MEASURE:	Achieve Zero Carbon accreditation	
ACTUAL – FY23		ACTUAL – FY22
Achieved. Zero carbon accreditation has been achieved by working with EKOS to measure our carbon footprint and purchase carbon credits.		New measure. We have worked with EKOS to measure our Carbon Footprint and develop an Emissions Reduction plan.

PERFORMANCE INDICATOR:	Waste minimisation	
TARGET MEASURE:	Total waste reduction of 5% year on year	
ACTUAL – FY23		ACTUAL – FY22
Not achieved. Due to the unexpected increase in passengers of 298,676 over SOI targets, the waste reduction target was not achieved.		New measure.



## SAFE WORKPLACE

### Safe site and safe conversations

- WCCL closed for its Annual Maintenance Shutdown from Monday 1 to Thursday 11 August with all scheduled maintenance tasks successfully completed and work started on the seismic strengthening of our middle tunnel
- We continued to implement the recommendations from our 2022 Health and Safety audit which included newly formatted Safety Management System and Emergency Management Plans
- The Cable Car took part in a pilot for Waka Kotahi's Rail Regulatory Risk Framework (R3F). R3F is a framework to provide standardised safety assessments that will ensure consistency and fair treatment for all licensed rail participants. The R3F identifies areas that need most regulatory attention and will lead to improved safety, efficiency, and performance in the rail industry
- In February we undertook an internal review of signage at all entry and exit points to ensure signage is adequate, clear, concise, and consistent across the site
- We repeated a SafePlus self-assessment to monitor our progress with health and safety. We received 22 responses from staff and contractors and maintain our rating of 'performing'. 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).

PERFORMANCE INDICATOR:	Quality of WCCL infrastructure is maintained	
TARGET MEASURE:	Rail Safety Licence maintained	
ACTUAL – FY23		ACTUAL – FY22
Achieved. Rail Safety Licence was maintained.		Achieved. Rail Safety Licence was maintained.

PERFORMANCE INDICATOR:	Health and Safety is actively managed and improved	
TARGET MEASURES:	1. Review the risk register at each health and safety meeting. Discuss mitigation and minimisation options and implement where possible.	
	2. Complete and implement an independent health and safety audit.	

ACTUAL – FY23	ACTUAL – FY22
Health and Safety Meetings	Health and Safety Meetings
Achieved. WCCL Health and Safety committee	Achieved. WCCL Health and Safety committee
continued to meet monthly to discuss any	continued to meet monthly to discuss any
incidents/accidents/near misses, the risk register,	incidents/accidents/near misses, the risk register,
and risk mitigation and reduction strategies. Health	and risk mitigation and reduction strategies. Health
and safety updates are communicated to staff	and safety updates are communicated to staff
monthly and reported to the Board quarterly.	monthly and reported to the Board quarterly.
Health and Safety Audit	Health and Safety Audit
Achieved. An independent health and safety audit	New measure.
was completed through the period and the	
recommendations are being worked through.	



## **GUEST CENTRED**

### The guest experience makes our business

- A draft Customer Management Plan was created in consultation with long-standing team members, i-SITE, and WellingtonNZ ambassadors. Two detailed plans were developed to manage increased visitation (including double cruise ship days) with minimal compromise to the customer experience
- WCCL achieved a Net Promoter Score (NPS) of 71% and had favourable reviews on Google and Trip Advisor with ratings of 4.6 out of 5 on both platforms
- Cable Car audio was installed to provide informative commentary to visitors and to connect passengers to nearby attractions. Following positive feedback, further scripts were created relevant to activations, significant events and audiences (eg. Cruise passengers)
- 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
- A full review of pricing was undertaken resulting in a small increase in our General Admission tickets. The increase in revenue generated allowed WCCL to forego any Council operating grant funding within the financial year
- The Cable Car continued to explore innovative venue hire options, with bookings including rainbow weddings, and student virtual reality and drone projects taking place.





PERFORMANCE INDICATOR:	Customer satisfaction	
TARGET MEASURES:	1. Maintain Net Pro	moter Score equal to or better than CXI Benchmark
	2. Maintain a rating	g of 4.2 or higher on Trip Advisor and Google Reviews
ACTUAL – FY23		ACTUAL – FY22
NPS		NPS
Achieved - Wellington Cable Car NPS for the year is		Achieved - Wellington Cable Car NPS for the year is
71, with the CXI Benchmark NPS at 70. This means		71, with the CXI Benchmark NPS at 70. This means
that the Cable Car's NPS is better than the CXI		that the Cable Car's NPS is better than the CXI
benchmark.		benchmark.
Trip Advisor Rating		Trip Advisor Rating
Achieved - The company had a	in average Trip	Achieved - The company had an average Trip
Advisor rating for the year of 4.6 out of 5		Advisor rating for the year of 4.5 out of 5
Google Review Rating		Google Review Rating
Achieved - The company had a	in average Google	Achieved - The company had an average Google
Review Rating for the year of 4.6 out of 5.		Review Rating for the year of 4.5 out of 5.



### PRIDE

### We strive to take pride in everything we do

- We achieved 99.74% reliability for the year with only 70 trips missed out of more than 27,000
- Following upgrades and improvements throughout the year, WCCL was proud to maintain our Qualmark GOLD accreditation following an assessment in May
- The Cable Car driver's manual was updated during the year providing clear instructions to the team, enabling us to improve safety, ensure consistency, and improve the quality of what we do
- WCCL passed its financial audit with no issues or weaknesses in the systems of internal controls identified
- A decision was made to continue with our longer opening hours and not return to a winter timetable. Increased visitor numbers and Wellington's 2023 event schedule were key factors in the decision
- We remain engaged with the Tūpiki Ora Māori Strategy, proposing a gateway placement offering to support The Rangatahi Youth Programme
- We celebrated our 121st birthday. For the month of February, historic images with interesting facts were posted on social media and the terminals were decorated in photographs showcasing our rich history and heritage
- Our defect log was integrated into our maintenance management system to better allow us to monitor recurring issues and help to reduce defects over time.

PERFORMANCE INDICATOR:	Cable Car service reliability	
TARGET MEASURE:	Percentage reliability greater than 99.0%	
ACTUAL – FY23		ACTUAL – FY22
Achieved. 99.74% of trips started on time. By using the daily trip counts, we calculate the number of missed trips. During FY 2023, there were 70 missed trips representing 0.25% of trips not run.		Achieved. 99.46% of trips starting on time. By using the daily trip counts, we calculate the number of missed trips. During FY22, there were 142 missed trips representing 0.46% of trips not run.

PERFORMANCE INDICATOR:	The service level meets established tourism standards	
TARGET MEASURE:	Qualmark GOLD status achieved and maintained	
ACTUAL – FY23		ACTUAL – FY22
Achieved. Qualmark GOLD status was maintained.		Achieved. Qualmark GOLD status was achieved.







## TEAM

### The team works together to deliver consistently great Wellington experiences

- After three years of Covid-19 uncertainty, a key priority for FY23 was the wellbeing of staff. Initiatives in this space included the introduction of new shifts and rosters aimed at promoting a more predictable pattern of work, regular fatigue surveys and a new fatigue policy
- During our Annual Maintenance Shutdown, we delivered a series of workshops for staff including: Risk and Safety; Fire Extinguisher training; Customer Service; Goals and Pathway check ins; and a session on the 'Dope 4 Birds'. The birds' workshop is designed to provide participants with a unique and engaging experience centred around birds and their behaviour, which then translates into practical lessons for the workplace and a better understanding of personality types and how to collaborate more effectively
- The Cable Car engaged with Council's Creative Capital team to discuss how the Cable Car facilities could be utilised to support Aho Whenua. Aligning with WCC's Aho Tini strategy, the Cable Car also featured in the March edition of City Arts Pānui, inviting Wellington creatives and artists to use our spaces and places to exhibit their work and entertain customers
- We continue to engage with the Let's Get Wellington Moving team to ensure wayfinding on Lambton Quay seamlessly connects the Cable Car to the overall project plan
- The team worked with Business Events Wellington (BEW) to ensure the Cable Car was well represented within the delegate experience, and that our offering (eg: themed tunnel lights) was showcased to prospective conference decision makers
- We hosted buyer familiarisations for both Tourism New Zealand and BEW including the first trade famil from China since 2019
- We proudly lit up our tunnels for many charities and special events over the year including Daffodil Day, Breast Cancer awareness, the King's Coronation and Pink Shirt Day
- We continue to join the Tu Piki Ora strategy meetings with Council, contributing ideas and ways for the Cable Car to be further involved.

PERFORMANCE INDICATOR:	Customer trips	
TARGET MEASURE:	Q1: 113,903	(FY22: 114,469)
	Q3: 152,530	(FY22: 172,881)
	Q3: 199,875	(FY22: 183,809)
	Q4: 157,972	(FY22: 131,331)
	Full year: 624,280	(FY22: 602,490)
ACTUAL – FY23		ACTUAL – FY22
Achieved.		Not achieved.
Q1: 128,591		Q1: 83,146
Q2: 246,515		Q2: 113,842
Q3: 342,302		Q3: 114,940
Q4: 205,551		Q4: 136,378
Full year: 922,959		Full year: 448,306
With the re-opening of borders in July 2022, and		
the return of international cruise ships and		
tourism, passenger numbers were ahead of budget		
each quarter.		



## ADAPTABILITY

We embrace new ideas to sustain and improve our business

- A refocus and realignment of strategy was undertaken to inform the FY24 SOI. Five key focus areas were identified: Care for our taonga; Leverage our tourism mana; Supercharge our customer experience; Partner for success; and Nurture our whānau. All projects undertaken in FY24 will align with these focus areas ensuring work ladders up to achieving WCCL's vision and objectives
- WCCL worked with Victoria University's Salient magazine to target students during O-week to sign up for our 3-month membership product. This included promoting it for the first time at the Uni Expo
- A new ticketing system was designed and rolled out which can be managed in-house, reduces costs, and allows for 'text customisation' to cross-promote other CCO and city-wide initiatives
- The Cable Car team continued to lead the Kelburn Korero group bringing together CCOs and stakeholders within the Kelburn Paekākā precinct to cross-promote and leverage each other's work including Gardens Magic and Matariki activations
- 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. For the first time sales were also available via the ticket box
- We took our Cable Car model on tour, taking the opportunity to connect with other CCOs and local Wellington businesses to create content, share stories at their sites and promote on socials
- We ran a popular Easter Egg Hunt over the April school holidays with prizes donated from local companies and tourism operators
- WCCL re-signed an MOU with Cable Top Eatery and continue to generate good revenue through the ice-cream stand at the Kelburn Terminal.

PERFORMANCE INDICATOR:	Fare income	
TARGET MEASURE:	Full year revenue: \$2.02m (FY22 \$1.83m)	
ACTUAL – FY23		ACTUAL – FY22
Achieved. Full year revenue: \$3.22m		Not achieved. Full year revenue: \$1.29m

PERFORMANCE INDICATOR:	Customer trips		
TARGET MEASURE:	Tactical collaborative campaigns/activations		
ACTUAL – FY23	ACTUAL – FY22		
Achieved. Five tactical collaborative cam achieved throughout the year, collaborations with Space Plac Victoria University.	including	New measure.	



## ANNUAL REPORT AND STATEMENT OF COMPLIANCE

### As at 30 June 2023

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 Company for the year ended 30 June 2023 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(1) 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 three months after the end of the financial year;
- 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). "

Director

Shind Blerk.

David Perks Chair

Director

Amal

Danny McComb

Date: 28 September 2023

## **COMPANY DIRECTORY**

As at 30 June 2023	
Issued Capital:	7,434,746 fully paid Ordinary Shares
Registered Office:	Level 1, 50 Customhouse Quay Wellington Central, 6011 Wellington, NEW ZEALAND
Directors:	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 COMPREHENSIVE REVENUE AND EXPENSES**

For the year ended 30 June 2023

	Note	Actual 2023	Budget 2023	Actual 2022
		\$	\$	\$
REVENUE				
Exchange revenue				
Operating revenue		3,223,931	2,022,940	1,297,025
Miscellaneous revenue		59,738	(3,000)	78,834
Interest revenue		192,475	-	34,480
Total exchange revenue		3,476,144	2,019,934	1,410,339
Non-exchange revenue				
Grants and subsidies received		1,436,881	891,026	1,111,901
TOTAL REVENUE	8	4,913,025	2,910,960	2,522,240
EXPENSES				
	9	1 266 025	1 644 170	1 174 001
Operations and general Auditor's remuneration	9 10	1,366,035	1,544,178	1,174,821
Directors' remuneration	10	47,950 45,000	45,000 36,000	42,812 52,500
Depreciation	20	314,082	329,172	299,057
Amortisation	20	3,844	12,000	4,604
Employees' remuneration	12	1,252,600	1,203,682	1,137,436
Operating leases	12	65,859	82,100	111,760
TOTAL EXPENSES		3,095,370	3,252,132	2,822,989
SURPLUS / (DEFICIT) BEFORE TAX		1,817,655	(341,172)	(300,749)
Income tax expense / (benefit)	19	517,927	-	(83,701)
NET SURPLUS / (DEFICIT) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS		1,299,728	(341,172)	(217,048)
SHAREHULDERS				
Other comprehensive revenue or expense		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE ATTRIBUTABLE TO SHAREHOLDERS		1,299,728	(341,172)	(217,048)

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.



## **STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	Note	Accumulated Revenue and Expense	lssued Capital	Total
		\$	\$	\$
BALANCE AT 1 JULY 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
Total comprehensive revenue and expenses				
Prior period error	2e	29,132	-	29,132
Net surplus/(deficit) for the year		1,299,728	-	1,299,728
BALANCE AT 30 JUNE 2023		4,131,122	7,434,846	11,565,968

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.



## **STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2023

	Note	Actual	Budget	Actual
		2023	2023	2022
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	13	1,909,784	3,509,000	993,325
Short term deposits	14	2,905,753	-	2,705,753
Trade and other receivables	16	84,082	215,000	318,547
Inventories	17	11,859	290,000	268,452
Income tax receivable	19	11,928	-	6,593
Prepayments		-	-	6,751
TOTAL CURRENT ASSETS		4,923,406	4,014,000	4,299,421
NON-CURRENT ASSETS				
Property, plant and equipment	20	8,378,139	6,613,000	6,872,361
Intangibles	21	617	-	4,461
TOTAL NON-CURRENT ASSETS		8,378,756	6,613,000	6,876,822
TOTAL ASSETS		13,302,162	10,627,000	11,176,243
CURRENT LIABILITIES				
Trade and other payables	18	259,358	206,000	127,806
Income in advance		5,773	-	1,106
Employee benefit liabilities		122,146	147,000	149,612
GST payable		131	-	7,165
LTP Funding grant	8	204,619	-	-
TOTAL CURRENT LIABILITIES		592,027	353,000	285,689
NON-CURRENT LIABILITIES				
Deferred tax liability	19	1,144,167	737,000	653,446
TOTAL NON-CURRENT LIABILITIES		1,144,167	737,000	653,446
TOTAL LIABILITIES		1,736,194	1,090,000	939,135
NET ASSETS		11,565,968	9,537,000	10,237,108
EQUITY				
Contributed equity		7,434,846	7,434,846	7,434,846
Accumulated revenue and expense		4,131,122	2,102,154	2,802,262
TOTAL EQUITY		11,565,968	9,537,000	10,237,108

### For and behalf of the Board:

Director

David Perks, Chair

Director

Dmccl-Danny McComb

Date: 28 September 2023

> The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

## **STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	Note	lote Actual	Budget	Actual			
						2023	2023
		\$	\$	\$			
Receipts from operations		3,284,049	2,023,000	1,372,305			
Receipts from grants and subsidies		1,928,752	1,442,000	1,885,858			
Payments to suppliers and employees		(2,688,641)	(2,911,000)	(2,607,612)			
Refunds of tax		6,593	-	17,190			
Payments of tax		(39,133)	-	(6,593)			
Goods and services tax (net)		7,186	-	(5,653)			
NET CASH FLOWS FROM OPERATING ACTIVITIES		2,498,806	554,000	655,496			
Receipts from interest		139,722	-	23,856			
Investment in term deposits		(200,000)	-	(903,432)			
Sale of property, plant and equipment		18,553	-	1,013			
Payments for property, plant and equipment		(1,540,622)	(200,000)	(155,663)			
NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,582,347)	(200,000)	(1,034,226)			
NET CASH FLOWS FROM FINANCING ACTIVITIES		-	-	-			
NET CASH FLOW		916,459	354,000	(378,730)			
Cash and cash equivalents as at the beginning of the year		993,325	3,155,000	1,372,055			
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	13	1,909,784	3,509,000	993,325			

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.



## **NOTES TO THE FINANCIAL STATEMENTS**

### For the year ended 30 June 2023

#### **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

#### (a) Statement of Compliance

These financial statements are for the year ended 30 June 2023. 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 2023 and were approved by the Board of Directors on the date shown in the Annual Report and Statement of Compliance.

#### (b) Measurement Base

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

#### (c) 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.

#### (d) 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.

#### (e) Prior period error

During the year, management noted an error in relation to the classification and accounting for its cable car spare parts. These spare parts were previously accounted for as inventories, and were expensed in the year it was consumed. However, in accordance with PBE IPSAS 17, these cable car spare parts meet the definition of Property, Plant and Equipment and should be accounted for as such.

In addition, management identified cable car spare parts that were not allocated costs from the electric drive upgrade performed in 2016, and as such, were accounted with depreciation not in line with the Company's accounting policy.

Due to inherent limitations, prior period restatement was only made on the opening balances of the current year as shown below.

	Inventories	Property, Plant and equipment - Cable car equipment & tracks	Property, Plant and equipment - Spare parts	Accumulated revenue and expenses
Balance at 1 July 2022 Re-classification of cable car spare parts inventory to Property, plant and equipment	268,452 (255,774)	6,827,606 -	- 255,774	(2,802,262) -
Allocation of cost for the cable car spare parts acquired as part of the 2016 upgrade	-	(149,875)	149,875	-
Rollback of depreciation recorded as at 30 June 2022 on spare parts acquired as part of the 2016 upgrade	-	29,132	-	(29,132)
Restated balance at 1 July 2022	12,678	6,706,863	405,649	(2,831,394)

#### 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 in recent years, 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) 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 adoption permitted. The Company chose not to adopt the standards early. PBE FRS 48 requires specific disclosures for the reporting of service performance information which have been provided in the statement of service performance.

#### (b) PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 is effective for the year ending 30 June 2023, with early adoption permitted. The Company chose not to adopt the standards early. PBE IPSAS 41 introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has not had a material impact on the Company measurement and recognition of financial instruments. Financial assets classified as loans and receivables fail the classification for measurement at amortised cost and as such, have been reclassified to being measured at fair value through profit or loss.

The new expected credit loss impairment model has been introduced but it has not had a significant impact on impairment provisioning by the Company.

#### 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 and cable car spare parts expected to be used for more than one reporting period. 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, tunnels, terminals, spare parts 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.

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#### 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 parts held as spares and 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% - 6%
Cable Car & Equipment	1.5% - 67%
Computer Equipment	7% - 33%
Motor Vehicles	20%
Furniture & Fittings	2% - 30%

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

The Cable Car spare parts have an infinite useful life when held as spares, and there is uncertainty around when they will be installed and used. The cost of these spare parts are allocated based on the expected use, and depreciated using the usage method based on the number of cable car trips the parts are estimated to be used for. Through the cable car trips, management believes this to closely reflect the expected pattern of consumption of the future economic benefits or service potential embodied on these cable car parts.

#### 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

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.

#### (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 first-in-first-out method) 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.

#### (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. An impairment provision for trade receivables consists of the expected credit loss and a specific provision for individual debts that are known to be uncollectable and are written off in the period.

The Company applies the PBE IPSAS 41 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. The expected credit losses are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward looking information on microeconomic factors affecting the Company's customers. At the reporting date the Company does not expect to incur any credit losses.

#### 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.



#### **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 from the sale of passenger fares is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the Company, and measured at the fair value of consideration received or receivable.

Revenue from the sale of three-monthly memberships is recognised over the period of the membership. Amounts received in advance for memberships relating to future periods are recognised as a liability until such time that period covering the membership occurs.

Revenue from the sale of merchandise in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfers of risks and rewards for sales of merchandise occurs when the product is dispatched to the customer.

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.

#### (I) 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 (2022: 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 VARIANCES TO BUDGET

Commentary is provided for major variances to budget

Statement of comprehensive revenue and expenses	2023	2023		
	Actual	Budget	Variance	Variance
	\$	\$	\$	%
Operating revenue	3,476,144	2,019,934	1,456,210	72%
Non-exchange revenue	1,436,881	891,026	545,855	61%
Operating expenses	2,777,444	2,910,960	(133,516)	-5%
Depreciation and amortisation	317,926	341,172	(23,246)	-7%

The company made a surplus of \$1,817m before tax, which is significantly better than the budgeted deficit of \$341k before tax. The majority of the variance against budget relates to fare revenues out-performing budget due to the international borders re-opening and international tourism returning to Wellington earlier than budgeted for. The variance against budget for non-exchange revenue relates to the release of long-term plan grant funding received from Wellington City Council, which was not budgeted.



### 7 VARIANCES TO BUDGET (CONTINUED)

Statement of financial position	2023	2023		
	Actual	Budget	Variance	Variance
	\$	\$	\$	%
Current assets	4,923,406	4,014,000	909,406	23%
Non-current assets	8,378,756	6,613,000	1,765,756	27%
Current liabilities	592,027	353,000	239,027	68%
Non-current liabilities	1,144,167	737,000	407,167	55%
Equity	11,565,968	9,537,000	2,028,968	21%

Assets were significantly above budget at 30 June 2023 due to the increased fare revenue during the year, as well as the tunnel strengthening work undertaken with the long term plan funding received from Wellington City Council. Non-current liabilities are above budget at 30 June 2023 due to the movement in deferred tax liability which was not budgeted. Overall this had a positive impact on the net asset position at year-end.

Statement of cash flows	2023	2023		
	Actual	Budget	Variance	Variance
	\$	\$	\$	%
Net cash flow from operating activities	2,498,806	554,000	1,944,806	351%
Net cash flow from investing activities	(1,582,347)	(200,000)	(1,382,347)	691%
Net cash flow from financing activities	-	-	-	0%

Net cash flow from operating activities is significantly above budget for the year due to the rise in international tourism and resulting increase in fare revenues. Net cash flow from investing activities differs from budget due to the tunnel strengthening work undertaken with the long term plan funding received from Wellington City Council. Cash reserves, including short-term deposits, held at year-end were \$1.3m higher than budgeted.

2023

2022

#### 8 REVENUE

	\$	\$
Exchange revenue		
Cable Car revenue	3,223,931	1,297,025
Miscellaneous revenue	59,738	78,834
Interest revenue - loans and receivables	192,475	34,480
Total exchange revenue	3,476,144	1,410,339

#### Non-exchange revenue

Total Revenue	4,913,025	2,522,240
Total non-exchange revenue	1,436,881	1,111,901
Covid-19 support payments	-	23,130
Wellington City Council - LTP grant	1,436,881	72,030
Wellington City Council - COVID-19 operating grant	-	977,396
Covid-19 wage subsidy	-	39,344

For the current year, Cable Car fare revenue was \$1,927m more than in the 2022 year. This was due to the international borders re-opening following the COVID-19 pandemic.

The Company utilised \$1,437m of the LTP funding received from Wellington City Council during the 2023 year (2022: \$72,030).

Covid-19 wage subsidy	2023	2022
	\$	Ş
Balance at 1 July 2022	-	-
Covid-19 wage subsidy received	-	39,344
Subsidy Used	-	(39,344)
Balance at 30 June 2023	-	-

The Company did not receive any Covid-19 Resurgence wage subsidy in the current year (2022: \$39,344).

LTP Funding grant	2023 \$	2022 \$
Balance at 1 July 2022	-	-
Long-term plan funding grant received	1,641,500	72,030
Grant used on capital expenditure	(1,436,881)	(72,030)
Balance at 30 June 2023	204,619	-

)	OPERATIONS AND GENERAL EXPENSES	2023	2022
		\$	\$
	Cable Car operational costs	313,000	205,301
	Cable Car maintenance costs	178,806	120,742
	Marketing costs	40,548	39,458
	Administration costs	184,033	212,688
	Insurance costs	649,647	596,632
	Total operations and general expenses	1,366,035	1,174,821

Maintenance costs are significantly higher this year than the 2022 year due to the work completed during annual maintenance shutdown differing year on year. Maintenance costs also include contractor payments during an unstaffed period in the maintenance technician role.

#### 10 AUDITOR'S REMUNERATION

	\$	\$
Auditing the financial statements 47	,950	42,812
Total auditor's remuneration     47	,950	42,812

2023

2022

No payments were made to the auditor for other services during the year under review (2022: \$nil).

#### 11 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 8, the Company received LTP funding of \$1,641,500 from Wellington City Council which is being 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 3 (2022: 2). At 30 June 2023 this number was three.

	2023	2022
	\$	\$
Salaries and wages	452,209	345,065
Directors' fees	45,000	52,500
Total key management personnel remuneration	497,209	397,565

The FTE number of directors at 30 June 2023 was two (2022: two). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

DIRECTORS' REMUNERATION	2023	2022
	\$	\$
A Matthews (end date 24 December 2021)	-	15,000
D McComb	15,000	15,000
D Perks	30,000	22,500
Total Directors' remuneration	45,000	52,500

There have been no other transactions with Directors other than Directors' remuneration. It is noted that \$38,750 of the directors' remuneration listed above for D McComb and D Perks is payable to Wellington City Council. From February 2023 onwards the remuneration to D McComb is no longer payable to Wellington City Council.



12	EMPLOYEES' REMUNERATION	2023	2022
		\$	\$
	Salaries and wages	1,219,925	1,108,066
	Contributions to defined contribution funds	32,675	29,370
	Total employees' remuneration	1,252,600	1,137,436
13	CASH AND CASH EQUIVALENTS	2023 \$	2022 \$
	ANZ Cheque Account	1,088,873	50,239
	ANZ Savings Account	813,424	935,590
	ANZ Foreign Current Accounts	7,487	7,496
		1,909,784	993,325

The ANZ bank accounts have interest rates of 5.50% p.a. at year end (2022: 0% - 0.50% p.a.).

14 SHORT TERM DEPOSITS	2023	2022
	\$	\$
ANZ Term deposits	2,905,753	2,705,753
Total short term deposits	2,905,753	2,705,753

The ANZ Term deposits have varying terms of 5-12 months, interest rates of 4.88% p.a. - 6.04% p.a. (2022: 1.50% p.a - 2.10% p.a), and maturity dates of July 2023 - February 2024.

#### 15 FINANCIAL INSTRUMENTS

16

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:

	2023	2022
Financial Assets	\$	\$
Cash and cash equivalents	1,909,784	993,325
Short term deposits	2,905,753	2,705,753
Trade and other receivables	84,082	318,547
Total financial assets	4,899,619	4,017,625
Financial Liabilities		
Trade and other payables	259,358	126,114
Total financial liabilities	259,358	126,114
TRADE AND OTHER RECEIVABLES	2023	2022
	\$	\$
Exchange		
Trade receivables	16,895	16,871
Other receivables	67,187	14,424
Total exchange	84,082	31,295
Non-exchange		
Trade receivables		287,252
Other receivables		-
Total non-exchange	-	287,252
Total trade and other receivables	84,082	318,547

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

The Company has assessed the probability of non-payment of trade receivables using the PBE IPSAS 41 simplified approach to measuring expected credit losses and has concluded that there is no impairment loss during the year.

Trade receivables from non-exchange in the prior year is the Covid-19 operating grant receivable from Wellington City Council, which was received 8 September 2022. No Covid-19 operational grant was received from the Council in the current year.



17	INVENTORY	2023 \$	2022 \$
	Cable Car consumables	2,281	256,846
	Merchandise	9,578	11,606
	Total inventory	11,859	268,452

During the year, management noted an error in relation to the classification and accounting for its cable car spare parts. Note 2(e) of the Notes to the financial statements explains the prior period error in detail.

#### 18 TRADE AND OTHER PAYABLES 2023 2022 \$ \$ Exchange Trade payables 164,879 49,918 Accrued expenses 94,479 77,889 **Total exchange** 259,358 127,806 Total trade and other payables 259,358 127,806

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

INCOME TAX	2023	2022
Components of tax expense	Ş	Ş
Current tax expense	27,205	-
Deferred tax expense	490,722	(83,702)
Tax expense	517,927	(83,702)

#### Reconciliation of effective tax rate Net (deficit) for the period before tax 1,817,655 (300,749) Tax at 28% 508,943 (84,210) Plus/(less) tax effect of: Non-deductible expenditure 827 285,196 Non-taxable income \_ (284,687) Prior period adjustment 8,157 Tax expense 517,927 (83,702)

#### Movement in deferred tax asset/(liability)

1

	Property, plant & equipment	Provisions \$	Tax Losses \$	Total \$
	\$			
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)
Charged to surplus or deficit	(376,038)	4,790	(119,473)	(490,722)
Charged to other comprehensive income	-	-	-	-
Balance at 30 June 2023	(1,168,871)	24,704	-	(1,144,167)
Income tax receivable/(payable)				
Opening balance			6,593	17,190
Tax on income			(27,205)	-
RWT deducted			39,133	6,593
Provisional tax paid/(refunded)			(6,593)	(17,190)
Income tax receivable/(payable)			11,928	6,593



	Cable Car equipment &	Cable car spare parts	Furniture & Computer	Motor Vehicles	Work in Progress	Tota
	tracks		equipment			
Cost						
Balance at 30 June 2022	10,213,879	-	153,170	68,852	-	10,435,90
Reclassification of spare parts at 1 July 2022	(149,875)	405,649	-	-	-	255,77
Restated balance at 1 July 2022	10,064,004	405,649	153,170	68,852	-	10,691,67
Additions	1,406,756	104,596	29,270	-	2,890	1,543,512
Disposals	-		(10,800)	(27,526)	-	(38,320
Balance at 30 June 2023	11,470,760	510,245	171,640	41,326	2,890	12,196,863
Depreciation and amortisation Balance at 30 June 2022	3,386,272	-	118,969	58,298	-	3,563,54
Reclassification of spare parts at 1 July 2022	(29,132)		-	-		(29,13
Restated balance at 1 July 2022	3,357,140	-	118,969	58,298	-	3,534,40
Charge for the year	289,458	9,219	13,111	2,294	-	314,08
Disposals	-		(10,501)	(19,266)	-	(29,76
Balance at 30 June 2023	3,646,598	9,219	121,579	41,326	-	3,818,72
Carrying amount						
Balance at 1 July 2021	6,803,685	-	24,535	16,059	177,846	7,022,12
Balance at 30 June 2022	6,827,606	-	34,201	10,554	-	6,872,36
Restated balance at 1 July 2022	6,706,863	405,649	34,201	10,554	-	7,157,26
Balance at 30 June 2023	7,824,162	501,026	50,061	-	2,890	8,378,13

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

During the year, management noted an error in relation to the classification and accounting for its cable car spare parts. Note 2(e) of the Notes to the financial statements explains the prior period error in detail.

### 21 INTANGIBLES

	Intangibles
	Software
Cost	
Balance at 30 June 2022	13,950
Additions	-
Disposals	
Balance at 30 June 2023	13,950
Depreciation and amortisation Balance at 30 June 2022	9,489
Charge for the year	3,844
Disposals	
Balance at 30 June 2023	13,333
Carrying amount	
Balance at 30 June 2021	12,135

balance at 50 June 2021	12,155
Balance at 30 June 2022	4,461
Balance at 30 June 2023	617

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

#### 22 OPERATING LEASE COMMITMENTS

	2023	2022
Non-cancellable operating lease commitments:	\$	\$
As lessee		
Not later than 1 year	6,490	11,528
Later than 1 and not later than 2 years	2,771	4,003
Later than 2 and not later than 5 years	-	-
Total lessee	9,261	15,531

The Company hired a shared office space at Wellington Museum Trust from June 2022 onwards. This lease is cancellable within three months notice by either party.



#### 23 CAPITAL COMMITMENTS

At reporting date Wellington Cable Car Limited has a capital commitment of \$59k for the tunnel strengthening project (2022: \$1.4m) as per the tender agreement. The Company is guaranteed to receive LTP funding from Wellington City Council of \$2.4m to fund the project. As outlined in Note 8, \$1,641,500 of the LTP funding was received in the current year (2022: \$72,030).

#### 24 SUBSEQUENT EVENTS

No significant events have occurred since reporting date requiring disclosure in these financial statements, other than those detailed in Note 25 (2022: nil).

#### 25 COVID-19 PANDEMIC

Following the COVID-19 pandemic protection frameworks, the New Zealand Government re-opened the international borders in July 2022. This resulted in a large increase in visitor numbers with the return of international tourism to New Zealand and with it Wellington.

The Company continues to monitor the economic situation closely to remain agile and respond quickly to developments, but do not anticipate any further implications of the COVID-19 pandemic at this stage.

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 2023

The Auditor-General is the auditor of the Wellington Cable Car Limited (the Company). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Markhams Wellington Audit, to carry out the audit of the financial statements and the performance information for an appropriation, of the Company on his behalf.

#### Opinion

We have audited:

- the financial statements of the Directors on pages 14 to 28, that comprise the statement of financial position as at 30 June 2023, 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 Directors on pages 5 to 11.

#### In our opinion:

- the financial statements of the Directors on pages 14 to 28:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; 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 the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 5 to 11:
  - presents fairly, in all material respects, the Directors performance for the year ended 30 June 2023, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; an

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o complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 28 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Directors and our responsibilities relating to the financial statements and the performance information, and we explain our independence.

#### 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 Directors. 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 Directors for the financial statements and the performance information

The Directors are responsible for preparing financial statements and performance information that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Directors are 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 Directors are responsible for assessing the Company's ability to continue as a going concern. The Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Director's responsibilities arise from the Public Finance Act 1989 and the Crown Entities Act 2004.

## 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 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 Director'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 Directors internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 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 Directors are responsible for the other information. The other information comprises the information included on pages 1 to 4 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 Director's in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Directors.

Michael Kania

Michael Rania Moore Markhams Wellington Audit On behalf of the Auditor-General Wellington, New Zealand

