

**WRC Holdings Limited**  
**Financial Statements**  
**for the year ended 30 June 2024**



## Contents

	Page
Directory	2
Directors' report	3
Statement of Service Performance	4
Financial statements	
Statement of comprehensive revenue and expenses	16
Statement of changes in equity	17
Statement of financial position	18
Statement of cash flows	19
Notes to the financial statements	
1 Statement of compliance	20
2 Statement of accounting policies	20
3 Operating surplus / (deficit) before subvention and taxation	22
4 Taxation	24
5 Trade & other receivables	25
6 Current Assets - Inventory	26
7 Property, plant and equipment	26
8 Intangible assets	33
9 Investments in subsidiaries	34
10 Investment Properties	35
11 Joint Venture Information	37
12 Deferred tax	40
13 Interest bearing liabilities	41
14 Cash and cash equivalents	42
15 Employee entitlements	42
16 Equity	43
17 Reconciliation of surplus for the year with cash flows from operating activities	43
18 Financial instruments and risk management	44
19 Commitments	48
20 Related party transactions	49
21 Explanation of major variances against budget	50
22 Contingencies	51
23 Subsequent events	51
Statement of compliance and responsibility	52
Auditors' report	53

## Directory

### Directors

C Kirk Burnnand (Chairperson)  
D Lee  
T Nash  
D Bassett  
L E Elwood  
R M Evans  
A J Hare  
H K Modlik  
N S W Ward  
N O Leggett  
H M Mexted

### Appointed

20 November 2019  
24 November 2022  
24 November 2022  
24 November 2022  
01 October 2023  
01 October 2023  
01 October 2023  
01 October 2023  
24 June 2019 (ceased 1 October 2023)  
12 October 2017 (ceased 1 October 2023)  
24 June 2019 (ceased 1 October 2023)

### Registered office

100 Cuba Street  
Te Aro, Wellington 6011

### Auditor

Clint Ramoo  
Audit New Zealand  
on behalf of the Auditor-General

### Bankers

ANZ Bank New Zealand Ltd

## **Directors' report**

The Directors have pleasure in submitting their Annual Report including the financial statements of WRC Holdings Ltd and its subsidiaries (the Group) for the year ended 30 June 2024.

### **Principal Activities**

WRC Holdings Limited (the Parent Company) is the investment holding company of Greater Wellington Regional Council. The WRC Holdings Limited Group (the Group) consists of WRC Holdings Limited, its wholly owned subsidiary Greater Wellington Rail Limited, and is a 76.9% owner of CentrePort Limited.

CentrePort owns and operates the Port of Wellington and related facilities at Seaview.

Greater Wellington Rail Limited owns and manages rail rolling stock and rail infrastructural assets.

### **The Group's primary objectives**

The primary objectives of WRC Holdings Limited are to support Council's strategic priorities and operate a successful, sustainable, and responsible business while managing its assets prudently. This is achieved by separating Council's investment and commercial assets from its public good assets. The core role of WRC Holdings is to impose commercial discipline on the Group's activities and generate a commercial rate of return (where appropriate) and manage within agreed levels of debt to equity.

WRC Holdings owns Greater Wellington Regional Council's interest in CentrePort Ltd, to maximise the commercial value of CentrePort to the shareholders and to protect the shareholders' investment, including land and property, while maintaining the CentrePort's strategic value to the economy of the region.

In relation to Greater Wellington Rail Limited (GWRL), the key objectives are to prudently manage and maintain the rail rolling stock and rail infrastructure (GWRL's Rail Assets).

### **Corporate Governance**

WRC Holdings Limited is governed by a board of eight directors all of whom are appointed by the shareholder, with four independent external directors with commercial backgrounds to provide advice and expertise at the governance level. Directors meet regularly to direct and control the Group's proceedings. Helen Mexted, Nick Leggett and Nancy Ward completed their respective terms on the Board in late 2023 and we wish to acknowledge the benefit the Board has received over the years from their expertise and extend our appreciation for their contributions. The WRC Holdings Board met a scheduled eight times during the year.

The Board has close liaison with its partners, Wellington Regional Council who manage the Rail operations in conjunction with Transdev Wellington, and CentrePort who manage the Port operations. These bodies regularly report and meet with the respective Boards of the WRC Holdings Group.

In addition to the obligations of the Local Government Act 2002, WRC Holdings is also subject to the requirements of the Companies Act 1993 and all other applicable legislative requirements.

### **Results**

The WRC Holdings Group largely met all its objectives as set out in the 2023-24 Statement of Intent.

The nature and scope of activities undertaken by the group are consistent with those set in the 2023-24 Statement of Intent and Wellington Regional Council's Long Term Plan.

## Statement of Service Performance

### WRC HOLDINGS - FINANCIAL PERFORMANCE TARGETS

Financial WRC Holdings Group results compared with Statement of Intent (SOI) Targets:

	Actual 2024 \$'000	Target 2024 \$'000	Actual 2023 \$'000
Net (deficit) / surplus before tax	(225)	(30,500)	(20,902)
Net (deficit) / surplus after tax	3,401	(29,733)	(16,513)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	34,617	25,121	17,738
Return on Shareholder's equity	(0.31)%	(3.50)%	(2.50)%
Return on total assets	(0.37)%	(3.10)%	(2.00)%
Shareholders equity to total assets	81.00%	80.00%	80.00%
Dividends	2,400	2,300	2,400

The above 2024 financial results are calculated on the same basis as previous year.

#### Net (deficit) / surplus before tax

The Group posted net deficit before tax of \$225,000 (2023: deficit of \$20.90 million) compared to a budget deficit before tax of \$30.50 million for the year.

The main driver for the variance to budget is the reduced depreciation charged due to a higher valuation being used when finalising the depreciation budget.

#### Net (deficit) / surplus after tax

The net surplus after tax was \$3.40 million (2023: deficit of \$16.50 million), compared to a budget deficit after tax of \$29.70 million. This is in line with the increased depreciation in GWRL following the increase in assets fair value.

#### Earnings before interest, tax, depreciation and amortisation (EBITDA)

EBITDA was \$34.62 million (2023: \$17.74 million) compared to a budget of \$25.12 million.

This variance is related to the same factors as in the net deficit before tax above.

#### Return on total assets

This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets. As at 30 June 2024, return on total assets was (0.37%) (2023: 2.00%) compared to a budget of (3.10%).

The variance to target is mainly due to small surplus for EBIT.

#### Return on shareholder's equity

This target is calculated as net surplus/ (deficit) after tax as a percentage of average shareholder equity (excluding minority interest). As at 30 June 2024, the return on shareholders' equity was (0.31%) (2023: 2.50%), compared to a budget of (3.50%).

#### Shareholder's equity to total assets

As at 30 June 2024 the ratio of shareholders equity to total assets stood at 81% (2023: 80%) and compared to a budget of 80%.

#### Dividends paid (or payable to the shareholders)

A dividend of \$2.4 million was paid to the shareholders during the year (2023: \$2.4 million).

**WRC HOLDINGS - OPERATIONAL PERFORMANCE MEASURES**

<b>OBJECTIVE</b>	<b>ACTIVITY</b>	<b>Target 2024</b>	<b>Actual 2024</b>
<b>Support Council's strategic priorities</b>	Review and approve WRC Holdings Group Statement of Intent (SOI) for consistency with Council's strategic direction	Review draft Holdings SOI by 1 March each year	<b>Achieved</b> – delivered to shareholder before 1 March 2024.
		Approve Holdings SOI by 30 June each year	<b>Achieved</b> – Holdings SOI was approved prior to 30 June 2024
	Review and provide comments on the draft CentrePort Statement of Corporate Intent (SCI) to ensure consistency with Council's strategic direction	Review draft SCI and provide comments by 1 May each year	<b>Achieved</b> – draft SCI reviewed and comments provided to CentrePort before 1 May 2024
	Set expectations through annual Statement of Expectations letter to Centreport	Send Statement of Expectations to CentrePort by 31 December each year	<b>Achieved</b> – Statement of Expectations was sent to CentrePort prior to 31 December 2023.
	Consult with the shareholder in a timely manner on Holdings Group strategic or operational matters which could compromise Council's community outcomes	All such matters escalated to Council in a timely manner	<b>Achieved</b> – All matters requiring consultation with, or escalation to, Council were provided in a timely manner.
		Holdings to provide briefings to Councillors on matters of significance as required	<b>Achieved</b> – Briefings on matters of significance and quarterly updates have been provided to Council.
Substantive matters, including those likely to generate media coverage, are reported to Council	Matters of this nature should be reported to Council by the Holdings Board as soon as practicable	<b>Achieved</b> – Matters of this nature have been reported to Council as soon as practicable	
<b>Operate a successful, sustainable, and responsible business</b>	Monitor performance of WRC Holdings Group companies to ensure financial returns are optimised	WRC Holdings Board monitor Holdings Group companies' progress against their SOI targets quarterly	<b>Achieved</b> – Quarterly monitoring of WRC Holdings Group companies has been completed.
		WRC Holdings receives a quarterly report from CentrePort on its financial and non-financial performance	<b>Achieved</b> – Quarterly reporting from CentrePort has been provided to WRC Holdings.
<b>Prudently manage and maintain the rail rolling stock and rail infrastructure (GWRL's Rail Assets)</b>	Monitor the management of rail assets and risk to ensure GWRL's assets are fit-for-purpose	WRC Holdings Board review quarterly risk reporting for GWRL	<b>Achieved</b> – Quarterly risk reporting for GWRL has been provided to WRC Holdings Board.
		WRC Holdings Board receives the GWRL Annual Business Plan by 30 June each year	<b>Achieved</b> – GWRL Annual Business Plan completed and received prior to 30 June 2024.
		WRC Holdings Board received the GWRL Asset Management Plan by 30 September each year	<b>Achieved</b> – GWRL Asset Management Plan completed and provided to WRC Holdings Board prior to 30 September 2023.

The performance measures and results for Greater Wellington Rail Limited are set out within the separate Greater Wellington Rail Limited Annual Report (including the financial statements) for the year ended 30 June 2024.

**CENTREPORT LIMITED - PERFORMANCE TARGETS**

	<b>Actual 2024 \$'000</b>	<b>Target 2024 \$'000</b>	<b>Actual 2023 \$'000</b>
<b>CentrePort Limited</b>			
Net profit before tax	<b>31,920</b>	<b>16,421</b>	<b>15,500</b>
Net profit after tax (1)	<b>28,891</b>	<b>12,019</b>	<b>12,000</b>
Return on total assets (2)	<b>5.85%</b>	<b>3.31%</b>	<b>2.1%</b>
Return on equity (3)	<b>6.54%</b>	<b>3.51%</b>	<b>2.5%</b>
Dividend as a % of underlying net profit after tax before earthquake impacts and changes in fair value	<b>24.23%</b>	<b>54.08%</b>	<b>50.3%</b>
Dividend	<b>7,000</b>	<b>6,500</b>	<b>6,000</b>

- (1) Underlying net profit after tax before earthquake impacts and changes in fair value includes abnormal Items.  
(2) Return on assets = earnings before interest, tax, earthquake impacts, and changes in fair value divided by the average opening and closing non current assets.  
(3) Return on equity = underlying net profit after tax before earthquake impacts and changes in fair value divided by the average opening and closing total equity.

The Statement of Corporate Intent (SCI) targets are from the SCI for the financial years ended 30 June 2024 to 2026 which was approved for issue in June 2023.

CENTREPORT LIMITED - PERFORMANCE TARGETS					
	Objective	Performance measure	Actual 2024	Target 2024	Actual 2023
Our People	A zero-harm workplace	Lost Time Injury Frequency (per 200,000 hours worked)	0.97	≤ 2.5	1.7
		Lost Time Injury Severity (per 200,000 hours worked)	1.44 <sup>1</sup>	≤ 7.95	6.17
		bSafe reports (incidents and near miss reports) involving injury	3% <sup>2</sup>	≤ 4.95%	4.3%
		Standard operating procedures (SOPs) reviewed and updated	99.4% <sup>3</sup>	≥ 92.5%	100%
	Improve health and safety, staff wellbeing and engagement at work	Health & Safety and employee engagement culture surveys – score improving every survey (18 months)	Achieved	Improvement on FY21 result	Improvement on FY21 result
	Increase gender diversity	Overall gender balance (F/M); ELT gender balance (F/M); Board gender balance (F/M)	17%/83% All; 14%/86% ELT; 37%/67% Board.	Improve on 2023	18%/82% All; 14%/86% ELT; 40%/60% Board.
Our Customers	Improved productivity across port	Gross crane rate (as measured by Ministry of Transport)	29.1 <sup>4</sup>	30.0	29.6
	Manage the safety of marine activities	Marine activities conducted in accordance with the current Port and Harbour Marine Safety Code (PHSC)	Achieved	100% compliance	100% compliance
		100% of new tasks or newly identified hazards risk assessed in collaboration with the Wellington Harbourmaster team	Achieved	100% compliance	100% compliance

<sup>1</sup> The Lost Time Injury Severity Rate and Lost Time Injury Frequency Rate reduced notably over the last twelve months with CentrePort's performance dropping into the range of good practice according to ILO standards for injury severity and incident rates highlighting the value of the Te Whare Tapa Whā programme and return to work rehabilitation programmes implemented three years ago.

<sup>2</sup> bSafe's raised resulting from injury were below the upper KPI threshold and showed continued reduction in the number of physical harm events to people over the past 12 months, emphasising the importance of the work CentrePort has done in encouraging early reporting of minor workplace incidents and hazards.

<sup>3</sup> Close to 100% of the SOPs reviewed on time with one non-critical SOP left to review by the end of June and completed in July 2024. It is noted that overall, the year results observed 100% achievement of SOP with the defined timelines. This is a significant achievement on the previous year's results and reflects the work done by CentrePort to ensure procedures and systems supporting this process have been streamlined and applied consistently with regular monitoring and reporting across the business.

<sup>4</sup> Note that for Q4 CentrePort were the third for Crane Rate in New Zealand following Lyttleton and Tauranga.



CENTREPORT LIMITED - PERFORMANCE TARGETS					
	Objective	Performance measure	Actual 2024	Target 2024	Actual 2023
Our Environment	Operate in a sustainable manner	Net zero emissions by 2040. 30% emission reduction by 2030 relative to 2019 (excluding growth)	FY24 scope 1 and 2 emissions slightly higher than FY23 but remain 37% below FY19 baseline.  Emission Reduction Plan update deferred to FY25.	Complete an update to CPL's Emission Reduction Plan to drive alignment	30.6% reduction
		Low Emission Infrastructure and Energy to drive lower Scope 3 emissions	The fuel bunker barge is now operating.  Embedded solar energy on Shed 39 complete.  Business Planning complete for remainder of Stage 1 and initial work gone into further stages.	Begin procurement for Stage 1 Kings Wharf Microgrid.  Start Bunker Barge operation  Overall energy investment Business Planning to drive low emission supply chain	N/A
	Improve biodiversity	Create further partnerships to drive enhanced biodiversity with key stakeholders	New relationships with VUW and Mountains to Sea underway including support for marine biodiversity research. Existing partnership with Zealandia and Sanctuary to Sea enhanced.	Partnership agreed to improve harbour biodiversity	N/A
Our Community	Urban and City Integration	Inner Harbour Precinct	Achieved  Achieved	Precinct master plan stakeholder engagement  Interim opportunities engagement	Start Inner Harbour Precinct development, stakeholder engagement.
Our Finances	Financial performance	Group EBITDA	\$25.9m	\$26.0m	\$22.3
		Underlying Net Profit After Tax	\$28.9m	\$13.0m	\$11.9
		Underlying NPAT Return on Group Equity	3.0%	2.7%	2.5%
		Dividend	\$7m	\$6.5m	\$6.0m

**CENTREPORT LIMITED - PERFORMANCE TARGETS**

	<b>Objective</b>	<b>Performance measure</b>	<b>Actual 2024</b>	<b>Target 2024</b>	<b>Actual 2023</b>
Our Infrastructure	Infrastructure Investments	Seaview Wharf Renewal	Project continues with main wharf and dolphin piling completed, structural elements separated, and gravity clamps installed. These elements immediately contribute to improved resilience to the fuel manifold. New mooring and berthing dolphins' construction continues. Resilience work is due for completion in late 2025 to provide a resilient fuel berth and transfer facility.	Continue Seaview Wharf Renewal seismic resilience and start berthing improvements	Seaview Wharf Renewal continued, with piling now completed on Phase 1A and 1A+, which are the Main Wharf head and main wharf extension. Progress made Phase 1B and construction due to start this year. Progress with the fuel industry is still slower than expected due to changes in the industry
		Ground Resilience and AQ 2/3 Seawall Resilience	Ground Resilience works complete. Over 10,000 stone columns have been installed to the port perimeter along with transitional paving to minimise potential effect of differential settlement following an earthquake.  AQ 2/3 deferred.	Complete Ground Resilience and detailed planning of AQ 2/3 seawall repairs	Ground Resilience of Main Thorndon Reclamation progression in line with expectations. Area 5 completed and remainder progressing in line with expectations.
		Underground infrastructure and Pavements strategy	CentrePort continues early engagement with regulators and specialists to prepare for its 2028 consent changes. Information gathering is complete, and monitoring continues to provide the baseline conditions against which stormwater solutions can be measured.	Continue and increase the information gathering which will inform detailed planning for stormwater debris management.	CentrePort have partnered with Cheal consultants who successfully delivered the stormwater treatment plant for Eastland Port, which is considered as the gold standard of stormwater treatment plants for New Zealand Ports.

**CENTREPORT LIMITED - PERFORMANCE TARGETS**

	<b>Objective</b>	<b>Performance measure</b>	<b>Actual 2024</b>	<b>Target 2024</b>	<b>Actual 2023</b>
		KiwiRail Single User Terminal (SUT)	<p>Note that in December 2023 the Government declined to provide further funding to KiwiRail for their Single User Terminal (SUT). As a result, KiwiRail cancelled their SUT project citing a lack of funding. CentrePort continues to work with KiwiRail, the government and other key stakeholders to determine a pathway forward for Cook Strait ferry operations and associated port infrastructure.</p>	<p>Finalise and sign detailed transaction documents, (subject to KiwiRail project funding.) Work with KiwiRail to progress development of Single User Terminal.</p>	<p>Multi User Ferry Terminal Precinct preferred option developed and ongoing monitoring of KiwiRail SUT design and possible impacts on preferred solution. Key Commercial Terms with KiwiRail signed in December 2022. Working to develop and sign detailed transaction documents. Progress slowed by KiwiRail's funding challenges. CentrePort continue to support KiwiRail with design development and construction procurement.</p>

## Directors Information

Directors holding office for the Parent and its 100% owned subsidiaries during the year were:

C Kirk-Burnnand (Chairperson)  
D Lee  
T Nash  
D Bassett  
L E Elwood  
R M Evans  
A J Hare  
H K Modlik  
H M Mexted (until 1 October 2023)  
N S W Ward (until 1 October 2023)  
N O Leggett (until 1 October 2023)

## Remuneration of Directors of the Parent Company

Details of Directors' remuneration are as follows:

	2024 \$'000	2023 \$'000
L E Elwood	21	-
R M Evans	21	-
A J Hare	21	-
H K Modlik	21	-
N O Leggett (until 1 October 2023)	6	17
H M Mexted (until 1 October 2023)	6	17
N S W Ward (until 1 October 2023)	6	17
<b>Total</b>	<b>102</b>	<b>51</b>

## **Relevant entries in the Interests Register**

Disclosure of interests by Directors for the year ended 30 June 2024:

### **C Kirk Burnnand**

Ashcroft Pine Forest GP Limited (Shareholder)  
Autostop Holdings Limited (Shareholder & Director)  
Autostop Tasman Limited (Director)  
Autostop Caspian Limited (Director)  
Autostop Baltic Limited (Director)  
Autostop Pacific Limited (Director)  
Autostop Arctic Limited (Director)  
Autostop Group Limited (Director)  
Autostop Motors Limited (Director)  
Patricia Mcdonnell Trustee Company Limited (Shareholder & Director)  
Pinedale Forest GP Limited (Shareholder)  
PI North Limited (Director)  
PI Ross Limited (Director)  
PL Tia Limited (Director)  
Porirua Foundation Administration Limited (Director)  
Property Logic Limited (Shareholder & Director))  
Te Karaka Forest GP Limited (Shareholder)  
Greater Wellington Rail Limited (Director)  
Wellington Regional Council (Councillor)

### **D Bassett**

H2O New Zealand Limited (shareholder & Director)  
Wellington Regional Council (Councillor)  
Greater Wellington Rail Limited (Director)  
The Terrace – Martinborough Limited (shareholder & Director)

### **D Lee**

CoGo Connecting Good Limited (shareholder)  
Greater Wellington Rail Limited (Director)  
Wellington Regional Council (Councillor)  
Aureon Limited (shareholder)

### **T Nash**

Shelter New Zealand Limited (shareholder & Director)  
Portable Hospitality Limited (shareholder & Director)  
Greater Wellington Rail Limited (Director)  
Wellington Regional Council (Councillor)  
E-Bike Subscription Limited (shareholder & Director)

**L Elwood**

Greater Wellington Rail Limited (Director)  
Unison Networks Limited (Director)  
RPS Switchgear Limited (Director)  
Whanganui District Council Holdings Limited (Director)  
Electra Limited (Director)  
Te Toi Mahana Trust (Trustee)

**R Evans**

Greater Wellington Rail Limited (Director)  
Television New Zealand Limited (Director)  
Ngapuhi Investment Fund Limited (Director)

**A Hare**

Greater Wellington Rail Limited (Director)  
Wellington Water Limited (Director)  
Generational Limited (Director)  
Engineering New Zealand Foundation (Trustee)  
Audit and Risk Committee Ministry for the Environment (Independent Member)  
Rotary Club of Wellington EurekaTrust (Trustee)

**H Modlik**

Greater Wellington Rail Limited (Director)  
AEGIS Retirement Living Limited (Director)  
AEGIS Silverstream Limited (Director)  
ARIJIT Residential Limited (Director)  
Conporto Health Limited (Director)  
HKM Consulting Limited (Director)  
Kenepuru Developments Limited (Director)  
Kimihia Number 1 Limited (Director)  
Kimihia Number 2 Limited (Director)  
Raranga Limited (Director)  
Toa Kainga Limited (Director)  
Toa Building Supplies Limited (Director)  
Te Kainga Ururua Limited (Director)  
Te Tumu Whakatipu Limited (Director)  
Toa Kenepuru SP Limited (Director)  
Toa Kenepuru Transition Limited (Director)  
Toa Rangatira Retirement Villages Limited (Director)  
Whitby Village (2009) Limited (Director)  
Te Aka Whai Ora (Director)

**N O Leggett (ceased 1 October 2023)**

Greater Wellington Rail Limited (Director)

Hutt Mana Charitable Trust (Trustee)

Infrastructure New Zealand (Chief Executive)

Bulterant Trust (Trustee & Beneficiary)

Wellington Water Limited (Director)

**H M Mexted (ceased 1 October 2023)**

Greater Wellington Rail Limited (Director)

New Zealand Walking Access Commission (Board Member)

Glenora Limited (Shareholder)

**N S W Ward (ceased 1 October 2023)**

St John of God Hauora Trust (Board Member)

McIntosh Ward & Associates Limited (Shareholder & Director)

Youth Hostel Association New Zealand (Board Member)

Greater Wellington Rail Limited (Director)

**Directors' Interest Register**

Directors have had no interest in any transaction or proposed transactions with the Group.

**Directors' Insurance**

The Company has arranged Directors' and Officers' Liability insurance cover to indemnify the Directors against loss as a result of actions undertaken by them as directors and employees respectively, provided they operate within the law. This disclosure is made in terms of section 162 of the Companies Act 1993.

**Directors' Use of Company Information**

The board received no notices during the year from Directors requesting use of company information received in their capacity as Directors which would not have otherwise been available to them.

**Remuneration of Employees**

The Parent Company and all its 100% owned subsidiaries have no employees. The 76.9% owned subsidiary, CentrePort Limited and its group of subsidiaries who received remuneration and other benefits in excess of \$100,000 are tabulated below:

	<b>Number of current employees</b>
\$100,001 - \$110,000	19
\$110,001 - \$120,000	21
\$120,001 - \$130,000	23
\$130,001 - \$140,000	17
\$140,001 - \$150,000	10
\$150,001 - \$160,000	8
\$160,001 - \$170,000	13
\$170,001 - \$180,000	13
\$180,001 - \$190,000	7
\$190,001 - \$200,000	2
\$200,001 - \$210,000	2
\$210,001 - \$220,000	9
\$220,001 - \$230,000	1
\$240,001 - \$250,000	1
\$250,001 - \$260,000	1
\$260,001 - \$270,000	4
\$270,001 - \$280,000	5
\$350,001 - \$360,000	1
\$360,001 - \$370,000	4
\$400,001 - \$410,000	1
\$700,001 - \$710,000	1
	<u>163</u>

**Auditor**

The Auditor-General is the appointed auditor in accordance with section 15 of the Public Audit Act 2001 and section 70 of the Local Government Act 2002. The Auditor-General has appointed Clint Ramoo of Audit New Zealand to undertake the audit.

For, and on behalf of, the Board of Directors



Director

30 September 2024



Director

30 September 2024



## Financial Statements

**WRC Holdings Limited**  
**Statement of Comprehensive Revenue and Expense**  
**For the year ended 30 June 2024**

	Notes	Group	
		2024 \$'000	2023 \$'000
<b>REVENUE</b>			
Operating revenue	3	128,664	121,395
Share of associate profit accounted for using the equity method	11	1,295	1,642
Finance income	3	<u>7,733</u>	<u>6,198</u>
<b>Total revenue</b>		<b>137,692</b>	<b>129,235</b>
<b>Gain / (loss) in fair value movements:</b>			
Net gain on disposal of property , plant and equipment	3	336	(281)
Fair value of investment properties - CentrePort	3	10,525	(1,509)
Demolition costs		(17)	(531)
<b>EXPENDITURE</b>			
Expenses, excluding finance costs	3	(144,711)	(144,594)
Finance costs	3	<u>(4,050)</u>	<u>(3,222)</u>
<b>(Deficit) / surplus before taxation and subvention payment</b>		<b>(225)</b>	<b>(20,902)</b>
Income tax benefit / (expense)	4	<u>3,626</u>	4,389
Profit / (Loss) from continuing operations		<u>3,401</u>	<u>(16,513)</u>
<b>Net (deficit) / surplus after tax for the year</b>		<b>3,401</b>	<b>(16,513)</b>
<b>Other comprehensive revenue and expenditure</b>			
Estimated Increase/(Decrease) in fair value of Rail and Public Transport assets		-	(14,594)
Deferred tax impact of estimated fair value movement		-	4,084
Increase/(Decrease) in value of CentrePort port land		-	9,636
Adjustment to Fair value for Land resilience Impact		8,705	-
Movement in fair value reserve after tax		<u>50</u>	-
		<u>8,755</u>	<u>(874)</u>
<b>Other comprehensive income for the year, net of tax</b>		<b>8,755</b>	<b>(874)</b>
<b>Total comprehensive income for the year</b>		<b>12,156</b>	<b>(17,387)</b>
<b>Total comprehensive revenue and expenditure for the year is attributable to:</b>			
Owner of WRC Holdings Limited		4,168	(21,738)
Non-controlling interest		<u>7,988</u>	<u>4,351</u>
		<u>12,156</u>	<u>(17,387)</u>

The accompanying notes form part of these financial statements.

**WRC Holdings Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2024**

Group	Notes	Attributable to equity holders of the Company				
		Contributed Equity \$'000	Revaluation Reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total \$'000
<b>Balance as at 1 July 2022</b>	16	316,945	130,798	286,362	106,640	840,749
Total Comprehensive Income for the Year		-	-	(18,638)	2,125	(16,513)
Contributed Equity		20,200	-	-	-	20,200
Increase / (Decrease) in Revaluation reserve		-	(3,100)	-	2,226	(874)
Dividends		-	-	(2,400)	(1,385)	(3,785)
<b>Balance as at 30 June 2023</b>		<u>337,145</u>	<u>127,699</u>	<u>265,325</u>	<u>109,606</u>	<u>839,775</u>

Group	Notes	Attributable to equity holders of the Company				
		Share Capital \$'000	Revaluation Reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total \$'000
<b>Balance as at 1 July 2023</b>	16	337,145	127,699	265,325	109,606	839,775
Total Comprehensive Income for the Year		-	-	(2,565)	5,966	3,401
Contributed Equity		18,100	-	-	-	18,100
Increase / (Decrease) in Revaluation reserve		-	6,733	-	2,022	8,750
Dividends		-	-	(2,400)	(1,615)	(4,015)
<b>Balance as at 30 June 2024</b>		<u>355,245</u>	<u>134,440</u>	<u>260,360</u>	<u>115,974</u>	<u>866,011</u>

The accompanying notes form part of these financial statements.

**WRC Holdings Limited**  
**Statement of Financial Position**  
**As at 30 June 2024**

		Group	
		2024	2023
		\$'000	\$'000
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	80,469	114,630
Trade and other receivables	5	13,927	12,313
Other financial assets	18	-	18,960
Inventories	6	2,834	2,711
Current accounts - GWRC		5,938	6,232
Total current assets		<u>103,168</u>	<u>154,846</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	782,831	759,205
Intangible assets	8	24	168
Investments in joint venture	11	12,552	13,210
Loans and Advances to Joint Venture		9,786	9,934
Investments Securities at Fair Value through OCI		20,826	-
Investments Securities at Amortised Cost		14,584	-
Investment properties	10	96,650	86,125
Deferred tax assets	12	26,033	23,203
Right of use assets		-	-
Total non-current assets		<u>963,286</u>	<u>891,845</u>
<b>Total assets</b>		<u>1,066,454</u>	<u>1,046,691</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		12,167	14,459
Interest bearing liabilities	13	56,000	12,000
Taxation payable	4	4,748	2,725
Provisions for employee entitlements	15	4,154	3,953
Total current liabilities		<u>77,069</u>	<u>33,137</u>
<b>Non-current liabilities</b>			
Interest bearing liabilities	13	-	44,000
Provision for employee entitlements	15	137	123
Deferred tax liabilities	12	123,237	129,656
Total non-current liabilities		<u>123,374</u>	<u>173,779</u>
<b>Total liabilities</b>		<u>200,443</u>	<u>206,916</u>
<b>Net assets</b>		<u>866,011</u>	<u>839,775</u>
<b>EQUITY</b>			
Contributed equity	16	355,245	337,145
Reserves		134,432	127,699
Retained earnings		260,360	265,325
Non-controlling interest		115,974	109,606
<b>Total equity</b>		<u>866,011</u>	<u>839,775</u>

The accompanying notes form part of these financial statements.

For, and on behalf of, the Board of Directors.



Director  
30 September 2024



Director  
30 September 2024

**WRC Holdings Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2024**

	Notes	Group 2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Receipts from customers		103,766	99,397
Rental income		7,612	7,125
Interest income received		8,924	5,137
Subsidies		14,500	15,359
		<u>134,802</u>	<u>127,018</u>
<i>Cash was disbursed to:</i>			
Payments to suppliers and employees		(106,587)	(101,520)
Income taxation refunded / (paid)		564	(823)
Interest expense paid		(3,949)	(3,145)
Subvention payment		(4,181)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17	<u>20,649</u>	<u>21,530</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Proceeds from sale of Property, Plant & Equipment		608	3
Proceeds from matured investments		18,965	19,461
<i>Cash was applied to:</i>			
Purchase of Property, Plant & Equipment		(55,361)	(65,798)
Development of Investment Properties		-	(97)
Purchase of subsidiary company shares		-	-
Loan to Joint Venture		(25)	(2,400)
Other transfers		-	-
Dividends received		1,955	1,250
Purchase of investments		(35,351)	(18,960)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<u>(69,209)</u>	<u>(66,541)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Proceeds from borrowings		-	1,000
Issue of ordinary shares		18,100	20,200
<i>Cash was applied to:</i>			
Movement in current account		314	602
Dividends paid to shareholders		(4,015)	(3,785)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<u>14,399</u>	<u>18,017</u>
<b>Net increase / (decrease) in cash, cash equivalents &amp; bank overdraft at year end</b>		<b>(34,161)</b>	<b>(26,994)</b>
Add opening cash, cash equivalents / (overdraft) brought forward		114,630	141,624
<b>CASH, CASH EQUIVALENTS &amp; BANK OVERDRAFT AT YEAR END</b>	14	<u>80,469</u>	<u>114,630</u>

The accompanying notes form part of these financial statements

## **1 Statement of compliance**

The "Group" consists of WRC Holdings Limited, its wholly owned subsidiaries, Greater Wellington Rail Limited and its 76.9% subsidiary CentrePort Limited, together with its subsidiaries, as disclosed in note 9. WRC Holdings principal address is 100 Cuba Street, Te Aro, Wellington, New Zealand.

WRC Holdings provides transport, infrastructure, buildings and port facility and operations to the Greater Wellington region via its subsidiaries, for community and social benefit, rather than to make a financial return. Accordingly, WRC Holdings has designated itself as public benefit entity (PBE) and applies New Zealand Tier 1 Public Sector Public Benefit Entity accounting standards (PBE Accounting Standards).

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These financial statements are presented in accordance with Tier 1 PBE Accounting Standards, and comply with PBE Standards.

Unless otherwise stated, all amounts are rounded to \$000 and are expressed in New Zealand currency.

The Financial Statements were authorised for issue by WRC Holdings Limited on 30 September 2024.

## **2 Statement of accounting policies**

### **(a) Basis of preparation**

The financial statements have been prepared on the basis of historical cost except for the revaluation of operational port freehold land, investment properties and financial instruments as outlined below.

Cost is based on the fair value of the consideration given in exchange for assets.

For the purposes of financial reporting, WRC Holdings is designated as a public benefit entity. The subsidiary companies comprise Greater Wellington Rail Limited and CentrePort Limited. CentrePort Limited is designated as a profit-oriented entity and Greater Wellington Rail is designated as a public benefit entity.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### ***Specific accounting policies***

The specific accounting policies adopted in the preparation of these financial statements, which materially affect the measurement of the statement of comprehensive revenue and expenditure, statement of movements in equity, balance sheet and cash flows are set out below:

### **(b) Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Detailed information about each of these estimates and judgements is included in the notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgements are:

Income tax calculations (note 4)

The fair value of Rolling Stock and Rail Infrastructure (note 7)

Fair value of Port land (note 7)

Impairment of Port assets held at cost (note 7)

Recognition of deferred tax assets and liabilities (note 12)

**(c) Basis of consolidation**

The Group financial statements include WRC Holdings Limited (the Parent) and its subsidiaries. Control is achieved when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee

The results, assets, and liabilities of joint ventures are incorporated into these financial statements using the equity method.

**Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, a gain or loss is recognised in revenue and expenditure and is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any returned interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive revenue and expenditure and accumulated in equity, the amounts previously recognised in other comprehensive revenue and expenditure and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to revenue and expenditure or transferred directly to retained earnings as specified by applicable PBE Accounting Standards).

Consolidation of a subsidiary begins when the Parent obtains control over the subsidiary and ceases when the Parent loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Parent gains control until the date when the Parent ceased to control the subsidiary. Refer to note 9

All intra-group transactions are eliminated on consolidation. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

**(d) Statement of cash flow**

The following are the definitions used in the statement of cash flow:

- (i) Cash and cash equivalents comprise cash on hand, cash in banks and investment in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within cash.
- (ii) Investing activities are those activities relating to the acquisition and disposal of property, plant and equipment, investment property, intangible assets and joint ventures. Investments include securities not falling within the definition of cash.
- (iii) Financing activities are those activities that result in the changes in size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to capital structure are included in financing activities.
- (iv) Operating activities comprise the principal revenue-producing activities of the group and other activities that are not considered to be investing or financing activities.

**(e) Goods and services tax (GST)**

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables which are recognised inclusive of GST.

Cash flows are included in the cash flow statement on a net basis for GST purposes. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(f) Standards issued and not yet effective and not early adopted**

Standards and amendments issued but not yet effective and not early adopted are:

### **Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)**

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

### **PBE IFRS 17 Insurance Contracts**

This new standard sets out accounting requirements for insurers and other entities that issue insurance contracts and applies to financial reports covering periods beginning on or after 1 January 2026.

The group has not yet assessed the impact of these amendments and the new standard in detail. These amendments and the new standard are not expected to have a significant impact.

## **3 Operating surplus / (deficit) before subvention and taxation**

### ***Accounting policies***

Applicable accounting policies are explained below:

#### **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

#### *(i) Rendering of services*

Revenues from services are recognised in the accounting period in which the services have been rendered.

#### *(ii) Rental income*

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### *(iii) Dividend and interest revenue*

Dividends are recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### *(iv) Grant revenue*

Revenues from non-exchange grants is recognised when the Group obtains control of the transferred asset (cash, goods, services, or property), and:

- It is probable that the economic benefits or service potential related to the asset will flow to the Group and can be measured reliably and
- The transfer is free from conditions that require the asset to be refunded or returned to the grantor if the conditions are not fulfilled.

### 3 Operating surplus / (deficit) before subvention and taxation (continued)

	2024 \$'000	Group 2023 \$'000
<b>Other revenue</b>		
Rental income (exchange revenue)	32,820	26,074
Operating Revenue	77,647	74,938
CentrePort income (exchange revenue)	3,352	4,745
Interest (exchange revenue)	340	279
Operational grants from GWRC (non-exchange revenue)	14,505	15,359
	<u>128,664</u>	<u>121,395</u>
<b>Fair value movements and other gains and losses:</b>		
Net Gain/(Loss) on Sale of Property plant and equipment	336	(281)
Fair value (loss) gain on CentrePort investment property	10,525	(1,509)
Demolition costs	(17)	(531)
	<u>10,844</u>	<u>(2,321)</u>
<b>Expenses, excluding finance costs</b>		
Changes in inventories of finished goods and work in progress	115	185
Employee benefits expense	30,959	28,599
Depreciation and amortisation expense	38,525	41,431
Audit services	431	412
Directors fees and expenses	679	610
Management fees	324	235
Repairs and maintenance	24,002	21,954
Rates and Insurance	9,042	8,066
Other operating expenses	39,678	42,225
Tax services	63	56
Consultants - legal	18	58
Rental and lease expenses	875	763
	<u>144,711</u>	<u>144,594</u>
<b>Finance costs</b>		
Interest costs	(4,050)	(3,222)
Interest received	7,733	6,198
Net finance costs	<u>3,683</u>	<u>2,976</u>
Operating surplus/(deficit) before subvention, taxation	<u>(225)</u>	<u>(20,902)</u>

#### Fee paid to audit

The audit fee is for the annual audit of the financial statements.

Other assurance services provided by the Auditor include: A reasonable assurance engagement in connection with the CentrePort Captive Insurance Limited annual solvency return to the Reserve Bank of New Zealand at a cost of \$5,000 (2023: \$5,000).



## 4 Taxation

### **Accounting policy**

The tax expense for the period comprises current and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date.

### **Recognition and measurement**

Tax is recognised on the income statement, except to the extent that it relates to items recognised in the statement of comprehensive income or directly in equity. In this case, the tax is recognised in the statement of comprehensive income or directly in equity, respectively.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate. This is then adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and by unused tax losses.

	<b>2024</b>	<b>Group</b>
	<b>\$'000</b>	<b>2023</b>
		<b>\$'000</b>
<b>(a) Income tax recognised in profit or loss</b>		
<b>Tax expense / (benefit) comprises:</b>		
Current tax expense / (income)	5,628	4,026
Deferred tax (income) / expense relating to the origination and reversal of temporary differences	(9,254)	(8,415)
Adjustments recognised in current period in relation to deferred tax in prior periods	-	-
Tax loss recognised	-	-
<b>Total current tax</b>	<u>(3,626)</u>	<u>(4,389)</u>
<b>Total Tax (benefit) / expense</b>	<u>(3,626)</u>	<u>(4,389)</u>
 <b>Income Tax Receivable / (Payable)</b>		
Opening Balance	(2,725)	475
Income tax paid / (refunded)	(564)	823
Prior Year Subvention / Loss Offset	4,181	-
Prior Year Adjustment	(52)	106
Current Year Tax (Liability) / Benefit	(5,588)	(4,129)
	<u>(4,748)</u>	<u>(2,725)</u>

	2024 \$'000	Group 2023 \$'000
<b>(b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:</b>		
(Deficit) / Surplus from operations	<u>(225)</u>	<u>(20,902)</u>
Income tax (benefit) / expense calculated at 28%	<u>(225)</u>	<u>(20,902)</u>
	<b>(63)</b>	<b>(5,853)</b>
Non-deductible expenses	<b>4,153</b>	4,362
Non-assessable income	<b>(8,146)</b>	(4,889)
(Increase) / decrease in value of developed investment property land	<b>(2,946)</b>	422
Recognition of deferred tax on buildings	<b>1,812</b>	76
Insurance Proceeds on non-depreciable assets	<b>112</b>	(85)
Permanent differences	<u><b>1,453</b></u>	<u>1,680</u>
	<b>(3,626)</b>	<b>(4,287)</b>
(Over) / under provision of income tax in previous period	<u>-</u>	<u>(103)</u>
Income tax expense	<u><b>(3,626)</b></u>	<u>(4,390)</u>
<b>(c) Imputation credit account balances</b>		
Balance at end of the period	<u><b>13,868</b></u>	<u>13,668</u>

## 5 Trade & other receivables

### Accounting policy

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised at amortised cost, less provision for expected credit losses. Trade and other receivables measured at amortised cost approximates fair value. Expected credit losses are determined using a lifetime expect credit loss provision for Trade and Other Receivables. The Expected Credit Loss rates are based on the Group's historical credit losses experienced over the prior three year period. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers

As at 30 June 2024 the Group expects negligible credit losses (2023: negligible).

	2024 \$'000	Group 2023 \$'000
Trade receivables	<b>7,671</b>	7,596
Less Expected Credit Losses	<u>-</u>	<u>-</u>
Trade receivable	<u><b>7,671</b></u>	<u>7,596</u>
Other receivable	<u><b>5,591</b></u>	<u>4,106</u>
Prepayments	<u><b>665</b></u>	<u>611</u>
	<u><b>13,927</b></u>	<u>12,313</u>

## 6 Current Assets – Inventory

### *Accounting policy*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cost of crushed concrete and spare parts are calculated using the weighted average cost method. Spare parts are held for maintenance purposes only.

No inventories are held as security for liabilities as at 30 June 2024 (2022: Nil).

	2024 \$'000	Group 2023 \$'000
Seaview crushed concrete	548	465
Spares stock control	2,080	2,042
Fuel and stock control	206	204
	<u>2,834</u>	<u>2,711</u>

## 7 Property, plant and equipment

### *Accounting policy*

The Group has seven classes of property, plant and equipment:

- Operational port freehold land
- Buildings
- Wharves and paving
- Plant and equipment
- Rail Infrastructure
- Rail rolling stock
- Work in progress

Operational Port Land is stated at fair value. Fair value is determined by reference to the highest and best use of land as determined by the independent valuer. Operational Port Land was independently valued by Colliers International, a registered valuer, on 30 June 2022, adjusted for the estimated land resilience costs. Operational Port Land which was transferred to Investment Property during 2022/23 was valued by Colliers International at the date of transfer.

The Group's Policy is to get a formal valuation every 3 to 5 years, but this has been brought forward due to the current market conditions. When there is no formal valuation performed the fair value of Operational Port Land is reviewed at the end of each reporting period to ensure that the carrying value of land is not materially different from its fair value. Any revaluation increase of Operational Port Land is recognised in Other Comprehensive Income and accumulated as a separate component of equity in the properties Revaluation Reserve, except to the extent it reverses a previous revaluation decrease for the same asset previously recognised in Profit or Loss, in which case the increase is credited to Profit or Loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation is charged to the Profit or Loss to the extent that it exceeds the balance, if any, held in the property's Revaluation Reserve relating to a previous revaluation.

Property and Equipment (other than Operational Port Land, Rolling Stock and Transport Infrastructure) is recorded at cost less accumulated depreciation and impairment. Cost represents the value of the consideration to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

The Board and management have undertaken a process to determine what constitutes Investment Property and what constitutes Property and Equipment. There is an element of judgement in this. There is a developed Port plan, and those items of land that are considered integral to the operations of the Port have been included in Operational Port Land. Land held specifically for capital appreciation, an undetermined purpose, or to derive rental income has been classed as Investment property.

Rail infrastructural and rolling stock are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. They are revalued every three to five years. GWRL public transport rail station infrastructural assets and rolling stock were independently valued by Mike Morales, FPINZ, FNZIV, PINZ Registered Plant and Machinery Valuer, a Director of Bayleys Valuations Limited as at 30 June 2023 using Optimised Depreciated Replacement Cost (ODRC) methodology.

Revaluation movements are accounted for on a class of asset basis. The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

There is no depreciation on capital works in progress and on land or investment properties. Depreciation on all other property, plant and equipment is charged on a straight line basis so as to write off the cost of the assets to their estimated residual value over their expected economic lives. The expected economic lives are as follows:

- Buildings	5 to 50 years
- Wharves, Paving and Seawalls	2 to 100 years
- Plant and equipment	2 to 50 years
- Rail rolling stock	20 to 30 years
- Rail Infrastructure	3 to 150 years

The useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

#### **Impairment**

No impairment adjustment has been made in the year ended 30 June 2024 (2023: Nil).

## 7 Property, plant and equipment (continued)

Group	Operational port freehold land \$'000	Buildings \$'000	Wharves and paving \$'000	Plant and equipment \$'000	Rolling stock \$'000	Transport infrastructure \$'000	Total \$'000
<b>Year ended 30 June 2023</b>							
Opening net book amount	115,312	9,924	85,792	43,109	365,974	146,678	766,789
Additions	13,339	-	-	8	-	-	13,347
Transfer	23	2,387	15,219	8,955	2,533	16,737	45,854
Depreciation charge	-	(767)	(5,508)	(5,302)	(24,207)	(5,644)	(41,428)
Disposals / written off	-	-	(293)	(18)	-	(962)	(1,273)
Reclassification	(24,925)	-	(3,078)	3,078	-	-	(24,925)
Revaluation gain / (loss)	9,636	-	-	-	13,981	(28,575)	(4,958)
Work in progress movement	-	30	6,904	(943)	1,500	(1,692)	5,799
<b>Closing net book amount</b>	<u>113,385</u>	<u>11,574</u>	<u>99,036</u>	<u>48,887</u>	<u>359,781</u>	<u>126,542</u>	<u>759,205</u>
<b>As at 30 June 2023</b>							
Cost/Revaluation	127,811	22,370	159,673	110,445	359,781	126,542	906,622
Accumulated impairment/Resilience provision	(14,426)	-	-	-	-	-	(14,426)
Accumulated depreciation	-	(10,796)	(60,637)	(61,558)	-	-	(132,991)
<b>Closing Balance 30 June 2023</b>	<u>113,385</u>	<u>11,574</u>	<u>99,036</u>	<u>48,887</u>	<u>359,781</u>	<u>126,542</u>	<u>759,205</u>
<b>Work in Progress</b>							
Opening balance 1 July 2022	-	721	22,248	2,186	2,348	14,913	42,416
Transfers	-	(1,847)	(17,383)	(7,463)	(2,536)	(16,738)	(45,967)
Additions	-	1,876	24,287	6,520	4,040	15,046	51,769
<b>Closing Balance 30 June 2023</b>	<u>-</u>	<u>750</u>	<u>29,152</u>	<u>1,243</u>	<u>3,852</u>	<u>13,221</u>	<u>48,218</u>

## 7 Property, plant and equipment (continued)

Group	Operational port freehold land \$'000	Buildings \$'000	Wharves and paving \$'000	Plant and equipment \$'000	Rolling stock \$'000	Transport infrastructure \$'000	Total \$'000
<b>Year ended 30 June 2024</b>							
<b>Net book amount</b>							
Opening net book amount	113,385	11,574	99,036	48,887	359,781	126,542	759,205
Additions	6,166	-	-	-	-	-	6,166
Transfers	-	-	6,179	4,280	538	10,883	21,880
Depreciation charge	-	(701)	(6,495)	(5,513)	(19,249)	(6,567)	(38,525)
Disposals / written off	-	(151)	-	(28)	-	-	(179)
Reclassification	(448)	-	42	406	-	-	-
Revaluation gain / (loss)	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Decrease in Fair Value	-	-	-	-	-	-	-
Working in progress	-	278	16,443	1,206	9,462	(1,811)	25,578
Provision for Resilience	8,706	-	-	-	-	-	8,706
Closing net book amount	<u>127,809</u>	<u>11,000</u>	<u>115,205</u>	<u>49,238</u>	<u>350,532</u>	<u>129,047</u>	<u>782,831</u>
<b>As at 30 June 2024</b>							
Cost or Valuation	127,809	21,115	182,337	115,463	369,781	135,614	952,119
Accumulated depreciation	<u>-</u>	<u>(10,115)</u>	<u>(67,132)</u>	<u>(66,225)</u>	<u>(19,249)</u>	<u>(6,567)</u>	<u>(169,228)</u>
Closing Balance 30 June 2024	<u>127,809</u>	<u>11,000</u>	<u>115,205</u>	<u>49,238</u>	<u>350,532</u>	<u>129,047</u>	<u>782,831</u>
<b>Work in Progress</b>							
Opening balance 1 July 2023	-	750	29,152	1,243	3,852	13,221	48,218
Transfers	-	-	(6,179)	(4,280)	(538)	(10,883)	(21,880)
Additions	-	304	22,001	5,942	11,011	8,060	47,906
	-	-	-	-	-	-	-
<b>Closing Balance 30 June 2024</b>	-	<u>1,054</u>	<u>44,974</u>	<u>3,493</u>	<u>14,325</u>	<u>10,398</u>	<u>74,244</u>

## 7 Property, plant and equipment (continued)

### Valuation Approach for Fixed Assets measured at Fair Value

Operational Port Land has been valued in accordance to the relevant Valuation Guidance and PBE IPSAS 17 Property Plant and Equipment. Operational Port Land was valued on 30 June 2022 by independent registered valuers of the firm Colliers International.

For the year ended 30 June 2024 management in conjunction with Colliers International have performed a desktop assessment of port operational land which has concluded that the carrying values are not materially different to their fair values as at that date. On that basis there are no changes to the assessed values or assumptions other than the reduction in provision for land resilience following the conclusion of the land resilience works.

Operational Port Land comprises Industrial Zoned Land and Other Port Land (2023: Industrial Zoned Land and Other Port Land) and the fair values have been determined in accordance with International Valuation Standards and Australia and New Zealand Valuation and Property Standards NZVTIP 2 - Valuations for Real Property, Plant & Equipment for Use in New Zealand Financial Reports and PBE IPSAS 17 Property, Plant and Equipment.

### Operational Port Land

#### (a) Industrial Zoned Land

The fair value of Industrial Zoned Land is on a vacant basis, reflecting the land in its current state, however ignoring any and all operational buildings, structures and improvements involved in the day to day operation of port related activities. Industrial Zoned Land is made up of Freehold land and Land leased out to third parties ("Leasehold Land") as part of port operations.

Each freehold parcel of land is valued on a rate per square metre basis using the direct sales comparison approach. In carrying out this comparison, consideration is given to:

- sales of land or development sites within the wider Wellington region
- size, shape, location and access to services including road frontage, exposure to vehicles, allowable height, and density of use
- the current state of the Wellington and wider New Zealand economy
- the current state of Wellington property markets including the office, industrial, large format retail, residential accommodation, and hotel accommodation markets

Each leasehold parcel of land is valued using a Capitalised Net Rental approach, where market ground rental is capitalised with reference to sales of lessors interests, with an allowance made for differences between contract and market rents adjusted for the terms of the lease. Significant inputs into this valuation approach are:

- comparable recent rental settlements on a rate per square metre of land;
- perpetually renewable or terminating lease;
- rental review periods; and
- forecast trends for interest rates and market based property yields.

Market rental is assessed using both the:

- Classic approach under which the valuer adjusts a basket of comparable rental settlements for a ground rental rate per square metre and multiplies by the land area leased, and the
- Traditional approach whereby the valuer assesses a market land value and applies a market based ground rental percentage against this value.

Other key assumptions underlying the valuation are set out below:

- It is assumed that there is a structural sea wall along the reclamation edge to ensure that all sites offer appropriate stability for commercial development. All costs associated with ensuring the land is resilient are to be borne by CentrePort and have been excluded from the valuer's assessed value. This has been taken into account in the fair value as noted in the "Operational Port Land Resilience" adjustment below.

## 7 Property, plant and equipment (continued)

The following table summarises the valuation approach used by the valuers in 2022 to arrive at an assessed value together with the Provision for Land Resilience and the sensitivity of the valuation to movements in unobservable inputs. Given the desktop exercise completed at 30 June 2024 the value and assumptions remain unchanged since 2022, other than an adjustment for transfers to investment property in the 2024 financial year and movements in the provision for land resilience:

<b>Industrial Zoned Land</b>	<b>Assessed Value \$'000</b>	<b>Valuation approach</b>	<b>Key valuation assumptions</b>	<b>Valuation impact</b>
Freehold Land	\$ 86.8m (2023: \$86.6m)	Direct Sales Comparison approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$50psqm to \$1,650psqm (2023: \$50psqm to \$1,650psqm)	+5% \$4.4m (2023: +-5% \$4.4m)
		Market Capitalisation	Capitalisation rate - the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property sustainable net income to derive value. The rate selected was 6.25% (2023: 6.25%)	+0.25% \$0.1m (2023: +-0.25% \$0.1m)
		Discounted Cash Flow	Discount rate - the rate of return used to determine the present value of future cash flows. The rate used was 7.5% (2023: 7.5%)	+0.25% \$0.1m (2023: +-0.25% \$0.1m)
Leasehold Land	\$11.5m (2023: \$11.5m)	Capitalised Net Rental approach	Weighted average land value - the rate per sqm applied to the subject property. This ranges from \$1,500psqm to \$1,750psqm (2023: \$1,500psqm to \$1,750psqm)	+5% \$0.6m (2023: +-5% \$0.6m)
<b>Assessed Value</b>	<b>\$98.2m (2023: \$98.2m)</b>			
Provision for Land Resilience	\$Nil (2023: (\$14.4m))	Cost estimates	Estimated cost of completing land resilience work.	+15% \$2.2m (2023: +-15% \$2.2m)
<b>Total Fair Value</b>	<b>\$98.2m (2023: \$83.8m)</b>			



## **7 Property, plant and equipment (continued)**

### ***Operational Port Land Resilience***

During the period the remaining land resilience provision has been reduced to nil (2023: \$14.4m) following the completion of the work that was needed to be undertaken to support the land and achieve the assessed value determined by Colliers International in their independent valuation. The reduction is comprised of \$6.2m of work undertaken during the year less \$0.4m of incurred costs reclassified to Property, Plant and Equipment, and \$8.7m of adjustment through Other Comprehensive Income.

### **(b) Other Port Land**

Other Port Land is made up of Freehold land and land leased out to third parties ("Leasehold Land"). Significant ancillary services are provided to these third parties. Leasehold Land is valued using a combination of the following approaches:

- Capitalised Net Market Rental approach - this is where market ground rental is capitalised with reference to sales of lessors interests, with an allowance made for differences between contract and market rents adjusted for the terms of the lease.
- Market Capitalisation approach - This is where fair value is determined by assessing the property's market ground rent and then capitalising this using an appropriate yield.
- Discounted Cashflow approach - This is where fair value is determined by a present value of the projected cashflow of the property over a period, making allowances for such variables as discount rates, growth rates, rental levels, vacancy allowances, capital expenditure and outgoings, and terminal yields.

Significant inputs into these valuation approaches are:

- comparable recent rental settlements on a rate per square metre of land;
- perpetually renewable or terminating lease;
- rental review periods; and
- forecast trends for interest rates and market based property yields.

Market ground rental is assessed using the traditional approach whereby the valuer assesses a market land value and applies a market based ground rental percentage against this value.

## 7 Property, plant and equipment (continued)

The following table summarises the key inputs and assumptions used by the valuer to arrive at an assessed value and the sensitivity of the valuation to movements in unobservable inputs. Given the desktop exercise completed at 30 June 2024 the value and assumptions remain unchanged since 2022, other than an adjustment for transfers to investment property in the 2024 financial year:

Other Port Land	Assessed Value	Valuation Approach	Key Valuation Assumptions	Valuation Impact
Leasehold Land	\$24.5m (2023: \$24.5m)	Capitalised Net Market Rental	Weighted average land value -the rate per sqm applied to the subject property. This ranges from \$150psqm to \$750psqm (2023: \$150psqm to \$750psqm)	+5% \$1.3m (2023: +5% \$1.2m)
Freehold Land	\$5m (2023: \$5.0m)	Market Capitalisation	Market capitalisation rate – the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. This is set at 8.25% (2023: 8.25%)	+0.25% \$0.3m (2023: +0.25% \$0.3m)
		Discounted Cashflow	Discount rate - the rate of return used to determine the present value of future cash flows. The rate used was 8.75% (2023: 8.75%)	+0.25% \$0.2m (2023: +0.25% \$0.2m)
<b>Total Fair Value</b>	<b>\$29.6m</b> <b>(2023: \$29.6m)</b>			

## 8 Intangible assets

### Accounting policy

#### (i) Computer software

Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives between 1 and 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

The amortisation expense is included in operating expenses in the statement of comprehensive revenue and expenditure.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with Software as a Service arrangements are expensed and capitalised only when configuration and customisation expenses create an intangible asset, that is separate to the software. The Group must be able to control the intangible asset and to restrict other's access to the benefits.

## 8 Intangible assets (continued)

Group	Computer software \$'000	Total \$'000
<b>Year ended 30 June 2023</b>		
Opening net book amount	355	355
Impairment loss	-	-
Amortisation charge	<u>(187)</u>	<u>(187)</u>
Closing net book amount	<u>168</u>	<u>168</u>
Cost	3,326	3,326
Accumulated amortisation and impairment	<u>(3,158)</u>	<u>(3,158)</u>
Net book amount	<u>168</u>	<u>168</u>

Group	Computer software \$'000	Total \$'000
<b>Year ended 30 June 2024</b>		
Opening net book amount	168	168
Disposals	(21)	(21)
Amortisation charge	<u>(123)</u>	<u>(123)</u>
Closing net book amount	<u>24</u>	<u>24</u>
Cost	2,545	2,545
Accumulated amortisation and impairment	<u>(2,521)</u>	<u>(2,521)</u>
Net book amount	<u>24</u>	<u>24</u>

## 9 Investments in subsidiaries

### Accounting policy

Investments in subsidiaries are valued annually at the lower of cost and net asset backing. The change in valuation is recognised in the statement of comprehensive revenue and expenditure.

Investments in associates are stated at the fair market value of the net tangible assets at acquisition plus the share of post-acquisition increases in reserves.

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name	Principal activity	Place of incorporation and operation	Proportion of ownership interest held by the Group	
			2024	2023
Greater Wellington Rail Limited	Rail rolling stock owner	New Zealand	100%	100%
Harbour Quays D4 Limited	Commercial rental property	New Zealand	100%	100%
CentrePort Cook				
Strait Ferry Terminals Limited*	Inactive	New Zealand	76.9%	76.9%
CentrePort Limited	Port operations	New Zealand	76.9%	76.9%
CentrePort Properties Limited	Investment in special purpose vehicle	New Zealand	76.9%	76.9%
CentrePort Captive Insurance Limited**	Captive Insurance Company	New Zealand	76.9%	76.9%

\*During the year ended 30 June 2023, Wellington Port Coldstores Limited changed its name to CentrePort Cook Strait Ferry Terminals Limited.

\*\*On 14 October 2022, the Reserve Bank of New Zealand granted a licence under The Insurance (Prudential Supervision) Act 2010 for CentrePort Captive Insurance Limited to operate as a captive insurance company. On 1 July 2023, CentrePort Captive Insurance Limited issued its first insurance contract, insuring \$20m of Material Damage and Business Interruption exposure to earthquake risk for CentrePort Ltd without any reinsurance contract purchased (2023: nil).

## 10 Investment Properties

### Investment Property

Investment Property, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value determined by an independent valuer at the reporting date. Gains or losses arising from changes in fair value of investment property are recognised in profit or loss in the period in which they arise.

The Group has the following classes of Investment Property:

- Developed Investment Property
- Land Available for Development

	Group	
	2024 \$'000	2023 \$'000
Developed Investment Properties	28,000	30,500
Land Available for Development	<u>68,650</u>	<u>55,625</u>
	<u>96,650</u>	<u>86,125</u>
<b>Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:</b>		
Developed Investment Property as at 1 July	30,500	31,767
Additions	-	155
Increase / (decrease) in fair value	(2,500)	(1,252)
Disposals	-	(169)
	<u>28,000</u>	<u>30,500</u>
<b>Land Available for Development</b>	<b>55,625</b>	<b>30,850</b>
Additions	-	106
Transfer from / (to) Developed Investment Property	-	24,925
Increase / (decrease) in fair value	<u>13,025</u>	<u>(256)</u>
	<u>68,650</u>	<u>55,625</u>

### Valuation Approach

#### (a) Developed Investment Property

The Developed Investment Property consists of the Customhouse building. This property is leased to a third party.

Developed investment Property is valued using a combination of the following approaches:

- Market Capitalisation approach - This is where fair value is determined by capitalising the property's market rental at an appropriate yield, and then an allowance is made for the difference between contract rent (either over or under) discounted until a notional equilibrium point in the lease term.
- Discounted Cashflow approach - This is where fair value is determined by a present value of the projected cashflow of the property over a 10 year period, making allowances for such variables as discount rates, growth rates, rental levels, vacancy allowances, capital expenditure and outgoings, and terminal yields.

#### (b) Land Available for Development

Land Available for Development consists of the Harbour Quays Development Land and the Northern Reclamation (2023: Harbour Quays Development Land and the Northern Reclamation).

Land Available for Development is valued using a Direct Sales Comparison approach - This is where the subject property is compared with recently sold properties of a similar nature with fair value determined through the application of positive and negative adjustments for their differing features. In carrying out this comparison, consideration is given to sales of similar property within the wider Wellington region, along with adjustments for factors such as the size, shape, location, access to services including road frontage, exposure to vehicles, allowable height, and density of use of the property.

Other key assumptions underlying the valuation are set out below:

- It is assumed that all 'normal' site services are fully reinstated, and no allowance has been made for any remedial or repair work required to the site or surrounding land and infrastructure.
- The valuation is based on the current Masterplan and the provision of several development sites across the precinct. Any alteration to the Masterplan or development sites may have an impact on the valuation.
- There are limitations to the soil along the reclamation edge and ground improvements are needed across the sites to mitigate the risk of lateral spread. This was factored into the valuation and the adopted values reflect the requirement for additional sub terrain site strengthening costs likely to be incurred as part of any new development.
- The valuation assumed that CentrePort will maintain the sea wall along the reclamation edge. All costs associated with the annual maintenance of the sea wall have been excluded from the valuation.
- All interim income generated from the vacant sites has been disregarded. This income does help offset operating expenses and holding costs, however, many of the 'vacant' land sales referenced to value the subject land, also similarly have existing income pending redevelopment.

The table below summarises the valuation approach used by the valuers before allowances for infrastructure service costs to arrive at fair value and the sensitivity of the valuation to the movements in unobservable inputs. The key valuation assumptions have been revised as at 30 June 2024, including movements in the estimated cost to repair services to undeveloped sites, rebuild a seawall and complete ground improvement works.

Class of Property	Fair Value \$'000	Valuation Approach	Key Valuation Assumption	Range of significant input
Developed Investment Property	\$28.0m (2023: \$30.5m)	Market Capitalisation	Capitalisation rate - the rate of return determined through analysis of comparable, market related sales transactions, which is applied to a property's sustainable net income to derive value. The rate selected was 7.13% (2023: 7.0%)	+0.13% \$0.5m -0.13% \$1.0m (2023: +0.25% \$1.5m -0.25% \$1.0m)
		Discounted Cashflow	Discount rate - the rate of return used to determine the present value of future cashflows. The rate selected was 8.25% (2023: 8.25%)	+0.25% \$0.6m (2023: +0.25% \$0.6m)
Land Available for Development	\$68.7m (2023: \$64.6m)	Direct Sales Comparison	Weighted average land value - the rate per sqm applied to the subject property. The rates applied ranged from \$150 - \$2,750 per sqm (2023: \$125 - \$2,625 per sqm)	+5.0% \$3.6m (2023: +5.0% \$3.4m)
<b>Assessed Value</b>	<b>\$96.7m (2023: \$95.1m)</b>			

Class of Property	Fair Value \$'000	Valuation Approach	Key Valuation Assumption	Range of significant input
Cost to repair services to undeveloped sites, rebuild a seawall and complete ground improvement works	\$nil (2023: (\$9.0m))	Cost estimates	Estimated cost of completing works on Land Available for Development.	+10% \$nil (2023: +-10% \$0.9m)
<b>Total Fair Value</b>	<b>\$96.7m</b> <b>(2023: \$86.1m)</b>			

## 11 Joint Venture Information

### *Accounting policy*

#### Interests in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

An investment is accounted for using the equity method from the date on which the investee becomes a joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with PBE IPSAS 26 Impairment of Cash-Generating Assets as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with PBE IPSAS 26 Impairment of Cash-Generating Assets to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profit and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the joint venture that are not related to the Group.

Name of entity	Principal activities	Proportion of interest	
		2024	2023
Direct Connect Container Services Limited	Warehousing and transportation	50%	50%
Marlborough Inland Hub Limited	Logistics services	50%	50%
Dixon & Dunlop Limited	Earthmoving, groundworks and equipment hire	50%	50%

#### **Direct Connect Container Services Limited**

CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of \$7.0m, in October 2021. Interest is payable on the principal of 7.0% per annum. Income from the loan for the year ended 30 June 2024 was \$491k (2023: \$490k). The loan is repayable on

29 November 2029.

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder advance to Direct Connect Container Services Ltd of \$1.9m. Interest is payable on the principal of 7.0% per annum. Income from the loan for the year ended 30 June 2024 was \$134k (2023: \$93k). The loan is repayable on 4 August 2025.

CentrePort has also provided unsecured advances of \$1.1m (2023: \$1.1m) to Direct Connect Container Services Limited. There is no interest charged on these advances and they are repayable on demand. This cash advance is shown on the balance sheet net of CentrePort's share of losses, \$742k (2023: \$534k).

#### **Marlborough Inland Hub Limited**

On 29 June 2022, Marlborough Inland Hub Limited was established as a joint venture between the Group and Port of Marlborough New Zealand Limited. The joint venture holds land and assets used to fulfil a Grape Supply Agreement in Marlborough valued at \$14.2m. The land component of the property was revalued at 30 June 2022 from \$10.6m to \$12.3m. For the year ended 30 June 2024 management have obtained a desktop assessment of the land which has concluded that the lands carrying value is not materially different to the fair value as at that date.

During the year ended 30 June 2023, CentrePort provided a secured and interest bearing long-term shareholder loan to Marlborough Inland Hub Limited of \$500k. Interest is payable on the 30th of June each year or as otherwise provided by agreement at an interest rate of the OCR from time to time plus a margin of 1.5%. Income from the loan for the year ended 30 June 2024 was \$35k (30 June 2023: \$18k). The loan is repayable on demand.

#### **Dixon & Dunlop Limited**

On 31 August 2021, CentrePort Limited purchased 50% of the shares in Dixon & Dunlop Limited for \$4.1m. CentrePort's interest in Dixon & Dunlop has been accounted for using the equity method. During the year ended 30 June 2024, CentrePort received cash dividends of \$1.95m (2023: \$1.25m).

## 11 Joint Venture Information (continued)

### Summarised financial information

	Direct Connect Container Services Limited		Dixon & Dunlop Limited		Marlborough Inland Hub Limited		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
<b>Current</b>								
Cash and cash equivalents	130	331	1,146	2,147	876	971	2,152	3,449
Other current assets (excluding cash)	260	364	1,257	1,598	-	-	1,517	1,962
<b>Total current assets</b>	<b>390</b>	<b>695</b>	<b>2,403</b>	<b>3,745</b>	<b>876</b>	<b>971</b>	<b>3,669</b>	<b>5,411</b>
Other current liabilities (including trade payables)	(183)	(321)	(1,130)	(1,395)	(36)	(117)	(1,349)	(1,833)
<b>Total current liabilities</b>	<b>(183)</b>	<b>(321)</b>	<b>(1,130)</b>	<b>(1,395)</b>	<b>(36)</b>	<b>(117)</b>	<b>(1,349)</b>	<b>(1,833)</b>
<b>Non-current</b>								
Non-current assets	16,390	16,544	5,976	6,404	15,368	15,373	37,734	38,321
<b>Total non-current assets</b>	<b>16,390</b>	<b>16,544</b>	<b>5,976</b>	<b>6,404</b>	<b>15,368</b>	<b>15,373</b>	<b>37,734</b>	<b>38,321</b>
Financial liabilities	(18,085)	(18,060)	-	-	(1,000)	(1,000)	(19,085)	(19,060)
Other liabilities	-	-	(1,479)	(1,701)	(60)	(45)	(1,539)	(1,746)
<b>Total non-current liabilities</b>	<b>(18,085)</b>	<b>(18,060)</b>	<b>(1,479)</b>	<b>(1,701)</b>	<b>(1,060)</b>	<b>(1,045)</b>	<b>(20,624)</b>	<b>(20,806)</b>
<b>Net assets</b>	<b>(1,488)</b>	<b>(1,142)</b>	<b>5,770</b>	<b>7,053</b>	<b>15,148</b>	<b>15,182</b>	<b>19,430</b>	<b>21,093</b>

### Summarised statement of comprehensive income

	Direct Connect Container Services Limited		Dixon & Dunlop Limited		Marlborough Inland Hub Limited		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue	3,055	3,538	12,418	14,751	1,027	1,293	16,500	19,582
Operating expenses	(3,401)	(3,821)	(9,800)	(11,485)	(1,061)	(1,236)	(14,262)	(16,542)
Net finance cost	-	-	-	-	-	-	-	-
	<b>(346)</b>	<b>(283)</b>	<b>2,618</b>	<b>3,266</b>	<b>(34)</b>	<b>57</b>	<b>2,238</b>	<b>3,040</b>



**Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the joint venture

	Direct Connect Container Services Limited		Dixon & Dunlop Limited		Marlborough Inland Hub Limited		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Opening net assets	-	-	5,619	5,255	7,591	7,563	13,210	12,818
Profit/(loss) for the year	(173)	(141)	1,309	1,633	(17)	29	1,119	1,521
Adjustments	-	-	-	(19)	-	-	-	(19)
Dividends	-	-	(1,950)	(1,250)	-	-	(1,950)	(1,250)
Applied against loan	173	141	-	-	-	-	173	141
<b>Carrying value</b>	<b>-</b>	<b>-</b>	<b>4,978</b>	<b>5,619</b>	<b>7,574</b>	<b>7,592</b>	<b>12,552</b>	<b>13,211</b>

	Group	
	2024 \$'000	2023 \$'000
Share of profit / (loss) of joint ventures	1,119	1,521
Applied against loan advances	176	121
Total current assets	<u>1,295</u>	<u>1,642</u>

**12 Deferred tax**

**Accounting policy**

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

**Recognition and Measurement**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that they will be utilised.

	Group	
	2024	2023
	\$'000	\$'000

The balance comprises temporary differences attributable to:

Tax losses	26,033	23,203
Temporary differences	<u>(123,237)</u>	<u>(129,663)</u>
Net Deferred Tax	<u>(97,204)</u>	<u>(106,460)</u>

Movements - Group	Property, plant and equipment \$'000	Trade and other payables \$'000	Tax losses \$'000	Insurance recoverable \$'000	Other \$'000	Total \$'000
<b>At 1 July 2023</b>	(113,194)	914	23,203	(16,890)	(492)	(106,460)
Charged to income	802	(384)	2,830	6,104	(97)	9,255
Charged to equity	-	-	-	-	-	-
<b>At 30 June 2024</b>	<u>(112,393)</u>	<u>530</u>	<u>26,033</u>	<u>(10,786)</u>	<u>(589)</u>	<u>(97,204)</u>

Movements - Group	Property, plant and equipment \$'000	Trade and other payables \$'000	Tax losses \$'000	Insurance recoverable \$'000	Other financial liabilities \$'000	Total \$'000
<b>At 1 July 2022</b>	(119,564)	989	20,260	(20,250)	(393)	(118,958)
Charged to income	2,286	(75)	2,943	3,360	(99)	8,414
Charged to equity	4,084	-	-	-	-	4,084
<b>At 30 June 2023</b>	<u>(113,194)</u>	<u>914</u>	<u>23,203</u>	<u>(16,890)</u>	<u>(492)</u>	<u>(106,460)</u>

### 13 Interest bearing liabilities

	Group	
	2024	2023
	\$'000	\$'000
<b>Current</b>		
NZ Green Investment Finance	12,000	12,000
Borrowings	<u>44,000</u>	-
<b>Total current interest bearing borrowings</b>	<u>56,000</u>	<u>12,000</u>
<b>Non-current</b>		
Borrowings	-	44,000
NZ Green Investment Finance	-	-
<b>Total non-current interest bearing liabilities</b>	<u>-</u>	<u>44,000</u>
<b>Total interest bearing liabilities</b>	<u>56,000</u>	<u>56,000</u>

#### Loan from Greater Wellington Regional Council

WRC Holdings Limited has a loan of \$44.0m (2023: \$44.0m) received from its parent entity Greater Wellington Regional Council. The interest rate at 30 June 2024 is 6.1175% (2023: 6.1075%) and is reset quarterly.

### NZ Green Investment Finance

CentrePort has a \$15.0m debt facility with New Zealand Green Investment Finance (NZGIF) to accelerate investment into low carbon projects.

The Group has drawn down \$12.0m of this facility at balance date (2023: \$12.0m). The interest rate is based on BKBM (bank bill bid settlement) rate plus a margin payable on funds drawn. A commitment fee is also payable on the facility limit. The Lender has first ranking security over all current and future assets held by the Group. The facility will mature on 11 July 2024.

## 14 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term, highly liquid investments with original maturities of three months or less.

Although cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no allowance has been recognised as the estimated allowance is negligible due to the high credit quality of the counterparty banks.

	2024 \$'000	Group 2023 \$'000
Cash at bank and in hand	<u>80,469</u>	114,630
<b>Cash and cash equivalents</b>	<u>80,469</u>	<u>114,630</u>

## 15 Employee entitlements

### Accounting policy

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date when it is probable that settlement will be required and they are capable of being measured reliably. The present value is determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

	2023 \$'000	Group 2023 \$'000
<b>Current</b>		
Employee benefits	<u>4,154</u>	<u>3,953</u>
<b>Non-current</b>		
Employee benefits	<u>137</u>	<u>123</u>
<b>Total Provisions</b>	<u>4,291</u>	<u>4,076</u>

The rate used for discounting the provision for future payments is 4.7% (2023: 4.6%).

## 16 Equity

	2024 \$'000	Group 2023 \$'000
<b>(a) Share capital</b>		
Ordinary shares		
34,541,100 \$1 shares, fully paid	34,541	34,541
22,170,000 \$1 shares, fully paid	22,170	22,170
5,309,283 \$1 shares fully paid	5,309	5,309
170,200,000 \$1 shares, fully paid	170,200	170,200
8,000,000 \$1 shares, fully paid	8,000	8,000
11,250,000 \$1 shares, fully paid	11,250	11,250
6,700,000 \$1 shares, fully paid	6,700	6,700
10,100,000 \$1 shares fully paid	10,100	10,100
19,000,000 \$1 shares, fully paid	19,000	19,000
3,500,000 \$1 shares fully paid	3,500	3,500
12,100,000 \$1 shares fully paid	12,100	12,100
17,300,000 \$1 shares full paid	17,300	17,300
17,800,000 \$1 shares full paid	17,800	16,975
25,200,000 \$1 shares partly paid	17,275	-
Redeemable Preference Share Capital		
25,000 \$1000 shares, paid to 1 cent	-	-
<b>Total share capital</b>	<b>355,245</b>	<b>337,145</b>

## 17 Reconciliation of surplus for the year with cash flows from operating activities

	2024 \$'000	Group 2023 \$'000
Net (deficit) / surplus after tax	3,401	(16,513)
<b>Add / (less) non-cash items:</b>		
Depreciation	38,640	41,616
Gain / (Loss) on disposal of fixed asset	(341)	1,243
Write down / (up) of investment properties	(10,525)	1,509
Deferred tax liability	(3,355)	(1,343)
Equity Accounted earnings	(1,119)	(1,501)
<b>Add / (less) movements in working capital:</b>		
Accounts receivable	(1,614)	(867)
Accounts payable	(2,318)	(1,171)
Inventory	(123)	606
Taxation - refund/payable	(3,878)	(3,873)
Employee entitlements	215	255
<b>Add / (less) items classified as investing and financing activities:</b>		
Accounts payable related to property, plant and equipment	1,666	1,563
Accounts payable related to investment property	-	6
Net cash inflow from operating activities	<b>20,649</b>	<b>21,530</b>

**Reconciliation of movements in liabilities arising from financing activities**

	Borrowings \$'000	Issue of ordinary shares \$'000	Movement in the current account \$'000	Dividends paid to shareholders \$'000
Balance 1 July 2022	11,000	316,944	6,833	(5,185)
Issue of ordinary shares	-	20,200	-	-
Loan drawdown	1,000	-	-	-
Dividend paid – by WRC Holdings Ltd	-	-	-	(2,400)
CentrePort Dividend paid – non-controlling	-	-	-	(1,385)
Interest paid	-	-	(602)	-
<b>Balance 30 June 2023</b>	<u>12,000</u>	<u>337,144</u>	<u>6,232</u>	<u>(8,970)</u>
Issue of ordinary shares	-	18,100	-	-
Loan drawdown	-	-	-	-
Dividend paid – by WRC Holdings Ltd	-	-	-	(2,400)
CentrePort Dividend paid – non-controlling	-	-	-	(1,615)
Interest paid	-	-	(314)	-
<b>Balance 30 June 2024</b>	<u>12,000</u>	<u>355,244</u>	<u>5,918</u>	<u>(12,985)</u>

## 18 Financial instruments and risk management

### Accounting policies

#### (1) Financial Instruments

Financial Instruments Issued by the companies

As part of normal operations, the Group is party to financial instruments with risk to meet operational needs.

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

All recognised financial assets and liabilities are subsequently measured at either amortised cost or fair value through profit or loss, depending on the classification of the financial asset or liability. The classification depends on the nature and purpose of the financial asset or liability and is determined at the time of initial recognition.

#### Amortised Cost

Financial assets and liabilities are classified as measured at amortised cost if the financial asset or liability is held to collect or make payment on contractual cash flows, and those cash flows are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents, trade receivables, loans, trade payables, and other payables are recorded at amortised cost using the effective interest method less any impairment.

#### Estimation of Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the

discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

*Borrowings*

Borrowings are recorded initially at amortised cost.

(2) *Financial risk management*

Nature of activities and management policies with respect to financial instruments:

Capital risk management

WRC Holdings manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes borrowings - disclosed in note 13 - cash reserves and retained earnings.

Externally imposed capital requirements

CentrePort has borrowing covenant requirements for gearing and interest cover ratios. Performance against covenants is reported monthly to the CentrePort Board and semi-annually to the WRC Holdings Group Board. All externally imposed covenants have been complied with during the period.

**(a) Market risk**

(i) *Interest rate risk*

The Group is exposed to interest rate risk through the Group's treasury investment portfolio if market interest rates decline below annual budgeted amounts.

**Interest rate sensitivity**

At reporting date, if interest rates had been 100 basis point higher or lower and all other variables were held constant, the Group's net profit would increase / decrease by \$36,830 (2023: +/- \$1,403,000).

**Maturity profile of financial instruments**

The table below summarises the Group's exposure to interest rate risk at 30 June 2024 and 30 June 2023.

Group	Weighted average effective interest rate	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	Non interest bearing	Total
30 June 2024	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial liabilities</u></b>								
Trade and other payables	-	-	-	-	-	-	12,167	12,167
Payables to employees	-	-	-	-	-	-	4,291	4,291
Debt	6.67	56,000	-	-	-	-	-	56,000
		56,000	-	-	-	-	16,458	72,458
<b>30 June 2023</b>								
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Financial liabilities</u></b>								
Trade and other payables	-	-	-	-	-	-	14,459	14,459
Payables to employees	-	-	-	-	-	-	4,076	4,076
Debt	5.14	12,000	44,000	-	-	-	-	56,000
		12,000	44,000	-	-	-	18,535	74,535

**(b) Credit risk**

Credit risk is the risk that the counter party to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Group is exposed to credit risk through the normal trade credit cycle and advances to third parties. The Group performs credit evaluations on all customers requiring credit and generally does not require collateral. Maximum exposures to credit risk as at balance date are the carrying value of financial assets in the statement of financial position.

*Commercial Paper Investment credit risk*

The group has invested in a commercial paper valued at \$nil (2023: \$18.960 million) issued by Greater Wellington Regional Council. The Council has been rated as AA+/A-1+ by Standard & Poor's in their latest ratings as at February 2024

*Expected credit losses (ECL)*

Trade and other receivables include amounts that are not impaired but are considered past due as at the balance date. ECL are calculated on a lifetime basis for Trade Receivables. Please see Note 5 for more information.

Lifetime ECL for commercial paper (based on 12-month ECL) and for Greater Wellington Regional Council current account balances (based on the ECL simplified approach for receivables) are nil due to the Council's high credit rating and historical credit compliance.

*Concentrations of credit risk*

The Group does not have any significant credit risk exposure other than insurance receivable to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by International credit-rating agencies.

*Currency Risk*

The Group enters into forward exchange contracts to hedge the Group's foreign currency risk on major asset purchases.

As at 30 June 2024, the Group had not entered into any significant forward contracts. (2023: nil).

**(c) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet its financial commitments as they fall due. To reduce the exposure to liquidity risk the Group holds cash and cash equivalents (refer to note 14) and has a bank overdraft facility of \$2.0m through a set off arrangement (2023: \$2.0m).

The following tables detail the groups liquidity profile based on undiscounted cash outflows at 30 June 2024 and 30 June 2023.

Group	Less than One Year \$'000	1-2 Years \$'000	2-5 Years \$'000	5+ Years \$'000	Total \$'000
<b>30 June 2024</b>					
<b><u>Financial liabilities</u></b>					
Trade and other payables	12,167	-	-	-	12,167
Payables to employees	4,154	137	-	-	4,291
Borrowings	56,000	-	-	-	56,000
<b>Total</b>	<b>72,321</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>72,458</b>
<b>30 June 2023</b>					
<b><u>Financial liabilities</u></b>					
Trade and other payables	14,459	-	-	-	14,459
Payables to employees	3,953	123	-	-	4,076
Borrowings	12,000	44,000	-	-	56,000
<b>Total</b>	<b>30,412</b>	<b>44,123</b>	<b>-</b>	<b>-</b>	<b>74,535</b>

(d) Financial instruments by category

Assets	Financial assets at amortised cost \$'000	Financial assets at FV through OCI \$'000	Mandatorily measured at FVTSD \$'000	Total \$'000
<b>Group</b>				
<b>At 30 June 2024</b>				
Cash and cash equivalents	80,469	-	-	80,469
Trade and other receivables	13,927	-	-	13,927
Current account - Wellington Regional Council	5,938	-	-	5,938
Other financial assets	14,584	20,826	-	35,410
<b>Total</b>	<u>114,918</u>	<u>20,826</u>	<u>-</u>	<u>135,744</u>

Assets	Financial assets at amortised cost \$'000	Financial assets at FV through OCI \$'000	Mandatorily measured at FVTSD \$'000	Total \$'000
<b>At 30 June 2023</b>				
Cash and cash equivalents	114,630	-	-	114,630
Trade and other receivables	12,314	-	-	12,314
Current account - Wellington Regional Council	6,232	-	-	6,232
Other financial assets	18,960	-	-	18,960
<b>Total</b>	<u>152,136</u>	<u>-</u>	<u>-</u>	<u>152,136</u>

**Fair Value estimates**

Certain financial instruments are carried on the statement of financial performance at fair value. The best evidence is a quoted market price in an active market. Therefore, where possible, fair value is based on quoted market prices. The determination of fair value for financial assets and liabilities for which there is no market price requires the use of valuation techniques.

The table below shows the fair value of the Group's financial instruments measured at fair value on a recurring basis according to the fair value hierarchy:

- **Quoted market price (level 1)** Financial instruments with quoted prices for identical instruments in active markets.
- **Valuation technique using observable inputs (level 2)** Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Valuation techniques with significant non observable inputs (level 3)** Financial instruments valued using models where one or more significant inputs are not observable.



	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2024</b>				
<b>Financial assets:</b>				
Investment Securities at FVOCI	20,448	378	-	20,826
<b>As at 30 June 2023</b>				
<b>Financial assets:</b>				
Investment Securities at FVOCI	-	-	-	-

Liabilities	Financial liabilities at amortised cost \$'000	Total \$'000
<b>Group</b>		
<b>At 30 June 2024</b>		
Trade and other payables	12,167	12,167
Borrowings	56,000	56,000
	<u>68,167</u>	<u>68,167</u>
<b>At 30 June 2023</b>		
Trade and other payables	14,459	14,459
Borrowings	56,000	56,000
	<u>70,459</u>	<u>70,459</u>

## 19 Commitments

### Capital commitments

At balance date CentrePort had entered into commitments for the acquisition of property, plant, and equipment amounting to of \$nil (2023: \$322k)

Greater Wellington Rail at balance date had commitments in respect of contracts for capital expenditure of \$45.0 million (2023: \$48.2 million). This relates to the heavy maintenance of the rolling stock.

### Leases

#### Operating Leases as a Lessee

#### Disclosure for Lessees

Future minimum lease payments under non-cancellable operating leases are as follows:

	2024 \$'000	Group 2023 \$'000
Not longer than 1 Year	303	333
Longer than 1 Year and not longer than 5 Years	1,212	1,168
Longer than 5 Years	2,527	2,710
	<u>4,042</u>	<u>4,211</u>

**Operating Leases as a Lessor**

Future minimum lease receipts under non-cancellable operating leases are as follows:

	<b>2024</b>	<b>Group</b>	<b>2023</b>
	<b>\$'000</b>		<b>\$'000</b>
Not later than 1 Year	<b>30,759</b>		20,847
Later than 1 Year and not later than 5 Years	<b>70,984</b>		53,257
Later than 5 Years	<b>196,701</b>		155,299
	<b><u>298,444</u></b>		<b><u>229,403</u></b>

**20 Related party transactions**

Related party disclosures have not been made for transaction with related parties that are with a normal supplier or client/recipient relationship on terms and condition no more favourable than those that it is reasonable to expect the Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the WRCH Group, where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such transactions.

**Key management personnel compensation**

The compensation of the Directors and executives, being the key management personnel of the Group, is set out below:

	<b>2024</b>	<b>Group</b>	<b>2023</b>
	<b>\$'000</b>		<b>\$'000</b>
Directors' remuneration	<b>102</b>		581
Key management personnel compensation	<b>3,470</b>		2,975
Total key management personnel compensation	<b><u>3,572</u></b>		<b><u>3,556</u></b>

The group employs 11 full time key management personnel with additional key management personnel services provided by Council employed personnel.

At year end the group advanced \$5,938 million to Wellington Regional Council (2023: \$6,232 million).

The Group has a tax loss share arrangement with the Wellington Regional Council that allows the Group to purchase tax losses. During the 2024 financial year the group transferred \$4.2m to GWRC under the Group's tax loss share arrangement, reducing 2023 tax liability.

## 21 Explanation of major variances against budget

Statement of comprehensive revenue and expenses	Group Actual 2024 \$'000	Group Budget 2024 \$'000
<b>Revenue</b>		
Operating revenue	128,664	134,681
Finance income	7,733	5,206
Share of associate profit	1,295	(2,774)
Gain (loss) on disposal of property, plant and equipment	336	-
Fair value movements	10,525	-
Total revenue	<u>148,553</u>	<u>137,113</u>
<b>Expenditure</b>		
Finance costs	(4,050)	(3,434)
Operational Expenditure	<u>(144,728)</u>	<u>(166,953)</u>
<b>Surplus / (deficit) for the year before tax</b>	<b>(225)</b>	<b>(33,274)</b>
Income tax expense/(credit)	<u>3,626</u>	<u>(767)</u>
<b>Surplus / (deficit) after tax</b>	<b>3,401</b>	<b>(32,507)</b>
<b>Other comprehensive income</b>	<b>8,755</b>	<b>-</b>
<b>Total comprehensive income / (deficit) for the year</b>	<b><u>12,156</u></b>	<b><u>(32,507)</u></b>
<b>Statement of financial position</b>		
<b>Assets</b>		
- Current	103,168	119,300
- Non-current	<u>963,286</u>	<u>912,158</u>
<b>Total assets</b>	<b><u>1,066,454</u></b>	<b><u>1,031,458</u></b>
<b>Liabilities</b>		
- Equity	866,011	839,698
- Current liabilities	77,069	66,240
- Non-current liabilities	<u>123,374</u>	<u>125,520</u>
<b>Total equity and liabilities</b>	<b><u>1,066,454</u></b>	<b><u>1,031,458</u></b>
<b>Statement of cash flows</b>		
Cashflows from operating activities	20,649	22,453
Cashflows from investing activities	(69,209)	(71,987)
Cashflows from financing activities	<u>14,399</u>	<u>22,441</u>
<b>Net increase / (decrease) in cash, cash equivalents and bank overdraft</b>	<b>(34,161)</b>	<b>(27,093)</b>
Cash and cash equivalents at the beginning of the year	<u>114,630</u>	<u>100,428</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>80,469</u></b>	<b><u>73,335</u></b>

### Significant components of this variance are:

#### 1. Revenue and expenses

- Operating revenue was lower than budget, mainly due to reduced grants from Greater Wellington Regional Council to Greater Wellington Rail Limited (GWRL) due to lower operating and capital expenditure, resulting in lower recovery of costs.
- Operating expenditure was lower than budget due to lower depreciation charge for GWRL due to a higher desktop valuation being used when finalising the depreciation budget, while the actual full valuation of the assets resulted in lower values with lower depreciation.

- Other comprehensive income relates to the CentrePort's valuation movement in assets. These movements are not budgeted.

## **2. Assets and liabilities**

- Total assets were higher than budget due to increase in the fair value movement of investment property than anticipated.
- Equity was higher than budget due to the actual surplus achieved compared to the budgeted deficit.

## **3. Cash flows**

- Cash and cash equivalents were higher than budget mainly due to lower financing activities due to reduced shares being issued by GWRL to fund capital expenditure.

## **22 Contingencies**

### **Contingent Liabilities**

CentrePort Limited and CentrePort Properties Limited were added as defendants on 27 April 2021 to proceedings commenced by Statistics New Zealand against Beca Limited and Dunning Thornton Consultants Limited. The proceedings concerned Statistics House which sustained damage and was subsequently demolished following the Kaikoura earthquake in November 2016. During the 2024 financial year, CentrePort settled the remaining claim against CentrePort Properties Limited and this matter is therefore no longer a Contingent Liability.

### **Contingent Asset**

The parent company has uncalled capital with its owner Greater Wellington Regional Council of \$57.9 million (2023: \$50.8 million)

Following a shipping incident, during the year ended 30 June 2023, CentrePort has made a claim for salvage services in respect of the assistance rendered by the CentrePort tugs Tapuhi and Tiaki and the pilot launch Te Haa. CentrePort's salvage claim is guided by the Maritime Transport Act 1994, the International Convention on Salvage and relevant salvage awards published by Lloyds. CentrePort is working with the ship owner to agree an appropriate salvage reward.

## **23 Subsequent events**

On 11 July 2024, the NZGIF facility matured and was fully repaid.

Horizons District Council's Long Term Plan 2024 - 2034 is considering to cash in its shareholding (23.08 percent) in CentrePort. GWRC and WRC Holding Group is viewing options to meet the change.

On 11 July 2024, CentrePort entered in to a Committed Cash Advance Facility Agreement with BNZ. The facility has a \$50m limit and matures 11 July 2026. As at the date of signing these financial statements, \$19.95m was drawn down on the facility.

On 28 August 2024, CentrePort declared a final dividend of \$0.5m (2023: nil), in respect of the year ended 30 June 2024.

No dividend was declared post balance date by WRC Holdings (2023: Nil).

There have been no other subsequent events up to the date of signing these financial statements which would affect the amounts or disclosures in the financial statements.

# Statement of Compliance and Responsibility

## Compliance

The Directors and management of the Group confirm that all the statutory requirements of the Local Government Act 2002 in relation to the financial report have been complied with.

## Responsibility

The Directors and management of the Group accept responsibility for the preparation of the annual financial statements and the statement of service performance and the judgements used in them.

The Directors have authority to sign these financial statements.

The Directors and management of the Group accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Directors and management of the Group, the annual financial statements and the statement of service performance for the year ended 30 June 2024 fairly reflect the financial position and operations of the Group.



Director

30 September 2024



Director

30 September 2024



Group Manager Finance and Risk

30 September 2024

## Independent Auditor's Report

### To the readers of Wellington Regional Council Holdings Limited's Group financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Wellington Regional Council Holdings Limited (the Group). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

#### Opinion

We have audited:

- the financial statements of the Group on pages 16 to 51, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows 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 Group on pages 4 to 5.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards; and
- the performance information of the Group presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. 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 Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other 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 Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

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

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

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

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists.

Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the performance information, our procedures were limited to checking that the information agreed to the Group'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 Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 2 to 3, 6 to 15 and 52 but does not include the financial statements and the performance information, and our auditor's report thereon.

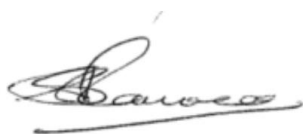
Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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 the fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Group 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 (including International Independence Standards) (New Zealand) (PES 1) issued by New Zealand Auditing and Assurance Standards Board.

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



Clint Ramoo  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand