

**Greater Wellington Rail Limited
Unaudited and Condensed
Interim Financial Statements
For the half-year period ended
31 December 2024**



Contents

	Page
Directory	2
Directors' report	3
Statement of Service Performance	4
Half year financial statements	
Statement of comprehensive revenue and expense	5
Statement of changes in equity	6
Statement of financial position	7
Statement of cash flows	8
Notes to the financial statements	
1 Summary of significant accounting policies	9
2 Revenue from exchange and non-exchange transactions	10
3 Income tax	10
4 Property, plant and equipment	11
5 Deferred tax	12
6 Share capital	13
7 Reconciliation of cash flows from operating activities to net surplus / (deficit) after tax	13
8 Events occurring after the reporting date	13
Statement of compliance and responsibility	14

Directory

Directors

C Kirk-Burnnand (Chairperson)
D Lee
T Nash
D Bassett
L E Elwood
R M Evans
A J Hare
H K Modlik

Appointed

20 November 2019 (Chairperson from 24 November 2022)
24 November 2022
24 November 2022
24 November 2022
01 October 2023
01 October 2023
01 October 2023
01 October 2023

Registered office

100 Cuba Street
Te Aro, Wellington, 6011

Bankers

ANZ Bank New Zealand Ltd

Directors' report

The Local Government Act (section 66) requires a half-yearly report be provided within two months after the end of the first half of each financial year. The Directors have pleasure in submitting their Interim Report, including the interim financial statements for the period ended 31 December 2024.

Principal Activities

Greater Wellington Rail Limited's (GWRL) principal activities during the period were the ownership and management of its rail rolling stock and rail infrastructure assets. The objectives of GWRL are to own and maintain rail rolling stock and rail infrastructure and to make these available for lease to a commercial rail operator.

GWRL was incorporated on 3rd August 2006.

Corporate Governance

GWRL 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 GWRL's proceedings. In addition to the obligations of the Local Government Act 2002, GWRL is also subject to the requirements of the Companies Act 1993 and all other applicable legislative requirements.

Overview of results

The financial results for this reporting period are broadly in line with budget projections as set out in the Statement of Intent.

	Unaudited Six months to 31 December 2024 \$'000	Unaudited Six months to 31 December 2023 \$'000	Audited Full year ended 30 June 2024 \$'000
Net surplus / (deficit) after tax for the period	(11,738)	(10,790)	(20,359)

Outlook

The outlook for the company remains stable, with no significant changes or updates to the projections set out in the Statement of Intent.

(continued)

STATEMENT OF SERVICE PERFORMANCE

Operational Performance Targets

Level of Service	Full Year 2024/25 Target	Unaudited Six months to 31 December 2024 Result
CUSTOMER SATISFACTION WITH RAIL ASSETS		
Percentage of passengers who are satisfied with their current trip ¹	≥ 93%	Refer Note 1
Percentage of customers who are satisfied with the condition of the station ¹	94%	Refer Note 1
Percentage of customers who are satisfied with the inside temperature of vehicles ¹	≥ 93%	Refer Note 1
Percentage of passengers who are satisfied with the condition of the vehicle fleet ¹	≥ 94%	Refer Note 1
Percentage of passengers who are satisfied with overall station ¹	≥ 92%	Refer Note 1
Percentage of customers who are satisfied with the cleanliness of the trains	≥ 91%	81.51%
Percentage of passengers who are satisfied with provision of shelter from weather at shelter/station	≥ 84%	77.17%
Percentage of customers who are satisfied with their personal safety at station	≥ 93%	80.60%
Percentage of passengers who are satisfied with information about service delays or disruptions	≥ 73%	69.05%
Increased boardings by people that use the Accessible Concession ¹ (as a percent of total rail boardings)	> 0.6%	Refer Note 1
ROLLING STOCK- ASSET MANAGEMENT		
Matangi Mean Distance between failure ²	≥ 40,000 km	40,804 km
Carriage Mean distance between failure ²	≥ 80,000 km	132,412 km
Percentage of pedestrian bridges and subways which meet at least 67% of NBS earthquake rating ³	100%	30% (Reports available for 7 out of 23 assets) ³
Percentage of stations with CCTV coverage	96%	96%
Average condition grade⁴ of:		
Station buildings and shelter	≤2.5	1.7
Structures (subways & bridges)	≤2.5	2.4
Park & Ride	≤2.5	2.1
RAIL FIXED ASSET ASSET MANAGEMENT		
Percentage of assets in condition grade 4 (Poor) or worse		
Station buildings and shelters	≤2.3%	1%
Structures (subways & bridges)	≤8%	5.4%
Park & Ride	≤8%	5.0%
<p>1. The interim Customer satisfaction survey does not include these performance measures. The final survey will be undertaken later in the year and these results will be reported in the full year accounts.</p> <p>2. Failure is defined as 'an event requiring unplanned maintenance' and the mean distance is based on a 12 Month Rolling Average.</p> <p>3. Whilst we are confident that the majority of pedestrian bridges and subways meet at least 67% of NBS and we have done work to strengthen these assets, we are in the process of locating the post-project documentation that would confirm this. As such, the 30% reflects only the number of structures for which we have reports (7 out of 23 assets). We expect to have updated information for 24/25.</p> <p>4. Conditional grade score – 1: Is very good condition and, 5: very poor condition requiring replacement.</p>		

For, and on behalf of, the Board of Directors



Director
25 February 2025



Director
25 February 2025

Greater Wellington Rail Limited
Statement of Comprehensive Revenue and Expense
For the half-year period ended 31 December 2024

		Unaudited	Unaudited	Audited
		Six months to	Six months to	Full year ended
		31 December	31 December	30 June
		2024	2023	2024
	Notes	\$'000	\$'000	\$'000
Revenue				
Total revenue	2	<u>12,683</u>	10,793	22,112
Expenditure				
Depreciation and amortisation	4	(13,406)	(12,903)	(25,818)
Audit Fees		(38)	(35)	(70)
Repairs and Maintenance		(8,866)	(8,242)	(17,184)
Rates and Insurance		(1,710)	(648)	(1,318)
Other Operating Expenses		(2,075)	(1,867)	(3,497)
Tax services		(23)	(10)	(38)
Legal Fees		(3)	(2)	(7)
Interest Expense		(95)	(81)	(438)
Total operating expenses		<u>(26,216)</u>	<u>(23,788)</u>	<u>(48,370)</u>
Net surplus / (deficit) before tax		(13,533)	(12,995)	(26,258)
Income tax benefit / (expense)	5	1,795	2,205	5,899
Net surplus / (deficit) after tax		<u>(11,738)</u>	<u>(10,790)</u>	<u>(20,359)</u>
Other comprehensive revenue and expenditure				
Revaluation reserve movement		-	-	-
Deferred tax recognised in reserves		-	-	-
Total comprehensive income for the year		<u>(11,738)</u>	<u>(10,790)</u>	<u>(20,359)</u>

The accompanying notes and accounting policies form part of these interim financial statements.

Greater Wellington Rail Limited
Statement of Changes in Equity
For the half-year period ended 31 December 2024

	Unaudited	Unaudited	Unaudited	Unaudited
	Share	Other	Retained	Total equity
Notes	Capital	reserves	earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Equity as at 1 July 2024	320,703	88,676	(11,711)	397,668
Total comprehensive revenue and expenditure				
Net surplus/(deficit) after tax	-	-	(11,738)	(11,738)
Balance as at 31 December 2024	320,703	88,676	(23,449)	385,930

	Unaudited	Unaudited	Unaudited	Unaudited
	Share	Other	Retained	Total equity
	Capital	reserves	earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023	302,603	88,676	8,650	399,929
Total comprehensive revenue and expenditure				
Net surplus/(deficit) after tax	-	-	(10,790)	(10,790)
Balance as at 31 December 2023	302,603	88,676	(2,140)	389,139

The accompanying notes and accounting policies form part of these interim financial statements.

Greater Wellington Rail Limited
Statement of Financial Position
For the half-year period ended 31 December 2024

		Unaudited	Unaudited	Audited
		31 December	31 December	30 June
	Notes	2024	2023	2024
		\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents		<u>2</u>	<u>2</u>	<u>2</u>
Total current assets		<u>2</u>	<u>2</u>	<u>2</u>
Non-current assets				
Property, plant and equipment	4	473,672	482,723	479,579
Intangible assets		<u>-</u>	<u>2</u>	<u>2</u>
Total non-current assets		<u>473,672</u>	<u>482,725</u>	<u>479,579</u>
Total assets		<u>473,674</u>	<u>482,727</u>	<u>479,581</u>
LIABILITIES				
Current liabilities				
Accrued expenses and payables		2,170	1,784	2,436
Subvention received in advance		-	3,000	-
Current account Wellington Regional Council		<u>8,757</u>	<u>6,498</u>	<u>865</u>
Total current liabilities		<u>10,927</u>	<u>11,282</u>	<u>3,301</u>
Non-current liabilities				
Deferred taxation liability	5	<u>76,817</u>	<u>82,306</u>	<u>78,612</u>
Total non-current liabilities		<u>76,817</u>	<u>82,306</u>	<u>78,612</u>
Total liabilities		<u>87,744</u>	<u>93,588</u>	<u>81,913</u>
Net assets		<u>385,930</u>	<u>389,139</u>	<u>397,668</u>
EQUITY				
Ordinary share capital	6	320,703	302,603	320,703
Reserves		88,676	88,676	88,676
Retained earnings		<u>(23,449)</u>	<u>(2,140)</u>	<u>(11,711)</u>
Total equity		<u>385,930</u>	<u>389,139</u>	<u>397,668</u>

For, and on behalf of, the Board of Directors



Director
25 February, 2025



Director
25 February, 2025

The accompanying notes and accounting policies form part of these interim financial statements.

Greater Wellington Rail Limited
Statement of Cash Flows
For the half-year period ended 31 December 2024

	Unaudited	Unaudited	Audited
	Six months to 31 December 2024	Six months to 31 December 2023	30 June 2024
Note	\$'000	\$'000	\$'000
Cash flows from operating activities			
Rent income	3,975	3,812	7,607
Subsidies revenue	6,499	6,981	14,505
Other income	2,209	-	-
	<u>12,683</u>	<u>10,793</u>	<u>22,112</u>
Cash was applied to:			
Payments to suppliers	(12,976)	(10,473)	(21,140)
Interest paid	(95)	(81)	(438)
Net cash flow from operating activities	7 <u>(388)</u>	<u>239</u>	<u>534</u>
Purchase of property, plant & equipment	(7,505)	(9,308)	(19,070)
Cash flow from financing activities			
Cash was provided from:			
Wellington Regional Council	7,893	9,069	436
Issued and paid share capital	-	-	18,100
Net cash flow from financing activities	<u>2</u>	<u>9,069</u>	<u>18,536</u>
Net increase (decrease) in cash, cash equivalents & bank overdraft			
	-	-	-
Add opening balance in cash, cash equivalents & bank overdraft	2	2	2
Cash, cash equivalents & bank overdraft at year end	<u>2</u>	<u>2</u>	<u>2</u>

The accompanying notes and accounting policies form part of these interim financial statements.

1 Summary of significant accounting policies

(a) Basis of preparation of halfyear financial report

REPORTING ENTITY

Greater Wellington Rail Limited (GWRL) is registered under the Companies Act 1993 and is a wholly owned subsidiary of WRC Holdings Ltd, which in turn is a wholly owned subsidiary of the Greater Wellington Regional Council (GWRC). GWRL principal address is 100 Cuba Street, Wellington, New Zealand.

GWRL is a councilcontrolled trading organisation (CCTO) as defined in section 6 of the Local Government Act 2002.

GWRL provides rail rolling stock and infrastructure assets to the GWRC for community and social benefits through a rail operator, rather than to make a financial return. Accordingly, GWRL has designated itself as public benefit entity (PBE) and applies New Zealand Tier 1 Public Sector Public Benefit accounting standards (PBE Accounting Standards).

The financial statements have been prepared on the going concern basis. Accounting policies have been applied consistently throughout the period.

The directors are in receipt of a letter of ongoing support from its ultimate controlling entity the GWRC. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The financial statements of GWRL are for the 6 months ended 31 December 2024.

STATEMENT OF COMPLIANCE

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).

MEASUREMENT BASE

The financial statements have been prepared on a historical basis, modified by the revaluation of rolling stock and infrastructure assets.

The financial statements are presented in New Zealand dollars and all amounts are rounded to nearest thousand dollars (\$'000) unless otherwise stated.

ACCOUNTING POLICIES

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

(b) Significant Assumptions and Estimates

In preparing these financial statements, we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

In the process of applying the accounting policies, we have made judgements or estimates relating to the estimated useful life of property, plant and equipment. The judgements are disclosed in the notes to the Financial Statements.

(c) Goods and Services Tax (GST)

GWRL is part of the GWRC GST Group. All items in the financial statements are exclusive of GST.

Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

2 Revenue from exchange and non-exchange transactions

	Unaudited Six months to 31 December 2024 \$'000	Unaudited Six months to 31 December 2023 \$'000	Audited 30 June 2024 \$'000
Rental Trains (exchange)	3,975	3,812	7,607
Grants & subsidies revenue (non-exchange)	6,499	6,981	14,505
Insurance proceeds (non-exchange)	2,209	-	-
	<u>12,683</u>	<u>10,793</u>	<u>22,112</u>

3 Income tax

The tax expense reported in the six-monthly financial statements is based on estimated figures for the interim period. The final tax position, including current and deferred tax balances, will be determined at the year-end to reflect the actual year result.

	Unaudited 31 December 2024 \$'000	Unaudited 31 December 2023 \$'000	Audited 30 June 2024 \$'000
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(a) Tax benefit / (expense) comprises:

Current tax benefit (expense)	-	-	-
Deferred tax benefit / (expense) relating to the origination and reversal of temporary differences	1,795	2,205	5,899
Adjustments recognised in the current period in relation to the deferred tax of prior periods	-	-	-
Total income tax benefit / (expense)	<u>1,795</u>	<u>2,205</u>	<u>5,899</u>

(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:

Net surplus / (deficit) before tax	(13,533)	(12,995)	(26,258)
Income tax benefit / (expense) calculated at 28%	3,789	3,639	7,352
Nondeductible expenses	-	(1,954)	(4,060)
Non assessable income	-	1,954	4,060
Temporary differences	(1,994)	(5,844)	(1,453)
Total income tax benefit / (expense)	<u>1,795</u>	<u>2,205</u>	<u>5,899</u>

The financial statements for the halfyear ended 31 December 2024 do not include any loss offsets received from other group companies (2023: Nil).

4 Property, plant and equipment

	Unaudited Rolling stock \$'000	Unaudited Rail infrastructure \$'000	Unaudited Total \$'000
Halfyear ended 31 December 2024			
Opening net book value	350,532	129,047	479,579
Additions/Transfer	7	53	60
Work in progress movement	3,915	3,524	7,439
Net depreciation expense	<u>(9,739)</u>	<u>(3,667)</u>	<u>(13,406)</u>
Closing net book value	<u>344,715</u>	<u>128,957</u>	<u>473,672</u>
At 31 December 2024			
Cost	373,700	139,189	512,889
Accumulated depreciation	<u>(28,985)</u>	<u>(10,232)</u>	<u>(39,27)</u>
Closing net book value	<u>344,715</u>	<u>128,957</u>	<u>473,672</u>
Halfyear ended 31 December 2023			
Opening net book value	359,781	126,542	486,323
Additions/ transfers	-	1,142	1,142
Work in progress movement	2,689	5,477	8,166
Net depreciation expense	<u>(9,676)</u>	<u>(3,232)</u>	<u>(12,908)</u>
Closing net book value	<u>352,794</u>	<u>129,929</u>	<u>482,723</u>
At 31 December 2023			
Cost	362,470	133,161	495,631
Accumulated depreciation	<u>(9,676)</u>	<u>(3,232)</u>	<u>(12,908)</u>
Closing net book value	<u>352,794</u>	<u>129,929</u>	<u>482,723</u>
	Unaudited Rolling stock \$'000	Unaudited Rail infrastructure \$'000	Unaudited Total \$'000
Half year ended 31 December 2024			
Work in Progress			
Opening balance 1 July 2024	14,545	10,398	24,943
Additions	3,926	3,568	7,494
Transfer	<u>(7)</u>	<u>(53)</u>	<u>(60)</u>
Closing balance 31 December 2024	<u>18,464</u>	<u>13,913</u>	<u>32,377</u>
Work in Progress			
Opening balance 1 July 2023	4,072	13,221	17,293
Additions	2,689	6,619	9,308
Transfer	<u>-</u>	<u>(1,142)</u>	<u>(1,142)</u>
Closing balance 31 December 2023	<u>6,761</u>	<u>18,698</u>	<u>25,459</u>

5 Deferred tax

	Property, plant and equipment \$'000	Tax losses \$'000	Provisions \$'000	Total \$'000
At 1 July 2024	(100,903)	22,291	-	(78,612)
Charged to income	872	923	-	1,795
Charged/(credited) to other comprehensive income	-	-	-	-
At 31 December 2024	(100,031)	23,214	-	(76,817)

	Property, plant and equipment \$'000	Tax losses \$'000	Provisions \$'000	Total \$'000
At 1 July 2023	(104,742)	20,231	-	(84,511)
Charged to income	1,077	1,128	-	2,205
Charged/(credited) to other comprehensive income	-	-	-	-
At 31 December 2023	(103,665)	21,359	-	(82,306)

	Unaudited 31 December 2024 \$'000	Unaudited 31 December 2023 \$'000	Audited 30 June 2024 \$'000
Deferred tax assets comprise:			

Tax losses	23,214	21,359	22,291
Total deferred tax assets	23,214	21,359	22,291

	Unaudited 31 December 2024 \$'000	Unaudited 31 December 2023 \$'000	Audited 30 June 2024 \$'000
Deferred tax liabilities comprise:			

Temporary differences	(100,031)	(103,665)	(100,903)
Total deferred tax liabilities	(100,031)	(103,665)	100,903)

Greater Wellington Rail Limited
Notes to the Financial Statements
For the half-year period ended 31 December 2024
(continued)

	Unaudited	Unaudited	Unaudited	Unaudited
	31 December	31 December	31 December	31 December
	2024	2023	2024	2023
	Shares	Shares	\$'000	\$'000

6 Share capital

Ordinary shares

Unpaid shares	10,000	25,210,000	-	-
Partly paid shares	25,200,000	3,000,000	17,274	2,174
Fully paid shares	303,429,283	300,429,283	303,429	300,429
	<u>328,639,283</u>	<u>328,639,283</u>	<u>320,703</u>	<u>302,603</u>

7 Reconciliation of cash flows from operating activities to net surplus / (deficit) after tax

	Unaudited	Unaudited	Audited
	31 December	31 December	30 June
	2024	2023	2024
	\$'000	\$'000	\$'000
Net surplus (deficit) after taxation	(11,738)	(10,790)	(20,359)
Add back non-cash items:			
Depreciation	13,406	12,908	25,818
Deferred tax	(1,795)	(2,205)	(5,899)
Add /(less) movement in working capital:			
(Increase) / decrease in accrued expenditure	(261)	326	974
Add/(less) items classified as investing or financing activities			
Increase in share capital	<u>-</u>	<u>-</u>	<u>-</u>
Net cash inflow from operating activities	<u>(388)</u>	<u>239</u>	<u>534</u>

8 Events occurring after the reporting date

Subsequent to 31 December 2024, a Director (A J Hare) resigned from the Board, effective 31 January 2025.

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

**Greater Wellington Rail Limited
Statement of Responsibility
For the half-year period ended 31 December 2024**

Responsibility

The Directors and management of the Company accept responsibility for the preparation of the Interim 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 Company 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 Company, the halfyearly Financial Statements and the Statement of Service Performance for the year ended 31 December 2024 fairly reflect the financial position and operations of the Company.



Director

25 February, 2025



Director

25 February, 2025



Group Manager Finance & Risk

25 February, 2025