Greater Wellington Rail Limited
Unaudited and Condensed
Interim Financial Statements
for the half-year period ended 31 December 2023

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Directors	Appointed
H M Mexted	24 June 2019 (ceased 01 October 2023)
N S W Ward	24 June 2019 (ceased 01 October 2023)
N O Leggett	12 October 2017 (ceased 01 October 2023)
C Kirk-Burnnand (Chairperson)	20 November 2019 (acted as Chairperson from 24 November 2022)
D Lee	24 November 2022
T Nash	24 November 2022
D Bassett	24 November 2022
L E Elwood	01 October 2023
R M Evans	01 October 2023
A J Hare	01 October 2023
H K Modlik	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 2023.

Principal Activities

Greater Wellington Rail Limited's (GWRL) is a subsidiary of WRC Holdings Limited, and its 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 the Group's proceedings. Helen Mexted, Nick Leggett and Nancy Ward completed their respective terms on the GWRL 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.

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 set out the Statement of Intent.

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
Net surplus / (deficit) after tax for the period	(10,790)	(7,454)	(24,194)

Outlook

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

For and on behalf of the Board.

Director
27 February 2024

Director
27 February 2024

Statement of Service Performance

Operational Performance Targets

Level of Service	2023/24 Half year target	2023/24 Half year result
Customer Satisfaction with Rail Assets		
Percentage of passengers who are satisfied with their current trip	≥93%	93%
Percentage of customers who are satisfied with the condition of the station	94%	90%
Percentage of customers who are satisfied with the inside temperature of vehicles	≥93%	93%
Percentage of passengers who are satisfied with the condition of the vehicle fleet	94%	96%
Percentage of passengers who are satisfied with overall station	≥92%	94%
Percentage of customers who are satisfied with the cleanliness of the trains	≥91%	85%
Percentage of passengers who are satisfied with provision of shelter from weather at shelter/station	≥84%	82%
Percentage of customers who are satisfied with their personal safety at station	≥84%	91%
Percentage of passengers who are satisfied with information about service delays or disruptions	≥73%	67%
Rolling Stock- Asset Management		
Matangi Mean Distance between failure	≥40,000km	66,529 km
Carriage - Mean distance between failure	≥80,000km	95,446 km
Percentage of pedestrian bridges and subways which meet at least 67% of NBS earthquake rating	100%	79%
Percentage of stations with CCTV coverage	96%	96%
Average condition grade of:		
Station buildings and shelter	1.5	1.7
Structures (subways & bridges)	2.4	2.4
Park & Ride	2.1	2.1
Percentage of assets in condition grade 4 (Poor) or worse		
Station buildings and shelters:	2.3%	1.0%
Structures (pedestrian subways & bridges):	5.4%	5.4%
Park & Ride:	4.8%	5.0%

1) Customer satisfaction survey was undertaken in November 2023.
2) Seismic strengthening has been completed at Epuni and Taita. Plan to complete all seismic strengthening of bridges and subways by end of FY 2024.

	Notes	**Six months to 31 December 2023 $'000**	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
Revenue				
Total revenue	2	**10,793**	10,271	22,485
Expenditure				
Depreciation	6,7	**12,903**	11,592	29,854
Audit Fees	3	**35**	21	65
Repairs and Maintenance		**8,242**	7,801	15,813
Rates and Insurance		**648**	529	1,081
Other Operating Expenses		**1,867**	2,234	6,401
Tax Services		**10**	3	35
Legal Fees		**2**	43	53
Interest Expense		**81**	70	447
Total operating expenses		**(23,788)**	(22,293)	53,749
Net surplus / (deficit) before tax		**(12,995)**	(12,022)	(31,264)
Income tax benefit / (expense)	5	**2,205**	4,568	7,074
Net surplus / (deficit) after tax		**(10,790)**	(7,454)	(24,194)
Other comprehensive revenue and expenditure				
Revaluation reserve movement		**-**	-	(14,594)
Deferred tax recognised in reserves	8	**-**	-	4,084
		-	-	(10,510)
Total comprehensive income for the half-year		**(10,790)**	(7,454)	(34,704)

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

Greater Wellington Rail Limited
Statement of Changes in Equity
for the half-year period ended 31 December 2023

	Notes	Share Capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Equity 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

	Share Capital $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 July 2022	282,403	99,187	32,839	414,429
Total comprehensive revenue and expenditure				
Net surplus/(deficit) after tax	-	-	(7,454)	(7,454)
Balance as at 31 December 2022	282,403	99,187	25,385	406,975

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

Greater Wellington Rail Limited
Statement of Financial Position
for the half-year period ended 31 December 2023

	Notes	**Six months to 31 December 2023 $'000**	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
ASSETS				
Current assets				
Cash and cash equivalents		**2**	2	2
Total current assets		**2**	2	2
Non-current assets				
Property, plant and equipment	6	**482,723**	509,224	486,323
Intangible assets	7	**2**	5	4
Total non-current assets		**482,725**	509,229	486,327
Total assets		**482,727**	509,231	486,329
LIABILITIES				
Current liabilities				
Accrued expenses and payables		**1,784**	1,968	1,462
Subvention received in advance		**3,000**	-	-
Current account Wellington Regional Council		**6,498**	9,188	429
		11,282	11,156	1,891
Total current liabilities		**11,282**	11,156	1,891
Non-current liabilities				
Deferred taxation liability	8	**82,306**	91,100	79,943
Total non-current liabilities		**82,306**	91,100	79,943
Total liabilities		**93,588**	102,256	81,834
Net assets		**389,139**	406,975	404,495
EQUITY				
Ordinary share capital	9	**302,603**	282,403	302,603
Reserves		**88,676**	99,187	88,676
Retained earnings		**(2,140)**	25,385	13,216
Total equity		**389,139**	406,975	404,495

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

Director
27 February, 2024

Director
27 February, 2024

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

	Notes	**Six months to 31 December 2023 $'000**	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
Cash flows from operating activities				
Rent income		**3,812**	3,557	7,125
Interest received		**-**	1	1
Subsidies revenue		**6,981**	6,713	15,359
Receipts from customers		**-**	-	-
		10,793	10,271	22,485
Cash was applied to:		**-**	-	
Payments to suppliers		**(10,473)**	(11,461)	(24,145)
Interest paid		**(81)**	(70)	(447)
Net cash flow from operating activities	10	**239**	(1,260)	(2,107)
Purchase of property, plant & equipment		**(9,308)**	(8,486)	(19,081)
Purchases of intangible assets		**-**	-	-
Cash flow from financing activities				
Cash was provided from:		**-**	-	
Movement in current account - Wellington Regional Council		**9,069**	9,748	990
Issue of ordinary share capital		**-**	-	20,200
Net cash flow from financing activities		**9,069**	9,748	21,190
Net increase (decrease) in cash, cash equivalents & bank overdraft		**-**	2	2
Add opening balance in cash, cash equivalents & bank overdraft		**2**	-	-
Cash, cash equivalents & bank overdraft at 31 December 2023		**2**	2	2

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

Notes to the Financial Statements

1 Summary of significant accounting policies

(a) Basis of preparation of half-year 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 Wellington Regional Council. GWRL principal address is 100 Cuba Street, Wellington, New Zealand.

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

GWRL provides rail rolling stock and infrastructure assets to the Greater Wellington Region Council 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 financial statements of GWRL are for the 6 months ended 31 December 2023.

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).

These financial statements are prepared in accordance with Tier 1 PBE accounting standards and comply with PBE Standards.

MEASUREMENT BASE

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

1 Summary of significant accounting policies (continued)

(c) Goods and Services Tax (GST)

GWRL is part of the Wellington Regional Council 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

Accounting policy

Revenue is recognised when billed or earned on an accrual basis. Grants are recognised in the statement of comprehensive revenue and expenses when eligibility has been established by the grantor.

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
Rental - Trains (exchange)	**3,812**	3,557	7,125
Grants & subsidies revenue (non-exchange)	**6,981**	6,713	15,359
Interest received (exchange)	**-**	1	1
	10,793	10,271	22,485

3 Audit fees

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
Audit New Zealand - audit services	**35**	21	65

4 Related party transactions

100% of the grants revenue was provided by Wellington Regional Council, the ultimate parent company. For the half-year ended GWRL owed $6,497,540 to Wellington Regional Council (2022: $9,187,839). Interest is calculated on the outstanding balances utilising a monthly floating 30 day rate bill rate. The net interest paid to Wellington Regional Council during the half-year is $80,667 (2022: $69,599).

The company paid a management fee of $28,767 (2022: $27,868) to Wellington Regional Council for administrative and management services, meeting expenses and travel reimbursement for the six months.

5 Income tax

Accounting policy

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset only when GWRL has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis.

Deferred Tax

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. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

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 GWRL 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 GWRL 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.

5 Income tax (continued)

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
(a) Tax (benefit) / expense comprises:			
Current tax expense / (income)			
Deferred tax (income) / expense relating to the origination and reversal of temporary differences	**(2,205)**	(4,568)	(7,073)
Adjustments recognised in the current period in relation to the deferred tax of prior periods	**-**	-	-
Total income tax (benefit) / expense	**(2,205)**	(4,568)	(7,073)

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000	Full year ended 30 June 2023 $'000
(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:			
(Deficit) / surplus from operations before tax	**(12,995)**	(12,022)	(31,264)
Income tax (benefit) / expense calculated at 28%	**(3,639)**	(3,366)	(8,754)
Non-deductible expenses	**1,954**	2,149	4,299
Non assessable income	**(1,954)**	(2,149)	(4,299)
Temporary differences	**5,844**	7,934	1,680
Income tax expense	**2,205**	4,568	(7,074)

The financial statements for the half-year ended 31 December 2023 do not include any loss offsets received from other group companies (2022: Nil).

6 Property, plant and equipment

Accounting policy

Property, plant, and equipment consist of:

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by GWRL. Each asset class includes all items that are required for the network to function. For example, Rail infrastructure includes subways and carparks. Rail Rolling Stock includes carriages, luggage vans and Matangi trains

Revaluation

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.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non exchange transaction, it is recognised at its fair value as at the date of acquisition. Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the company and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

6 Property, plant and equipment (continued)

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment other than capital works in progress, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Rail Rolling Stock	20-30 years
- Rail Infrastructure	4-150 years
- Capital work in progress	Not depreciated

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment of property, plant, and equipment

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Non Cash Generating Assets

Value in use for non-cash generating assets. Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash Generating Assets

Value in use for cash generating assets. Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

6 Property, plant and equipment (continued)

	Rolling stock $'000	Transport infrastructure $'000	Total $'000
Half-year ended 31 December 2022			
Opening net book amount	365,972	146,679	512,651
Additions/Transfer	-	5,323	5,323
Disposal of assets	-	(320)	(320)
Work in progress movement	3,162	-	3,162
Net depreciation expense	(9,569)	(2,023)	(11,592)
Closing net book value	359,565	149,659	509,224
At 31 December 2022			
Cost/Revaluation	416,500	149,532	586,670
Valuation	(62,660)	(14,786)	(77,446)
Net book amount	353,840	134,746	509,224

	Rolling stock $'000	Transport infrastructure $'000	Total $'000
Half-year ended 31 December 2023			
Opening net book amount	359,781	126,542	486,323
Additions/Transfer	-	1,142	1,142
Work in progress movement	2,689	5,477	8,166
Net depreciation expense	(9,676)	(3,232)	(12,908)
Closing net book value	352,794	129,929	482,723
31 December 2023			
Cost/Revaluation	355,714	114,467	495,631
Accumulated depreciation	(9,676)	(3,232)	(12,908)
Net book amount	346,038	111,235	482,723

	Rolling stock $'000	Transport infrastructure $'000	Total $'000
Work in Progress			
Opening balance 1 July 2022	2,568	14,913	17,481
Additions	3,162	-	3,162
Closing balance 31 December 2022	5,730	14,913	20,643
Work in Progress			
Opening balance 1 July 2023	4,072	13,221	17,293
Additions	2,689	6,619	9,308
Transfer	-	(1,142)	(1,142)
Closing balance 31 December 2023	6,761	18,698	25,459

7 Intangible assets

Accounting policy

Software acquisition and development

Computer software with a finite useful life is capitalised and recorded at cost less amortisation. Costs that are directly attributable to the development of this software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of the company's website are recognised as an expense when incurred.

Costs associated with Software as a Service arrangements are generally expensed and capitalised only customisation is performed on the Company's infrastructure and applications, is controlled by the Company and the Company can restrict others' access to the benefits.

Staff training costs are recognised in the surplus or deficit when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer Software	5 years

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment.

7 Intangible assets (continued)

	Computer software $'000	Total $'000
Half-year ended 31 December 2022		
Opening net book amount	7	7
Amortisation charge (note 3)	(2)	(2)
Closing net book amount	5	5
At 31 December 2022		
Cost	17	17
Accumulated amortisation and impairment	(12)	(12)
Net book amount	5	5

	Computer software $'000	Total $'000
Half-year ended 31 December 2023		
Opening net book amount	4	4
Amortisation charge (note 3)	(2)	(2)
Closing net book amount	2	2
At 31 December 2023		
Cost	17	17
Accumulated amortisation and impairment	(15)	(15)
Net book amount	2	2

8 Deferred tax

	31 December 2023 $'000	31 December 2022 $'000
Deferred tax assets comprise:		
Tax losses	**21,359**	18,055
Total deferred tax assets	**21,359**	18,055

	31 December 2023 $'000	31 December 2022 $'000
Deferred tax liabilities comprise:		
Temporary differences	**(103,665)**	(109,156)
Total deferred tax liabilities	**(103,665)**	(109,156)

Movements - Consolidated	**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 to equity	-	-	-	-
At 31 December 2023	(103,665)	21,359	-	(82,306)

Movements - Consolidated	**Property, plant and equipment $'000**	**Tax losses $'000**	**Provisions $'000**	**Total $'000**
At 1 July 2022	(113,569)	17,901	-	(95,668)
Charged to income	4,414	154	-	4,568
Charged to equity	-	-	-	-
At 31 December 2022	(109,155)	18,055	-	(91,100)

GWRL does not have any unrecognised tax losses or deductible temporary differences (2022: Nil).

GWRL has no imputation credits at the balance date (2022: Nil)

9 Share capital

	31 December 2023 Shares	31 December 2022 Shares	**31 December 2023 $'000**	31 December 2022 $'000
(a) Share capital				
Ordinary shares				
10,000 shares unpaid	10,000	10,000	-	-
22,170,000 $1 shares, fully paid	22,170,000	22,170,000	22,170	22,170
5,309,283 $1 shares, fully paid	5,309,283	5,309,283	5,309	5,309
8,000,000 $1 shares, fully paid	8,000,000	8,000,000	8,000	8,000
170,200,000 $1 shares, fully paid	170,200,000	170,200,000	170,200	170,200
11,250,000 $1 shares, fully paid	11,250,000	11,250,000	11,250	11,250
6,700,000 $1 shares, fully paid	6,700,000	6,700,000	6,700	6,700
10,100,000 $1 shares fully paid	10,100,000	10,100,000	10,100	10,100
19,000,000 $1 shares fully paid	19,000,000	19,000,000	19,000	19,000
3,500,000 $1 shares fully paid	3,500,000	3,500,000	3,500	3,500
12,100,000 $1 shares fully paid	12,100,000	12,100,000	12,100	12,100
14,800,000 $1 shares fully paid	14,800,000	-	14,800	-
17,300,000 $1 shares fully paid	17,300,000	17,300,000	17,300	14,074
3,000,000 $1 shares partly paid	3,000,000	-	2,174	-
25,200,000 $1 share unpaid	25,200,000	-	-	-
	328,639,283	285,639,283	**302,603**	282,403

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

	Six months to 31 December 2023 $'000	Six months to 31 December 2022 $'000
Net surplus (deficit) after taxation	**(10,790)**	(7,454)
Add back non-cash items:		
Depreciation	**12,908**	11,592
(Gain)/loss on sale of fixed asset	**-**	320
Deferred tax	**(2,205)**	(4,568)
Add /(less) movement in working capital:		
(Increase) / decrease in accrued expenditure	**326**	(1,150)
Add/(less) items classified as investing or financing activities		
Increase in share capital	**-**	-
Net cash inflow from operating activities	**239**	(1,260)

11 Contingent asset and liabilities

The contingent liabilities of GWRL on 31 December 2023 were nil (2022: $Nil).

At balance date there was uncalled capital of $26,025,976 relating to 26,025,976 $1 shares uncalled. (2022: uncalled capital of $18,025,976 relating to 18,025,976 $1 shares uncalled).

12 Commitments

(a) Capital commitments

The amount of contractual commitments is as follows:

	31 December 2023 $'000	31 December 2022 $'000
Rail rolling stock - heavy maintenance	**46,433**	50,470
	46,433	50,470

b) Leases

Accounting policy

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

12 Commitments (continued)
Operating leases as lessee

GWRL lease buildings and plant and equipment in the normal course of its business. These leases have a non-cancellable term of between 1 to 25 years. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

	31 December 2023 $'000	31 December 2022 $'000
Not later than one year	**39**	39
Later than one year and not later than five years	**118**	123
Later than five years	**414**	457
	571	619

Operating leases as lessor

GWRL leases its trains and buildings under operating leases. These leases have a non-cancellable term of between 1 to 25 years The future aggregated minimum lease payments to be collected under non-cancellable operating leases are as follows:

	31 December 2023 $'000	31 December 2022 $'000
Not later than one year	**7,318**	7,319
Later than one year and not later than five years	**7,285**	7,907
Later than five years	**19**	30
	14,622	15,256

13 Financial risk management

(a) Market risk

The interest rate risk is limited to the bank balance.

(b) Currency risk

GWRL has no currency risk. Contracts are denominated in New Zealand dollars. Any currency risk is managed by the Wellington Regional Council on the Company's behalf. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

(c) Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

(d) Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The bank account is at a variable interest rate. The Company has no investments or borrowings exposed to market interest rate risk.

(e) Credit risk

Credit risk is the risk that a third party will default on its obligation causing a loss to occur.
GWRL is exposed to credit risk only on the current account balance owed by its ultimate parent - Greater Wellington Regional Council (GWRC). Lifetime expected credit losses on this balance have been assessed as nil.

(f) Liquidity risk

Liquidity risk represents GWRL's lability to meet its contractual obligations. GWRL evaluates its liquidity requirements on an ongoing basis. In general, GWRL generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities. The Greater Wellington Regional Council provides funds as and when commitments fall due. GWRL also has an ongoing Letter of Support from the Council undertaking to provide financial support to GWRL for any unforeseen expenditure that could place GWRL into a cash deficit position.

14 Events occurring after the reporting date

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.

Statement of Compliance and Responsibility

Compliance

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

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 interim financial statements, and the statement of service performance for the half-year period ended 31 December 2023 fairly reflect the financial position and operations of the Group.

Director	Director	Chief Financial Officer
27 February, 2024	27 February, 2024	27 February, 2024