



# Auckland Light Rail Limited Annual Report

For the year ended 30 June  
2024

# Contents

Chair's report -----	03
Corporate Structure and governance -----	05
Project overview -----	07
ALR as a good employer -----	11
Statement of Performance -----	12
Statement of Performance Expectations Reporting -----	21
Financial Statements -----	34
Corporate directory -----	35
Statement of responsibility -----	36
Statement of financial performance -----	37
Statement of financial position -----	38
Statement of changes in equity -----	39
Statement of cash flows -----	40
Notes to the financial statements -----	42
Remuneration and governance disclosures -----	62
Independent auditors report -----	65

# Message from the Chair

*Dame Fran Wilde*

*Auckland Light Rail Ltd Board Chair*

It has certainly been a unique and challenging year for Auckland Light Rail Ltd (ALR Ltd), one that our people have faced with professionalism and passion as they worked to progress the objectives we were set up to deliver - developing a solution for Auckland's transport and growth challenges.

Prior to receiving new direction from the Government, ALR Ltd had developed an excellent body of work including establishing the business case for the project, gathering robust evidence to support a strong Benefit Cost Ratio, as well as completing route and station design that was ready for lodging to obtain the necessary statutory approvals.

Auckland Light Rail Ltd was established in September 2022 to complete the detailed planning for a mass rapid transit solution across the isthmus, connecting the city centre to the south. During 2023 we delivered on this direction, completing a significant amount of work to understand the challenges facing Auckland, as well as the range of mass transit solutions, including their benefits and limitations.

Following the General Election in October 2023 this remit changed. The coalition agreements included cancellation of Auckland Light Rail and in January 2024 the new Government instructed us to cease work on the project and to take the steps necessary to wind up the company.

While the change in Government direction means we are saying goodbye to ALR Ltd, the work we have completed remains invaluable in developing the next phase of Auckland's mass rapid transit system, in whatever shape and form is decided in future.

The combined transport and urban outcomes the project was tasked with delivering were unique for a project in New Zealand and the work we completed through the planning phase resulted in the development of a mass rapid transit scheme that would deliver both transport solutions and generate high levels of urban development.

It is worth noting the efficiency and speed with which we established ALR Ltd and the supporting governance structures and policies that were required. We also successfully appointed and onboarded the planning Alliance, moved into the Central Post Office building to house the increased scale of the project team and deepened relationships with partners and stakeholders.

Crucially the planning milestones we had been set were achieved. The pace at which we completed the mammoth amount of work necessary to be ready to complete design of the route and stations, lodge Notices of Requirement and progress the business case is unheard of for a project of this scale in New Zealand.

In turn we have also de-mobilised the project efficiently, exercising financial prudence along with ensuring the intellectual property contained within the excellent body of work completed to date is securely transferred to the Ministry of Transport so that it continues to be accessible now and in the future.

The momentum we gathered to develop our understanding of the urban and transport challenges, and the best way to solve them, would not have been possible without our partners and the input of other stakeholders. It is therefore critically important to acknowledge their support and encouragement during the planning phase. The outcomes achieved to date were due to the efforts and collaboration of our Board and Sponsors, Mana Whenua, Crown agencies and the wider project team and Alliance.

ALR Ltd is immensely grateful to senior management, all our staff, New Zealand and international experts and the many stakeholders, communities and individuals who have worked so hard and supported us to progress a solution to Auckland's transport and growth challenges.

Dame Fran Wilde Auckland Light Rail Limited Board Chair / Te Upoko o te Mana Hautū

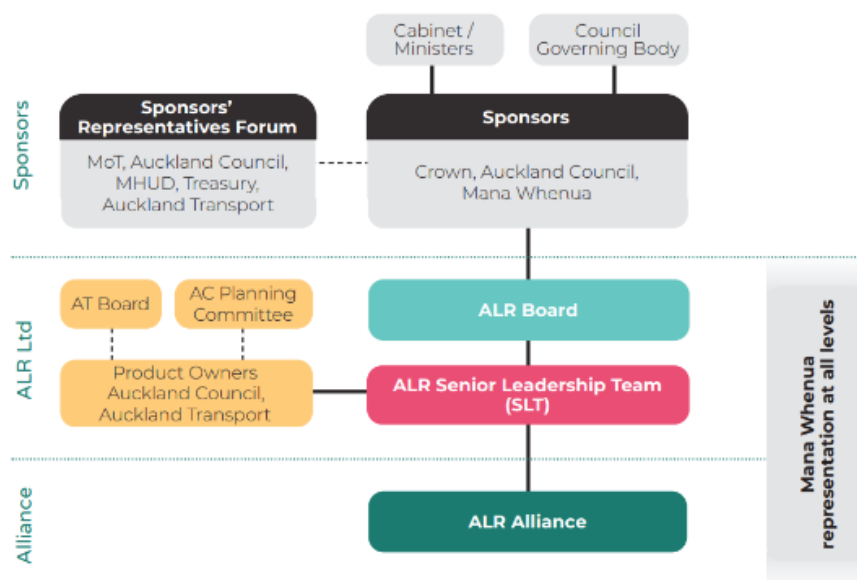
## Corporate Structure and Governance

Auckland Light Rail Ltd (ALR Ltd) was incorporated on the 22nd of September 2022 and added to schedule 2 of the Crown Entities Act as a Crown Entity company by Order in Council dated 3 October 2022. It was tasked with assuming the roles, functions and work of the previous Establishment Unit which operated as a business unit within the Ministry of Transport from July to October 2022.

ALR Ltd was responsible and accountable to its shareholders (the Minister of Transport, the Minister of Finance and the Minister of Housing) for advancing the ALR project through the detailed planning phase to develop a Business Case to enable the Crown to make a Final Investment Decision in relation to the ALR project in mid-2024.

The company worked closely with partner agencies in Auckland at operational, management and governance levels to ensure a coordinated and strategic approach to planning of the Harbour Crossing and Northwest rapid transit projects in particular, with alignment of assumptions and outputs to enhance the network.

A Sponsors Group was also set up comprising the Crown's three shareholding ministers, the Auckland Council and mana whenua iwi. The Council had two Sponsor representatives and three mana whenua Sponsor representatives (Paul Majurey, Ngarimu Blair and Karen Wilson). In October 2022 ALR Ltd established the Auckland Light Rail Alliance, to complete the detailed planning phase. A significant proportion of the ALR workforce sat within the organisation's that made up the planning alliance. In September 2023 when the deliverables of the planning phase were largely completed, we reduced this team to a bare minimum, operating at a cost and expense model, ensuring funding was managed responsibly. It also enabled the majority of the windup process for the disestablishment of ALR Ltd to be completed by 31 March 2024. ALR Ltd is still to dispose of the property held at 317-319 New North Road.



On 24 November 2023, the new government's coalition agreements including provisions requiring work to stop on ALR. This had been foreshadowed in numerous public statements

by all of the coalition partners. The Board decided to stop or slow down much of the work, in the interests of financial prudence.

On 14 January 2024, ALR Ltd received an updated letter of expectations from Minister of Transport Simeon Brown, laying out new Government priorities and the future direction of the Auckland Light Rail project. ALR was instructed to immediately stop all work on the project and wind up ALR Ltd as a company. The instruction to stop work, together with the announcements that preceded the instruction had an impact on ALR Ltd's performance.

## Auckland Light Rail Ltd Board

During the company's planning phase and prior to its disestablishment the ALR Ltd Board was made up of Directors with experience and insight to lead the delivery of what was to be New Zealand's largest and most complex infrastructure project.

Following the updated letter of expectation in January 2024 the ALR Ltd Board was reduced to Board Chair Dame Fran Wilde, Leigh Auton, who were tasked with overseeing the efficient and effective disestablishment of the company.

Other Board Directors (until 14 January 2024):

- Chris Aitken - business leader with extensive experience in large scale property and urban development sectors
- Heather Ash - former senior partner in legal firm and expert on planning/consenting processes and urban development projects
- Shane Ellison - senior executive, with global experience leading diverse teams, most recently in the infrastructure and transport sector, including rail
- Leo Foliaki - former PWC partner and lead audit partner on several publicly listed entities on the NZSE, focusing on large projects in complex operating environments
- Lucy Tukua - Kaihautu Whakarito – Technical Director Regenerative Outcomes for Mott MacDonald, active in both tribal governance and operations and also an experienced director

# Project Overview

## Our year in review

### Key achievements

Although the disestablishment of the company has affected the results of our performance measures, significant progress was made towards our areas of focus, primarily in evidence gathering to establish the case for Auckland Light Rail.

Our achievements include:

- The development of a fully separated mass rapid transit solution to address both transport and urban challenges. The transport solution has a healthy Benefit Cost Ratio (BCR), returning \$2.40 in economic benefits for each \$1 invested. (the cost is \$12.6Bn NPV). The work to date shows value for money can be further enhanced through integrated investment in wider urban and social outcomes.
- The company also developed an understanding of the costs and benefits of an alternative street running solution (light rail), with the same BCR. This has a less developed design and would have responded to Auckland's existing problems in a different way – it would not support the same scale, form and location of urban outcomes and has less ability to integrate with other rapid transit projects.
- Planning and commercial testing of urban growth scenarios enabled by the project.
- Future aspiration for five areas of urban regeneration within the ALR corridor outlining the urban opportunity.
- Completion of the Strategic Case, Economic Case with drafts submitted to the Ministry of Transport, Ministry of Housing and Treasury in December 2023. Drafts of the Urban Commercial Case and the Transport Commercial case were also submitted. The Financial Case was also well developed.
- Consent designs completed for a metro scheme and Notices of Requirement ready for lodgment. Designs included key information about designation boundaries, land requirements, key features, functionality and constraints, interfaces with existing infrastructure and buildings, design considerations, key construction activities and constructability, as well as risks and opportunities.
- Proposals for staging to help support affordability and inter-generational benefits.
- Market intelligence demonstrating significant investor and industry appetite for this investment.
- Extensive modelling that provided a clear understanding of the transport and urban challenges facing Auckland, particularly in the City Centre to Māngere (CC2M) corridor, but also the necessary connections to other major public transport routes that would be part of a mass rapid transit system in Auckland.
- A high level of public support (60%) for a rapid transit solution in this corridor, measured by independent surveys.
- Well established relationships with stakeholders, particularly in the transport and urban sectors, and with mana whenua groups who have interests in the route.
- Established governance arrangements that would enable the Government to achieve alignment with local government and establish the foundations necessary for a 'City Deal'.
- Established systems, processes and policies that could be used for delivering future large-scale infrastructure.

- Early property acquisition, in alignment with the Early Property Programme approved by the Board and Sponsors. ALR Ltd purchased 317-319 New North Road, colloquially known as the Kiwi Bacon site in October 2023 for \$33 million as a strategic land acquisition.

## Areas of focus

### Integrated approach to transport and urban outcomes

Common internationally, the combined transport and urban outcomes that were being sought from Auckland Light Rail were unique for a project of this scale in New Zealand. In addition to delivering large numbers of new houses and jobs for Auckland this approach was developed to ensure quality urban growth.

The work was grounded in commercial and planning evidence. The scale of urban change and the development opportunities were aligned with Auckland Council's strategic growth plans through the Future Development Strategy.

It resulted in an excellent understanding of the urban opportunities and aspiration for five priority areas of regeneration in the Auckland Light Rail corridor. These were developed with consideration of the broader existing strategic context as well as engagement with project partners including Auckland Council, Auckland Transport, Eke Panuku, Kāinga Ora and Waka Kotahi.

Work included analysis of the existing and future role and function of centres across Auckland, anticipated growth in population and employment, emerging sectors, and the impact of increased accessibility on the evolution of places over time. It aimed to demonstrate how urban change catalysed by investment in Auckland Light Rail would support the Auckland Plan 2050 policy for a quality, compact urban form for Auckland. It identified the project would enable growth in the corridor of approximately 50,000-75,000 additional homes for 119,000-193,000 more people.

The Corridor Strategic Framework was complete to around 50% when the ALR project was cancelled.

### Treaty partnerships

ALR's commitment to establishing a genuine relationship with Ngā Mana Whenua o Tāmaki was underpinned by Te Rautaki Huanga Māori: Māori Outcomes Strategy, which was developed for the Indicative Business Case in 2021. This followed hui with 11 of the 15 Mana Whenua Iwi Chairs and Mataawaka, who had indicated an interest within the project corridor and associated catchment.

As well as representation as Sponsors, alongside the Government and Auckland Council, at the decision-making table, ALR also established Governance/Rangatira conversations with both Mana Whenua Iwi Chairs, led by the ALR Board Chair and management hui with Chief Executives and operational leaders.

This was primarily to discuss economic and commercial opportunities identified by mana whenua entities that could potentially be realised as a result of the project.

Following its establishment in 2022, the ALR operational iwi forum continued to further capture views on sustainability, cultural history and relationship to whenua and design, from a tikanga Māori perspective.

Collaborating with the operational iwi forum enabled ALR workstreams, including transport, planning and consenting, urban and Business Case, to gain insight and include a perspective of te ao Māori (Māori world view).

Following the decision to cancel the project, the relationship with mana whenua has been managed under tikanga. There have been kanohi hui with operational Iwi leadership which have resulted in formal undertakings with Governance leadership to ensure all information that was provided by the mana whenua Treaty Partner is secured, held and transferred to the Ministry of Transport for safekeeping and future use.

Geological core samples, monitoring of water and other information provided by mana whenua to inform the outputs of various workstreams is now being appropriately protected with an expectation it will be returned or handed over to the required organisations under tikanga maori.

## Relationships with stakeholders, local and central government, local communities

The Company engaged in early, regular and genuine engagement with communities and stakeholders that would be impacted by and benefit from the project. This included a programme of regular community events and activities to encourage participation and feedback, as well as communications to provide regular, relevant information to the distinct audiences in corridor communities and greater Auckland.

Two independent surveys by Kantar Public showed significant public support for the project (60% support, and just 20% of respondents not supporting the project) and consistent and strong feedback that Aucklanders wanted to see a solution for transport and growth problems in the city centre to Mangere corridor.

An organisation-wide partnering and relationship management approach was established to support a collaborative approach and to build trusted, long-term relationships and shared outcomes, including with central and local government and their agencies, as well as community groups.

The quality and effectiveness of partnerships, as well as engagement and communications activities were measured and reviewed regularly through stakeholder feedback and surveys, as well as engagement outreach measures during formal engagement phases.

## Integration with other transport projects

The City Centre to Mangere light rail corridor formed part of a proposed wider rapid transport network for Auckland, so coordination and integration with other projects was critical to developing ALR as part of a wider transport system.

ALR Ltd established an interface group with the Waitematā Harbour Connections and North West Rapid Transit Corridor projects, which are being delivered by Waka Kotahi. This ensured ALR was aligned with Waka Kotahi at all layers of the project, including an operational interface group, a governance group comprising three members from each board and senior management to ensure alignment of assumptions and outputs to enhance the network.

ALR Ltd also had a number of interfaces with Kāinga Ora including joint work on its Wesley development and a preferred alignment and station location within Kāinga Ora's masterplan for Wesley.

Kāinga Ora staff were engaged on various urban workstreams including on the corridor strategic framework and the urban growth modelling work.

A Partners Forum was also established which included Chief Executives and senior leaders from partner agencies in both transport and city planning. Quarterly meetings were held as part of the wider strategy to build relationships and understanding with key project partners about shared outcomes and interfaces.

## Early property programme

The Early Property Programme (EPP) was established in 2022/2023 to support the execution of early land acquisition activities.

The EPP was a condition of the release of the tagged contingency for early property purchase. The final confirmed scope of the EPP funding was to prioritise rail and station precinct land, with acquisition funding parameters extended to include feasibility and other early-stage development work, design, consenting and tendering. The final investment criteria for consideration were:

- Core transport benefits
- Complementary housing benefits
- Value for money
- Alignment to other funding sources
- Auckland Council and mana whenua support
- Co-commitments and value contribution
- Proposal readiness

With Ministerial approval, ALR Ltd purchased a property at 317-319 New North Road, colloquially known as the Kiwi Bacon site in October 2023. The site is on the eastern edge of the proposed Notice of Requirement boundary for the Dominion Junction Station. The property was identified for construction purposes, particularly for the removal of the Dominion Road flyover, to enable the reconfiguration of the intersection and subsequent land amalgamation and redevelopment as a station precinct.

The acquisition and consequent direct management of tenancies would have mitigated against future business disruption claims and enable timely and cost-effective vacation of the premises for future redevelopment. The redevelopment potential of the area underpinned future value in the event the property was not required by ALR Ltd.

Final decision on the disposal of the property requires Cabinet approval.

## Zero harm and thriving infrastructure

With the potential to define a health and safety system as a future exemplar for the sector, ALR continued to develop a fully integrated health and safety system based on a culture of excellence.

Policy, leadership and board governance was a strategic Health and Safety priority. The ALR Board engaged with operational leaders in understanding the key health and safety risks and opportunities during the lifecycle of the project. This included overlapping responsibilities with the Alliance covering worker health, safety and wellbeing, emergency response procedures, high-risk workplaces such as geotech drilling sites and contractor management.

A health and safety development plan was endorsed in September 2023 which reviewed and recommended next steps to further develop the maturity of ALR's health and safety systems and capability. The dis-establishment of the company means this did not progress. A Safety Assurance Management Plan and a Systems Engineering Management Plan have been developed and endorsed which outline the assurance process the project will undertake to demonstrate appropriate steps have been taken for ALR to obtain a rail safety licence. Monthly meetings were held with FENZ to incorporate their advice into the concept design and into emerging thinking regarding the emergency response strategy. Quarterly meetings were established with the Rail Regulator including a formal project briefing in May 2023 which included presentation of the Safety Assurance strategy for ALR, ie the road map to obtaining a rail safety licence. This included the presentation of the concept of a series of safety stage gates, the first of which was held in August 2023 attended by the Regulator, FENZ and representatives from Auckland Transport as the proxy future owner / operator of the system. The gate was passed unanimously by the gate board. Both FENZ and the Rail Regulator gave positive feedback about the engagement process that they had experienced through the planning phase of ALR. "We enjoyed the positive and transparent engagement with you and your team during the project." - Lead Advisor, Rail Regulator on hearing of the disestablishment of the project.

## ALR Ltd as a good employer

Our Tō Tātou Kaupapa, espoused three key values to help ALR achieve its goals and project deliverables. It continued to be the foundation which drives our commitment to enhancing a diverse workplace culture and providing a safe environment for our people.

To deliver on ALR's project objectives and key capabilities, we looked to build an agile organisation that was outcome focused, innovative, integrated and collaborative within a people-centred culture along with a common purpose that co-creates value for all stakeholders.

Our culture and leadership plan shared a strategy focused on developing leadership effectiveness both in the senior leadership team and also our next generation cohort of leaders. Personal development plans and objective setting linked to our strategic priorities and key results were set and reviewed on a regular cadence throughout the year.

Our leaders and teams participated in an organisational culture and effectiveness survey to measure and understand the how our culture enabled or restricted us in our collaborative work practices and whether our work environment allowed people to thrive through shared purpose and personal achievement and development.

Opportunities to connect and create a sense of belonging included regular updates through weekly newsletters and in-person whole-of-alliance briefings and team sessions, wellbeing and team building initiatives.

# Statement of performance for the year ended 30 June 2024

ALR Ltd was established to advance the Auckland Light Rail Project through the detailed planning phase in accordance with the Project Planning and Funding Agreement (PPFA), involving detailed planning work and associated planning advice and activities required to develop a business case to enable the Crown to make a final investment decision. This purpose was changed in March 2023 to undertake, deliver and construct the Auckland Light Rail project in the manner contemplated by, and subject to, all decisions made by the Crown. Reporting against performance is on pages 12 to 17 and pages 21 to 33.

The company received a letter of expectations on 14 January 2024 requiring ALR Ltd to cease work on the project and disestablish the company. The purpose of the company was changed again, requiring the company to manage its disestablishment in a manner that protects the Crown's financial and other interests – involving ceasing all work on the Auckland Light Rail Project and undertaking the necessary disestablishment activities.

The company had not been disestablished as at 30 June 2024. This is because it cannot be disestablished until the property at 317-319 New North Road had been disposed of. A letter from the Ministers office on 22 May 2024 advised Cabinet had agreed in principle to sell the property contingent on investigations into whether another transport project could make use of the land and advising ALR Ltd to explore the potential for a land swap agreement to another transport agency if there is a clear purpose for future transport projects. Post 30 June 2024 engagement with external agencies are ongoing and a decision is expected later in 2024. Final decisions about the disposal of the property held by Auckland Light Rail Ltd sits with Cabinet.

All employees of the company were terminated as at 19 April 2024, with a small number of contractors retained to provide financial and other services to the company, until it is fully disestablished.

ALR Ltd had an established baseline forecast for the cost of the detailed planning phase of \$189m. This was a multi-year appropriation established in 2022/2023 and included a capital appropriation of \$26m.

An additional \$131m for delivery of the Early Property Programme was tagged as a contingency in the budget. On 1 August 2023, the Minister of Transport confirmed that Cabinet authorised the drawdown of this funding for early land acquisition by ALR Ltd.

The SOI has been prepared for the period from 6 October 2022 (the date the PPFA was signed) to 30 June 2024 as ALR Ltd was granted an exemption from the Crown Entities Act 2004, which requires Statements of Intent to cover at least four financial years. As the detailed planning phase for the Auckland Light Rail project was due for completion in 2024, ALR Ltd was exempt from the prescribed reporting period and instead was required to align reporting to the expected date of completion of the detailed planning phase.

The performance measures and targets for the year ending 30 June 2024 were established by ALR Ltd and are considered relevant in providing stakeholders and readers with an indication of project progress prior to the direction to cease work on the project.

The direction to cease work on the project and disestablish the company impacted performance.

Given its planning function ALR Ltd was not expected to make a profit or provide a dividend to its shareholders.

## Statement of Compliance

The Statement of Performance Expectations has been prepared in line with the requirements of the Crown Entities Act 2004 which include the requirement to comply with the New Zealand generally accepted accounting practice (NZ GAAP) and the Companies Act 1993. The Statement of Performance has been prepared in accordance with Tier 1 Public Benefit Entity (PBE) reporting standards consistently throughout this period.

## Disclosure of Judgements and Assumptions

In preparing the Statement of Performance Expectations, ALR Ltd made the following judgements.

### *Selection of measures*

In selecting the performance measures, ALR Ltd was guided by the Cabinet Paper (Auckland Light Rail – decision to progress), the Project Planning and Funding Agreement, as well as direction provided by Cabinet, our Ministers and Sponsors as the project progressed.

Given the significant Crown investment and a high level of public interest in ALR Ltd's delivery, it was important that ALR Ltd had careful stewardship and effective oversight across its activities. Our Statement of Intent (6 October 2022 to 30 June 2024) reflected our strategic objective for the ALR project. The Statement of Performance Expectations set our performance objectives for the financial year. These were agreed with the stakeholders .

The performance measures set in the SPE related to the stage of the project to progress the development of the Corridor Business Case, Corridor Strategic Framework and Statutory approvals. The measures were set to support these objectives for the Crown has sufficient information to make the Final Investment Decision as to whether or not to proceed the ALR Project into the Delivery Phase.

In undertaking the necessary disestablishment activities we did not revise our performance measures but focused on the disposal of the property and disestablishment of the company.

### *Presentation of measures*

We have used the following criteria to rate our actual achievement for the financial year:

- Achieved – where the performance result for the year is equal to or above the target set
- Substantially achieved – where the performance result for the year is below the target but was substantially close to the planned target
- Not achieved but progress made – where the performance result for the year is below the target, but some progress has been made which is not close to target
- Not achieved – where the performance is well below the target and no progress has been made.

These criteria have changed this financial year. Last year, we used the following criteria to rate and report on our performance measures:

- Achieved – where the performance result for the year is equal to or above the target set
- On track – where the performance result for the year is tracking as expected against target but has not been achieved due to the completion date falling into the next reporting period
- Not achieved – where the performance is below the target.

This change has been made to ensure more accurate reporting of progress against the target performance measures given the stage of the project.

N/A is not applicable if referred to in the reporting against performance.

### *Aggregation of measures*

Where performance has been aggregated to determine the actual result judgment has been applied to the progress made against each milestone at the time the project ceased. Further judgements have been reported within the section.

## **Cost of Service Statement**

The following provide the reporting of the cost of services against Auckland Light Rail's output class for 2023/24.

### *Detailed Planning Phase for Auckland Light Rail Project*

Auckland Light Rail has one output class in relation to development of the business case for the ALR project and undertake activities to enable the Crown to make a financial investment decision in relation to the project.

The expected revenue and expenditure against budget for ALR Ltd's reportable outputs for the 12 months to 30 June 2024 was:

Detailed Planning phase for the Auckland Light Rail Project	Actual 2023 \$(000)	Actual 2024 \$(000)	Budget 2024 \$(000)
Total Revenue	77,328	43,450	87,414
Total Expenditure	76,762	41,116	97,986
<b>Net surplus/(Deficit)</b>	<b>566</b>	<b>2,334</b>	<b>(10,572)</b>

## Appropriation Reporting

The following provides the reporting against the Estimates of Appropriation from Vote Transport for Auckland Light Rail, updated for changes in the Supplementary Estimates of Appropriation for 2023/24.

## Strategic Land Acquisition

This appropriation is limited to strategic land acquisition costs for the Auckland Light Rail project.

This was a multi-year appropriation established to support Auckland Light Rail Limited in executing early land acquisition activities. The term of the appropriation was from 12 December 2022 to 30 June 2026.

<b>Appropriation for Strategic Land Acquisition</b>	<b>\$(000)</b>
Original Appropriation	131,000
Actual spend 2022/2023	-
<b>Appropriation remaining 30 June 2023</b>	<b>131,000</b>
Adjustment to appropriation 2023/2024	(98,000)
Actual spend to 2023/2024	(33,000)
<b>Appropriation remaining 30 June 2024</b>	<b>-</b>

During the period property was purchased to the value off \$33m. This appropriation decreased by \$98 million to \$33 million due to Cabinet agreeing to stop central government work on land acquisitions for the Auckland Light Rail project immediately.

## Assessment of performance

Progress for the Early Property Programme is assessed in line with the detailed arrangements agreed by Cabinet and Shareholding Ministers. The first and only property purchase settled in October 2023. This property will be transferred to/sold as part of the disestablishment of ALR Ltd. At 30 June 2024 ALR Ltd began investigating the possibility of an asset transfer to another transport agency that may require the property for future transport projects.

Assessment of Performance	2023 Actual	2024 Target	2024 Actual
Progress the Early Property Programme in line with the detailed arrangements agreed by Cabinet and Shareholding Ministers	0% Not achieved	100%	66%* Not achieved but progress made

\*66% is assessed on the basis that 2 of the 3 performance measures in the early property programme category were achieved (see table in the Statement of Performance – Project Milestones Progress pages 31 and 32).

## Capital Injection

This appropriation is limited to providing capital injections to ALR Ltd for capital expenditure requirements.

This appropriation was intended to provide working capital funding to ensure ALR Ltd can meet its financial liabilities in a timely manner and used towards the completion of detailed planning activities to enable final investment decisions to be made on light rail for Auckland, which was intended to improve public transport options for Aucklanders, support a more connected city, reduce congestion, and transport emissions, and encourage urban development.

<b>Appropriation for Capital Injection</b>	<b>\$(000)</b>
Appropriation	302
Adjustment to appropriation 2023/2024	(52)
Actual spend 2023/2024	-
<b>Appropriation remaining 30 June 2024</b>	<b>250</b>

## Assessment of performance

Assessment of Performance	2023 Actual	2024 Target	2024 Actual
Milestones are completed in line with the programme developed and maintained by ALR Ltd as required through the project Planning and Funding Agreement dated 6 October 2022	N/A	100%	0% Not Achieved

No drawdown was made against the capital injection appropriation in FY2023/24.

This appropriation decreased by \$52,000 to \$250,000 for 2023/24 due to a carry forward to 2024/25 for capital required to progress the company's disestablishment.

Auckland Light Rail Ltd have been advised that it is intended they will self-fund the remainder of the disestablishment of the company and steps are being taken to remove this appropriation for FY24/25 with the dissolution of the funding agreement currently in place.

## Detailed Planning Phase

This was a multi-year appropriation that commenced on 1 October 2022 and expires on 30 June 2025. This appropriation was limited to funding Auckland Light Rail Limited for the detailed planning phase for light rail in Auckland.

<b>Appropriation for Output Expenditure</b>	<b>\$(000)</b>
Original Appropriation	153,465
Actual spend 2022/2023	(76,762)
<b>Appropriation remaining to 30 June 2023</b>	<b>76,703</b>
Adjustment to appropriation 2023/2024	(30,442)
Actual spend 2023/2024	(40,238)
<b>Appropriation remaining 30 June 2024</b>	<b>6,023</b>

This appropriation decreased by \$30.442m following Cabinets agreement to stop work on the Auckland Light Rail project.

Auckland Light Rail Ltd have been advised that it is intended they will self-fund the remainder of the disestablishment of the company and steps are being taken to remove this appropriation for FY24/25 with the dissolution of the funding agreement currently in place.

## Assessment of performance

Assessment of Performance	2023 Actual	2024 Target	2024 Actual
Milestones are completed in line with the programme developed and maintained by ALR Ltd as required through the Project Planning and Funding Agreement dated 6 October 2022	43% Not achieved	100%	10% Not Achieved

10% is assessed on the basis that 1 of the 10 performance measures in the build confidence in the delivery of the programme category were achieved (see table in the statement of performance – Project Milestones Progress page 23). (2023 : 43% as 3 of the 7 performance measures for FY2022/23 were achieved)

## Reporting against our strategic intentions

The table below shows progress against our strategic intentions and where more detail has been reported in the Statement of Performance Expectations reporting section.

Acknowledging the obligation to responsibly spend public money, ALR Ltd continued to follow prudent financial stewardship to manage risk. An open and transparent approach to measuring and reporting on progress towards our outcomes allowed the Government and our stakeholders to measure our performance.

Statement of Intent	Progress against strategic intentions
<b>Programme</b> <ul style="list-style-type: none"> <li>The Corridor Business Case is developed to meet programme deadlines and Sponsors Requirements</li> <li>The Corridor Strategic Framework is developed to meet programme deadlines and Sponsors expectations</li> <li>Strategic land acquisition has been undertaken in accordance with the Early Property Programme</li> <li>A Treasury Gateway Review has been completed</li> </ul>	<b>Build Confidence in the delivery of the Project</b> Actual completion date for the key milestones against target completion date:  Corridor business case <ul style="list-style-type: none"> <li>Aug 2023-March 2024: Market engagement - <b>Not achieved but progress made</b></li> <li>Feb 2024 – Treasury Gateway Review - <b>Not achieved</b></li> <li>April 2024 – Final CBC to Sponsors - <b>Not achieved</b></li> <li>Mid-2024 – Final Investment Decision - <b>Not achieved</b></li> </ul> (see Project Milestones Progress on pages 23 and 24)  Corridor Strategic Framework <ul style="list-style-type: none"> <li>Aug 2023 – Context Analysis Report - <b>Achieved</b></li> <li>Nov 2023 – Provisional catchment development frameworks - <b>Not achieved but progress made</b></li> <li>Nov 2023 - Corridor Strategic Framework - <b>Not achieved but progress made</b></li> </ul> (see Project Milestones Progress on pages 25 and 26)  Strategic land acquisition undertaken in accordance with the Early Property Programme <ul style="list-style-type: none"> <li>Agreement on the approach to acquiring property – <b>Achieved</b></li> </ul>

Statement of Intent	Progress against strategic intentions
	<ul style="list-style-type: none"> <li>• Subject to the approach, agreements with Kāinga Ora and Eke Pānuku to acquire property in place - <b>Not achieved but progress made</b></li> <li>• Commencement of property purchases in accordance with delegations and meeting reporting requirements - <b>Achieved</b> (see Early property programme on pages 31 and 32)</li> </ul>
<b>Relationships</b> <ul style="list-style-type: none"> <li>• Building a culture that ensures authentic and enduring relationships with Mana Whenua through partnering opportunities as well as participation in processes and decision making</li> <li>• There is active participation from a broad range of diverse communities to help inform decision making</li> <li>• There is increasing understanding and public awareness of the ALR Project</li> <li>• Stakeholder confidence that ALR Ltd is good to collaborate and partner with, whether that be Sponsors, local communities, employees and contractors, suppliers, or broader stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Establishing a genuine relationship with Mana Whenua and Māori</li> <li>• Maintaining good relationships with stakeholders, local and central government and local communities</li> </ul> <p>(see pages 28 to 31 for progress made)</p>
<b>Organisational health and capability</b> <ul style="list-style-type: none"> <li>• Developing the team for their current roles, providing flexibility to move staff to other roles within the company and preparing staff for their next career steps</li> <li>• Regularly reviewing the capability of its people to align the available skills with the requirements of the project development lifecycles</li> <li>• Providing a safe environment for employees</li> </ul>	<p>As the work on the project was ceased and employees terminated development of the team and regular reviewing of capability also ceased.</p> <p>(Refer to Zero harm and thriving infrastructure performance reported on page 33)</p>
<b>Funding envelope</b> ALR Ltd will complete the detailed planning phase within the Total Available Funding (defined in the Project Planning and Funding Agreement), through fiscal and budgetary prudence and efficiency, measured by:	<p>As the work on the project was ceased and employees terminated development of the team and regular reviewing of capability also ceased.</p>

Statement of Intent	Progress against strategic intentions
<ul style="list-style-type: none"> <li>• Project spend versus approved appropriation</li> <li>• Timely financial and variance to budget reporting</li> </ul>	<p>Monthly reporting of variance to budget to MoT.</p>

## Statement of Performance Expectations Reporting

The performance measures below relate to our areas of focus. Some measures have changed from last year and there are some additional measures, reflecting:

- The Shareholding Ministers' Letter of Expectations dated 14 January 2024
- Feedback from the Minister of Transport on the draft Statement of Performance Expectations dated 22 May 2023
- Milestones, which reflect progress against the overall programme for the pre-construction planning phase of the project
- Maturity of ALR Ltd – some of last year's milestones reflected the start up nature of ALR Ltd.

Programme targets reflected the key deliverables needed to enable an investment decision in 2024 and to secure planning approvals to enable the project to proceed.

Relationship outcomes reflected the need to build strong relationships, increase awareness and advocacy for the project and create trust and confidence in the project and ALR Ltd as a company.

In the tables below, we have reported against the FY23/24 Statement of Performance Expectations and shown the nearest comparable measure from FY22/23. Where the measure is a new measure, it is shown with an asterisk (\*) in the "how this will be measured" column. Measures were changed from the prior year to reflect what was required to progress the project.

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
<b>Area of focus: Build confidence in the delivery of the project</b>			
The Crown has sufficient information to make the Final Investment Decision as to whether or not to proceed the ALR Project into the Delivery Phase following receipt of the CBC and associated advice.	Monthly and quarterly reporting in accordance with the PPFA.*	N/A	<b>Not achieved but progress made</b>  Monthly and quarterly reporting in accordance with the PPFA ceased in March 2024 with the final reporting period of February 2024. A new monthly reporting mechanism was agreed with MoT to monitor the disestablishment process.
	Monthly meetings with the Crown monitor and sponsors' representatives.*	N/A	<b>Not achieved but progress made</b>  Meetings were held from July to October 2023. The Crown stopped scheduling these meetings after the Coalition Agreements included the requirement to cease work on Auckland Light Rail. From January 2024 until 31 March

			2024, ALR Ltd met weekly with the Ministry of Transport to progress the disestablishment of ALR Ltd. These meetings moved to fortnightly from 1 April to 30 June 2024.
	Actual completion date for the key milestones against target completion date.	43% <b>Not achieved</b> (see prior year judgement on page 17)	10% <b>Not achieved</b> (see judgement on page 17)

## Project milestones progress

Date	Milestone	2023 Actual	2024 Actual
<b>Corridor Business Case (CBC)</b>			
August 2023 – March 2024	Market engagement*	N/A	<p><b>Not achieved but progress made</b></p> <p>During the first two weeks of September, Auckland Light Rail Limited (ALR Ltd) conducted a ‘Market Intelligence Process’ across New Zealand and Australia with selected market participants to better understand the commercial, financial and station development elements of precedent large scale transport projects and to understand lessons learned on these projects, particularly in relation to packaging and contracting, risk profile / allocation, systems integration and interface management. These sessions did not focus on Auckland Light Rail (ALR CC2M / the Project) specifically or seek any indication of appetite in relation to ALR CC2M. Instead, the focus was on understanding participant views on the current market environment and lessons learned from relevant precedent projects. The information obtained through this process was intended to inform the development of procurement options, and the key commercial and financial elements of the CBC. This was not completed because of the Government’s instruction to cease work and disestablish ALR Ltd.</p>
February 2024	Treasury Gateway Review	On track	<p><b>Not achieved</b></p> <p>The Gateway Review could only be undertaken once the Corridor Business Case was</p>

Date	Milestone	2023 Actual	2024 Actual
			substantially complete. We set out below the completion status of each of the cases in the Corridor Business Case, which was not completed. The Treasury Gateway Review was scheduled to occur in February 2024, which was after the instruction to cease work. For this reason the Gateway Review did not take place.
April 2024	Final CBC to Sponsors*	N/A	<b>Not achieved</b> This was not achieved because of the Government's instruction to cease work and disestablish ALR Ltd. See below for the completion status of each of the cases in the Corridor Business Case.
Mid 2024	Final investment decision	On track	<b>Not achieved</b> This was not achieved because of the Government's instruction to cease work and disestablish ALR Ltd.

In order to meet the “Final CBC to Sponsors” milestone in April 2024, each of the cases in the Corridor Business Case set out below would have needed to have been 100% complete.

The Corridor Business Case was subject to progressive internal and external assurance, including by Ernst Young, who provided a technical peer review and a Board appointed assurance panel. The percentages below have been assessed, based on advice from the alliance, external peer review and internal assessment by ALR Ltd.

- The Strategic Case was completed to a 95% draft and endorsed by the ALR Ltd Board, having been through a full external assurance process.
- The Economic Case was completed to a 90% draft and endorsed by the ALR Ltd Board, having been through a full external assurance process.
- The Financial Case was completed to a 50% draft.
- The Transport Commercial Case was completed to a 50% draft.
- The Urban Commercial Case was completed to a 70% draft.
- An early draft of the Management Case was completed.

The draft CBC was presented to officials from the Ministry of Transport, Treasury and MHUD in December 2023.

The CBC was not completed due to post election announcements that the project would be cancelled and the January 2024 instruction to cease work on the project.

Date	Milestone	2023 Actual	2024 Actual
<b>Corridor Strategic Framework (CSF)</b>			
August 2023	Context Analysis Report (CAR)	On track	<b>Achieved</b> The CAR is a component of CSF. It integrates relevant policies, plans, background information, and data that provides context to the project from city wide to catchment level spatial areas. The CAR is in constant evolution as plans and policies are developed and revised and place-based information becomes available. Version 2 of the CAR was completed 31 July 2023.
November 2023	Provisional Catchment Development Frameworks (PCDFs)*	N/A	<b>Not achieved but progress made</b> The PCDFs are also a component of the CSF. They are a place-based expression of urban change to inform the completion of the CSF and input into the CBC. A 20% draft of the PCDFs remain in a working format. Further work was also undertaken on broad urban regeneration areas within the ALR corridor. An Urban Regeneration Areas report summarises the 'work in progress' understanding of the urban opportunity and future aspiration of five areas of urban regeneration in the corridor. The PCDFs were not completed because the company decided to slow down this work, in light of public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled. This decision was made in the interests of financial prudence.
November 2023	Corridor Strategic Framework	On track	<b>Not achieved but progress made</b> The Corridor Strategic Framework provides the

Date	Milestone	2023 Actual	2024 Actual
			<p>overarching direction for the project, establishing how the transport and urban elements are to be integrated, and delivered, along the corridor. It articulates corridor-wide and place-based vision and sets the framework for the delivery of quality urban systems. The CSF was completed to a 50% draft. The CSF was not completed because the company decided to slow down this work in light of public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled. This decision was made in the interests of financial prudence.</p>
<b>Statutory approvals</b>			
August 2023	Lodgement of 18 Notices of Requirement for the route and stations between Te Waihorotiu Station to Te Ararata Station (includes 12 stations and the depot)*	N/A	<p><b>Not achieved but progress made</b></p> <p>ALR Ltd had made an application for Requiring Authority status, which is a prerequisite to lodgement. Consideration of this application was deferred by the Minister for the Environment until after the election. At its July 2023 meeting, the Board agreed that the Notices of Requirement package and coastal consents for the ALR transport infrastructure between Te Waihorotiu Station and the Auckland Airport boundary were ready for lodgement (subject to Sponsor approval) but would need to be deferred given the Minister had deferred the Requiring Authority status decision. The Board considered deferral would also permit further engagement with mana whenua, stakeholders and the community, and</p>

Date	Milestone	2023 Actual	2024 Actual
			additional work to be undertaken in relation to property acquisition and noted that timing of lodgement would continue to be reviewed by the ALR Board.
November 2023	Lodgement of 4 Notices of Requirement for Mangere Town Centre and Mangere Industrial stations with associated route, and coastal resource consents for crossing of the Manukau Harbour Crossing, Onehunga Lagoon and Te Ararata Street.*	N/A	<b>Not achieved but progress made</b> This was proposed to be a second tranche of lodgements and was not achieved for the same reason as the earlier tranche of lodgements.
February 2024	Concurrent notification of all Notices of Requirement and coastal crossing consents anticipated.*	N/A	<b>Not achieved</b> Notification would have occurred once the Notices of Requirement and coastal crossing consents had been lodged with Council and gone through an assessment and clarification process. The Notices of Requirement were not lodged. Work stopped on the coastal crossing consents, following the decision not to lodge the Notices of Requirement.
Late 2024	Environment Court hearing anticipated.*	N/A	<b>Not achieved</b>

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
<b>Area of focus: Establishing a genuine relationship with Mana Whenua and Māori</b>			
Building a culture that ensures authentic and enduring relationships with Mana Whenua through partnering opportunities as well as participation in all processes and decision making. Commercial opportunities for mana whenua and Māori identified.	Number of governance and leadership meetings with mana whenua.	On track	<b>Not achieved but progress made</b> There was no specific target for the number of meetings to be held. 4 meetings were held during this period. Meetings did not continue following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled. No specific commercial opportunities for mana whenua and Māori were identified.
	Number of meetings with kaitiaki.	On track	<b>Not achieved but progress made</b> There was no specific target for the number of meetings to be held. The majority of meetings with kaitiaki were held in the previous financial year, prior to the intended lodgement of Notices of Requirement in August 2023. There were 7 meetings held between July and September 2023. With the decision not to lodge, the regular scheduled meetings were paused.
	Māori (Mana Whenua, Mataawaka) feedback has been heard and responded to, evidenced by reporting to ALR Board and Sponsors.*	N/A	<b>Not achieved but progress made</b> In the period from 1 July to 31 October 2023 the Board received a monthly report from the Te Tiriti partnerships team. These reports ceased following public announcements prior to the coalition agreements in November 2023 that it was likely that

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
			the project would be cancelled. Decision papers and progress reports to Sponsors and officials included the views of mana whenua.
	Te Ohanga Māori strategy developed.*	N/A	<b>Not achieved but progress made</b> The Te Tiriti Partnerships team reported the ALR Ltd Board on progress on the development of Te Ohanga Māori (Māori economy) strategy. The strategy was not completed or approved, as work ceased following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled. This decision was made in the interests of financial prudence.
<b>Area of focus: Maintaining good relationships with stakeholders, local and central government and local communities</b>			
<ul style="list-style-type: none"> <li>There is active participation from a broad range of diverse communities to help inform decision making.</li> <li>Our structures and processes support and ensure organisation-wide partnering, collaboration and relationship management is embedded into all outcomes.</li> <li>We use fit for purpose tools to apply local approaches to address community issues and opportunities</li> </ul>	Two annual stakeholder surveys to measure the level of public understanding and sentiment about the project so that communications and engagement activities can be targeted to deliver an increase in knowledge.	Achieved	<b>Not achieved</b> Kantar Public Surveys were completed in December 2022 and June 2023. The next survey would have been scheduled for the end of 2023 but did not occur following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled.
	Organising, tracking and reporting event and engagement activities that support delivery of	On track	<b>Achieved</b> This was achieved to the point when event and engagement activities ceased, following public

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
<ul style="list-style-type: none"> <li>There is increasing understanding and public awareness of the ALR Project.</li> <li>Stakeholders have trust and confidence that ALR Ltd is good to collaborate and partner with, whether that be Sponsors, local communities, employees and contractors, suppliers, and boarder stakeholders.</li> </ul>	programme milestones to inform decision making.		announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled.
	Six monthly survey measuring satisfaction with ALR Ltd, as an organisation with which to deal.*	N/A	<b>Not achieved but progress made</b> Survey of 115 stakeholders completed in Sept 2023. More stakeholders rated us positively or neutral across all questions and categories and overall sentiment was positive that ALR had a willingness to engage and work collaboratively. A second survey was not completed due to the Government's instruction to cease work and disestablish ALR Ltd.
	Year on year increase in visits to engagement channels including website and engagement portal.*	N/A	<b>Achieved</b> The ALR website achieved an increase in usage measured between September 2022, (56 users and 184 page views) and November 2023 (2,900 users and 6,193 page views).
	Contributing to a minimum of five editorial publications.	Not achieved	<b>Not achieved</b> ALR Ltd did not contribute to any editorial publications following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled.
	Minimum of 8 proactive media releases and activations.	Not achieved	<b>Not achieved</b> ALR Ltd did not make any proactive media releases or activations following public announcements prior to the coalition agreements in November 2023 that it was

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
			likely that the project would be cancelled.
<b>Area of focus: Urban development</b>			
Preferred options are identified to fully realise the benefit of the transport infrastructure investment through attracting a greater proportion of city development to the corridor.	Joint Strategic Relationship Group has been established with Kāinga Ora and Eke Panuku.*	N/A	<b>Not achieved but progress made</b> Established and Terms of Reference drafted. Work ceased following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled.
	A programme of work to progress priority locations for intervention has been agreed and resourced.*	N/A	<b>Not achieved but progress made</b> Potential urban development opportunities identified in market attractive locations. This was not taken further ALR Ltd did not contribute following public announcements prior to the coalition agreements in November 2023 that it was likely that the project would be cancelled.
<b>Area of focus: Early property programme</b>			
<ul style="list-style-type: none"> <li>The mechanism for acquiring property has been agreed with shareholding Ministers.</li> <li>Subject to the approach, agreements have been entered into with urban development agencies Kāinga Ora and Eke Pānuku.</li> <li>Commencement of property purchases on a willing buyer/ willing seller basis.</li> </ul>	Agreement on the approach to acquiring property.	On track	<b>Achieved</b> On 7 December 2022 Cabinet authorised \$131 million of funding for early land acquisition by ALR Ltd. This was preceded by the ALR Sponsors' consideration and endorsement of an Early Property Programme which included a set of objectives and priority locations for early property acquisition to support ALR. The EPP was intended to apply for the period leading up to the final investment decision. On 1 August 2023, the Minister of Transport

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
			confirmed that Cabinet had authorised the drawdown of this funding for early land acquisition by ALR Ltd.
	Subject to the approach, agreements with Kāinga Ora and Eke Pānuku to acquire property in place.*	N/A	<b>Not achieved but progress made</b> A draft agreement with Eke Pānuku (on behalf of Auckland Council) was prepared but not approved or agreed. This was not completed because of the Government's instruction to cease work and disestablish ALR Ltd. No agreements with Kāinga Ora were drafted.
	Commencement of property purchases in accordance with delegations and meeting reporting requirements.	On track	<b>Achieved</b> In October 2023 ALR Ltd settled on its first property under the 'Early Property Programme'. The acquisition was made by tender on a 'willing seller, willing buyer basis' at an agreed value of \$33m. This was approved by the shareholding Ministers.
<b>Area of focus: Integration with other wider transport network and particularly projects, including Additional Waitematā Harbour Connections and North West Rapid Transit Corridor</b>			
Decision makers can make decisions based on a view of the whole Auckland rapid transit network.	Common assumption base across the three projects used.*	N/A	<b>Substantially achieved</b> Common base modelling assumptions used across ALR, Waitemata Harbour Connections and Northwest Rapid Transit project. The Auckland Rapid Transit Plan was updated to reflect the current status of the three projects. Ongoing and integration/interface meetings were held as required.
	Statement of no objection received	N/A	<b>Not achieved</b>

Outcome	How this will be measured (Target)	2023 Actual	2024 Actual
	from the two projects and Auckland Transport received in support of the notice of requirement.*		This was not achieved, as decisions about lodgement of the Notices of Requirement were deferred.
<b>Area of focus: Zero harm and thriving infrastructure</b>			
Project has been developed in accordance with zero harm and thriving infrastructure principles.	Improvement on the Satisfaction score in the Human Synergistics OCI/ OEI survey.*	N/A	<b>Not achieved</b> ALR Ltd did not undertake any surveys in the period.
	Number of near misses on site reported.*	N/A	<b>Achieved</b> The ALR Ltd Board received health and safety reporting each month. There were no near misses in the period.
	Number of meetings with the Waka Kotahi rail regulator.*	N/A	<b>Achieved</b> There was no specific target for the number of meetings to be held. Four meetings between ALR and the Rail Regulator were held including a formal project update in May 2023. The Rail Regulator attended the first of a planned series of safety stage gates in August 2023 and gave approval for the project to proceed in accordance with the safety assurance plan presented.

## Financial statements

Corporate directory	35
Statement of responsibility	36
Statement of financial performance	37
Statement of financial position	38
Statement of changes in equity	39
Statement of cash flows	40
Notes to the financial statements	42
Remuneration and governance disclosures	62
Independent auditors report	65

## Corporate directory

### *Board*

**Dame Fran Wilde**

Chair

**Leigh Auton**

**Heather Ash** (until 14 January 2024)

**Lucy Tukua** (until 14 January 2024)

**Leo Foliaki** (until 14 January 2024)

**Chris Aiken** (until 14 January 2024)

**Shane Ellison** (until 14 January 2024)

### *Senior Management*

**Tommy Parker** (until 29 March 2024)

Chief Executive

**Lucy Riddiford** (until 29 March 2024)

GM, Corporate & Policy

**Sarah Azam** (until 29 March 2024)

GM, Communications & Engagement

**Cameron Law** (until 29 March 2024)

Head of Business Case & Consenting

**Tipa Compain** (until 29 March 2024)

GM, Treaty Partnerships

**Amanda Harland** (until 27 February 2024)

Head of Urban Strategy

**Alan Peddie** (until 27 February 2024)

Head of Design & Delivery

### *Bankers*

Bank of New Zealand

### *Auditors*

Audit NZ on behalf of the Office of the Auditor-General

### *Registered Office*

Chief Post Office

Level 3, 12 Queen Street

Britomart

Auckland 1010

### *Solicitors*

**Buddle Findlay Ltd**

P O Box 2694

Wellington, 6140

**Simpson Grierson**

Private Bag 92518


Auckland, 1141

## Statement of responsibility

Auckland Light Rail Ltd is a Crown Entity registered under schedule 2 of the Crown Entities Act 2004.

The Board is responsible for the preparation of the financial statements, statement of performance and any end of year performance information provided by ALR Ltd in accordance with the Public Finance Act 1989, the Crown Entities Act 2004 and the Companies Act 1993.

The Board is responsible for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting. In the opinion of the Board, the financial statements and statement of performance for the year ended 30 June 2024 fairly reflect the financial position and operations of ALR Ltd at that date.



Dame Fran Wilde

31 October 2024



Leigh Auton

31 October 2024

## Statement of financial performance

For the year ended 30 June 2024

		Actual 2024 \$(000)	Actual 2023 \$(000)	Budget 2024 \$(000)
	Note			
<b>Revenue</b>				
Grant revenue	2	40,238	76,762	87,414
Rental revenue	2	1,560	-	-
Interest revenue	2	1,341	566	500
Other revenue	2	314	-	-
<b>Total revenue</b>		<b>43,453</b>	<b>77,328</b>	<b>87,914</b>
<b>Expenses</b>				
Employment expenses	3	3,947	2,127	5,552
Professional services (Urban, Engineering, Design, Planning, Legal, Commercial)	4	31,792	67,927	79,954
IT expenses	5	1,090	938	1,583
General expenses	6	3,376	5,273	10,860
Operating leases	7	582	476	-
Impairment of property	11	1,432	-	-
Depreciation and amortisation expenses	11	71	21	37
Asset disposals	11	260	-	-
<b>Total expenditure</b>		<b>42,550</b>	<b>76,762</b>	<b>97,986</b>
<b>Surplus/(deficit) for the year</b>		<b>903</b>	<b>566</b>	<b>(10,072)</b>
<b>Total comprehensive revenue and expense for the year</b>		<b>903</b>	<b>566</b>	<b>(10,072)</b>

This statement is to be read in conjunction with the notes to the financial statements.

Explanations of major variances against budget are provided within the notes to the financial statements.

The actual results for 2023 in this statement was for the 8 months to 30 June 2023.

## Statement of financial position

As at 30 June 2024

		Actual 2024 \$(000)	Actual 2023 \$(000)	Budget 2024 \$(000)
	Note			
<b>Assets</b>				
Cash and cash equivalents	8, 16	28,240	23,254	18,794
Demand deposits	8	214	-	-
Trade and other receivables	9, 16	35	33,215	-
Prepayments	9	218	186	50
Non-current assets held for disposal	10	31,568	-	-
<b>Total current assets</b>		<b>60,275</b>	<b>56,655</b>	<b>18,844</b>
Prepayments	9	-	28	30
Property, plant and equipment	11	-	369	124,756
<b>Total non-current assets</b>		<b>-</b>	<b>397</b>	<b>124,786</b>
<b>Total Assets</b>		<b>60,275</b>	<b>57,052</b>	<b>143,630</b>
<b>Liabilities</b>				
Accounts payable and accruals	12,16	179	30,765	3,431
Tenancy bonds held	10	213	-	-
Dividend payable	14	20,000	-	-
Current employee entitlements	13	-	307	300
<b>Total current liabilities</b>		<b>20,392</b>	<b>31,072</b>	<b>3,731</b>
<b>Total liabilities</b>		<b>20,392</b>	<b>31,072</b>	<b>3,731</b>
<b>Net assets</b>		<b>39,883</b>	<b>25,980</b>	<b>139,899</b>
<b>Equity</b>				
Contributed capital (ordinary shares)	14	25,000	25,000	25,000
Capital injection		33,414	414	124,406
Shareholder dividend	14	(20,000)	-	-
Retained earnings		1,469	566	(9,507)
<b>Total equity</b>		<b>39,883</b>	<b>25,980</b>	<b>139,899</b>

This statement is to be read in conjunction with the notes to the financial statements.  
 Explanations of major variances against budget are provided within the notes to the financial statements.  
 The actual results for 2023 in this statement was for the 8 months to 30 June 2023.

## Statement of changes in equity

For the year ended 30 June 2024

	Note	Retained earnings \$(000)	Contributed capital \$(000)	Total \$(000)
<b>Opening Balance at 1 July 2023</b>		<b>566</b>	<b>25,414</b>	<b>25,980</b>
Total comprehensive revenue and expenses for the year		903	-	903
<b>Owner transactions:</b>				
Funding received share issue		-	-	-
Capital injection		-	33,000	33,000
Shareholder dividend	<b>14</b>	-	(20,000)	(20,000)
<b>Balance at 30 June 2024</b>		<b>1,469</b>	<b>38,414</b>	<b>39,883</b>
 <b>Opening Balance at 6 October 2022</b>		 -	 -	 -
Total comprehensive revenue and expenses for the year		566	-	566
<b>Owner transactions:</b>				
Funding received share issue		-	25,000	25,000
Capital injection		-	414	414
<b>Balance at 30 June 2023</b>		<b>566</b>	<b>25,414</b>	<b>25,980</b>

This statement is to be read in conjunction with the notes to the financial statements.  
The actual results for 2023 in this statement was for the 8 months to 30 June 2023.

## Statement of cashflows

For the year ended 30 June 2024

	Note	Actual 2024 \$(000)	Actual 2023 \$(000)	Budget 2024 \$(000)
<b>Cash flows from operating activities</b>				
Grants received		73,462	46,994	104,192
Rental income		1,527	-	-
Interest received		1,341	566	500
Employee costs		(4,149)	(1,769)	(5,390)
Superannuation		(105)	(51)	(156)
Suppliers		(67,426)	(44,063)	(102,642)
Other receipts/(payments)		302	(3,447)	-
<b>Net cash from operating activities</b>		<b>4,952</b>	<b>(1,770)</b>	<b>(3,496)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment		-	(390)	(124,635)
Acquisition of non-current asset held for disposal	10	(33,000)	-	-
Proceeds from sale of property, plant & equipment		34	-	-
<b>Net cash from investing activities</b>		<b>(32,966)</b>	<b>(390)</b>	<b>(124,635)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issue of contributed capital	14	-	25,000	124,334
Proceeds from capital injection		33,000	414	-
<b>Net cash from financing activities</b>		<b>33,000</b>	<b>25,414</b>	<b>124,334</b>
<b>Net (decrease)/increase</b>		<b>4,986</b>	<b>23,254</b>	<b>(3,797)</b>
<b>Opening cash and cash equivalents</b>		<b>23,254</b>	<b>-</b>	<b>22,591</b>
<b>Closing cash and cash equivalents</b>		<b>28,240</b>	<b>23,254</b>	<b>18,794</b>
<b>Made up of</b>				
Cash at bank		28,240	23,254	18,794
<b>Total cash and cash equivalents</b>	<b>8</b>	<b>28,240</b>	<b>23,254</b>	<b>18,794</b>

This statement is to be read in conjunction with the notes to the financial statements.

Explanations of major variances against budget are provided within the notes to the financial statements.

The actual results for 2023 in this statement was for the 8 months to 30 June 2023.

**Reconciliation of operating surplus with net cash from operating activities**

	<b>Actual 2024 \$(000)</b>	<b>Actual 2023 \$(000)</b>	<b>Budget 2024 \$(000)</b>
Surplus/(deficit) for the year	903	566	(10,072)
<i>Adjustments for:</i>			
Depreciation and amortisation	71	21	37
Asset disposals	260	-	-
Rental accrued (not received)	(33)	-	-
Impairment of property	1,432	-	-
Operating expenditure accruals	94	-	-
<i>Working capital movements:</i>			
(Increase)/decrease in accounts receivables, prepayments, and other assets	32,999	(33,429)	16,864
Increase/(decrease) in accounts payables, accruals, and other liabilities	(30,774)	31,072	(10,325)
<b>Cash generated from operating activities</b>	<b>4,952</b>	<b>(1,770)</b>	<b>(3,496)</b>

This statement is to be read in conjunction with the notes to the financial statements.

The actual results for 2023 in this statement was for the 8 months to 30 June 2023.

## Notes to the financial statements

### 1. Statement of accounting policies

#### Reporting entity

Auckland Light Rail Limited (the 'Company' or 'ALR Ltd') is a Crown Entity, registered under schedule 2 of the Crown Entities Act and is domiciled in New Zealand.

The Company was incorporated on 22 September 2022 and is wholly owned by the Crown through the Minister of Transport, Minister of Finance and the Minister of Housing.

The Company has been set up to develop a detailed plan and Business Case for the Auckland Light Rail project to enable the Crown to make a final investment decision and does not operate to make a financial return. ALR Ltd commenced operations with effect from 1 November 2022.

ALR Ltd is designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements are for the year ended 30 June 2024 and were approved by the Board.

#### Basis of Preparation

On 14 January 2024 the new Government announced, as part of its 100 Day Action Plan, to stop central work on the Project.

The Crown advised ALR Ltd to cease work on the Project and initiate a process to wind up the Company as soon as possible. At 30 June 2024 the majority of the disestablishment had been completed with:

- major contracts cancelled,
- all staff being made redundant,
- office closed and;
- minor assets disposed of.

As a result, the financial statements have been prepared on a disestablishment basis.

The disposal of a property acquired is still in progress and is expected to occur within twelve months with a proposal underway to investigate a potential land swap between Government agencies based on the properties significant relevance for future transport projects. A decision regarding the potential land swap is expected soon. At the time of the signing a decision has not yet been finalised. This would involve property swaps between agencies on a 'like for like' value basis with a possible transfer of cash to bridge any gap in value.

Changes have been made to the recognition and measurement basis and presentation of assets and liabilities in these financial statements due to the disestablishment basis of preparation. All assets and liabilities are presented as current as a result of the planned disestablishment, including land and buildings which have been classified as held for disposal at 30 June 2024.

The Company is reliant on income received from the property as well as cash reserves to self-fund until final disestablishment can be completed upon disposal of the property. The Company is expected to have sufficient funds available to complete the disestablishment process.

## **Statement of Compliance**

These financial statements have been prepared in accordance with the requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP) and the Companies Act 1993. The Company is a Public Benefit Entity (PBE) for financial reporting purposes and reports under Tier 1 PBE standards.

## **Presentation Currency and Rounding**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), except for Board member remuneration and related party transactions which are rounded to the nearest dollar.

## **New or Amended Standards Adopted**

### 2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. The company has adopted the revised PBE standards, and the adoption did not result in any significant impact on the financial statements.

## **Other changes in accounting policies**

There have been no other changes in ALR Ltd's accounting policies since the date of the last audited financial statements.

## **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 standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are unlikely to have an impact on the Company's financial position, performance, and/or disclosures.

## **Summary of Significant Accounting Policies**

Specific accounting policies are disclosed in the notes to which they relate. All other accounting policies that do not relate to a specific disclosure note are outlined below.

### **Income Tax**

ALR Ltd is a Public Authority in accordance with the Income Tax Act 2007 (sec CW 38) and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

### **Goods and Services Tax**

Items in the financial statements are presented exclusive of GST, except for receivables and payables which are presented on a GST inclusive basis.

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

### **Budget figures**

The budget figures are derived from the Statement of Performance expectations as approved by the Board. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing last years financial statements.

### **Foreign currency transactions**

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### **Significant accounting judgements, estimates and assumptions**

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- The value of the Property held for disposal – see note 10.

These significant estimates and assumptions are highlighted in the relevant note.

### **Critical judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

- Grant Revenue - see note 2
- Fair value assessment of 317-319 New North Road, Kingsland property - see note 10

These judgements are highlighted in the relevant note.

## 2.Revenue

### Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

The specific accounting policies for significant revenue items are explained below:

### Grant Revenue

#### Critical judgements in Applying Accounting Policy

ALR Ltd exercises its judgement in determining whether funding from the Crown is received in an exchange or non-exchange transaction. In making its judgement, the company considers factors such as the following:

- Whether the funder has substantive rights to the scope/output. This is a persuasive indicator of exchange or non-exchange.
- Nature of the funder.
- Specificity of the funding arrangement contract.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding appropriation.

ALR Ltd is primarily funded from the Crown. This funding is restricted in its use for the purpose of ALR Ltd meeting the objectives specified in the Project Planning Funding Agreement and the scope of the relevant appropriations of the funder. This funding has ceased as at 30 June 2024 and ALR Ltd will continue operations funded primarily by way of income received from the property at 317-319 New North Road until it can be disposed of and the disestablishment is completed.

The fair value of the revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Funding from the Crown is non exchange revenue.

There are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. In accordance with the Project Planning and Funding Agreement, this is considered to be when the funding claim is invoiced monthly in arrears.

Grants are paid monthly in arrears based on spend to date and are recognised as revenue when they become receivable.

#### Explanation of major variances against budget

Grant revenue was \$47.2 million below budget. This is due to due to Cabinets instruction to cease work on the project and commence the disestablishment of the Company. The budgets were prepared with the intention the Company would be fully operational up to 30 June 2024.

## Rental Revenue

Rental revenue under an operating lease is recognised as revenue on a straight-line basis over the lease term and is included in revenue in the statement of financial performance due to its operating nature.

Outstanding customer receivables are monitored monthly and balances >30 days are followed up for recovery. As at 30 June 2024, there were two property debtors with total outstanding balances of \$ 0.01m (2023: Nil). No provision for credit losses or allowances have been accounted for as a result.

### Explanation of major variances against budget

Rental revenue was \$1.6 million above budget. This revenue was not anticipated at the time the FY 2024 budgets were prepared. The rental revenue relates to the property at 317-319 New North Road, Kingsland.

## Interest revenue

Interest revenue is recognised by accruing on a time proportion basis. Interest is received on the cash held at the bank and is included in revenue in the statement of financial performance.

## 3. Employment expenses

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the periods in which the employees rendered the related services and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for sick leave are recognised when the leave is taken and are measured at the rates paid.

Employer contributions to KiwiSaver are accounted for as a 'Defined Contribution Superannuation scheme' and are expensed in the surplus or deficit as they are incurred.

Costs for additional resources for seconded staff to ALR Ltd are included in note 4 Professional Services as the employment relationship and responsibilities remain with their home organisations.

	30 June 2024	30 June 2023
	\$(000)	\$(000)
Salaries and wages	3,291	1,947
Defined Contribution Plan Employer Contributions	105	56
Other employment related costs	551	124
Increase/(Decrease) in employee entitlements	-	-
	<b>3,947</b>	<b>2,127</b>

### Explanation of major variances against budget

Employment expenses were \$1.6m below budget due to disestablishment of ALR Ltd. All employment related expenses including redundancies were finalised and paid by 31 March 2024.

#### 4. Professional services

Professional services are services provided by specialist external consultants, resources seconded to ALR Ltd and the ALR Alliance partners. These professional services are classified as design, engineering, non-engineering, resources on secondment and legal fees.

Types of Professional Services	30 June 2024	30 June 2023
	\$(000)	\$(000)
Design Professional Services	4,260	16,361
Engineering Services	3,841	7,351
Legal Fees & Disbursements – Consultants	191	653
Non-Engineering Services	21,431	41,245
Resources on Secondment	2,069	2,317
<b>Total</b>	<b>31,792</b>	<b>67,927</b>

##### Explanation of major variances against budget

Professional expenses were under budget by \$48.2 million due to the disestablishment of the company. All major contracts relating to the project have been closed.

#### 5. IT expenses

IT expenses include information technology support costs, computer software, licenses and maintenance costs required for business operations.

	30 June 2024	30 June 2023
	\$(000)	\$(000)
IT Support	521	562
Computer Software	171	69
Computer Licences	216	97
Software Maintenance	182	210
	<b>1,090</b>	<b>938</b>

##### Explanation of major variances against budget

IT expenses were under budget by \$0.5 million due to the disestablishment of the company. A number of contracts remain open to assist with disestablishing the company.

#### 6. General expenses

General expenses include costs such as audit fees, advertising and communications, Directors fees, Iwi Engagement, telecommunications and other office operating costs.

Breakdown of other expenses and further information:

	30 June 2024 \$(000)	30 June 2023 \$(000)
Fees to auditor		
- Audit fees	184	135
- Additional Audit fees for FY 2023	20	
- fees to Audit NZ for other services	-	-
Advertising/Communications	43	321
Directors Fees	350	284
Iwi Engagement	128	226
Travel and accommodation	1,881	3,905
Other expenses	770	402
	<b>3,376</b>	<b>5,273</b>

#### Explanation of major variances against budget

General expenses were under budget by \$7.5 million due to the disestablishment of the company and cessation of operations. A number of contracts remain open to assist with disestablishing the company.

## 7. Operating leases

### Accounting Policy

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

### Operating lease commitments - Company as a lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased items to the Company. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term.

The Company had commercial and rental property leases for two properties. These leases were terminated during the year as part of the disestablishment of the Company.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows:

	30 June 2024 \$(000)	30 June 2023 \$(000)
Less than one year	-	508
One to five years	-	204
More than five years	-	-
	<b>-</b>	<b>712</b>

### Operating lease commitments - Company as a lessor

Rent received from an operating lease is recognised as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the periods in which they are earned.

The Company has entered into commercial and rental property leases on its property portfolio consisting of the Company's building at 317 – 319 New North Road. These non-cancellable leases have remaining terms of less than three years. Each lease includes a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	30 June 2024	30 June 2023
	\$(000)	\$(000)
Less than one year	1,869	-
One to five years	3,081	-
More than five years	128	-
	<u>5,078</u>	<u>-</u>

ALR Ltd is in the process of disposing the property and future operating lease commitments will be transferred to the new property owners on settlement. Therefore, not all of the future minimum rentals will be realised by ALR Ltd.

## 8. Cash and cash equivalents

### Accounting Policy

Cash and cash equivalents include cash on hand and held on call.

	30 June 2024	30 June 2023
	\$(000)	\$(000)
Cash at bank	28,240	23,254
	<u>28,240</u>	<u>23,254</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

While cash and cash equivalents at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

### Demand Deposits

Demand deposits of \$0.2m (2023: Nil) relate to commercial tenancy bonds held in an interest-bearing trust account. These bonds are held on behalf of the tenants of the property at 317-319 New North Road, Kingsland and the use of these funds is restricted. ALR Ltd is the process of disposing the property and the demand deposits will be transferred to the new property owners on settlement.

**Explanation of major variances against budget**

Cash and cash equivalents were \$9.4 million above budget. This is a result of the budget being based on recovery of actual costs incurred by Auckland Light Rail from Ministry of Transport but a reduction in spend due to disestablishing the company resulted in more funds being held as cash at year end.

**9. Trade and other receivables****Accounting Policy**

Short-term receivables are recorded at the amount due, less an allowance for credit losses. ALR Ltd applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. These have been grouped based on the days past due.

	Note	30 June 2024 \$(000)	30 June 2023 \$(000)
<b>Current</b>			
Trade receivables		2	79
Receivables from related parties	14 (ii)	-	29,689
GST receivable		-	3,447
Sundry receivables		33	-
Prepayments		218	186
		<u>253</u>	<u>33,401</u>
<b>Non-Current</b>			
Prepayments		-	28
		<u>-</u>	<u>28</u>
<b>Trade and other receivables and prepayments</b>		<u>253</u>	<u>33,429</u>
<b>Trade and other receivables and prepayments comprise:</b>			
<i>Trade and other receivables from exchange transactions</i>			
Trade receivables		2	79
Receivables from related parties		-	29,689
Sundry receivables		33	-
		<u>35</u>	<u>29,768</u>
<b>Trade and other receivables from exchange transactions</b>		<u>35</u>	<u>29,768</u>
<i>Trade and other receivables and prepayments from non-exchange transactions</i>			
GST receivable		-	3,447
Prepayments		218	214
<b>Trade and other receivables and prepayments from non-exchange transactions</b>		<u>218</u>	<u>3,661</u>

As at 30 June, the aging analysis of trade receivables was:

	\$(000)	\$(000)	\$(000)	\$(000)
	0–30 days	30–60 days	60–90 days	>90 days
Trade receivables 30 June 2024	-	2	-	-
Trade receivables 30 June 2023	-	-	-	79

The estimation techniques or significant assumptions used in measuring the expected credit loss allowance during the reporting period are based on the trend over the 12 month period. No credit loss allowance has been applied for the period ended 30 June 2024.

Related party receivables relate to grant revenue from the Ministry of Transport as per normal arm's length transactions.

Prepayments relates to insurance premiums paid in advance and are recognised as both current and non-current assets. The insurance provides for statutory and general liability insurance.

#### **Explanation of major variances against budget**

Trade and other receivables and prepayments were \$0.17 million above budget due to prepayment on insurance and software licences not originally budgeted.

## **10. Non-Current Asset Held for disposal**

### **Accounting Policy**

PBE IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* has been adopted for the annual report to 30 June 2024 as a result of the disestablishment notice for ALR Ltd to cease all activities and disestablish the entity.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

### **Critical Judgments in Applying Accounting Policy**

#### Estimating the fair value of 317-319 New North Road, Kingsland Property

The company relies on the services of an independent Registered Valuer, Seagars & Partners Limited, to assess the carrying value of the Property at 317-319 New North Road, Kingsland. The valuer determined the fair value to sell as at 30 June 2024 for financial reporting purposes. This

valuer undertook work in accordance with the International Valuation Standards (effective 31 January 2022) together with the Guidance Papers for Valuers and Property Professionals (GPVPP) set out in the Australia and New Zealand Valuation and Property Standards together with the Public Benefit Entity International Financial Reporting and Public Sector Accounting Standards.

ALR Ltd performed an assessment of the fair value less costs to sell using the value provided by the Independent Registered Valuer. This value reflects the movements in the market value for the potential disposal of the property. It provides an indicative estimate of the degree of market movement but does not contain the depth of analysis or robustness of a comprehensive valuation. The assessment indicated a decrease in value of 4% or \$1.4m of the company's property from when it was purchased in October 2023. Due to the decrease indicated the company has used it as a basis for adjusting the carrying value of the property at 30 June 2024 and accordingly an impairment of \$1.4m was recorded at balance date. Refer to Note 11.

The value of non-current assets held for disposal is \$31.6m (2023: Nil) which is the fair value less cost to sell. Auckland Light Rail Ltd is exploring the potential requirements of other transport related agencies to determine if there is a possibility of transferring the property for strategic purposes for use in conjunction with other transport projects. Should an agreement not be reached on the transfer of the property the Company intends to dispose of the property through the open market subject to relevant approvals. The transfer/sale of the property is expected to occur within 12 months of balance date.

	30 June 2024 \$(000)	30 June 2023 \$(000)
Total fair value of non-current assets held for disposal	31,568	-

### **Tenancy bonds held**

Tenancy bonds of \$0.2m (2023: Nil) are held on behalf of the tenants of the property at 317-319 New North Road, Kingsland and the use of these funds is restricted. ALR Ltd is the process of disposing the property and the demand deposits will be transferred to the new property owners on settlement.

## **11. Property, plant & equipment**

### **Accounting Policy**

Property, plant and equipment consist of furniture and fittings, computer hardware and office equipment.

### **Recognition and measurement**

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Company, and the item's cost can be measured reliably.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the entity. Repairs and maintenance costs are recognised as expenditure as incurred.

### Depreciation

Assets are depreciated on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

The estimated useful lives of plant and equipment are as follows:

Furniture and fittings	5 years	20%
Office equipment	5 years	20%
Computer hardware	5 years	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

### Impairment of property, plant, and equipment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. Impairment loss is recognised in the surplus or deficit.

30 June 2024	Land & Buildings	Furniture & Fittings	Plant & Equipment	Computer Hardware	Total
Cost	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Opening Balance	-	149	85	156	390
Additions	33,000	-	-	58	33,058
Impairment	(1,432)	-	-	-	(1,432)
Transfer to assets held for disposal	(31,568)	-	-	-	(31,568)
Disposals	-	(149)	(85)	(214)	(448)
<b>Balance at 30 June 2024</b>	-	-	-	-	-

### Accumulated Depreciation

Opening Balance	-	2	7	12	21
Impairment	-	-	-	-	-
Depreciation for the year	-	20	13	38	71
Disposals	-	(22)	(20)	(50)	(92)
<b>Balance at 30 June 2024</b>	-	-	-	-	-
<b>Net book value at 30 June 2024</b>	-	-	-	-	-

30 June 2023	Land & Buildings \$(000)	Furniture & Fittings \$(000)	Plant & Equipment \$(000)	Computer Hardware \$(000)	Total \$(000)
<b>Cost</b>					
Opening Balance	-	-	-	-	-
Additions	-	149	85	156	390
Disposals	-	-	-	-	-
<b>Balance at 30 June 2023</b>	-	149	85	156	390
<b>Accumulated Depreciation</b>					
Opening Balance	-	-	-	-	-
Depreciation for 8 months	-	2	7	12	21
Disposals	-	-	-	-	-
<b>Balance at 30 June 2023</b>	-	2	7	12	21
<b>Net book value at 30 June 2023</b>	-	147	78	144	369

#### Explanation of major variances against budget

All assets with the exception of the Property (classified as non-current asset held for disposal) have been disposed of as part of the disestablishment.

## 12. Accounts payable and accruals

### Accounting Policy

Accounts payable and accruals represent liabilities of goods and services provided to the entity that have not been paid at the end of the financial year.

Short-term payables are recorded at the amount payable.

### Breakdown of Accounts payable and accruals and further information

	30 June 2024 \$(000)	30 June 2023 \$(000)
Trade payables	56	12,384
GST payable	11	-
Accrued expenses	112	18,381
<b>Accounts Payable and Accruals</b>	<b>179</b>	<b>30,765</b>

### Payables and accruals under exchange transactions

Trade payables	56	12,384
Accrued expenses	112	18,381
<b>Total payables and accruals under exchange transactions</b>	<b>168</b>	<b>30,765</b>

### Payables and accruals under non-exchange transactions

GST payable	11	-
<b>Total payables and accruals under non-exchange transactions</b>	<b>11</b>	<b>-</b>

**Explanation of major variances against budget**

Accounts payable and accruals were \$3.25 million below budget due to the disestablishment of the company.

**13. Employee entitlements**

Breakdown of Employee entitlements	30 June 2024 \$(000)	30 June 2023 \$(000)
Annual leave	-	148
Accrued salaries and wages	-	159
	-	<b>307</b>

**Explanation of major variances against budget**

All staff were made redundant prior to 30 June 2024. There are no employee entitlements outstanding.

**14. Equity****Accounting Policy**

Equity is made up of accumulated comprehensive revenue and expense and contributed capital.

Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since the formation of the Company.

Contributed capital represents the initial funding amount paid in consideration for the issuance of shares in ALR Ltd. 90 Ordinary shares were authorised, issued and paid for in full at a par value of \$277,777 on an equal basis across each of the Shareholders.

Capital injection funding relates to funding received from ALR Ltd's capital appropriation for the purchase of fixed assets on commencement of the Company.

**Shareholder Dividend**

As at 30 June 2024, the Board declared a shareholder dividend of \$20m (2023: Nil). The dividend was not distributed at balance date and a provision for the amount declared has been included as a dividend payable in current liabilities on the Statement of Financial Position.

Equity is measured as the difference between total assets and total liabilities. Equity is classified into the following components:

- Contributed capital (Ordinary shares)
- Surplus/(deficit)

**Shares****Ordinary shares:**

Right, preferences, and restrictions attached to the ordinary shares are:

- Every share in the Company must be held on behalf of the Crown by a Minister of the Crown.

- Neither the Board nor any other person may issue any shares, or securities convertible into shares, or options to acquire shares, in the Company unless the issue (including the terms of the issue) is expressly authorised in writing by the Shareholders.

<b>2024</b>	<b>Minister of Finance</b>	<b>Minister of Transport</b>	<b>Minister of Housing</b>	<b>Total number of shares</b>	<b>Total value of shares</b>
Number of shares	30	30	30	90	
Total \$ value of shares on issuance	8,333,333	8,333,334	8,333,333		<u>25,000,000</u>
<b>Total Contributed Capital 2024</b>					<u>25,000,000</u>
<b>2023</b>	<b>Minister of Finance</b>	<b>Minister of Transport</b>	<b>Minister of Housing</b>	<b>Total number of shares</b>	<b>Total value of shares</b>
Number of shares	30	30	30	90	
Total \$ value of shares on issuance	8,333,333	8,333,334	8,333,333		<u>25,000,000</u>
<b>Total Contributed Capital 2023</b>					<u>25,000,000</u>

### Capital Management

ALR Ltd's capital is its equity, which comprises capital and accumulated surplus/(deficit). Equity is represented by net assets.

ALR Ltd is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

ALR Ltd has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

ALR Ltd manages its equity by prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that ALR Ltd effectively achieves its objectives and purpose, while remaining a going concern.

## 15. Related parties

ALR Ltd is controlled by the Crown.

Transactions with other government agencies (e.g. government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

## i) Key management personnel

Key management personnel include the senior management team and the Board of Directors.

	FTE	Number of Personnel	30 June 2024 \$(000)	FTE	Number of Personnel	30 June 2023 \$(000)
Leadership Team*	5.2	7	1,863	5.69	7	1,424
Directors*		7	350		7	283
			<b>2,213</b>			<b>1,707</b>

\* The disestablishment of ALR commenced on 14 Jan 2024. At that time, there were 7 Directors' and 7 Leadership Team members. Directors were reduced to 2 on that date and all Leadership Team members were made redundant. All leadership team positions were disestablished by 31 March 2024.

	Number of Personnel	Remuneration \$(000)	Incentive \$(000)	Benefits \$(000)
<b>Thomas Parker (Chief Executive)</b>				
FY24**	1	536	-	16
FY23	1	395	26	13
<b>Executive remuneration (excluding Chief Executive)</b>				
FY24**	6	1,285	-	26
FY23	6	972	-	18

\*\* All Leadership Team members were made redundant and positions were disestablished by 31 March 2024.

The Chief Executive remuneration consists of Fixed Remuneration. The incentive FY23 was included as part of the Chief Executive's employment contract with Waka Kotahi and the employment terms and conditions were transferred to ALR Ltd.

Key management personnel with the exception of both the Chief Executive Officer and on secondment appointments received redundancy in accordance with their employment contracts but did not receive any other remuneration or compensation other than in their capacity as key management personnel.

The Company did not provide any compensation at non-arm's length terms to close family members of key management personnel during the year.

The Company did not provide any loans to key management personnel or their close family members.

No Directors received compensation or other benefits in relation to cessation (2023 \$Nil).

## ii) Related party transactions and balances

### Related party transactions other than remuneration of key management personnel

All related party transactions that the Company entered into during the year occurred within normal client/supplier relationship and under terms equivalent to those that prevail in arm's length transactions in similar circumstances.

Balances at year end	Due from \$(000)	Owed to \$(000)
<b>30 June 2024</b>		
Crown	-	-
	-	-
<b>30 June 2023</b>		
Crown	29,689	-
	<b>29,689</b>	-

## 16. Financial assets and liabilities and financial risk management

### Accounting Policy

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

Financial assets were initially recognised at fair value.

Trade and other receivables are usually received within 30 days of recognition. ALR Ltd actively manages unpaid debtors beyond 30 days.

After initial measurement, such financial assets are subsequently measured at amount due less an allowance for credit losses.

#### Financial liabilities

Financial liabilities are classified as payables. The Company's financial liabilities include trade and other payables.

Trade and other payables are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are not discounted.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

i) The table below summarises the maturity profile of the Company's financial liabilities which show the timing of the cash outflows and the maturity profiles of financial assets held by the Company which are readily saleable or expected to generate cash inflows to meet the cash outflows of the financial liabilities. The amounts disclosed are undiscounted contractual cashflows.

	30 June 2024 \$(000)	30 June 2023 \$(000)
<b>Financial assets (at amortised cost)</b>		
Cash and cash equivalents	28,240	23,254
Trade and other receivables	35	29,768
	<b>28,275</b>	<b>53,022</b>
<b>Financial liabilities (at amortised cost)</b>		
Trade payables	56	12,384
Accrued expenses	112	18,381
	<b>168</b>	<b>30,765</b>

30 June 2024	Carrying amount \$(000)	On demand \$(000)	Less than six months \$(000)	Six to twelve months \$(000)	Total contractual cashflows \$(000)
<b>Non-derivative financial assets</b>					
Cash and cash equivalents	28,240	28,240	-	-	28,240
Trade and other receivables	35	35	-	-	35
<b>Total non-derivative financial assets</b>	<b>28,275</b>	<b>28,275</b>	-	-	<b>28,275</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	56	56	-	-	56
Accrued expenses	112	112	-	-	112
<b>Total non-derivative financial liabilities</b>	<b>168</b>	<b>168</b>	-	-	<b>168</b>
<b>Net contractual cashflows</b>	<b>28,107</b>	<b>28,107</b>	-	-	<b>28,107</b>

30 June 2023	Carrying amount \$(000)	On demand \$(000)	Less than six months \$(000)	Six to twelve months \$(000)	Total contractual cashflows \$(000)
<b>Non-derivative financial assets</b>					
Cash and cash equivalents	23,254	23,254	-	-	23,254
Trade and other receivables	29,768	29,768	-	-	29,768
<b>Total non-derivative financial assets</b>	<b>53,022</b>	<b>53,022</b>	-	-	<b>53,022</b>
<b>Non-derivative financial liabilities</b>					
Trade payables	12,384	12,384	-	-	12,384
Accrued expenses	18,381	18,381	-	-	18,381
<b>Total non-derivative financial liabilities</b>	<b>30,765</b>	<b>30,765</b>	-	-	<b>30,765</b>
<b>Net contractual cashflows</b>	<b>22,257</b>	<b>22,257</b>	-	-	<b>22,257</b>

## **ii) Financial instrument risks**

The Company's risk policies identify and analyse the risks faced by the Company and set appropriate risk levels and controls to monitor those risks.

### **a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

### **b) Credit risk**

Credit risk is the risk that one party will default on its obligation to ALR Ltd causing it to incur a loss.

The Company is mainly exposed to credit risk from its financial assets, and the maximum exposure to credit risk at balance date is represented by the total amount of financial assets in the statement of financial position:

- Cash and cash equivalents
- Trade receivables

The Company manages credit risk by analysing the credit worthiness of its customers. On call deposits are placed with Bank of New Zealand which has a long-term AA- credit rating by Standard & Poor's rating agency as at June 2024.

### **c) Liquidity risk**

Liquidity risk is the risk that the Company will have difficulty meeting the obligations associated with its financial liabilities. ALR Ltd's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when they are due. An initial cash injection was provided by Shareholders when the company was created, and funding is requested in a prescribed format on a monthly basis in arrears and therefore the Company has no significant exposure to liquidity risk.

### **d) Counterparty risk**

Counterparty risk is the likelihood or probability that one of those involved in a transaction might default on its contractual obligations. ALR Ltd has a number of key contractual counterparties. ALR Ltd receives financial information from and regularly monitor the financial creditworthiness of these counterparties to ensure there is no risk of disruption to the project and that those counterparties being able to continue to satisfy their current and future commitments under their contracts with ALR Ltd. In reviewing financial creditworthiness ALR Ltd considers financial performance (including rating agency reports where available) of both the counterparty and, as applicable, their parent.

### **Sensitivity analysis**

As ALR Ltd does not have a net exposure to a change in currencies at 30 June 2024, if the NZD had weakened/strengthened against any currencies, with all variables held constant, there would be no impact on ALR Ltd's deficit or surplus for the year.

## 17. Contingencies

ALR Ltd has no contingent assets or liabilities as at 30 June 2024 (2023: Nil).

## 18. Subsequent events

Auckland Light Rail Ltd is exploring the potential requirements of other transport related agencies to determine if there is a possibility of transferring the property for strategic purposes for use in conjunction with other transport projects. Post year end two agencies have agreed 'in-principle' to progressing discussion on a land exchange or similar. Negotiations are ongoing between all parties.

## 19. Capital commitments

At 30 June 2024, the Company had no capital commitments (2023: Nil).

## Remuneration and governance disclosures

### Employee remuneration bands

Total remuneration paid or payable that is or exceeds \$100,000:

	30 June 2024	30 June 2023
\$100,000 - \$109,999	1	3
\$110,000 - \$119,999	2	2
\$120,000 - \$129,999	1	1
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	1	1
\$190,000 - \$199,999	2	-
\$210,000 - \$219,999	2	-
\$220,000 - \$229,999	1	-
\$250,000 - \$259,999	1	-
\$270,000 - \$279,999	1	-
\$290,000 - \$299,999	1	-
\$330,000 - \$339,999	-	1
\$550,000 - \$559,999	1	-
<b>Total employees with remuneration of \$100,000 and over</b>	<b>17</b>	<b>9</b>

Where remuneration bands are not shown in the table above, this represents that no employees were paid within those bands during the current financial year.

### Severance payments

No termination benefits relating to severance amounts were paid to employees in 2024 (2023: Nil) as a result of reorganisation of the Company.

### Redundancy payments

The termination benefits relating to redundancy amounts paid is \$484,092 in 2024 (2023: Nil) as a result of the disestablishment of the Company.

## Directors' remuneration

(Included in general expenses in the Statement of Financial Performance).

The total value of remuneration paid or payable to each Board member during the year was:

	30 June 2024 \$(000)	30 June 2023 \$(000)
Dame Fran Wilde (Chair)	124	76
Heather Ash	33	41
Leigh Auton	62	36
Lucy Tukua	33	34
Leo Foliaki	33	37
Shane Ellison	33	33
Chris Aiken	31	26
	<b>349</b>	<b>283</b>

There have been no payments made to committee members appointed by the Board who are not Board members during the year.

## Indemnities and insurance

In accordance with section 162 of the Companies Act 1993 and ALR Ltd's Constitution ALR Ltd has provided a deed of indemnity to Directors for certain activities undertaken in the performance of ALR Ltd's functions. ALR Ltd has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or cost of Directors and employees.

No Board members received compensation or other benefits in relation to cessation (2023: \$nil).

## Directors' Interests

In accordance with Section 211(1)(e) of the Companies Act 1993, below are the details of entries made in the interests register of ALR Ltd during the financial year.

Director	Interest
<b>Dame Fran Wilde</b>	<ul style="list-style-type: none"> <li>• Chair of Te Papa Tongarewa Museum of New Zealand</li> <li>• Chair of the Royal New Zealand Plunket Trust</li> <li>• Chair of Asia New Zealand Foundation</li> <li>• Chair of Nikau Foundation</li> <li>• Chair of Wellington Lifelines Group</li> <li>• Director of Frequency NZ Limited</li> </ul>
<b>Leigh Auton</b>	<ul style="list-style-type: none"> <li>• Director of Auton &amp; Associates Limited</li> <li>• Chair of Papakura Kootuitui Trust</li> <li>• Chair of Papakura Commercial Projects Group for Papakura Local Board **</li> </ul>
<b>Heather Ash</b>	<ul style="list-style-type: none"> <li>• Trustee of Te Akitai Waiohu</li> </ul>
<b>Leo Foliaki</b>	<ul style="list-style-type: none"> <li>• Council Member of Auckland University of Technology</li> <li>• Director of New Zealand Opera Limited</li> <li>• Director of Tāmaki Regeneration Limited</li> <li>• Trustee of Dilworth Trust</li> <li>• Trustee of Fred Hollows Foundation NZ</li> </ul>

	<ul style="list-style-type: none"> <li>• Trustee of TupuToa Trust</li> <li>• Director of Fern Capital Limited</li> </ul>
<b>Shane Ellison</b>	<ul style="list-style-type: none"> <li>• Deputy Chair of Dunedin International Airport Limited</li> <li>• Director Tāwhirimātea Advisory (Ngā Kaitohutohu o Tāwhirimātea) Limited</li> <li>• Advisor to Koau Capital Partners</li> <li>• Advisor to Queensland Investment Corporation</li> <li>• Advisor to Chapter and Verse Limited</li> </ul>
<b>Lucy Tukua</b>	<ul style="list-style-type: none"> <li>• Board member of Hauraki Māori Trust</li> <li>• Board member of Auckland Council Urban Design Panel</li> <li>• Executive member of Ngā Aho Incorporated Society</li> <li>• Board member of Hauraki Māori Trust</li> <li>• Employee of Mott MacDonald</li> </ul>
<b>Chris Aiken</b>	<ul style="list-style-type: none"> <li>• Director of Kiwi Property Limited</li> <li>• Chair of Kāinga Ora's Construction Programme Assurance Panel</li> </ul>

\*Entry added by notice given by the director during the financial year.

\*\*Entry removed by notice given by the director during the financial year.

## Directors' meeting attendance

Attendance by each Director was as follows:

ALR Meeting attendance	ALR Board meetings	ALR Board workshops	Audit and Risk Committee Meetings**	People and Culture Committee Meetings
<b>Total number of meetings held</b>	<b>17</b>	<b>1</b>	<b>3</b>	<b>0</b>
Rt Hon. Dame Fran Wilde	17	1	3	0
Leigh Auton	16	1	2	0
Heather Ash*	7	1	3	0
Leo Foliaki*	6	1	3	0
Lucy Tukua*	6	1	1	0
Shane Ellison*	7	1	3	0
Chris Aiken*	6	1	0	0

\* These Board members were removed from the Board on 14 January 2024

\*\* The Audit and Risk Committee did not meet after 14 January 2024, due to the removal of its Chair from the Board.

## Information used by Directors

There were no notices from Directors requesting to disclose or use Company information in their capacity as Directors that would not otherwise have been available to them.

### Independent Auditor's Report

#### To the readers of Auckland Light Rail Limited's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Auckland Light Rail Limited (the company). The Auditor-General has appointed me, JR Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the company on his behalf.

#### Opinion

We have audited:

- the financial statements of the company on pages 37 to 61, that comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the company's statement of performance expectations and appropriations for the year ended 30 June 2024 on pages 12 to 17 and pages 21 to 33.

In our opinion:

- the financial statements of the company, which have been prepared on a disestablishment basis:
  - 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 Entity Reporting Standards; and
- the company's performance information for the year ended 30 June 2024:
  - presents fairly, in all material respects, for each class of reportable outputs:
    - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and

- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- presents fairly, in all material respects, for the appropriations:
  - what has been achieved with the appropriations; and
  - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the financial statements being prepared on a disestablishment basis. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

#### **Emphasis of matter - the financial statements are prepared on a disestablishment basis**

Without modifying our opinion, we draw attention to the disclosure in note 1 on page 42 about the financial statements being prepared on a disestablishment basis. This note outlines the decision to disestablish the company and commencement of the wind-up process resulting in the financial statements being prepared on a disestablishment basis. The note also reflects the uncertainty relating to the timing of the disestablishment of the company. All assets and liabilities are presented as current as a result of the planned disestablishment, including land and building assets which have been classified as held for disposal at 30 June 2024.

#### **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 audit opinion.

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

The Board is responsible on behalf of the company for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in

New Zealand. The Board 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 is responsible on behalf of the company for assessing the company's ability to continue as a going concern. If the Board concludes that the going concern basis of accounting is inappropriate, the Board is responsible for preparing financial statements on a disestablishment basis and making appropriate disclosures.

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

### **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 financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of performance expectations.

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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate the appropriateness of the performance information which reports against the company's statement of performance expectations and appropriations.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

### Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 11, pages 18 to 20, pages 34 to 36 and pages 62 to 64, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the company 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 the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the company.



JR Smaill  
Audit New Zealand  
On behalf of the Auditor-General  
Auckland, New Zealand