

2009/2010

# WELLINGTON CABLE CAR LIMITED ANNUAL REPORT



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## COMPANY DIRECTORY

For the year ended 30 June 2010

Directors:	Mr. R Drummond Mr. J Ward Ms. C Southey
Chief Executive Officer & Secretary:	Mr. D J Laughton
Registered Office:	30 Glover Street Ngauranga Wellington NEW ZEALAND
Auditor:	Audit New Zealand on behalf of the Auditor-General
Bankers:	National Bank of New Zealand Limited
Share Registry:	Level 4 Civic Administration Building 101 Wakefield Street Wellington NEW ZEALAND
Solicitors:	DLA Phillips Fox

## **DIRECTORS REPORT**

For the year ended 30 June 2010

The Directors of Wellington Cable Car Limited take pleasure in submitting their report to the shareholder for the financial year ended 30 June 2010.

### **Principal Activity**

The Company was established to own and manage Wellington's unique cable car passenger service and the trolley bus overhead network.

### **Nature of Income**

The company comprises three operations:

- i. Provision of the Cable Car passenger service, with income from Cable Car passenger fares only;
- ii. Provision of the trolley bus overhead network for use by trolley bus services in Wellington City, with income from payments by GWRC under a contract, on a cost recovery basis, to cover reactive and planned maintenance of the existing overhead network;
- iii. Infrastructure - related activities undertaken within Wellington City on a profit earning basis:
  - a. Projects initiated by third parties requiring the overhead network to be relocated and/or modified;
  - b. Protection of the trolley bus overhead network from damage by escorting high loads through the city, and protection of parties requiring safe access in proximity to overhead lines by de-energising the lines;
  - c. Rentals for access and use of the company's poles by other utilities.

### **The Year's Highlights**

- The Net Surplus Before Tax was \$484,000 before tax despite difficult economic conditions;
- There were over 1.1 million passenger trips on the cable car, 14% below the Statement of Service Performance target (see page 34), and 5% below last year's actual total. The decrease is attributed to the difficult economic conditions and adverse weather during the year;
- A very high reliability, in excess of 99%, was achieved by the cable car;
- 120 Trolley bus overhead poles were replaced as part of the urgent and critical maintenance programme;
- The planned replacement of significant lengths of thin contact wire on the trolley bus overhead network was undertaken in the Brooklyn, Island Bay and Lyall Bay areas;
- Preparation work undertaken for overhead network projects at the request of third parties, particularly relating to the Manners Mall development, to be constructed over the period September to November 2010;
- Increased revenue from other third party services;
- The continued development of the trolley bus overhead network maintenance database and its electronic interface for field staff inputs, allowing detailed compilation of maintenance requirements without the need for manual data entry;

## **DIRECTORS REPORT**

For the year ended 30 June 2010

- Our “in-house” staffing of the cable car service continued to provide a high level of customer satisfaction, as shown in the annual survey;
- Adequate funding was received from GWRC for maintenance of the trolley bus overhead network, allowing the backlog of urgent and critical maintenance on the trolley bus overhead to continue to be addressed.

### **Review of Activities**

Significant activities have taken place over the last twelve months particularly with the trolley bus overhead network.

### **Trolley Bus Overhead Network**

The programme of planned work undertaken during 2009/10 to maintain the trolley bus overhead network was determined in accordance with the condition-based monitoring principles of the 10 year Asset Management Plan, which was first operative for the 2008/09 year. The predominant planned work undertaken during the 2009/10 year related to:

- replacement of trolley bus collector wire along a number of sections of route in Brooklyn, Island Bay and Lyall Bay;
- replacement of 120 poles, 10 special aerial switches (for changing buses to a different track) and 1 roadside DC feeder pillar.

In addition, reactive maintenance was undertaken as necessary, in rapid response to incidents, however caused, that result in damage to the overhead network.

The scope of work in the maintenance contract that we have with Transfield Services Limited is based on a 5 day per week trolley bus service.

Following the decision made by GWRC in 2009 to defer the introduction of 7 day per week trolley bus services until 2011, as the price then quoted was deemed to be too high, we have kept the matter under review and worked with the contractor to devise a more efficient and cost effective shift roster. In May 2010 WCCL submitted a revised price to GWRC, which was substantially less than the price rejected in 2009. However, GWRC has advised that it is not proceeding with 7 day per week trolley bus services and that WCCL should not anticipate them in its long term planning.

In response to the concerns expressed by WCCL that its trolley bus overhead network was being put under stress due to the introduction of the new, heavier buses, coupled with shortcomings in the DC equipment owned by Wellington Electricity Lines Ltd (WEL), a Technical Review Group was established. The participants are the parties directly associated with the provision of the trolley bus services - NZ Bus, WCCL and WEL. The report of the Technical Review Group is currently being drafted for submission to WCC and GWRC.

## DIRECTORS REPORT

For the year ended 30 June 2010

### Cable Car Operations

- i. WCCL maintained the cable cars, stations, tunnels, bridges and a wide range of equipment to the required high standards to meet safety requirements. The annual safety assessment was carried out in early November 2009, and the Rail Licence continues to be current. The following items were noted for action, for which work is being undertaken:
  - During the year work commenced on replacing the exterior panels of the cable cars and checking the integrity of the internal framework. This work is being done overnight on a fortnightly cycle, with work scheduled to be completed by June 2011;
  - The bridge over the cable car track providing private access to a property in Everton Terrace has been inadequately maintained and its load bearing capability restricted. WCC has negotiated with the new owner of the property, resulting in a commitment by the new owner to replace the bridge. Engineering design work is currently underway;
  - The Kelburn Terminus now requires substantial work to comply with safety standards. Due to the original design of the building, substantial demolition is necessary to carry out the repairs, making the cost of refurbishment relatively high. As the surrounding area is the second most visited place in Wellington City, after Te Papa, replacement of the passenger area structure was considered. The Kelburn Terminus is not simply a key end destination for passengers using the Cable Car, but also a start point for visitors and locals to enjoy the many wonderful attractions and settings in this area. In view of the benefits to the wider community from replacing the passenger area of the Kelburn Terminus, the Board, as at 30 June 2010, was considering whether it should proceed with the replacement option, provided satisfactory funding arrangements were put in place.
- ii. A shuttle bus between the lower Botanical garden and the Cable Car Terminus at Kelburn was introduced for the month of January and also for cruise ship visits outside of this period. The patronage was pleasing, but the use of chartered buses makes the cost of operation uneconomic over a longer term. The company investigated the use of 8-seater battery powered buses to offer the service during the tourist season, and has committed to the purchase of two vehicles, which will be operated by the company's staff. They will begin services during December 2010.
- iii. WCCL's "in-house" staffing of the cable car operation continues to be successful in improving the levels of customer service. Passenger trip numbers decreased, attributable to the economic conditions being experienced.

### Result for the Year

The company achieved a Net Surplus Before Tax of \$484,000 for the year from normal trading operations (2009: \$250,000).

The company's fare income from the cable car operations was slightly above budget, although passenger trips were below budget, reflecting economic conditions during the year.

The company's income from its other profit-earning infrastructure activities was on budget.

The company has carried out the maintenance and replacement activities detailed in the 2009/10 year of the long term Trolley Bus Overhead Network Asset Management Plan. The primary focus has been on the replacement of collector wire which has been worn down to below acceptable thickness standards. In addition, a significant number of unplanned maintenance items were dealt with, caused by third parties and the operation of trolley buses, particularly while traversing through the special aerial switches.

## DIRECTORS REPORT

For the year ended 30 June 2010

The total expenditure on the trolley bus overhead network maintenance was \$3,958,087 (2009: \$3,720,142), which was met by payment of that amount to WCCL by GWRC.

In summary, the result from the company's activities for the year as follows:

	<b>2010</b>	<b>2009</b>
	\$000	\$000
Income	6,351	6,112
Expenses	<u>5,867</u>	<u>(5,862)</u>
<b>Operating Surplus</b>	<b>484</b>	<b>250</b>
Taxation (Expense)/Credit	10	(12)
Subvention Payment	<u>(63)</u>	<u>(22)</u>
<b>Net Surplus after Tax</b>	<b><u>431</u></b>	<b><u>216</u></b>

The state of the Company's affairs as at 30 June 2010 was:

	<b>2010</b>	<b>2009</b>
	\$000	\$000
Assets totalled	<u>8,438</u>	<u>8,360</u>
Financed by:		
Liabilities	1,560	1,832
Shareholder's Equity	<u>6,878</u>	<u>6,528</u>
<b>Total Financing</b>	<b><u>8,438</u></b>	<b><u>8,360</u></b>

### Dividend

The Directors intend to provide for a dividend to the Shareholder, in accordance with previously agreed arrangements, subject to final discussions regarding funding of the proposed replacement of the Kelburn Terminus.

### Directors

The Company held six Board meetings during the year.

Attendance of directors at meetings of the Board was:

Chairman:	R Drummond	6/6
	J Ward	6/6
	C Southey	6/6

### Directors' Interests/Remuneration

There were no transactions in which the directors had an interest. During the year the Board received no notices from directors requesting use of company information received in their capacity as directors which would not otherwise have been available to them.

The directors are insured under the Combined Directors & Officers policy in respect of liability and costs in accordance with the Companies Act 1993.

During the year no directors acquired or disposed of shares in the company. Other than directors' fees no other remuneration was paid to the directors by the company.

**DIRECTORS REPORT**  
For the year ended 30 June 2010

The following Directors' fees were paid to directors:

	\$
R Drummond	26,000
J Ward	13,000
C Southey	13,000
	<u>52,000</u>

**Donations**

There were no donations made during the year.

**Employees' Remuneration**

No employee was paid over \$100,000.

**General**

The Board and Management's focus throughout the year was to:-

1. Ensure that the cable car assets were maintained to the high standard required of a business involving the safety of passengers and the public at large;
2. Ensure that the appropriate level of customer service was provided in the cable car operation, that additional sources of revenue were being developed and marketing activity optimised;
3. Progress the development of appropriate revenue from pole service charges for the trolley bus poles occupied by third parties;
4. Secure long-term agreement with GWRC for funding the maintenance of the trolley bus overhead network;
5. Implement the planned 2009/10 replacements identified as being urgently required in the trolley bus overhead network Asset Management Plan 2008/09 - 2017/18.

The operations of the company with oversight by the Board and Management, and the endeavours of our staff have contributed to another successful year. The cable car assets have been well maintained, resulting in achievement of operating reliability in excess of 99%.

While a funding agreement was not completed with GWRC, the necessary funding to carry out the work in the 2009/10 year was received and the work was largely completed.

**Auditor**

The auditors are appointed under Part 5, Section 69 of the Local Government Act 2002.

Audit New Zealand has been appointed by the Auditor General to provide these services.

**R Drummond**  
**CHAIRMAN**

**J Ward**  
**DIRECTOR**



## FINANCIAL STATEMENTS

For the year ended 30 June 2010

<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
For the year ended 30 June 2010					
			Note	2010 \$000	2009 \$000
<b>INCOME</b>					
	Revenue from operations			6,323	6,080
	Revenue from interest			28	30
	Revenue from exchange difference			-	2
<b>TOTAL OPERATING INCOME</b>				<b>6,351</b>	<b>6,112</b>
<b>EXPENSES</b>					
	Operations and general			4,496	4,540
	Auditors' remuneration			18	17
	Bad debts written off			8	45
	Directors' remuneration			52	52
	Depreciation and amortisation		4, 5	271	274
	Employees remuneration			893	789
	Operating leases			129	139
	Loss on disposal of property, plant & equipment			-	6
<b>TOTAL OPERATING EXPENSES</b>				<b>5,867</b>	<b>5,862</b>
<b>TOTAL EXPENSES</b>				<b>5,867</b>	<b>5,862</b>
<b>NET SURPLUS/(DEFICIT) BEFORE TAXATION</b>				<b>484</b>	<b>250</b>
	Taxation Expense (Benefit)		2	(10)	12
	Subvention Payment Made			63	22
<b>NET SURPLUS/(DEFICIT) AFTER TAXATION</b>				<b>431</b>	<b>216</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
	Revaluations - net gain			-	-
	Income tax expense relating to components of other comprehensive income			52	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>				<b>52</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>				<b>483</b>	<b>216</b>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## FINANCIAL STATEMENTS

For the year ended 30 June 2010

<b>STATEMENT OF CHANGES IN EQUITY</b>			
For the year ended 30 June 2010			
		2010	2009
		\$000	\$000
EQUITY - OPENING BALANCE		6,528	6,623
<b>CHANGES IN EQUITY</b>			
Total Comprehensive Income / (Deficit) for the Year		483	216
Distributions to owners		(133)	(311)
Tax on equity items			-
Revaluation reserve		-	
<b>TOTAL CHANGES IN EQUITY</b>		<b>350</b>	<b>(95)</b>
<b>EQUITY - CLOSING BALANCE</b>		<b>6,878</b>	<b>6,528</b>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## FINANCIAL STATEMENTS

For the year ended 30 June 2010

<b>STATEMENT OF FINANCIAL POSITION</b>						
For the year ended 30 June 2010						
			Note	2010		2009
ASSETS				\$000		\$000
Current assets						
	Cash and cash equivalents		6	905		837
	Trade and other receivables		7	900		782
	Inventory			612		524
	Prepayments			9		-
Total Current assets				2,426		2,143
Non-current assets						
	Intangible assets		5	24		5
	Property, plant and equipment		4	5,988		6,212
Total non-current assets				6,012		6,217
<b>TOTAL ASSETS</b>				<b>8,438</b>		<b>8,360</b>
LIABILITIES						
Current liabilities						
	Trade and other payables		8	788		976
	Deferred Income from GWRC			-		-
	Employee benefit liabilities			84		109
Total current liabilities				872		1,085
Non-current liabilities						
	Deferred tax liability		3	688		747
Total non-current liabilities				688		747
<b>TOTAL LIABILITIES</b>				<b>1,560</b>		<b>1,832</b>
EQUITY						
	Share capital		10	7,435		7,435
	Revaluation Reserve		11	1,872		1,820
	Retained earnings		10A	(2,429)		(2,727)
TOTAL EQUITY				6,878		6,528
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>8,438</b>		<b>8,360</b>
For and on Behalf of the Board						
Director				Director		
Date				Date		

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## FINANCIAL STATEMENTS

For the year ended 30 June 2010

<b>STATEMENT OF CASH FLOWS</b>				
For the year ended 30 June 2010				
		Note	2010 \$000	2009 \$000
<b>Cash flows from operating activities</b>				
Cash was provided from:				
	Cash receipts from operations		6,255	6,274
Cash was applied to:				
	Cash paid to suppliers and employees		(5,917)	(5,463)
	Tax Paid		(10)	(22)
	Subvention Payment		(63)	(2)
	Net GST paid		(28)	(28)
	Net cash inflow from operating activities	13	237	759
<b>Cash flows from investing activities</b>				
Cash was provided from:				
	Cash receipts from interest		28	30
	Exchange Transactions		-	2
	Proceeds from sale of property, plant and equipment		-	1
Cash was applied to:				
	Purchase of property, plant and equipment		(36)	(101)
	Purchase of intangibles		(32)	-
	Net cash (outflow) from investing activities		(40)	(68)
<b>Cash flows from financing activities</b>				
Cash was applied to:				
	Dividend		(130)	(311)
	Net cash (outflow) from financing activities		(130)	(335)
	Net Increase/(decrease) in cash		68	380
	Cash at beginning of year		837	457
	Cash at end of year		905	837

The accompanying notes form part of and are to be read in conjunction with these financial statements.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Statement of Compliance with International Financial Reporting Standard

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to IFRS (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

### Statement of Significant Accounting Policies

#### Reporting Entity

Wellington Cable Car Limited (the Company or WCCL) is a company wholly owned by Wellington City Council and is registered under the Companies Act 1993. It is a Council-controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

For the purposes of financial reporting the Company is a profit oriented entity. The primary objective of Wellington Cable Car Limited is to own and manage Wellington's unique cable car passenger service and trolley bus overhead network with a financial return to its shareholders.

#### Reporting Period

The reporting period for these financial statements is the year ended 30 June 2010.

#### Accounting Policies

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

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies below.

The accrual basis of accounting has been used unless otherwise stated. These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated.

#### Differential Reporting

The company is a qualifying entity within the Framework for Differential Reporting. The company qualifies on the basis that it is not publicly accountable and there is no separation between the owners and governing body of Wellington Cable Car Limited. The company will adopt the differential reporting exemption for NZ IFRS 8 in respect to Operating segments.

#### Judgements and Estimations

The preparation of financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised when the revision affects only that period. If the revision affects both current and future periods, it is reflected in the current and future periods.

Judgements that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

The following critical judgements have been made in applying the accounting policies for the year ending 30 June 2010

- For the purposes of financial reporting the Company is a profit oriented entity on the basis that the Company is working towards achieving a commercial rate of return from pole users and therefore believes it is appropriate to value the infrastructure assets of the Company on the basis of revenue that they could reasonably be expected to achieve. The Company believes this transition may take a further 2-3 years.

### Revenue

Wellington Cable Car Limited derives revenue from the cable car passenger service with fares being the sole source of income. Additional revenue is received from projects to modify the network at the request of outside parties and pole occupancy licences.

Revenue is recognised when billed or earned on an accrual basis.

### Government grants

The trolley bus overhead wiring system funding is from contract payments by the Greater Wellington Regional Council.

Grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Any grants for which the requirements under the grant agreement have not been completed are carried as liabilities until all the conditions have been fulfilled.

### Expenses

Expenses are recognised when the goods or services have been received on an accrual basis.

### Taxation

Income tax expense is charged in the statement of financial performance in respect of the current year's results. Income tax on the profits or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### **Financial Instruments**

WCCL classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

### ***Non Derivative Financial Instruments***

WCCL has the following non-derivative financial instruments:

### ***Financial assets***

WCCL classifies its investments into the following categories:

- Financial assets at fair value through profit and loss and loans and receivables.
- Loans and receivables comprise cash and cash equivalents, trade and other receivables.
- Trade and other receivables are financial assets with fixed or determinable payments. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method. Fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date for loans of a similar maturity and credit risk. Trade and other receivables issued with duration less than 12 months are recognised at their nominal value. Allowances for estimated irrecoverable amounts are recognised when there is objective evidence that the asset is impaired.
- Cash and cash equivalents comprise cash balances and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

### ***Financial liabilities***

Financial liabilities are classified as financial liabilities at fair value through profit and loss or other financial liabilities.

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with duration more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Financial Performance as is any gain or loss when the liability is derecognised. Financial liabilities entered into with duration less than 12 months are recognised at their nominal value.

### **Foreign Currency Transactions**

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in the Statement of Financial Performance.

### **Inventory**

Inventory has been valued at the lower of cost (average weighted cost price) or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost and current replacement cost.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### **Property, Plant and Equipment**

#### ***Recognition***

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

#### ***Measurement***

Property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment includes the purchase consideration and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. In accordance with IAS 23, borrowing costs are capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset.

#### ***Infrastructure Assets***

The Traction network is valued at its fair value. This valuation uses a model prepared by PricewaterhouseCoopers. Between valuations, expenditure on asset improvements are capitalised at cost only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured.

#### ***Impairment***

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Financial Performance, unless the asset is carried at a re-valued amount in which case any impairment loss is treated as a revaluation decrease.

#### ***Revaluations***

The result of any revaluation of the Cable Cars infrastructure asset is credited or debited to the asset revaluation reserve for that asset. Where this results in a debit balance in the reserve for a class of property, plant and equipment, the balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised firstly in the Statement of Financial Performance up to the amount previously expensed, and then secondly credited to the revaluation reserve for that class of property, plant and equipment.

Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the re-valued amount.

#### ***Disposal***

Realised gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Performance in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to Retained Earnings.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### **Depreciation**

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

Cable Car Tracks & Wires	2%
Cable Car Equipment	2%
Cable Car Equipment	10%-33%
Computer Equipment	33%
Motor Vehicles	20%
Furniture & Fittings	20%
Trolley Bus Overhead Wire System & Fittings	20%
Trolley Bus Overhead Wire System Equipment	10%

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

### **Work in progress**

The cost of projects within work in progress is either expensed or transferred to the relevant asset class when the project is completed. It is transferred to the relevant asset class only if it is probable that future economic benefits associated with the item will flow to Wellington Cable Car Limited and the cost of the item can be reliably measured. Otherwise the item is expensed.

### **Intangible Assets**

Intangible assets comprise computer software which has a finite life and is initially recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Financial Performance on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Financial Performance in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Financial Performance.

### **Employee Benefit liabilities**

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

### **Other Liabilities and Provisions**

Provisions are recognised for future expenditure of uncertain timing or amount when there is a present obligation as a result of a past event and it is probable that expenditures will be required to settle the obligation. Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### **Equity**

Equity is the shareholders interest in the entity and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the entity.

The components of equity are accumulated funds, retained earnings and revaluation reserve for infrastructure assets.

### **Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Statement of Financial Performance in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Performance on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Financial Performance as an integral part of the total lease payment.

### **Statement of Cash Flows**

The statement of cash flows has been prepared using the direct approach.

Operating activities include cash received from all income sources of the company and record the cash payments made for the supply of goods and services. Investing activities relate to the acquisition and disposal of assets. Financing activities relate to activities that change the equity and debt capital structure of the company.

### **Related Parties**

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties also include key management personnel or a close member of the family of any key management personnel.

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a Director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

### **Comparative figures**

To ensure consistency with the current year, certain comparative information has been restated or reclassified where appropriate. This has occurred:

- where classifications have changed between periods,
- where comparative amounts have been restated to comply with the new standards and interpretations, and
- where the entity has made additional disclosure in the current year, and where a greater degree of desegregation of prior year amounts and balances is therefore required.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Changes in Accounting Policies

There have been the following changes in accounting policy this year.

- NZ IAS 1 Presentation of Financial Statements (revised 2007), which replaced NZ IAS 1 Presentation of Financial Statements (issued 2004), was effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics. It also introduces a statement of comprehensive income which will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. The Company has elected to adopt the option of presenting items of income and expense and components of other comprehensive income in a single statement of comprehensive income with subtotals. The comparative figures for the 2009 year have been re-stated to present the income in accordance with the requirements of NZ IAS 1.
- NZ IAS 23 Borrowing Costs (revised 2007) replaces NZ IAS 23 Borrowing Costs (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires all borrowing costs to be capitalised if they are directly attributable to the acquisition, construction, or production of a qualifying asset. The Company has adopted this standard for the year ended 30 June 2010. As the Company does not have any external borrowings it has not resulted in the re-statement of any comparative figures.
- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases of replacement: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial instrument is amortised at cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. Wellington Cable Car Limited has not yet assessed the effect of the new standard and expects it will not be early adopted.

#### **Note 1: Nature of the business**

The Company owns and maintains the trolley bus overhead network in the Wellington City area and some suburbs providing a facility for the use of NZBus who are contracted to provide trolley bus services by Greater Wellington Regional Council (GWRC). The cost of the overhead network maintenance is funded by GWRC. It is intended that the funding agreement with the Greater Wellington Regional Council provides revenue to meet the cost of the overhead network maintenance for the Trolleybus Overhead wire system.

The Company also owns and operates the Wellington Cable Car providing a passenger service and acting as a tourist attraction for the city of Wellington.

The cable car business is funded from cable car fares.

Further income is derived from pole service charges levied on third parties utilising the company's poles to support telecommunication cables and other equipment. Income has also been derived from various pole placements arising from changes to the trolley overhead system to accommodate street and underground services changes. Management fees are also collected from third parties operating high vehicle/loads and those requiring safe access in proximity to the overhead wires by having the lines de-energised.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 2: Income tax expense

					2010		2009
					\$000		\$000
Current year					0		0
Deferred tax					(10)		12
					<u>(10)</u>		<u>12</u>
<b>Reconciliation of effective tax rate</b>							
			%		2010	%	2009
Surplus for the period excluding income tax					<u>484</u>		<u>250</u>
Prima facie income tax based on domestic tax rate		30.00%			145	30.00%	75
Effect of non-deductible expenses		6.00%			1	6.00%	14
Effect of tax exempt income		0.00%			0	0.00%	0
Effect of tax losses utilised		0.00%			0	0.00%	0
Current years loss for which no deferred tax asset was recognised		0.00%			(13)	0.00%	0
Prior period adjustment		0.00%			0	0.00%	0
Effect of group loss offset		(33.00%)			(150)	(33.00%)	(82)
Deferred tax adjustment		2.00%			7	2.00%	5
		<u>5.00%</u>			<u>(10)</u>	<u>5.00%</u>	<u>12</u>

The amount of \$150,000 for effect of the group loss offset above represents the tax effect of the arrangement with Wellington City Council to offset the company's 2010 taxable profit (2009: \$82,000).

					2010		2009
					\$		\$
<b>Imputation credits</b>							
Imputation credits as at 1 July					0		2,839
New Zealand tax payments					0		0
Imputation credits attached to dividends received					0		0
Other credits					279		0
New Zealand tax refunds received					0		(2,839)
Imputation credits attached to dividends paid					0		0
Other debits					0		0
					<u>279</u>		<u>0</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

## Note 3: Deferred tax assets and liabilities

<i>Recognised deferred tax assets/(liabilities)</i>				Property, plant & equipment \$000	Provisions \$000	Total \$000
Opening Balance, 30 June 2008				(768)	33	(735)
Charged to income				(25)	13	(12)
Charged to equity				0	0	0
Balance, 30 June 2009				(793)	46	(747)
Charged to income				37	22	59
Charged to equity					0	0
Balance, 30 June 2010				(756)	68	(688)
<i>Unrecognised deferred tax assets</i>						
					2010	2009
					\$000	\$000
Deductible temporary differences					0	0
Tax losses					0	0
					0	0

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 4. Property, plant and equipment

	2010	2009
	\$000	\$000
<b>Cable car and equipment (2%)</b>		
Cost - opening balance	2,974	2,973
Accumulated depreciation	(670)	(610)
Net Book Value - opening balance	2,304	2,363
Additions		1
Disposals	-	-
Depreciation expense	(59)	(60)
Net Book Value - closing balance	2,245	2,304
<b>Cable car and equipment (10%)</b>		
Cost - opening balance	332	317
Accumulated depreciation	(209)	(173)
2007 transfer to correct category	-	-
Net Book Value - opening balance	123	144
Additions	13	24
Disposals		(9)
Depreciation expense	(34)	(36)
Net Book Value - closing balance	102	123
<b>Cable car tracks and wires</b>		
Cost - opening balance	1,379	1,379
Accumulated depreciation	(276)	(248)
Net Book Value - opening balance	1,103	1,131
Additions	-	-
Disposals	-	-
Depreciation expense	(27)	(28)
Net Book Value - closing balance	1,076	1,103
<b>Trolley bus overhead</b>		
Cost - opening balance	6,363	6,363
Accumulated depreciation	(3,828)	(3,763)
Net Book Value - opening balance	2,535	2,600
Additions	-	-
Disposals	-	-
Revaluation		-
Depreciation expense	(63)	(65)
Net Book Value - closing balance	2,472	2,535

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 4. Property, plant and equipment – continued

	2010	2009
	\$000	\$000
<b>Wire system equipment</b>		
Cost - opening balance	56	25
Accumulated depreciation	(10)	(5)
Net Book Value - opening balance	46	20
Additions	16	31
Disposals	-	-
Depreciation expense	(7)	(5)
Net Book Value - closing balance	55	46
<b>Motor vehicles</b>		
Cost - opening balance	275	275
Accumulated depreciation	(246)	(246)
Net Book Value - opening balance	29	29
Additions	-	13
Disposals	-	-
Depreciation expense	(14)	(13)
Net Book Value - closing balance	15	29
<b>Furniture</b>		
Cost - opening balance	31	31
Accumulated depreciation	(29)	(25)
2007 transfer to correct category	-	-
Net Book Value - opening balance	2	6
Additions	1	-
Disposals	-	-
Depreciation expense	(1)	(4)
Net Book Value - closing balance	2	2
<b>Computer Equipment</b>		
Cost - opening balance	216	195
Accumulated depreciation	(158)	(100)
Net Book Value - opening balance	58	95
Additions	5	21
Disposals	-	-
Depreciation expense	(53)	(58)
Net Book Value - closing balance	10	58
<b>Work-In-Progress</b>		
Cost - opening balance	11	-
Additions	-	11
Capitalised to assets	-	-
Net Book Value - closing balance	11	11
<b>Total Net Book Value - closing balance</b>	<b>5,988</b>	<b>6,212</b>
<b>Total Depreciation &amp; Impairment</b>	<b>(258)</b>	<b>(269)</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 5. Intangibles

	2010 \$000	2009 \$000
<b>Computer Software</b>		
Cost - opening balance	17	17
Accumulated amortisation	(12)	(7)
Net Book Value - opening balance	5	10
Acquired by direct purchase	32	-
Disposals	-	-
Amortisation	(13)	(5)
Net Book Value - Closing balance	24	5
<b>Net Book Value Summary</b>		
Cost	49	17
Accumulated amortisation	(25)	(12)
Net Book Value - Closing balance	24	5

### Note 6. Cash and cash equivalents

	2010 \$000	2009 \$000
Cash on call	813	837
Cash held in EURO currency account	98	-
Overdraft	(6)	-
	905	837



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 7. Trade and other receivables

<b>Trade and other receivables</b>					
				2010	2009
			Note	\$000	\$000
Current					
Trade receivables				629	590
Less Provision for impairment				(53)	(45)
Related party receivables		12		239	194
Net trade receivables				815	739
Sundry receivables				77	38
GST Receivable				8	-
Tax receivable				-	5
Total current trade and other receivables				900	782

The movements in the provision for impairments of trade and other receivables is analysed as follows:

<b>Provision for impairment trade and other receivables</b>					
				2010	2009
				\$000	\$000
Opening balance				(45)	53
Additional or increased provision made				(8)	(45)
Release of unused provision				-	-
Amount utilised				-	(53)
Provision for impairment trade and other				(53)	(45)

### Note 8. Trade and other payables

<b>Trade and other payables</b>					
				2010	2009
			Note	\$000	\$000
Current					
Trade payables				461	369
Sundry payables				298	591
Related party payables		12		5	1
GST payable				-	15
Provision				42	-
Tax Refund Due				(18)	-
Total current trade and other payables				788	976

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 9. Borrowings

#### Short term bank facilities

Committed bank facilities amounting to \$300,000 are available on a short term basis of less than one year. Interest is payable in arrears at wholesale market rates. Of this facility, a total of \$0 has been drawn at balance date (2009: \$0).

#### Bank overdraft

The Company's bank overdraft facility totals \$50,000. The current interest rate on the facility is 10.70% (2009: 10.7%). Even though the current account in the general ledger shows itself as overdrawn, because of un-presented cheques, the actual overdraft facility was un-drawn as at 30 June 2010 (2009: un-drawn).

### Note 10. Share Capital

Share Capital			
		2010	2009
		\$000	\$000
7,434,746	fully paid ordinary shares	7,435	7,435

### 10A. Retained Earnings

Retained Earnings			
		2010	2009
		\$000	\$000
Balance at beginning of year		(2,727)	(2,632)
Net Surplus/(Deficit) for the year		431	216
Dividends paid		(133)	(311)
Balance at end of year		(2,429)	(2,727)

A subvention payment was made to the Wellington City Council, so that income tax losses could be offset within the group for tax purposes. The subvention payment related to the last (2009) financial year's income tax return.

### Note 11. Revaluation reserves

		2010	2009
		\$000	\$000
Traction Network			
Opening balance		1,820	1,820
Revaluation increase			
Tax on Equity items		52	
Closing balance		1,872	1,820

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 12. Related party disclosures

Wellington Cable Car Limited (100% owned by WCC) contracted accounting services from Wellington City Council.

The company made the following payments to the Wellington City Council excl GST:-

<b>Related Party Transactions</b>			
		2010	2009
		\$000	\$000
Land Rental		35	35
Accounting Fees		-	11
Subvention Payment		66	22
Sundry		22	10
		<b>123</b>	<b>78</b>

Note 8 includes outstanding balances relating to the above transactions. \$5,000 (2009: \$1,000)

Wellington City Council engaged the services of Wellington Cable Car Ltd this year for \$266,051 GST excl (2009: \$266,051). Note 7 includes outstanding balances relating to these transactions \$238,725 (2009: \$194,238).

As stated in note 2, Wellington Cable Car Ltd will receive a group loss offset from Wellington City Council in respect of the current years taxable income. A loss offset totalling \$154,000 was received in respect of the 2009 income year.

We are required to disclose the remuneration and related party transactions of key management personnel, which comprise the Directors, the Chief Executive, the Overhead manager, the Cable Car Maintenance manager and the Passenger Service manager.

<b>Key management personnel</b>			
		2010	2009
		\$000	\$000
Key management personnel remuneration		<b>297</b>	<b>300</b>

<b>Directors' Remuneration</b>			
		2010	2009
		\$000	\$000
R Drummond		26	26
J Ward		13	13
C Southey		13	13
Total Directors' remuneration		<b>52</b>	<b>52</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 13. Reconciliation of net surplus before taxation to net cash flow from operating activities

Reconciliation of net surplus before taxation to cash flow from operating activities				
	2010		2009	
	\$000		\$000	
Net surplus/(deficit) before Taxation	484		250	
Add/(deduct) non cash items:				
Bad debts written off				
Movement in provision for impairment of doubtful debts	8		(8)	
Depreciation and amortisation	271		274	
Sub-total non-cash items	763		516	
Add/(deduct) movements in working capital items:				
(Increase)/decrease in receivables & accruals	(226)		68	
Increase/(decrease) in payables & accruals	(203)		218	
Sub-total working capital movements	(429)		287	
Add/(deduct) investing activities:				
Net (gain)/loss on sale of assets	-		6	
Net (receipt)/payment interest income	(28)		(30)	
Net (receipt)/payment withholding tax	4		5	
Net (receipt)/payment of Subvention Payment	(63)		(22)	
Net (receipt)/payment Income Tax	(10)		(2)	
Sub-total investing activities				
Net cash flow from operating activities	237		759	

### Note 14. Financial instruments

The Company's financial instruments include financial assets (cash and cash equivalents and receivables), and financial liabilities (payables that arise directly from operations).

The Directors do not consider there is any material exposure to interest rate risk on its investments.

Concentrations of credit risk with respect to Accounts Receivable are high due to the reliance on Wellington Regional Council for 82.4% (2009: 60.9%) of the Company's revenue. However, Wellington Regional Council is considered, by the directors, to be a high credit quality entity.

The Company invests funds only on deposit with registered banks having satisfactory credit ratings.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 14. Financial instruments – continued

#### Fair Value

Fair value is the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arms length transaction. There were no differences between the fair value and the carrying amounts of financial instruments at 30 June 2010.

#### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

WCCL purchases inventory and plant and equipment, associated with the trolley bus overhead network and the cable car, from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

WCCL has opened a EURO and an AUD currency account with the National Bank. Following a quote that has been approved for an overseas purchase, and the order placed, at an appropriate time depending on the relative strength of the NZ Dollar, the overseas currency amount is transferred to the relevant currency account. This reduces the uncertainty of any future foreign exchange rate changes.

#### Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Company, therefore causing a loss. The Company is not exposed to any material concentrations of credit risk other than its exposure to the GWRC.

Receivables balances are monitored on an ongoing basis to minimise the Company's exposure to bad debts. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company's maximum exposure to credit risk at balance date is:

<b>Company's maximum exposure to credit risk at balance date</b>		<b>2010</b>	<b>2009</b>
		<b>\$000</b>	<b>\$000</b>
Financial assets			
Cash and cash equivalents		905	837
Trade receivables and other receivables			
Trade receivables		576	545
Other receivables		324	237
<b>Total Financial Assets</b>		<b>1,805</b>	<b>1,619</b>

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

### Note 14. Financial instruments – continued

The status of trade receivables at the reporting date is as follows:

	2010 \$000	2009 \$000
Trade and other receivables		
Not past due	841	553
Past due 0-6 months	16	209
Past due 7-12 months	43	16
Past due more than 12 months	-	4
Total trade and other receivables	900	782

The contractual cash flows for all financial liabilities are as follows:

	Statement of Financial Position \$000	Total Contractual Cash Flows \$000	0-12 Months \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
2010						
Trade and other payables	788		788			
2009						
Trade and other payables	971		971			

### Liquidity Risk

Liquidity risk is the risk arising from unmatched cash flows and maturities. During the Upgrade to the Lambton Terminal in the 2007 financial year, the Company organised to have a committed commercial flexible credit facility available (for details refer to Note 9 Borrowings). The Company has kept this facility available.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
For the year ended 30 June 2010

**Note 15. Commitments and Contingencies**

**Capital commitments:**

	\$000	\$000
Capital Commitments		
Contractor		
Not later than 1 year	1,381	1,381
Later than 1 and not later than 2 years	230	1,381
Later than 2 and not later than 5 years		230
	<u>1,611</u>	<u>2,992</u>
<b>Cash and cash equivalents</b>		
	2010	2009

**Non-cancellable operating lease commitments:**

	2010	2009
	\$000	\$000
Land and buildings		
Not later than 1 year	73	86
Later than 1 and not later than 2 years	14	73
Later than 2 and not later than 5 years		14
	<u>87</u>	<u>173</u>
Plant and equipment		
Not later than 1 year	1	14
Later than 1 and not later than 2 years		1
Later than 2 and not later than 5 years	-	-
	<u>1</u>	<u>15</u>
	<u>88</u>	<u>188</u>

**Contingent Liabilities**

The Company had no contingent liabilities (2009: \$Nil).

**Note 16. Non-Adjusting Events after Balance Date**

There have been no after balance date adjusting events for the 2009/10 financial year.

## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2010

### Performance Measures

The performance measures and targets for the Company for 2009/2010 were:

<b>Performance indicator</b>	<b>Measure</b>	<b>Result</b>	<b>(Actual)</b>
Cable car vehicles, Track, Tunnels, bridges, buildings and equipment are maintained to required safety standards	Approval by N Z Transport Authority to be completed by February each year.	Approval granted	<i>Approval granted and Rail Licence renewed.</i>
Cable Car service reliability	Percentage reliability	Greater than 99%	<i>Achieved</i>
Cable Car Tourism initiatives are implemented	Revenue from additional Tourism Initiatives	Additional revenue \$20,000 by 30 June 2010	<i>Generated additional revenue of \$12,400.</i>
Inspection, maintenance and repair of trolley bus overhead network are carried out to provide appropriate levels of reliability	Number of network failures due to inadequate maintenance	None	<i>None from current maintenance activities that were inadequate. Failures still occur due to backlog of maintenance not yet remedied.</i>
Trolley Bus Overhead Network Asset Management Plan prepared	Asset Management Plan completion	Annual AMP Approved by 30 April 2010	<i>AMP for 2009/10 approved 15 September 2009.</i>
Trolley Bus Network Poles identified as requiring urgent and critical replacement are programmed for replacement	Pole replacements completion	Completed in accordance with the programme	<i>Achieved</i>
Overhead components replacement or repairs.	Component programme completion	Completed in accordance with the programme	<i>Achieved</i>
Trolley bus overhead pole occupants have formal contracts and appropriate pole user charges are being paid.	Number of contracts signed.	All by 30 June 2010	<i>Pole occupants without existing user rights have paid their rental charges in accordance with their contracts. Occupants claiming existing user rights do not yet have contracts due to unresolved differences in interpretation of legislation.</i>
GWRC funding agreement completion	Contract signed	Agreement signed by 1 July 2009	<i>Agreement not signed, but currently on course to achieve contract signing by 30 September 2010.</i>



## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2010

<b>Performance indicator</b>	<b>Measure</b>	<b>Result</b>	<b>(Actual)</b>
The Performance requirements in the GWRC Trolley Bus Overhead funding agreement.	GWRC Contract payments received	Paid in accordance with agreed funding levels	<i>Payments according to agreed Budget received.</i>
	Contract Requirements met	No complaints from GWRC	<i>Not applicable, as contract not yet completed.</i>
Compliance with appropriate regulations and statutes	Number of adverse comments from the relevant regulatory authorities.	None	<i>None</i>
Budgetary requirements approved by the WCCL Board are met	Degree of variance from budget	Within 10% or Board approved variance	<i>Achieved</i>
Board delegations are adhered to	Board and management approvals of commitments and expenditure	All approvals of expenditure and commitments are in accordance with delegations policy	<i>Achieved</i>
Company Risks and Vulnerabilities are maintained at an acceptable limit and identified in the Risk and Vulnerability register.	Number of Risk and Vulnerabilities not identified and where possible mitigated to an acceptable limit	None	<i>None</i>

## STATEMENT OF SERVICE PERFORMANCE

For the year ended 30 June 2010

### 5.1 Passenger Numbers per Quarter:

<b>2009/10</b>	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Full Year Average</b>
Estimated Passenger trips on the Cable Car	260,000	330,000	380,000	260,000	1,250,000
Actual Passenger trips on the Cable Car	243,299	257,114	354,239	220,870	1,075,522
Estimated % Visitors against total trips	65%	70%	80%	70%	75%
Actual % Visitors against total trips	65%	79%	77%	67%	73%

### 5.2 Residents Satisfaction Survey:

<b>Question</b>	<b>Target</b>	<b>Actual</b>
Have you used the Cable car in the last 12 months?	30%	49%
How do you rate the standard and operational reliability of the cable car (Good/Very good)	95%	92%