

WELLINGTON CABLE CAR LIMITED

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12 May 2011

REPORT TO THE MONITORING SUBCOMITTEE FOR THE THIRD QUARTER OF 2010/11 (to 31 March 2011)

FINANCE

Cable Car & Trolley Bus System Income

Cable Car fare income (at \$711K) is 15% above budget for the quarter and 15% above the same quarter in 2009/10, reflecting the increase in fares effective from 1 October 2010 and the seasonal passenger mix.

The trolley bus overhead network maintenance contract income from Greater Wellington Regional Council (GWRC) (\$1,354K) is shown as 38% below budget for the quarter. The budget includes provision for some capital expenditure items that are subject to approval of business cases, for which expenditure may now be re-budgeted for next year. Following completion of the Manners Mall project, replacement work has re-commenced on the planned replacement work funded by GWRC. Revenue for the work undertaken for GWRC for reactive maintenance and planned maintenance is budgeted to match to expenditure over the full year.

Income from External Activities

External activities include sundry work related to the trolley bus overhead system resulting from third party requests, including providing escorts to high loads through the city and WCC initiated activities. The net contribution for the quarter from external activities is \$139K against a budget of \$76K, the difference being due to the timing of activities for this type of work.

Administration

Administration costs amount to \$49K against a budget of \$85K, which is \$36K (41%) below budget. There has been reclassification of some actual costs to other cost centres, which were originally budgeted to this cost centre.

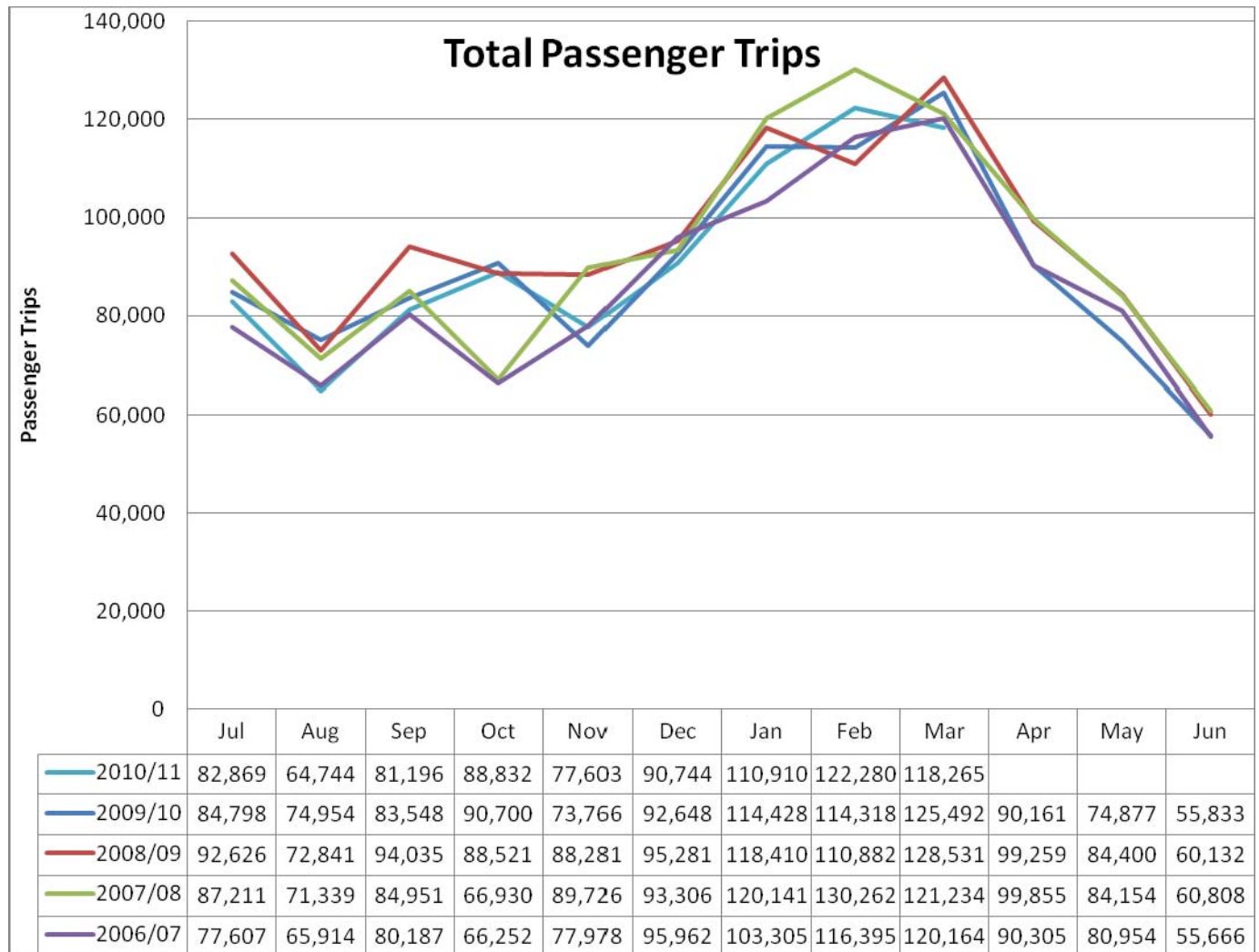
Income and Expenditure Overview

The overall income for the quarter was \$2,975K which was 7% below budget. Overall expenditure was \$2,644, which was 14% below budget. The overall surplus after tax was \$331K against a budget of \$95K.

Cable Car Passenger Numbers

The actual passenger number for the quarter was 351,455, which is 3% below estimate and 1% below the same period in the previous year.

The following chart indicates the overall pattern of cable car patronage.



WCCL is concerned about the recent lower patronage of some of the passenger categories (principally commuters) and has commissioned a survey to obtain data on this trend, to guide action as appropriate. The results of the survey are expected to be available in June 2011.

Cable Car Reliability

The reliability of the cable car was 99.91% for the quarter.

GENERAL

Cable Car Operation

The cable car continues to be operated by our own staff and management, as it has been since 1 April 2007. The number of complaints received has been negligible.

Cable Car maintenance

Routine maintenance has continued to be undertaken.

Trolley Bus Overhead

It is anticipated that all of the planned asset replacements in the Asset Management Plan for the current year will be completed by the end of the financial year, as activity is now concentrated on them.

A handwritten signature in blue ink, appearing to read 'Maughan', is positioned in the lower-left area of the page.

p.p. Roger Drummond

CHAIRMAN OF THE BOARD OF DIRECTORS

Wellington Cable Car Limited - Business Plan								Budget 2010 / 2011 - Total \$000
Profit and Loss for the year ending 30 June 2011 - to end Q3								
	Actual	Budget	Variance		Actual	Budget	Variance	
	2011 - Qtr 3	2011 - Qtr 3	2011 - Qtr 3		2011 - YTD	2011 - YTD	2011 - YTD	
	\$000	\$000	\$000		\$000	\$000	\$000	
OVERHEAD DIVISION								
Income	1,354	2,188	(835)		2,955	4,756	(1,801)	7,113
Contractor Operations Costs	399	353	46		1,050	1,060	(10)	1,414
Wellington Cable Car Operations Costs	169	196	(27)		480	587	(106)	782
Total Operating Expenses	568	549	19		1,531	1,647	(116)	2,196
Operating Surplus/Loss before Replacements	786	1,639	(854)		1,424	3,109	(1,685)	4,916
Reactive Maintenance	233	98	136		428	293	135	390
Contact Wire Replacements / Rentensions	378	345	34		411	591	(180)	1,097
Pole Replacements	120	189	(70)		439	568	(128)	757
Feeder Pillar Replacements	26	17	9		58	52	6	76
Special Works Replacement	29	32	(3)		88	95	(7)	127
Vehicle Replacements	0	0	0		0	550	(550)	550
Safety Protection on Feeder Pillars	0	960	(960)		0	960	(960)	1,920
Total Replacements	786	1,639	(854)		1,424	3,109	(1,685)	4,916
Total Maintenance & Replacement Cost	786	1,639	(854)		1,424	3,109	(1,685)	4,916
Depreciation	31	22	10		94	65	29	87
Total Expenses	1,385	2,210	(825)		3,049	4,821	(1,772)	7,200
Overhead Overall Surplus / (Loss)	(31)	(22)	(10)		(94)	(65)	(29)	(87)
COMPANY ACTIVITIES DIVISION								
Cable Car Income	711	618	93		1,571	1,475	96	1,840
Cable Car Operations	178	177	0		495	532	(37)	709
Cable Car Maintenance	69	108	(39)		272	324	(52)	432
Depreciation	37	46	(9)		111	137	(26)	182
	284	331	(47)		878	993	(114)	1,323

	Actual	Budget	Variance		Actual	Budget	Variance	Budget
	2011 - Qtr 3	2011 - Qtr 3	2011 - Qtr 3		2011 - YTD	2011 - YTD	2011 - YTD	2010 / 2011 - Total
	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Electric Bus Income	0	0	0		0	0	0	0
Electric Bus Operations	0	0	0		0	0	0	0
Electric Bus Maintenance	4	0	4		4	0	4	0
	4	0	4		4	0	4	0
Cable Car Operating Surplus / (Loss)	424	287	136		689	482	207	517
EXTERNAL ACTIVITIES								
3rd Party Services Net Contribution	4	4	0		12	12	(0)	16
External Pole Work Net Contribution	(7)	3	(9)		(15)	7	(23)	10
3rd Party Overhead Projects Net Contribution	100	39	60		267	300	(33)	300
Sundry External Income	42	31	11		121	92	29	123
External Activities Operating Contribution Surplus / (Loss)	139	76	63		385	412	(27)	449
Total Company Activities Operating Contribution Surplus / (Loss)	563	364	199		1,074	894	180	966
Administration Expenses	49	85	(35)		190	254	(64)	338
Company Activities Division Operating Surplus / (Loss)	513	279	234		884	641	243	628
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	482	258	224		789	575	214	541
Tax Expense	151	162	(11)		151	162	(11)	162
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	331	95	236		638	413	225	378
	0	0	(0)		0	(0)	(0)	(0)
The Total Surplus / (Loss) After Tax Consists of:								
Total Income	2,975	3,187	(213)		6,812	8,770	(1,957)	11,565
Total Expenditure	(2,644)	(3,092)	448		(6,174)	(8,357)	2,183	(11,186)
	331	95	236		638	413	225	378
	0	(0)	0		0	0	0	(0)

Wellington Cable Car Limited
Statement of Financial Position
As at 31 March 2011

	<u>Year to Date 2010/11</u>	<u>Year to Date 2009/10</u>
ASSETS	\$	\$
Total Current Assets	3,006,090	2,109,717
Total Fixed Assets	5,920,525	6,139,881
TOTAL ASSETS	<u>8,926,615</u>	<u>8,249,598</u>
LIABILITIES		
Total Current Liabilities	544,392	866,546
Total Non Current Liabilities	735,546	746,809
Total Ostendo Clearing Accounts	180,748	
TOTAL LIABILITIES	<u>1,460,686</u>	<u>1,613,355</u>
NET ASSETS	<u>7,465,929</u>	<u>6,636,243</u>
SHAREHOLDER'S FUNDS		
TOTAL SHAREHOLDER'S FUNDS	<u>7,465,929</u>	<u>6,636,243</u>

Wellington Cable Car Company Limited
Statement of Cash Flows
For the 2011 Year

	Year Ended 30 June 2010	Quarter Ended 31 March 2011
Cash flows from operating activities		
<u>Cash was received from:</u>		
Operating receipts	6,256	4,437
Interest received	28	42
<u>Cash was disbursed to:</u>		
Payments to suppliers and employees	(5,917)	(3,915)
GST	(28)	15
Net cash inflow / (outflow) from operating activities	<u>339</u>	<u>579</u>
Cash flows from investing activities		
<u>Cash was received from:</u>		
Investments	-	-
Sale of Fixed Assets	-	-
<u>Cash was applied to:</u>		
Purchase of fixed assets	(68)	(112)
Net cash inflow / (outflow) from investing activities	<u>(68)</u>	<u>(112)</u>
Cash flows from financing activities		
<u>Cash was received from:</u>		
Term Loan	-	-
<u>Cash was applied to:</u>		
Payment of Dividend	(130)	-
Term Loan	-	-
Payment of Tax	(9)	-
Subvention Payment	(64)	(151)
Net cash inflow/(outflow) from financing activities	<u>(203)</u>	<u>(151)</u>
Net Increase/(decrease) in Cash held	<u>68</u>	<u>316</u>
Opening Cash Balance	837	905
Closing Cash Balance	<u><u>905</u></u>	<u><u>1,220</u></u>

**Reconciliation of Net Surplus/(Deficit) before Taxation and Dividend Paid with
Cash inflow from operating activities for the Quarter Ended 31 March 2011**

	<u>Qtr. ended 31 March 2011</u>
Net Profit/(Loss) before tax	789
Add non cash items:	
Depreciation	205
(Gain)/Loss on Assets sold/disused	-
	<hr/>
	994
Add (less) movements in Working Capital:	
Decrease/(Increase) in accounts receivable	(18)
Decrease/(Increase) in inventory	66
Decrease/(Increase) in prepayments	(298)
(Decrease) in accounts payable	(55)
Increase in net GST payable	15
(Decrease) in PAYE payable	(5)
(Decrease) in Accruals	(113)
SSCWT	-
NPT Contributions	-
RWT paid	(8)
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Net cash inflow from operating activities	<u><u>579</u></u>