

Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 December 2011 for review. A summary of key findings is presented below and the full report is attached.

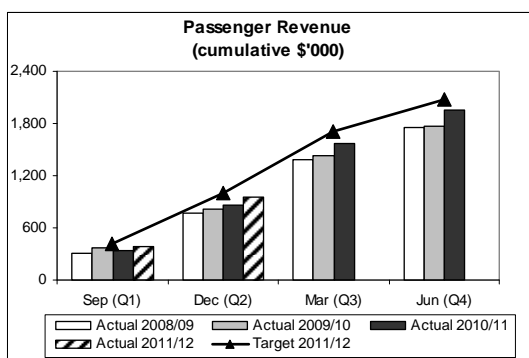
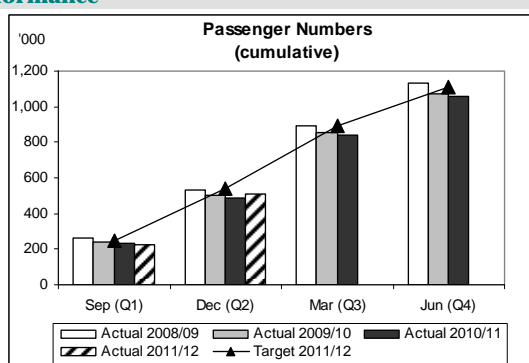
Highlights / Summary

- Following a strong November and December, cable car passenger numbers for the quarter were 289,417, which was in line with budget and 12% above the same period last year.
- YTD passenger numbers are 5% below budget, but 5% above last year.
- The Company estimates that, while there was some increase in adult cash fare trips during October (the fare category likely for RWC visitors), there was minimal net passenger gain (~1,700) relative to last year. This is much lower than the extra 30k passengers included in the budget. However, there has been higher than budgeted tourist numbers since RWC.

Activities during the quarter

- Some overhead network maintenance activities were put on hold during RWC 2011 to minimise disruption, as discussed with WCC. It is anticipated that all planned asset replacements on the overhead network for this year will be completed by the end of the year.
- The Company is continuing to work on plans for the Kelburn terminal.

Performance



Macro Key Performance Indicators

The following KPIs have been reported by the company:

| Measure | Annual Target | YTD Target | YTD Actual | Quarter Target | Quarter Actual |
|---------------------------|---------------|------------|------------|----------------|----------------|
| Passenger trips | 1,109,000 | 537,900 | 511,379 | 289,100 | 289,417 |
| Cable Car reliability (%) | > 99% | > 99% | -98.5% | > 99% | 99.92% |
| Fare income \$k | 2,077 | 997 | 953 | 578 | 574 |

Financial Commentary

- The Q2 surplus of \$181k was greater than the budgeted surplus of \$143k. This was due to a slightly greater than budgeted third party contribution (due to timing on this work) and lower than budgeted admin expenses.
- Q2 cable car fare income of \$574k was basically in line with budget, but 12% ahead of last year, reflecting the higher passenger numbers. Cable car fare income YTD is 11% higher than last year but below budget.
- Income and expenses for the overhead division were above budget for Q2 and YTD expenses are now slightly over-budget. Over the full year, revenue for the work undertaken for GWRC should match expenditure.
- The Company has a cash balance of \$1.97m at quarter end.

Statement of Financial Performance

For the quarter ended 31 December 2011

| \$'000 | Q2 Actual | Q2 Budget | YTD Actual | YTD Budget | FY Budget |
|-------------|-----------|-----------|------------|------------|-----------|
| Income | 2,485 | 2,310 | 3,792 | 3,926 | 11,195 |
| Expenditure | 2,305 | 2,167 | 3,669 | 3,790 | 10,760 |
| Net surplus | 181 | 143 | 123 | 136 | 435 |

| | 7.3% | 6.2% | 3.2% | 3.5% | 5.6% |
|------------------|------|------|------|------|------|
| Operating margin | | | | | |

Statement of Financial Position

As at 31 December 2011

| \$'000 | YTD Actual | FY Budget | FY 2010/11 Actual |
|-------------------------|------------|-----------|-------------------|
| Current assets | 3,352 | 1,414 | 3,809 |
| Non-current assets | 5,091 | 7,727 | 5,148 |
| Current liabilities | 815 | 1,000 | 1,420 |
| Non-current liabilities | 498 | 745 | 522 |
| Equity | 7,129 | 7,396 | 7,015 |

| | 4.1 | 1.4 | 2.7 |
|---------------|-----|-----|-----|
| Current ratio | | | |
| | 84% | 81% | 78% |
| Equity ratio | | | |

Statement of Cash Flows

For the quarter ended 31 December 2011

| \$'000 | YTD Actual | FY Budget | FY 2010/11 Actual |
|-----------------|------------|-----------|-------------------|
| Operating | 128 | 1,829 | 2,638 |
| Investing | (39) | (2,546) | (1,649) |
| Financing | (10) | (39) | - |
| Net | 79 | (756) | 989 |
| Closing balance | 1,974 | 314 | 1,894 |

Note: 2011/12 FY Budget is as approved in the Business Plan.

Contact officer:

Maree Henwood

Profile - Wellington Cable Car Limited

Wellington Cable Car Limited (WCCL) is a wholly owned subsidiary of the Council.

The company owns, maintains and operates the cable car assets. The cable car operation does not receive any external funding or subsidy.

It also owns and is responsible for maintenance of the trolley bus overhead wire network. Income is derived from the overhead wire network from: contract payments from the regional council to cover maintenance; third party projects requiring the overhead network to be relocated or modified; pole occupancy rentals; and a management fee for handling high load escorts through the city.



Entity Data

| | | |
|---------------------|--|--|
| Established | 1 July 1991 | |
| Board | Roger Drummond (Chair) Jeremy Ward Nicki Crauford Anthony Briscoe | <i>Term expires:</i> 31 Dec 2013 Retired 31 Dec 2011 30 June 2014 Appointed 1 Jan 2012 |
| CEO | Des Laughton | |
| Balance date | 30 June | |
| Number of FTE staff | 17.5 | |
| Website | www.wellingtoncablecar.co.nz | |
| Type of entity | Company | |
| LGA designation | CCTO | |
| By reason of | Board control: all Directors appointed by Council | |
| Council interest | \$3.81 million (<i>book value</i>) | |
| Type of interest | 100% Shareholding | |