

Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 March 2012 for review. A summary of key findings is presented below and the full report is attached.

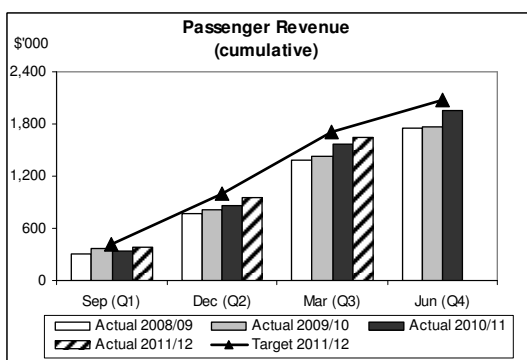
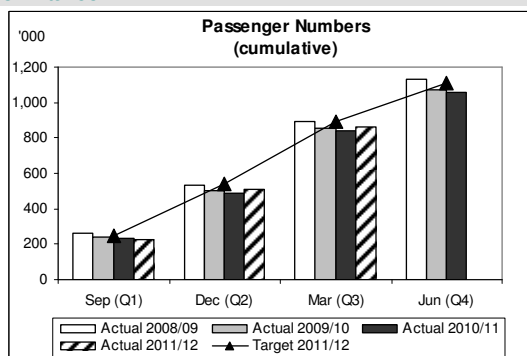
Highlights / Summary

- Cable car passenger numbers for the quarter were 348,480, which was 2.0% under budget and 0.8% below the same period last year.
- YTD passenger numbers are 4% below budget, but 3% above last year.

Activities during the quarter

- 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.
- The introduction of the electric bus continues to be delayed. It is anticipated to be in service for the summer tourist season in 2012/13.

Performance



Financial Commentary

- The Q3 surplus of \$13k was significantly less than the budgeted surplus of \$266k. This was largely due to budgeted third party work which did not eventuate, particularly the cancellation of a major project which had been budgeted for.
- The YTD surplus of \$136k is significantly less than the budgeted \$402k. This reflects the cancelled third party work (referred to above), a higher than budgeted tax expense, and the delayed introduction of the electric bus, partially offset by lower than budgeted administration expenses.
- Given this YTD performance, the Company has revised its budgeted net surplus after tax for 2011/12 from \$435k to \$260k.
- Q3 cable car fare income of \$697k was 2% below budget and last year. This largely reflects the lower than budgeted passenger numbers. YTD, cable car fare income is 5% higher than last year, but 3% below budget.
- Income and expenses for the overhead division were above budget for Q3 and for YTD. Over the full year, revenue for the work undertaken for GWRC should match expenditure.
- The Company has a cash balance of \$2.3m at quarter end.

Statement of Financial Performance

For the quarter ended 31 March 2012

\$000	Q3 Actual	Q3 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,959	3,699	5,751	7,626	11,195
Expenditure	1,945	3,433	5,615	7,223	10,760
Net surplus	13	266	136	402	435

	16.8%	12.3%	7.9%	7.7%	5.6%
Operating margin					

Statement of Financial Position

As at 31 March 2012

\$000	YTD Actual	FY Budget	FY 2010/11 Actual
Current assets	4,231	1,414	3,809
Non-current assets	5,036	7,727	5,148
Current liabilities	1,626	1,000	1,420
Non-current liabilities	498	745	522
Equity	7,143	7,396	7,015

	2.6	1.4	2.7
Current ratio			
	77%	81%	78%
Equity ratio			

Statement of Cash Flows

For the quarter ended 31 March 2012

\$000	YTD Actual	FY Budget	FY 2010/11 Actual
Operating	415	1,829	2,638
Investing	(38)	(2,546)	(1,649)
Financing	(10)	(39)	-
Net	367	(756)	989
Closing balance	2,262	314	1,894

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

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	893,400	859,859	355,500	348,480
Cable Car reliability (%)	> 99%	> 99%	~98.5%	> 99%	99.82%
Fare income \$k	2,077	1,707	1,651	710	697

Contact officer:

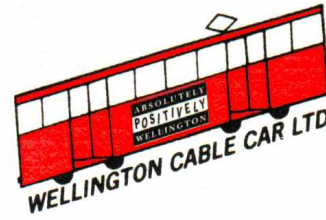
Maree Henwood

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	