

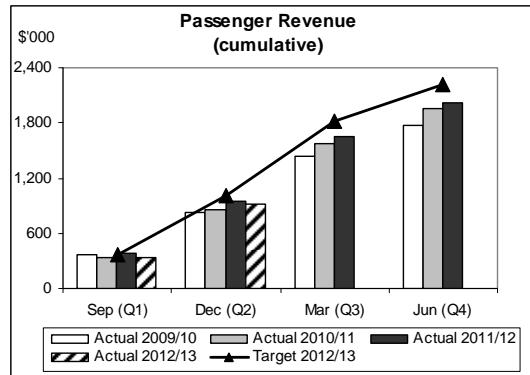
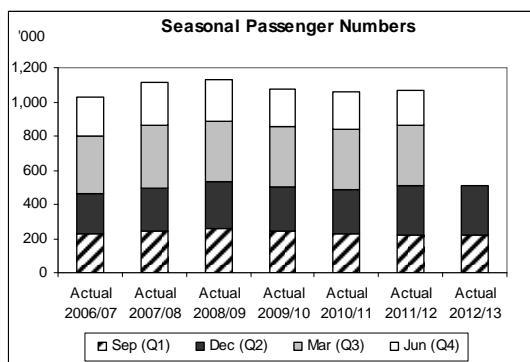
## Quarterly Review – Wellington Cable Car Limited

Wellington Cable Car Limited has presented its report for the quarter ended 31 December 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 294,676, which was 1.8% above target and 1.8% above the same period last year. As a result, following the slower Q1 result, YTD passenger numbers are up slightly on last year and target.
- The resource consent application for the Kelburn terminal redevelopment has been lodged with WCC. Subject to receiving resource consent, construction is still expected to commence in April and the budget remains at \$1.875m.
- The electric bus service between the Kelburn terminal and the Lady Norwood Rose Garden in the Botanic Garden commenced its "soft" opening in late December 2012 with one bus operating.

### Performance



### Macro Key Performance Indicators

The following KPIs have been reported by the company:

Measure	Annual Target	Quarter Target	Quarter Actual	YTD Target	YTD Actual
Passenger trips	1,073,700	289,400	294,676	511,300	513,390
Cable Car reliability (%)	>99	>99	99.8	>99	99.8
Fare income \$k	2,223	643	579	1,016	922

- Cable car passenger numbers for the quarter were 294,676, which was 1.8% above target and 1.8% above the same period last year.
- Student patronage numbers have stabilised, and are currently showing increased patronage over last year to date.
- The cable car operated with 99.8% reliability during the quarter.

### Activities during the quarter

- The process of selecting an external reviewer for the review of Health & Safety Management policies is underway but not yet complete.

### Financial Commentary

- Cable car fare income was \$579k for Q2, 10% below budget. Average fare income per passenger was \$1.96. This is largely in line with last year (\$1.98), but well below the budgeted \$2.22. The budget anticipated a fare increase from 1 October 2012, which was instead introduced on 1 February 2013 due to timing issues.
- Trolley bus overhead network maintenance income from GWRC (\$699k) and expenses are shown as 60% below budget for the quarter. The budget includes provision for capital expenditure items that are subject to business case approval, on which investigative work is still being undertaken. Revenue for the work undertaken for GWRC for reactive and planned maintenance is budgeted to match expenditure over the full year.
- The Q2 external activities contribution was above budget at \$75k.
- The before tax surplus of \$169k YTD is tracking above the budgeted \$85k. This reflects the lower than budgeted cable car fare and electric bus income being more than offset by lower than budgeted cable car operations and maintenance expenses (the lower than budgeted expenses reflect timing differences). There were also lower than budgeted administration expenses and a higher than budgeted external activities contribution.
- The Company anticipates achieving its budgeted result for the year.
- The Company had cash and short term investments of \$2.4m at quarter end. This was down from \$2.7m at the end of Q1 due to the 2011/12 dividend of \$94k paid to Council during the quarter and operating cash flow timing.

### Statement of Financial Performance

For the quarter ended 31 December 2012

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	2012/13 FY Budget
Income	1,420	2,555	2,560	4,839	9,935
Expenditure	1,231	2,377	2,391	4,754	9,508
Net surplus (Before tax)	189	178	169	85	427
Operating margin	13.3%	7.0%	6.6%	1.8%	4.3%

### Statement of Financial Position

As at 31 December 2012

\$'000	YTD Actual	2011/12 FY Actual YE	2012/13 FY Budget
Current assets	4,335	5,012	1,821
Non-current assets	5,653	5,669	7,334
Current liabilities	1,552	2,302	876
Non-current liabilities	769	740	745
Equity	7,667	7,639	7,534
Current ratio	3.22	2.18	2.08
Equity ratio	76.8%	71.5%	82.3%

### Statement of Cash Flows

For the quarter ended 31 December 2012

\$'000	YTD Actual	2011/12 FY Actual	2012/13 FY Budget
Operating	(78)	576	4,187
Investing	372	(1,025)*	(4,682)
Financing	(94)	(10)	(290)
Net	200	(459)	(785)
Closing balance	2,412	2,212	721

Note: 2012/13 FY Budget is as approved in the Business Plan

\* Included \$776k of investment in term deposits

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 to provide the cable car passenger service, for local commuters and other users from within New Zealand and internationally, financed from passenger fare income. The cable car operation does not receive any external funding or subsidy.

WCCL also owns and is responsible for maintenance of the trolley bus overhead wire network for use by trolley bus services in Wellington. Income from the overhead network is derived from Greater Wellington Regional Council under a contract, on a cost recovery basis, to cover reactive and planned maintenance of the existing overhead network;

The company also earns revenues from pole user charges from utilities using WCCL's poles to support their networks and from infrastructure-related activities undertaken within Wellington City on a profit earning basis, being:

- i) Projects initiated by parties other than GWRC requiring the overhead network to be relocated and/or modified;
- ii) 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.



## Entity Data

Established	1 July 1991	<i>Term expires:</i>
Board	Roger Drummond (Chair) Anthony Briscoe Nicki Crawford	
CEO	Des Laughton	
Balance date	30 June	
Number of FTE staff	17.5	
Website	<a href="http://www.wellingtoncablecar.co.nz">www.wellingtoncablecar.co.nz</a>	
Type of entity	Company	
LGA designation	CCTO	
By reason of Council interest	Board control: all Directors appointed by Council	
Type of interest	\$3.81 million ( <i>book value</i> ) 100% Shareholding	

# WELLINGTON CABLE CAR LIMITED

30 Glover Street, Ngauranga, Wellington  
Phone (04) 4732 707 Fax (04) 4732 710



8 February 2013

## REPORT TO THE MONITORING SUBCOMMITTEE FOR THE SECOND QUARTER OF 2012/13 (to 31 December 2012)

### FINANCE

#### Cable Car and Trolley Bus System Income

Cable Car fare income (at \$579K) is 10% below budget for the quarter, and 1 % above the same quarter in 2011/12.

The trolley bus overhead network maintenance contract income from Greater Wellington Regional Council (GWRC) (\$699K) is shown as 61% below budget for the quarter. The budget includes provision for some capital expenditure items that are subject to approval of business cases, on which investigative work is still being undertaken.

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 \$75K against a budget of \$49K.

#### Administration

Administration costs amount to \$67K against a budget of \$79K, which is \$12K (15%) below budget.

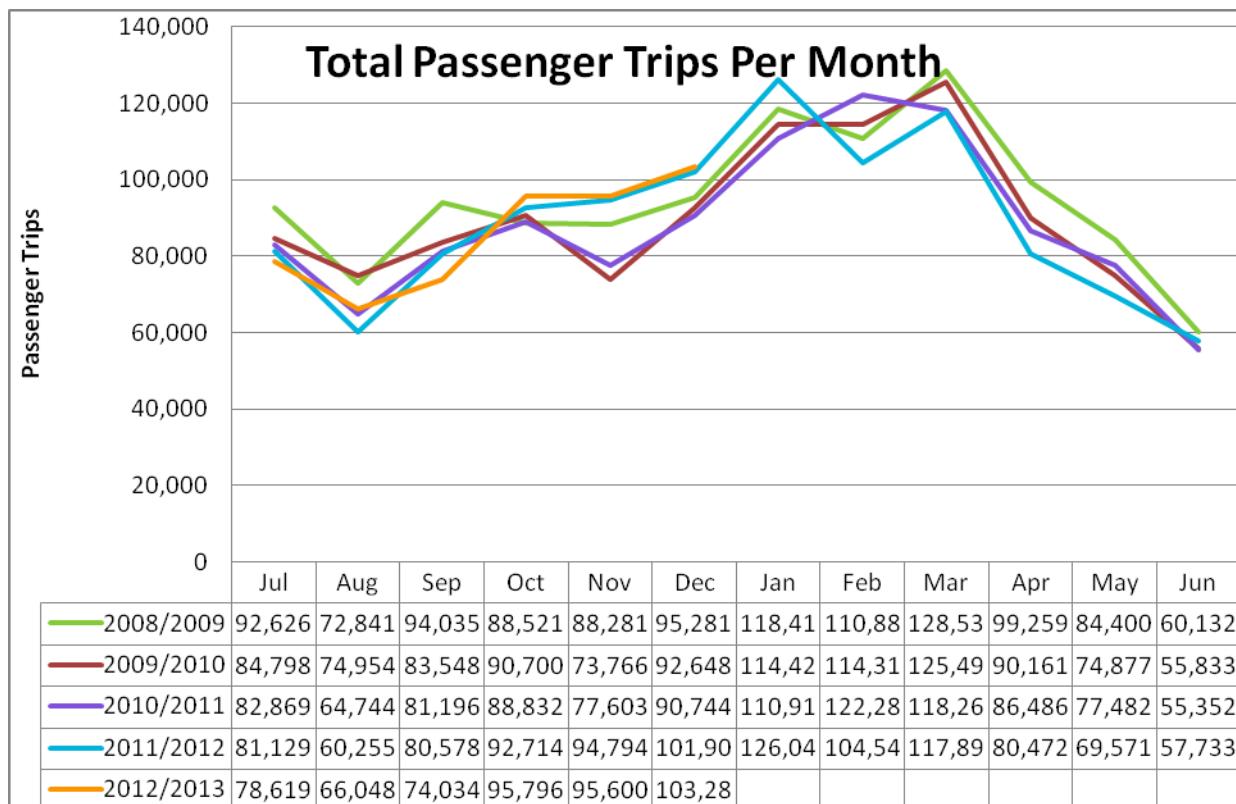
#### Income and Expenditure Overview

The overall income for the quarter was \$1,420K, which was 44% below budget. Overall expenditure was \$1,284K, which was 46% below budget. The overall surplus after tax was \$136K against the budget surplus of \$179K.

## Cable Car Passenger Numbers

The actual passenger number for the quarter was 294,676, which is 1.8% above estimate and 1.8% above the same period in the previous year.

The following charts indicate the overall pattern of cable car patronage, on a per month basis.



## Cable Car Reliability

The reliability of the cable car was 99.80% 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.

**p.p. Roger Drummond**  
**Chairman of the Board of Directors**

**Des Laughton,**  
**CEO**

Wellington Cable Car Limited - Business Plan									
Profit and Loss for the year ending 30 June 2013 (To 31 December 2012)									
OVERHEAD DIVISION	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
	2013 - Qtr 1	2013 - Qtr 1	2013 - Qtr 1	2013 - Qtr 2	2013 - Qtr 2	2013 - Qtr 2	2013 - YTD	2013 - YTD	2013 - Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income	726	1,809	(1,082)	699	1,809	(1,110)	1,425	3,617	(2,192)
Contractor Operations Costs	366	387	21	335	387	53	700	774	74
Wellington Cable Car Operations Costs	192	259	67	215	259	44	408	518	10
Total Operating Expenses	558	646	88	550	646	96	1,108	1,232	184
Operating Surplus/Loss before Replacements	168	1,163	(594)	149	1,163	(1,014)	317	2,325	(2,008)
Reactive Maintenance	92	102	10	111	102	(9)	203	204	1
Contact Wire Replacements / Rentensions	0	32	32	1	32	31	1	64	63
Pole Replacements	53	91	38	17	91	73	70	181	111
Feeder Pillar Replacements	0	22	22	0	22	22	0	44	44
Special Works Replacement	19	32	12	21	32	11	40	63	23
Business Case Items	0	885	885	0	0	885	0	0	1,770
Total Replacements	164	1,163	998	149	1,163	1,014	313	2,325	2,012
Total Maintenance & Replacement Cost	164	1,163	998	149	1,163	1,014	313	2,325	2,012
Depreciation	30	30	(0)	30	30	(0)	60	60	(0)
Total Expenses	752	1,838	1,086	729	1,838	1,110	1,481	3,677	2,196
Overhead Overall Surplus / (Loss)	(26)	(30)	4	(30)	(30)	(0)	(56)	(60)	4
COMPANY ACTIVITIES DIVISION									
Cable Car Income	343	373	(29)	579	643	(64)	922	1,016	(94)
Cable Car Operations	160	199	39	175	199	24	335	387	62
Cable Car Maintenance	127	175	48	156	175	19	283	350	67
Depreciation	35	35	(0)	35	35	(0)	70	70	(0)
Electric Bus Income	0	20	(20)	0	20	(20)	0	40	(40)
Electric Bus Operations	2	2	0	0	2	2	2	4	2
Electric Bus Maintenance	2	14	12	2	14	12	4	28	24
Cable Car Operating Surplus / (Loss)	18	(32)	50	211	238	(28)	228	206	22
									605

(To 31 December 2012)										Budget			Variance			Budget			Variance			Budget			
	Actual	Budget	Variance	2013 - Qtr 1	2013 - Qtr 1	2013 - Qtr 1	\$000	Actual	2013 - Qtr 2	2013 - Qtr 2	2013 - Qtr 2	\$000	Actual	2013 - YTD	2013 - YTD	\$000	Actual	2013 - YTD	2013 - YTD	\$000	Actual	2013 - YTD	2013 - YTD	\$000	
<b>EXTERNAL ACTIVITIES</b>																									
3rd Party Services Net Contribution	9	5	(3)					1	5	5	5						9	10	1						
External Pole Work Net Contribution	0	0	0					4	0	(4)	(4)						4	0	(4)						
3rd Party Overhead Projects Net Contribution	0	0	0					6	0	(6)	(6)						6	0	(6)						
Sundry External Income	42	44	2					65	44	(21)	(21)						107	88	(19)						
External Activities Operating Contribution Surplus / (Loss)	50	49	(1)					75	49	(26)	(26)						125	98	(27)						
Total Company Activities Operating Contribution Surplus / (Loss)	68	17	(51)					286	287	2	2						354	304	(49)						
Administration Expenses	62	79	17					67	79	12	12						130	158	28						
Company Activities Division Operating Surplus / (Loss)	6	(62)	68					218	208	10	10						224	147	78						
<b>WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX</b>	(20)	(92)	72					189	179	10	10						169	87	82						
Tax Expense	(7)	0	(7)					53	0	53	53						46	0	46						
Dividend	0	0	0					0	0	0	0						0	0	0						
<b>WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX</b>	(13)	(92)	78					136	179	(43)	(43)						123	87	36						
The Total Surplus / (Loss) After Tax Consists of:	(6)	0	(6)					0	0	(6)	(6)						0	0	0						
Total Income	1,140	2,285	(1,145)					1,420	2,556	(1,136)	(1,136)						2,560	4,841	(2,281)						
Total Expenditure	(1,153)	(2,377)	1,224					(1,284)	(2,377)	1,093	(2,437)						(4,754)	2,317	(9,643)						
	(13)	(92)	79					136	179	(43)	(43)						123	87	36						
	(6)	0	(6)					0	0	(6)	(6)						(6)	0	0						

**Wellington Cable Car Limited**  
**Statement of Financial Position**  
**As at 31 December 2012**

	Year to Date 2012/13	Year to Date 2011/12
<b>ASSETS</b>	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Bank Accounts Total	2,412,148	1,974,066
Inventory	935,448	1,124,485
WIP	347,041	(393,534)
Accounts Receivable less Provision	414,626	533,186
Sundry Debtors & Prepayments	211,880	105,408
RWT Deductions	13,987	8,024
<b>Total Current Assets</b>	<b>4,335,131</b>	<b>3,351,635</b>
<b>Fixed Assets</b>		
Cable Car & Civil Works		
Cable Car Equipment (2%)	3,048,115	3,401,475
Cable Car Equipment (10%)	360,191	
Cable Car Tracks & Wires	1,379,291	1,379,291
Furniture & Fittings	53,482	35,114
Computer Equipment	253,565	230,402
Computer Software	122,079	121,541
Overhead Equipment	79,506	73,298
Overhead Wire System	4,165,710	4,165,710
Overhead Motor Vehicles	298,057	287,913
Fixed Asset Clearing Account	785,203	63,628
Accumulated Depreciation	(4,891,703)	(4,666,952)
<b>Total Fixed Assets</b>	<b>5,653,495</b>	<b>5,091,420</b>
<b>TOTAL ASSETS</b>	<b>9,988,626</b>	<b>8,443,055</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	295,867	733,507
Accruals	1,065,945	464,597
GST TOTAL	25,465	28,366
PAYE Suspense	21,380	24,507
Prebilled charges TOTAL	(64,252)	(784,420)
Current Portion of Term Liabilities		
<b>Total Current Liabilities</b>	<b>1,344,406</b>	<b>466,557</b>
<b>Non Current Liabilities</b>		
Provision for Income Tax	27,281	(23,589)
Deferred Tax Liability	730,433	522,000
Telecom Lease/Rentals	11,344	
<b>Total Non Current Liabilities</b>	<b>769,058</b>	<b>498,411</b>
<b>Ostendo Clearing Accounts</b>		
Descriptor Expenses	163,111	166,346
Purchase Receipts	44,658	182,309
Sales Clearing Account		
Ostendo - Misc		
<b>Total Ostendo Clearing Accounts</b>	<b>207,769</b>	<b>348,655</b>
<b>TOTAL LIABILITIES</b>	<b>2,321,234</b>	<b>1,313,623</b>
<b>NET ASSETS</b>	<b>7,667,393</b>	<b>7,129,432</b>
<b>SHAREHOLDER'S FUNDS</b>		
Ordinary Shares	7,434,846	7,434,846
Retained Earnings	38,378	(594,148)
Revaluation Reserve	176,000	176,000
Tax on Equity items		
<b>Less:</b> Dividend Paid	(104,380)	(10,000)
Current Year Earnings	122,549	122,734
<b>TOTAL SHAREHOLDER'S FUNDS</b>	<b>7,667,393</b>	<b>7,129,432</b>

**Wellington Cable Car Company Limited**  
**Statement of Cash Flows**  
**For the 2013 Year**

	<b>Year Ended 30 June 2012</b>	<b>Year Ended 30 June 2013</b>
<b>Cash flows from operating activities</b>		
<u>Cash was received from:</u>		
Operating receipts	7,670	3,785
<u>Cash was disbursed to:</u>		
Payments to suppliers and employees	(6,718)	(3,764)
Payment of Tax	(18)	(14)
Subvention Payment	(317)	-
GST	(41)	(85)
Net cash inflow / (outflow) from operating activities	<u>576</u>	<u>(78)</u>
<b>Cash flows from investing activites</b>		
<u>Cash was received from:</u>		
Investments	-	-
Interest received	83	65
Sale of Fixed Assets		
<u>Cash was applied to:</u>		
Purchase of fixed assets	(333)	307
Net cash inflow / (outflow) from investing activities	<u>(249)</u>	<u>372</u>
<b>Cash flows from financing activites</b>		
<u>Cash was received from:</u>		
Term Loan	-	-
<u>Cash was applied to:</u>		
Payment of Dividend	(10)	(94)
Term Loan	-	-
Net cash inflow/(outflow) from financing activities	<u>(10)</u>	<u>(94)</u>
Net Increase/(decrease) in Cash held	317	200
Opening Cash Balance	1,894	2,212
Closing Cash Balance	<u>2,212</u>	<u>2,412</u>
Closing cash balance per GL	2,212	2,412

**Reconciliation of Net Surplus/(Deficit) before Taxation with  
Cash inflow from operating activities for the Year Ended 30 June 2013**

	<u>Year Ended 30 June 2013</u>
Net Profit/(Loss) before tax	169
<b>Add non cash items:</b>	
Movement in provision for impairment of doubtful debts	-
Depreciation	130
(Gain)/Loss on Assets sold/disused	-
	<hr/>
	298
<b>Add / (deduct) movements in Working Capital:</b>	
(Increase) / Decrease in accounts receivable & other assets	1,167
Increase / (Decrease) in accounts payable & other accruals	(1,104)
(Increase) / Decrease in inventory	(359)
<b>Add / (deduct) investing activities:</b>	
Net (gain) / loss on sale of assets	
Net (receipt) / payment interest income	(65)
Net receipt / (payment) withholding tax	(6)
Net (receipt) / payment Subvention Payment	-
Net (receipt) / payment Income Tax	(8)
<b>Add / (deduct) Financing activities:</b>	
Net receipt / (payment) of Dividend	
Net (receipt) / payment of Finance Leases	(1)
Net cash inflow from operating activities	<hr/> <hr/> <hr/> (78)