

## QUARTER PERFORMANCE

- The highlight was the official opening of the new Kelburn terminal, which was opened by Mayor Wade-Brown on 27 February.
- WCCL undertook the implementation of the first phase of Snapper to correspond with the commencement of the university year.
- The company has engaged with BECA on the replacement of the passenger gates and the point of sale system. This will go to tender in the near future.
- The collaboration with the New Zealand International Festival of the Arts was very successful, with the installation of lights in the tunnel proving very popular. WCCL is currently exploring options to have the lights installed as a permanent feature for the cable car.
- As part of the Network Wide Safety Protection project, WCCL has successfully installed and tested a prototype on the network since quarter end, with positive initial results.

## YEAR TO DATE PERFORMANCE

- Q3 passengers were 2.3% below target and 5.7% below last year. Accordingly, YTD passenger numbers are tracking 11.6% below target and 12.5% below last year. This result is materially improved on the first half and partially reflects the people who used the cable car as part of the NZ Festival's presentation of *Power Plant* in the Botanic Gardens during March.
- The initial budget did not include the impact of a reduction in cruise ship numbers in 2013/14 or disruption due to the construction of the new terminal.
- The current maintenance services provision contract in place with Transfield Services Limited expires on 30 June 2014. WCCL has now agreed and executed a formal contract extension with Transfield Services Ltd.
- WCCL successfully entered into pole user licenses with Citylink and NZTA (as part of the Memorial Park Alliance).

## SUMMARY FINANCIALS

\$'000

FINANCIAL PERFORMANCE	Q3 Actual	Q3 Budget	Variance	YTD Actual	YTD Budget	Variance	Annual Budget
Total Revenue	2,305	3,145	(840)	5,094	9,474	(4,380)	11,732
Total Expenses	2,248	2,785	537	5,119	9,000	3,881	11,466
Operating Surplus	383	360	23	254	475	(221)	388
Net Surplus	57	360	(303)	(25)	475	(500)	265
FINANCIAL POSITION							
Total Assets	9,575			9,575			9,850
Total Liabilities	1,978			1,978			2,227
Equity	7,598			7,598			7,623
CASH FLOWS							
Total Net Cash Flows	99			(981)*			27
Opening Cash	1,575			2,655			721
Closing Cash	1,674			1,674			748

\* Includes capex of \$1.3m

- YTD cable car fare income is below budget by \$186k (or 9%), reflecting the lower than target passenger trips.
- YTD trolley bus overhead income is lower than budget (\$2.96m relative to \$7.34m). This reflects changes to the agreed work plan with GWRC subsequent to the business plan included with the SOI, specifically in relation to the timing of the implementation of the Trolley Bus Safety Protection project. Trolley bus overhead income is matched to the expenditure on the network.
- The YTD before tax result is a surplus of \$254k, compared to a budgeted surplus of \$475k. The variance of \$221k primarily reflects the lower than budgeted cable car fare income, combined with lower than budgeted electric bus income and higher than budgeted cable car maintenance costs (work on the tunnels originally anticipated in 2012/13) and administration expenses.
- This year, the company is also including a change in accounting, from accounting for the subvention payments on a cash basis when paid to accounting for them on an accrued basis. This means that 2013/14 will have a one-off tax impact, which is reflected in the net surplus.

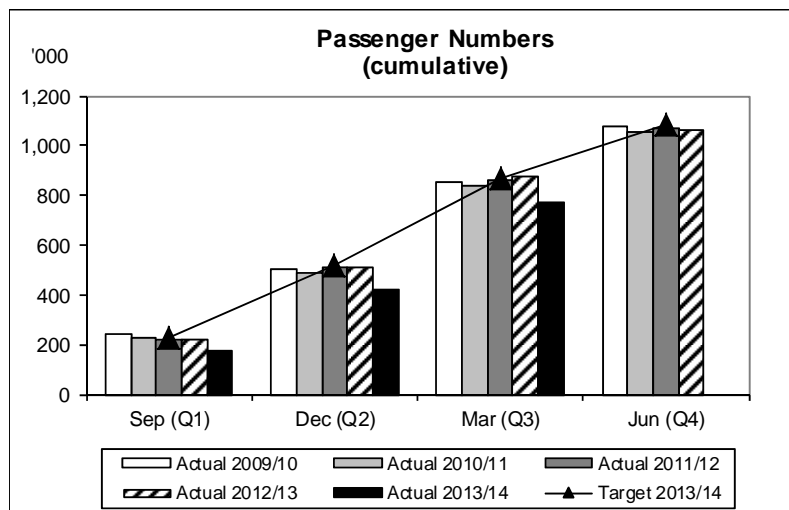
## KPI DASHBOARD

MEASURE		Q3	YTD	3 Year	Comments
		31 Mar 14	31 Mar 14	Trend*	
Passenger trips	Target	352,000	868,400	Declining	Q3 visitors were 2.3% below target and 5.7% below last year. YTD visitors are tracking 11.6% below target and 12.5% below last year.
	Actual	343,814 ✗	767,987 ✗	↘	
Fare income	Target	\$853k	\$1,949k	Steady	Q3 cable car fare income is slightly below budget by \$17k (or 2%).
	Actual	\$836k ✗	\$1,764k ✗	→	
Cable car reliability	Target	>99%	>99%	Steady	Q3 reliability was above target. The YTD actual reflects the lower than target Q2 result.
	Actual	99.8% ✓	98.7% ✗	→	

## ISSUES & OUTLOOK

- GWRC has approved the business cases for the Karori and Hataitai network section replacement projects. These projects have now commenced, and WCCL anticipates having the majority of the work completed by the end of June 2014. Following the prototype testing of the Network Wide Safety Protection system, WCCL, in conjunction with GWRC, will decide whether to progress with a network wide or select area rollout of these devices.
- WCCL plans to implement Snapper readers in the cable cars, as well as utilising Snapper for the management of multi-trip passes (phase 2 of the Snapper project) in July 2014.
- The NZ Festival event and number of passengers highlighted an opportunity to increase the potential capacity of the cable cars. Initial planning is underway in relation to the replacement of the drive system, commencing within the next 2-3 year period as forecast in the 2014/15 Statement of Intent.
- GWRC is currently reviewing the future of the overhead network beyond 2017. WCCL has been working with GWRC to provide information as part of this review.
- On 1 April the board of WCCL was replaced by Council officers as part of the Council resolution to bring Wellington Cable Car in-house.

## Passenger Numbers (cumulative)





12 May 2014

The Committee  
 Transport and Urban Development Committee  
 Wellington City Council  
 PO Box 2199  
 Wellington 6140

Dear Committee,

**WCCL QUARTERLY REPORT (THIRD QUARTER OF 2013/14, TO 31 MARCH 2014) TO THE WCC TRANSPORT AND URBAN DEVELOPMENT COMMITTEE**

**1. Executive Summary**

The third quarter for the 2013/14 year has continued to be a very busy but productive time for Wellington Cable Car Limited ("WCCL").

It is very pleasing to say that WCCL exceeded its budget for the 3<sup>rd</sup> quarter (after taking into consideration the payment of the subvention payment which was not budgeted for given a change in accounting treatment). WCCL is also expecting a positive 4<sup>th</sup> quarter result given the provision of expenses for fixed assets (specifically the replacement of the HiAb truck) during the 3<sup>rd</sup> quarter which will be capitalised in the final quarter of the year resulting in a positive bottom line impact.

Management and staff have continued to be very active in the various key projects and initiatives which WCCL has underway, including the implementation of Snapper and also the prototyping of the network wide safety protection system for the Trolley Bus network.

As mentioned below, a number of Company strategic initiatives have been either commenced or progressed during this quarter, which will provide a solid foundation for the Company moving forward.

**2. SOI / Business Plan Targets**

<b>Financial Performance by Division – Quarter 3, 2013/14</b>					
	Overhead Division	Cable Car	External Activities	Corporate	<b>WCCL Total</b>
Budget	(56,000)	465,000	38,000	(86,000)	362,000
Actual	(56,000)	456,000	92,000	(110,000)	383,000
Variance	0	(9,000)	54,000	(24,000)	21,000

<b>Financial Performance by Division – Year to Date 2013/14</b>					
	Overhead Division	Cable Car	External Activities	Corporate	<b>WCCL Total</b>
Budget	(168,000)	784,000	114,000	(257,000)	473,000
Actual	(173,000)	566,000	166,000	(304,000)	254,000
Variance	(5,000)	(219,000)	52,000	(47,000)	(219,000)

<b>Cable Car Patronage Targets – 2013/14 Year</b>					
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	<b>Full Year</b>
SOI Target	224,100	292,300	352,000	216,000	1,084,400
Actual	172,280	251,893	343,814		
Variance	(51,820)	(40,407)	(8,186)		

### 3. Cable Car

The third quarter has been extremely busy given the focus on progressing with projects, specifically the implementation of the first phase of Snapper for the commencement of the university year, the NZ Festival which proved to be very positive for the Company and the continuing work on the replacement of the passenger gates and point-of-sales ticketing system.

#### Snapper

The Snapper implementation project was very successful with the implementation occurring prior to the commencement of the academic year and also official opening of the New Kelburn Terminus. The outcome of the project was the result of a well-executed team effort and the relationship with Snapper has started well with WCCL looking forward to a positive relationship moving forward. Along with the replacement passenger gates study, it is planned to implement Snapper readers in the Cable Cars as well as utilising Snapper for the management of multi-trip passes (Phase 2) in July 2014.

#### Passenger Gates

There has been continued work with the engagement consultant BECA on the replacement of the Passenger Gates and Point of Sale project as there has been continuing operating issues with existing gates and the ticketing system.

#### The NZ Festival / Tunnel Lights

This event proved to be very successful and enjoyable for WCCL and resulted in passenger numbers for the 3<sup>rd</sup> quarter only being slightly under budget for the period; this being a great result given the budgeted passenger trips are based on the initial cruise ship schedule which had anticipated more cruise ships in the 2013/14 season than actually eventuated. The lights in the tunnel also proved very popular and management are liaising with the relevant parties to endeavour to have these installed as a permanent feature.

Given the popularity of this event and WCCL's intention to try and replicate this where possible, it further reinforces the need to investigate and plan for increasing the capacity of the Cable Cars commencing with the replacement of the drive system, which is planned within the next 2-3 year period as included within the Company's 2014/15 Statement of Intent.

## **4. Trolley Bus Services**

### Transfield Services Performance and Future Contract Renegotiations

The current maintenance services provision contract in place with Transfield Services Limited ("TSL") expires on 30 June 2014. During the second quarter the negotiations were successfully completed and an agreement in-principal was reached prior to Christmas. During the third quarter the formal contract extension was drafted and agreed upon and executed by both WCCL and TSL.

### Network Wide Safety Protection

WCCL has continued to develop a prototype to test on the network which was successfully installed on the network in early April with positive initial results.

Following this prototype testing, a final decision will be made by WCCL (in conjunction with GWRC) as to whether or not to progress with the network wide or selected area rollout of these devices.

This project was initially budgeted to be completed in the current financial year, however given the delay in the completion of the prototype, this has been re-forecast to be implemented and completed in the 2014/15 year.

### Karori / Hataitai Network Section Replacement Projects

GWRC has approved the business cases for these projects, specifically the replacement of Stage 3 of the Karori route, and also the Hataitai section. Both of these are in extremely poor condition and approval of these projects is critical to enable the sections to remain in service for longer than 12 months.

These projects have now been commenced, and WCCL is endeavouring to have the majority, if not the entire projects completed by the end of the 2013/14 financial year.

### Pole User Licenses

During the third quarter and early April, WCCL successfully entered into pole user licenses with Citylink and NZTA (as part of the Memorial Park Alliance). The Citylink agreement resulted in an increase of some 25% over the existing contract which was a very positive result.

WCCL also has a scheduled meeting in May with Chorus regarding the potential of utilising the overhead network with the UFB rollout.

## Other Issues – Spine Study/Trolley Bus Overhead Strategy

As a strategic measure, WCCL wants to ensure that all interested parties hold the requisite information required to make an informed decision on the future of the Trolley Bus service in Wellington. To this end, WCCL has been liaising and working with GWRC where possible to provide information as part of this review. A meeting was also held with GWRC to discuss the recent PwC report on bus options which GWRC had engaged them to complete.

## **5. Other Activities**

### New Board

During the 3<sup>rd</sup> quarter WCCL prepared to farewell the existing Board and welcome the new Directors to the Company as part of the closer integration with WCC. WCCL has greatly appreciated the service provided by the retiring Directors, and is looking forward to the future and the closer interaction with WCC and the infrastructure team.

### Income Tax

Historically, WCCL has satisfied its income tax liability by way of a subvention payment/loss offset with WCC. A subvention payment of \$208k was paid in this quarter. It is envisaged that this will occur for the 2013/14 income year. As a result of accounting treatment, this has always been recorded a year in arrears (being when the physical payment was made to WCC).

In order to align the tax expense to the year in which the profit relates, WCCL has re-forecast to include both the 2012/13 subvention payment and also an accrual for the 2013/14 subvention payment in its current year financial results. This will only effect the 2013/14 year in this way.

### Insurance Renewal Process -

WCCL has commenced the annual insurance renewal process with its broker AON. Based on initial discussions the Company is hoping that there will not be any increase in the premium for the forthcoming year.

### 2014/15 Statement of Intent / Business Plan

A detailed review and update of the Statement of Intent was undertaken and provided to WCC within the required timeframes, which is a first for the Company in recent years, which is very pleasing.

Please do not hesitate to contact me if you have any further queries in relation to any of the matters contained within this report.

Yours sincerely

**Simon Fleisher**  
**Chief Executive**

cc: (Chairman, WCCL)

# Appendix One

Wellington Cable Car Limited - Business Plan																	
Profit and Loss for the year ending 30 June 2014																	
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance					
	2014 - Qtr 1	2014 - Qtr 1	2014 - Qtr 1	2014 - Qtr 2	2014 - Qtr 2	2014 - Qtr 2	2014 - Qtr 3	2014 - Qtr 3	2014 - Qtr 3	2014 - YTD	2014 - YTD	2014 - YTD	Budget	Re-Forecast	Variance		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	2013 / 2014 - Total	2013 / 2014 - Total	2013 / 2014 - Total		
													\$000	\$000	\$000		
<b>OVERHEAD DIVISION</b>																	
Income	720	2,233	(1,513)	1,017	2,233	(1,216)	1,226	2,233	(1,006)	2,963	6,698	(3,735)	8,930	6,430	(2,500)		
Contractor Operations Costs	347	374	27	355	374	19	344	374	30	1,047	1,122	76	1,496	1,496	0		
Wellington Cable Car Operations Costs	249	239	(9)	224	239	15	217	239	22	689	718	28	957	907	50		
Total Operating Expenses	596	613	18	579	613	34	561	613	52	1,736	1,840	104	2,453	2,403	50		
Operating Surplus/Loss before Replacements	124	1,619	(1,495)	437	1,619	(1,182)	665	1,619	(954)	1,227	4,858	(3,631)	6,477	4,027	(2,450)		
Reactive Maintenance	97	120	23	110	120	11	47	120	73	254	361	107	481	481	0		
Contact Wire Replacements / Rentensions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Pole Replacements	1	94	92	41	94	52	93	94	1	135	281	146	375	375	0		
Feeder Pillar Replacements	0	24	24	0	24	24	0	24	24	0	72	72	96	96	0		
Special Works Replacement	22	23	1	14	23	9	36	23	(14)	72	68	(5)	90	90	0		
Business Case Items	0	1,359	1,359	273	1,359	1,086	489	1,359	870	762	4,077	3,315	5,436	2,736	2,700		
Total Replacements	120	1,619	1,499	438	1,619	1,182	666	1,619	954	1,224	4,858	3,634	6,477	3,777	2,700		
Total Maintenance & Replacement Cost	120	1,619	1,499	438	1,619	1,182	666	1,619	954	1,224	4,858	3,634	6,477	3,777	2,700		
Depreciation	65	56	(9)	56	56	(0)	56	56	(0)	176	168	(9)	224	224	0		
Total Expenses	780	2,288	1,508	1,073	2,288	1,215	1,282	2,288	1,006	3,136	6,865	3,729	9,154	6,404	2,750		
Overhead Overall Surplus / (Loss)	(61)	(56)	(5)	(56)	(56)	(0)	(56)	(56)	(0)	(173)	(168)	(5)	(224)	26	250		
<b>COMPANY ACTIVITIES DIVISION</b>																	
Cable Car Income	338	412	(75)	590	684	(94)	836	853	(17)	1,764	1,949	(186)	2,355	2,081	(274)		
Cable Car Operations	185	205	19	212	205	(7)	198	205	6	596	614	18	818	818	0		
Cable Car Maintenance	140	144	4	194	144	(50)	140	144	4	474	431	(42)	575	575	0		
Depreciation	43	41	(2)	41	41	0	41	41	0	125	123	(2)	164	164	0		
	368	389	21	446	389	(57)	380	389	10	1,194	1,168	(27)	1,557	1,557	0		
Electric Bus Income	0	11	(11)	0	11	(11)	5	11	(6)	5	33	(28)	44	10	(34)		
Electric Bus Operations	0	2	2	0	2	2	0	2	2	0	6	6	8	8	0		
Electric Bus Maintenance	2	8	6	2	8	6	5	8	3	9	24	16	32	15	17		
	2	10	8	2	10	8	5	10	5	9	31	23	41	23	17		
Cable Car Operating Surplus / (Loss)	(33)	24	(56)	142	295	(154)	456	465	(9)	566	784	(219)	802	511	(291)		
<b>EXTERNAL ACTIVITIES</b>																	
3rd Party Services Net Contribution	2	2	0	(8)	2	10	61	2	(59)	55	6	(49)	8	58	50		
External Pole Work Net Contribution	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
3rd Party Overhead Projects Net Contribution	0	0	0	5	0	(5)	0	0	0	5	0	(5)	0	0	0		
Sundry External Income	41	36	(5)	34	36	2	31	36	5	107	109	2	145	149	4		
External Activities Operating Contribution Surplus / (Loss)	43	38	(5)	31	38	7	92	38	(54)	166	114	(52)	152	206	54		
Total Company Activities Operating Contribution Surplus / (Loss)	11	62	51	173	334	161	548	503	(45)	732	899	167	954	717	(237)		
Administration Expenses	66	86	20	129	86	(43)	110	86	(24)	304	257	(47)	343	400	(57)		
Company Activities Division Operating Surplus / (Loss)	(55)	(24)	(31)	44	248	(204)	439	417	22	428	641	(214)	612	317	(294)		
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) BEFORE TAX	(116)	(80)	(36)	(12)	192	(204)	383	361	21	254	474	(219)	388	344	(44)		
Tax Expense	(33)	0	(33)	(13)	0	(13)	117	122	(5)	71	122	(51)	123	40	82		
Subvention	0	0	0	0	0	0	209	0	209	209	0	209	0	208	(208)		
WELLINGTON CABLE CAR - TOTAL SURPLUS / (LOSS) AFTER TAX	(82)	(80)	(3)	0	192	(192)	57	239	(182)	(25)	352	(377)	265	95	(170)		
The Total Surplus / (Loss) After Tax Consists of:																	
Total Income	1,115	2,706	(1,592)	1,674	2,978	(1,304)	2,305	3,147	(842)	5,094	8,832	(3,737)	11,532	8,728	(2,755)		
Total Expenditure	(1,197)	(2,786)	1,589	(1,674)	(2,786)	1,112	(2,248)	(2,908)	660	(5,119)	(8,480)	3,361	(11,267)	(8,632)	2,585		
	(82)	(80)	(3)	0	192	(192)	57	239	(182)	(25)	352	(377)	265	95	(170)		

# Appendix One

**Wellington Cable Car Limited**  
**Statement of Financial Position**  
**As at 31 March 2014**

	Year to Date 2013/14		Year to Date 2012/13	
<b>ASSETS</b>	\$	\$	\$	\$
<b>Current Assets</b>				
Bank Accounts Total	1,673,996		2,938,281	
Inventory	900,699		939,214	
WIP	51,653		426,039	
Accounts Receivable less Provision	824,069		564,173	
Sundry Debtors & Prepayments	86,691		131,955	
RWT Deductions	13,357		18,769	
<b>Total Current Assets</b>		3,550,465		5,018,431
<b>Fixed Assets</b>				
Cable Car & Civil Works				
Cable Car Equipment (2%)	3,032,920		3,050,163	
Cable Car Equipment (10%)	379,003		360,191	
Cable Car Tracks & Wires	1,379,291		1,379,291	
Furniture & Fittings	61,238		61,238	
Computer Equipment	254,221		253,565	
Computer Software	127,008		122,079	
Overhead Equipment	79,506		79,506	
Overhead Wire System	3,303,804		4,165,710	
Overhead Motor Vehicles	264,900		298,057	
Fixed Asset Clearing Account	2,330,241		859,845	
Accumulated Depreciation	<u>(5,187,154)</u>		<u>(4,956,645)</u>	
<b>Total Fixed Assets</b>		6,024,978		5,672,999
<b>TOTAL ASSETS</b>		<u>9,575,443</u>		<u>10,691,430</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	598,909		592,921	
Accruals	809,536		1,075,762	
Ostendo Accruals Clearing Acct				
GST TOTAL	28,490		45,968	
PAYE Suspense	29,915		18,891	
Prebilled charges TOTAL	<u>(35,744)</u>		<u>(56,079)</u>	
Current Portion of Term Liabilities				
<b>Total Current Liabilities</b>		1,431,106		1,677,463
<b>Non Current Liabilities</b>				
Provision for Income Tax	70,865		165,565	
Deferred Tax Liability	459,532		730,433	
Telecom Lease/Rentals	<u>7,693</u>		<u>10,672</u>	
<b>Total Non Current Liabilities</b>		538,090		906,670
<b>Ostendo Clearing Accounts</b>				
Descriptor Expenses	10,242		163,006	
Purchase Receipts	<u>(1,510)</u>		44,658	
Sales Clearing Account				
Ostendo - Misc				
<b>Total Ostendo Clearing Accounts</b>		8,732		207,664
<b>TOTAL LIABILITIES</b>		<u>1,977,928</u>		<u>2,791,797</u>
<b>NET ASSETS</b>		<u>7,597,514</u>		<u>7,899,633</u>
<b>SHAREHOLDER'S FUNDS</b>				
Ordinary Shares	7,434,846		7,434,846	
Retained Earnings	282,585		38,378	
Revaluation Reserve			176,000	
Tax on Equity items				
<b>Less:</b> Dividend Paid	<u>(94,380)</u>		<u>(104,380)</u>	
Current Year Earnings	<u>(25,536)</u>		354,789	
<b>TOTAL SHAREHOLDER'S FUNDS</b>		<u>7,597,514</u>		<u>7,899,633</u>



**Wellington Cable Car Company Limited**  
**Statement of Cash Flows**  
**For the Period ended 31 March 2014**

	<u>31 March 2013</u>	<u>31 March 2014</u>
<b>Cash flows from operating activities</b>		
<u>Cash was received from:</u>		
Operating receipts	5,472	5,755
<u>Cash was disbursed to:</u>		
Payments to suppliers and employees	(4,750)	(5,183)
Payment of Tax	(19)	(13)
Subvention Payment	(131)	(209)
GST	(64)	(62)
Net cash inflow / (outflow) from operating activities	<u>509</u>	<u>288</u>
<b>Cash flows from investing activities</b>		
<u>Cash was received from:</u>		
Investments	-	-
Interest received	89	58
Sale of Fixed Assets		
<u>Cash was applied to:</u>		
Purchase of fixed assets	222	(1,326)
Net cash inflow / (outflow) from investing activities	<u>312</u>	<u>(1,269)</u>
<b>Cash flows from financing activities</b>		
<u>Cash was received from:</u>		
Term Loan	-	-
<u>Cash was applied to:</u>		
Payment of Dividend	(94)	(0)
Term Loan	-	-
Net cash inflow/(outflow) from financing activities	<u>(94)</u>	<u>(0)</u>
Net Increase/(decrease) in Cash held	726	(981)
Opening Cash Balance	2,212	2,655
Closing Cash Balance	<u><u>2,938</u></u>	<u><u>1,674</u></u>

## Appendix Two

### Reconciliation of Net Surplus/(Deficit) before Taxation with Cash inflow from operating activities for the Period Ended 31 March 2014

	<u>Year Ended 30 June 2014</u>
Net Profit/(Loss) before tax	254
<b>Add non cash items:</b>	
Movement in provision for impairment of doubtful debts	-
Depreciation	301
Impairment/revaluation	-
(Gain)/Loss on Assets sold/disused	-
	<hr/>
	555
<b>Add / (deduct) movements in Working Capital:</b>	
(Increase) / Decrease in accounts receivable & other assets	472
Increase / (Decrease) in accounts payable & other accruals	(360)
(Increase) / Decrease in inventory	(108)
<b>Add / (deduct) investing activities:</b>	
Net (gain) / loss on sale of assets	(3)
Net (receipt) / payment interest income	(43)
Net receipt / (payment) withholding tax	(13)
Net receipt / (payment) Subvention Payment	(209)
Net (receipt) / payment Income Tax	
<b>Add / (deduct) Financing activities:</b>	
Net receipt / (payment) of Dividend	
Net (receipt) / payment of Finance Leases	(2)
	<hr/>
Net cash inflow from operating activities	<u>288</u>

**QUARTER PERFORMANCE**

- Officers began working with WWL on the necessary steps to bring the company back in to Council.
- Willis Bond's redevelopment of Clyde Quay Wharf (ex-Overseas Passenger Terminal) continues as planned. The project remains on schedule to be finished by June 2014, with the first tenants expected to move in during May 2014. The development of the public space around the area has begun.
- In January, WWL helped facilitate a WCC public consultation process seeking public feedback on the proposed building and public space development for North Kumutoto including site 10. The results were reported back to the Transport and Urban Development committee in March.
- WWL completed construction of two new waste collection sites as part of the rollout of the new integrated recycling and waste management system for restaurants and other commercial tenants along the Waterfront.
- In January, WWL began implementing the BECA Engineering solution to water quality issues at the Taranaki Street Wharf jump platform. A public shower adjacent to the jump platform is now in operation and solar heating will be installed and operating in time for spring.

**YEAR TO DATE PERFORMANCE**







- WWL collaborated closely with WCC's City Events team in regard to the return of several public events to the waterfront over the summer season, including activities associated with the International Rugby 7's Tournament, the 'Homegrown' music festival, the Summer Twilight Market, the Great Scavenger Hunt, the Performance Arcade and the NZ National Fireman's Challenge.
- WWL continued planning for the Queens Wharf precinct with emphasis on adventure activity development on the outer-T. The concept is at a preliminary stage with further work to be undertaken in Q4.
- WWL continued planning for the redevelopment of the Frank Kitts Park children's playground. A user survey will be conducted next quarter to inform further development of the preliminary concept design. These will be brought to the Committee for review when completed.
- Wellington Waterfront Motorhome Park occupancy averaged 90% over the quarter which was in line with WWL's expectations for the summer season. Work continues on exploring options for relocating the Motorhome park from its current location on Site 10

**SUMMARY FINANCIALS**

(\$,000)

FINANCIAL PERFORMANCE	Q3 Actual	Q3 Budget	Variance	YTD Actual	YTD Budget	Variance	Annual Budget
Total Revenue	785	1,008	(223)	2,964	3,024	(60)	4,030
Operating Expenses	2,384	2,844	460	7,913	8,525	612	11,362
Net Surplus	(1,599)	(1,836)	237	(4,949)	(5,501)	(552)	(7,332)
<b>FINANCIAL POSITION</b>							
Total Assets				231,954			225,808
Total Liabilities				26,260			18,715
Equity				205,694			207,093
<b>CASH FLOWS</b>							
Total Net Cash Flows				314	799	(485)	1,065
Opening Cash				910	910	0	909
Closing Cash				1,224	1,709	(485)	1,974

- The YTD net operating deficit is \$4.949 million against a budgeted deficit of \$5.501 million. The main factors contributing to the \$552k favourable variance are savings in insurance (\$492k) and lower public and commercial planning spend (\$167k), offset by increases in other operating expenses (\$141k).
- YTD the Project's loan balance is \$22.007m which includes \$2.266m of costs from the Shed 6 wharf strengthening project. The commercial proceeds for the Clyde Quay Wharf project are expected to be received in May.

KPI DASHBOARD				
MEASURE		YTD 31 March 2014	Trend	Comments
North Kumutoto sites 8, 9 10	<i>Target</i>	<i>Progress project to resource consent submission</i>	On track	A process of public consultation on the development proposal for Site 10 and an associated public space was completed, and the results reported to the Transport and Urban Development Committee in Q4. The lease and commercial terms will come to Council for approval in Q4.
	Actual	Preferred developer selected		
Shed 1	<i>Target</i>	<i>Advance long-term solution for Shed 1</i>	On Track	
	Actual	Discussions are underway		
Shed 5	<i>Target</i>	<i>Complete building and public space improvements</i>	Complete	
Shed 6	<i>Target</i>	<i>Complete seismic strengthening of wharf</i>	Complete	Project was completed on time and on budget.
TSB Arena	<i>Target</i>	<i>Secure naming rights sponsor</i>	Behind Schedule	This project is now expected to be completed in Q1 2014/15.
	Actual	Work will begin on this in early 2014		
Capital Raising	<i>Target</i>	<i>Sell Frank Kitts Car Park lease</i>	Complete	The sale was completed in Q2.
Frank Kitts Park Redevelopment	<i>Target</i>	<i>Complete the installation of a new children's playground</i>	Behind Schedule	The scope and scale of this project is under review. Delivery is not expected until 2014/15. Funding for this project was secured through the sale of the Frank Kitts Park car park lease.
	Actual	A preliminary concept design has been undertaken		
Queen's Wharf Activity Zone	<i>Target</i>	<i>Establish a water basin activity zone</i>	Behind Schedule	The scope and scale of this project is under review. Delivery is not expected until Q1 2014/15. Funding for this project was secured through the sale of the Frank Kitts Park car park lease.
	Actual	Investigations have begun		
Clyde Quay Wharf	<i>Target</i>	<i>Complete the development of Clyde Quay Wharf</i>	On Track	WWL's development of the public space on the Clyde Quay Wharf is currently on target for completion in September 2014.
	Actual	Work on this project is progressing well and remains on track for 2014 completion.		
Digital Strategy	<i>Target</i>	<i>Install QR codes around the Waterfront</i>	Complete	QR codes have been installed in 50 locations around the Waterfront, including around sculpture, historic buildings and other items of interest.

## ISSUES &amp; OUTLOOK

- Change in Governance: On 1 April the WWL board was replaced by Council officers as part of the transition process for bringing WWL into Council.
- Waterfront Development Plan (WDP): The 2014/15 WDP has been signed off as part of the Draft Annual Plan. Work will continue on the work programme when WWL comes into Council on July 1.
- WWL is collaborating with Massey University and WCC on the establishment of a high-profile Artists in Residence programme to be located in the new Clyde Quay Wharf building. The programme is expected to be launched later this year.



**Wellington Waterfront Limited**

**QUARTERLY REPORT**

**to the Transport & Urban Development Committee  
Wellington City Council**

**Quarter ended 31 March 2014**

*Wellington Waterfront Limited  
May 2014*

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## 1. EXECUTIVE SUMMARY

Wellington Waterfront Limited (WWL) is pleased to present its report for the quarter ending 31 March 2014 outlining progress of the Wellington Waterfront Project and the Company.

### 1.1 *The Wellington Waterfront Project*

Key events during the quarter include:

- WWL helped facilitate a successful WCC public consultation process to seek public feedback on the proposed building and public space development for north Kumutoto including site 10. The process ran from 21 January to 28 February 2014 and was followed by comprehensive analysis of the results ahead of a report and recommendation to Council's Transport & Urban Development Committee in early April.
- WWL's development of the public space surrounding Willis Bond's redevelopment of Clyde Quay Wharf (ex-Overseas Passenger Terminal) apartment building is on-target for completion in mid-2014.
- WWL engaged Athfield Architects to commence preliminary design for WWL ground floor tenancy fitouts for the International Artist in Residence and Chaffers Marina tenancies in the ground floor of the CQW development. Both are likely to take up occupancy in September 2014.
- WWL's contractor GK Shaw Ltd successfully completed removal of all the old and deteriorated fenders on the eastern (Oriental Bay) side of the Clyde Quay Wharf and completed installation of new fenders along half the wharf.
- WWL completed construction of two new waste collection sites as part of the rollout of the new integrated recycling and waste management system including the Kai to Compost (food scraps) collection system from waterfront restaurants at Kumutoto and Queens Wharf.
- WWL collaborated closely with WCC's City Events team in regard to the successful return of several public events to the waterfront over the summer season including activities associated with the International Rugby 7's Tournament, the 'Homegrown' music festival, the Summer Twilight Market, the Great Scavenger Hunt, the Performance Arcade and the NZ National Fireman's Challenge.
- WWL continued master planning for the Queens Wharf precinct continued with emphasis on adventure activity development on the outer-T.

- WWL continued planning for the redevelopment of the Frank Kitts Park children's playground. A user survey will be conducted next quarter to inform further development of the preliminary concept design.

### **1.2 *The Company – Wellington Waterfront Limited***

- The transition of WWL into Wellington City Council started with the replacement of the WWL Board with internally appointed directors. The full transition is expected to be completed by 30 June 2014.

## **2. THE WELLINGTON WATERFRONT PROJECT**

### **2.1 *Work Plan Implementation***

Progress on implementing the work plan is reported below.

#### **Kumutoto Precinct**

WWL continues to work closely with the selected developer Willis Bond both in relation to development of the preliminary concept design for development of a building on site 10 and the commercial and legal terms of the proposed development agreement.

WWL helped facilitate a successful WCC led public consultation process to seek public feedback on the proposed building and public space development for north Kumutoto including site 10. The process ran from 21 January to 28 February 2014 and included public advertisements/infomercials, public information displays, social media and meetings with interested and affected parties including owners of all neighbouring and adjacent sites.

Full analysis of the results and recommendations will be reported to Council's Transport and Urban Development Committee in early April seeking endorsement to the design and to proceed to complete negotiations and agreement on all commercial and legal terms of the proposed development agreement.

#### **Queens Wharf Precinct**

Capital E undertook its tenancy fitout of the ex-NZ Olympic Committee office premises in the TSB Arena office annex ahead of its proposed occupation of the space from April 2014.



### **Frank Kitts Park Precinct**

WWL continued planning for the redevelopment of the Frank Kitts Park children's playground. A user survey will be conducted next quarter via consultant Di Buchan to inform further development of the preliminary concept design by landscape architects and public space designers Wraight & Associates.

### **Taranaki Street Wharf Precinct**

#### Jump Platform

WWL commenced implementation of the BECA Engineering solution to water quality issues at the Taranaki Street Wharf jump platform during January. The solution comprises the installation of sub-surface plastic baffles to divert offending storm-water away from the jump platform cut-out area.

Construction was beset by a variety of challenges including material supply delays and adverse autumn weather conditions.

The extent of these installation challenges coupled with the change of season led to WWL adopting a revised and more considered construction and implementation programme.

While the results of initial water quality tests are encouraging, the testing regime will continue through the next quarter to verify the success of BECA's solution. WWL is also currently considering further mitigation measures as a means to ensuring a robust solution is in place before next high season use.

A public shower adjacent to the jump platform is now in operation and solar heating will be installed and operating in time for spring.

An event for the re-opening of the jump platform is being planned for the coming winter solstice.

#### Four Plinths

The fourth installation of the Wellington Sculpture Trust commissioned Four Plinths exhibition adjacent to Te Papa and entitled 'Rita Angus used to grow her own vegetables' by artist Glen Hayward opened during the quarter and will remain in place until early 2016.

### **Waitangi Precinct**

WWL's development of the public space surrounding Willis Bond's redevelopment of Clyde Quay Wharf apartment building is on-target for completion in mid-2014.

Willis Bond expects to settle on the sale of the first tranche of apartments in CQW in mid-May with staged settlement at fortnightly intervals thereafter through to August.

WWL proposes to commence development of the Boat Harbour Park public space adjacent to the entry to the CQW development in mid-2014 with completion prior to the end of 2014.

WWL engaged Athfield Architects to commence preliminary design for tenancy fitouts for the International Artist in Residence and Chaffers Marina tenancies in the ground floor of the CQW development. WWL has also engaged a specialist design consultant in regard to the construction of a small public toilet facility toward the northern end of the development.

WWL's contractor GK Shaw Ltd successfully completed removal of all the old and deteriorated fenders on the eastern (Oriental Bay) side of the Clyde Quay Wharf and completed installation of new fenders along half the wharf. This has dramatically improved the appearance of the eastern edge of the wharf. The balance of fender replacement work will be completed as and when funds allow.

WWL is progressing negotiations and completion of formal documentation with Willis Bond for WWL's sub-lease of 600 square metres of ground floor space at CQW. WWL is concurrently seeking to sublease a portion of the space to prospective third party lessees.

## **2.2 General Operations**

### **Property Management**

#### Wellington Waterfront Motorhome Park

Wellington Waterfront Motorhome Park occupancy averaged 90% over the quarter which was in line with WWL's expectations for the summer season. WWL will re-introduce commuter carparking as demand for motorhome parks decreases over the winter months.

WWL is currently seeking alternative sites for the motorhome park following its planned closure for redevelopment of site 10 in 2015.

#### General Maintenance

General maintenance and re-painting of the bascule and lagoon bridges continued during the quarter.

WWL completed further paving and promenade surface repairs to eliminate or reduce trip hazards in several parts of the waterfront following earthquakes in mid-2013.

Willis Bond expects to settle on the sale of the first tranche of apartments in CQW in mid-May with staged settlement at fortnightly intervals thereafter through to August.

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## **2.2 General Operations**

### **Property Management**

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WWL is currently seeking alternative sites for the motorhome park following its planned closure for redevelopment of site 10 in 2015.

#### General Maintenance

General maintenance and re-painting of the bascule and lagoon bridges continued during the quarter.

WWL completed further paving and promenade surface repairs to eliminate or reduce trip hazards in several parts of the waterfront following earthquakes in mid-2013.

### Events

Several successful public events returned to the waterfront over the summer season including activities associated with the International Rugby 7's Tournament, the 'Homegrown' music festival, the Summer Twilight Market, the Great Scavenger Hunt, the Performance Arcade and the NZ National Fireman's Challenge.

### **2.3 Financial Performance**

#### **Statement of Financial Performance**

The YTD net operating deficit is \$4.949 million against a budgeted deficit of \$5.501 million. The main factors contributing to the \$552,000 favourable variance are savings in insurance (\$492,000) and lower public and commercial planning spend (\$167,000), offset by increases in other operating expenses (\$141,000).

#### **Statement of Financial Position**

The major capital expenditure item in the third quarter was the continued development of the public space on the Clyde Quay Wharf development.

#### **Liquidity**

The Project's bank balance at 31 March 2014 totalled \$1.244 million.

Current Assets and Current Liabilities totalled \$12.996 million and \$4.252 million respectively with a working capital ratio of 3.06 to 1.

#### **Forecast**

Loan from the Council is forecast to remain at \$22.007 million, the same as at the close of last financial year. This includes the 2013 year end adjustment of \$2.266 million of costs of the Shed 6 seismic work paid by Wellington City Council directly.

## **3. THE COMPANY – WELLINGTON WATERFRONT LIMITED**

### **3.1 Comment on Progress**

The WWL Board continues its focus on ensuring the design, consultation, funding and planning requirements of the waterfront development are completed effectively by WWL management in accordance with the Framework. The WWL Board will be constituted internally from within Council from the 31 March 2014 as part of the Wellington City Council's re-alignment plan for Wellington Waterfront Limited.

## 3.2 *Financial Performance*













































































The YTD net deficit after tax is \$94,000 compared to the budgeted deficit of \$148,000. There is a saving in salary costs reflecting a period of time when WWL had a reduced project management complement. This is offset by a higher subvention tax payment of \$144,000 which is \$85,000 higher than planned. The YTD unfavourable variance in salary recoveries is largely due to recoveries of CAPEX salaries not being actioned until April 2014.







For the Board of:  
Wellington Waterfront Limited









.....  
Ian Pike  
Chief Executive Officer  
May 2014

## Performance Targets and Other Measures for 2013/14

Action	Measure	Council Strategic Alignment					
Kumutoto Sites 9 & 10	Developer selection process completed. Council approval granted. Public consultation process completed. Resource consent application submitted						
Shed 1	Advance a long term solution for Shed 1 and seek WCC approval						
Shed 5	Complete building and public space improvements associated with the redevelopment of Shed 5: - Refurbish asbestos roof - Create improved southern entry						
Shed 6	Complete seismic strengthening of wharf & building Collaborate with WVL to establish a temporary Conference Centre Reconfigure Ferg's Kayak tenancy to introduce additional attractions into the Queens Wharf precinct Work in conjunction with Wellington Venues Ltd regarding options for an external refit of Shed 6 and TSB Bank Arena						
TSB Bank Arena	Seek naming rights sponsor and negotiate a new agreement						
Queens Wharf Water Basin Activity Zone	Plan and implement the development of additional adventure and entertainment activities in the water basin between Shed 6 and the Outer-T						
Four Plinths Sculpture	Assist the Wellington Sculpture Trust with the biennial change of the works on the four plinths between Te Papa and Circa in time for the opening of the International Festival of the Arts						
Transition site, Waitangi Park	Arrive at a development go/no go decision with Te Papa						
Clyde Quay Wharf	Finalise WWL ground floor leasing arrangements for publicly accessible active edge tenancies. Complete the development of the Clyde Quay public space and the Boat Harbour Park subject to confirmation of recovering commercial revenues from the building development						
Asset Maintenance	Maintain waterfront assets and infrastructure in accordance with the AMP and within budget (\$285k)						
Asset Renewal	Renew waterfront assets as scheduled in AMP within budget (\$292k) includes: Repaint tripod crane, lagoon bridge, bascule bridge, under wharf infrastructure support						
Business Continuity and Disaster Recovery Plan	Develop a mobile phone Application that provides digital access to plans and actions						
Capital Raising	Investigate alternative means to raise development capital. Secure advance rental payment for Frank Kitts Park car park						
Frank Kitts Park Redevelopment	Subject to capital raising, apply for a resource consent for the redeveloped park and complete the installation of a new children's playground						
Festival of Lights	Collaborate with City Events to develop this major event for Wellington						
Public Land Development Agency	Contribute to a proposition regarding the formation of a public land development agency						

Action	Measure	Council Strategic Alignment					
Digital Strategy	Install QR Codes adjacent to sculpture, historic buildings and other items of interest that provide access to a wealth of digitally stored information						
Universal accessibility	Embed a protocol for the development of public spaces that requires detailed consideration of accessibility issues. Complete a survey of existing public spaces to assess accessibility issues						
Governance	Annual board self-evaluation completed. Hold a public Annual General Meeting						
Finance	<p>Manage our budget to ensure at year end we achieve our targets</p> <ul style="list-style-type: none"> <li>▪ Waterfront Operating Costs                      millions \$11.362</li> <li>▪ Public Space Development                      \$7.057</li> <li>▪ Proceeds from Operating Receipts &amp; Commercial Development                      \$15.075</li> <li>▪ Loan Finance Balance <ul style="list-style-type: none"> <li>○ Public Space                      \$8.589</li> <li>○ Wharf Repiling                      \$5.720</li> </ul> </li> </ul>						

	Economic Development Strategy		Accessible Wellington Action Plan
	Events Policy		Living City Programme
	Digital Strategy		Arts & Culture Strategy

**WELLINGTON WATERFRONT PROJECT**

**and**

**WELLINGTON WATERFRONT LIMITED**

**FINANCIAL STATEMENTS**

**for the quarter ending 31 March 2014**

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Statement of Movements in Equity

Statement of Financial Position

Statement of Cashflows

Capital Expenditure - Current Year

**Wellington Waterfront Limited (WWL)**

Statement of Financial Performance

Statement of Financial Position

Statement of Cashflows

**Note:**

The Wellington Harbour Board and Wellington City Council Vesting and Empowering Act 1987 requires the Wellington City Council to effect the preparation of financial statements for the Lambton Harbour Development Project (as defined in the Act).

The term "Wellington Waterfront Project" as used in these financial statements is synonymous with "Lambton Harbour Development Project".



**WELLINGTON WATERFRONT PROJECT**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the quarter ending 31 March 2014

Third Quarter				Year To Date			Full Year
Actual	Budget	Variance		Actual	Budget	Variance	Budget
\$000's	\$000's	\$000's		\$000's	\$000's	\$000's	\$000's
<b>REVENUE</b>							
717	901	(184)	Lease revenue / WWMP / Market	2,714	2,703	11	3,603
0	3	(3)	Sundry income	0	8	(8)	10
1	0	1	Venue hire/Sponsorship	13	0	13	0
56	98	(42)	Operating recoveries	203	295	(92)	393
11	6	5	Interest	34	18	16	24
<b>785</b>	<b>1,008</b>	<b>(223)</b>	<b>TOTAL REVENUE</b>	<b>2,964</b>	<b>3,024</b>	<b>(60)</b>	<b>4,030</b>
<b>EXPENSES</b>							
1,785	2,074	289	Property costs	5,839	6,219	380	8,288
100	138	38	Public and commercial planning	246	413	167	550
1	14	13	Public relations and sponsorship	11	41	30	55
498	618	120	Administration	1,817	1,852	35	2,469
<b>2,384</b>	<b>2,844</b>	<b>460</b>	<b>TOTAL EXPENSES</b>	<b>7,913</b>	<b>8,525</b>	<b>612</b>	<b>11,362</b>
<b>(1,599)</b>	<b>(1,836)</b>	<b>(237)</b>	<b>NET OPERATING SURPLUS/(DEFICIT) BEFORE OTHER INCOME</b>	<b>(4,949)</b>	<b>(5,501)</b>	<b>(552)</b>	<b>(7,332)</b>
<b>OTHER INCOME</b>							
0	0	0	Vested assets income	0	0	0	0
0	0	0	Share of Associates net loss	0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>TOTAL OTHER INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(1,599)</b>	<b>(1,836)</b>	<b>(237)</b>	<b>NET OPERATING SURPLUS/(DEFICIT)</b>	<b>(4,949)</b>	<b>(5,501)</b>	<b>(552)</b>	<b>(7,332)</b>

**WELLINGTON WATERFRONT PROJECT**  
**STATEMENT OF MOVEMENTS IN EQUITY**  
for the quarter ending 31 March 2014

Third Quarter				Year To Date			Full Year
Actual	Budget	Variance		Actual	Budget	Variance	Budget
\$000's	\$000's	\$000's		\$000's	\$000's	\$000's	\$000's
<b>207,023</b>	206,709	314	<b>OPENING EQUITY</b>	<b>209,836</b>	209,836	0	<b>209,742</b>
(1,599)	(1,836)	237	Net deficit attributable to WCC	(4,949)	(5,501)	552	(7,332)
0	0	0	Movement in asset revaluation reserve	0	0	0	0
268	268	0	Contribution from WCC-management fee	806	806	0	1,075
<b>205,693</b>	<b>205,141</b>	<b>551</b>	<b>CLOSING EQUITY</b>	<b>205,693</b>	<b>205,141</b>	<b>552</b>	<b>203,485</b>

## Appendix Two

**WELLINGTON WATERFRONT PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2014

	<i>Actual</i> <i>Mar 2014</i> \$000's	<i>Actual</i> <i>Jun 2013</i> \$000's
<b>CURRENT ASSETS</b>		
Deposits/bank	1,224	910
Operating receivables	10,934	11,195
Prepayments	835	1,715
Intercompany account	3	16
<b>TOTAL CURRENT ASSETS</b>	<b>12,996</b>	<b>13,836</b>
<b>NON CURRENT ASSETS</b>		
Fixed assets	217,503	219,382
Shares in Chaffers Marina Holdings Ltd	875	875
Option asset	26	26
Fitout / lease inducement receivables	554	554
<b>TOTAL NON CURRENT ASSETS</b>	<b>218,958</b>	<b>220,837</b>
<b>TOTAL ASSETS</b>	<b>231,954</b>	<b>234,673</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,200	1,370
Retentions and bonds	76	84
Deferred income	2,976	1,375
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,252</b>	<b>2,829</b>
<b>NON CURRENT LIABILITIES</b>		
Advance from associate company	1	1
Long term advance - WCC	22,007	22,007
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>22,008</b>	<b>22,008</b>
<b>EQUITY</b>		
Wellington City Council	135,127	139,270
Asset revaluation reserves	70,567	70,566
<b>TOTAL EQUITY</b>	<b>205,694</b>	<b>209,836</b>
<b>TOTAL FUNDS EMPLOYED</b>	<b>231,954</b>	<b>234,673</b>

**WELLINGTON WATERFRONT PROJECT**  
**STATEMENT OF CASHFLOWS**  
for the quarter ending 31 March 2014

	Year To Date			Full Year
	<i>Actual</i> \$000's	<i>Budget</i> \$000's	<i>Variance</i> \$000's	<i>Budget</i> \$000's
<b>OPERATIONS</b>				
Cash in	4,195	3,023	1,173	4,030
Cash out	(4,137)	(7,499)	3,362	(9,999)
<b>NET OPERATIONS CASHFLOW</b>	<b>58</b>	<b>(4,477)</b>	<b>4,535</b>	<b>(5,969)</b>
<b>INVESTMENT</b>				
Cash in	1,601	10,781	(9,180)	14,375
Cash out	(1,345)	(413)	(933)	(550)
<b>NET INVESTMENT CASHFLOW</b>	<b>256</b>	<b>10,369</b>	<b>(10,113)</b>	<b>13,825</b>
<b>FINANCING</b>				
Cash in	0	825	(825)	1,100
Cash out	0	(5,918)	5,918	(7,891)
<b>NET FINANCING CASHFLOW</b>	<b>0</b>	<b>(5,093)</b>	<b>5,093</b>	<b>(6,791)</b>
<b>NET MOVEMENT IN CASHFLOW</b>	<b>314</b>	<b>799</b>	<b>(485)</b>	<b>1,065</b>
Opening balance	910	910	0	909
<b>CLOSING BALANCE</b>	<b>1,224</b>	<b>1,709</b>	<b>(485)</b>	<b>1,974</b>
<b>REPRESENTED BY:</b>				
Cash	0	0	0	0
Bank deposits	1,224	1,709	(485)	1,974
	<b>1,224</b>	<b>1,709</b>	<b>(485)</b>	<b>1,974</b>

**WELLINGTON WATERFRONT PROJECT**  
**CAPITAL EXPENDITURE - CURRENT YEAR**  
for the quarter ending 31 March 2014

	Year To Date					
	Actual	Capitalised Costs	Total	Budget	Variance	Plan
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>PUBLIC SPACE</b>						
<i>Overseas Passenger Terminal</i>						
Overseas Passenger Terminal	684	0	1,133	3,874	(2,741)	5,165
<b>Total Overseas Passenger Terminal</b>	<b>684</b>	<b>0</b>	<b>1,133</b>	<b>3,874</b>	<b>(2,741)</b>	<b>5,165</b>
<i>Wharf Maintenance</i>						
Wharf Maintenance	0	0	47	0	46	0
<b>Total Wharf Maintenance</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>46</b>	<b>0</b>
<i>Minor Works</i>						
Placemaking (Other)	12	0	17	75	(58)	100
CAPEX Renewals	61	0	142	276	(134)	368
Jump Platform	0	0	1	56	(55)	75
Shed 6 Earthquake Stengthening	0	0	5	113	(108)	150
Frank Kitts	0	0	0	150	(150)	200
<b>Total Minor Works</b>	<b>73</b>	<b>0</b>	<b>165</b>	<b>670</b>	<b>(505)</b>	<b>893</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>757</b>	<b>0</b>	<b>1,345</b>	<b>4,544</b>	<b>(3,200)</b>	<b>6,058</b>

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Plan

\$'000

5,165

5,165

0

0

100

368

75

150

200

893

**6,058**

**WELLINGTON WATERFRONT LIMITED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
for the quarter ending 31 March 2014

Actual \$000's	Third Quarter			Actual \$000's	Year To Date		Full Year Budget \$000's
	Budget \$000's	Variance \$000's			Budget \$000's	Variance \$000's	
<b>REVENUE</b>							
268	269	(1)	Management fees	806	806	0	1,075
2	3	(1)	Interest	7	11	(4)	15
270	272	(2)	<b>Total revenue</b>	813	817	(4)	1,090
<b>EXPENSES</b>							
236	280	(44)	Personnel	680	840	(160)	1,120
(75)	(65)	(10)	Salary recoveries	(127)	(195)	68	(260)
161	215	(54)	Net personnel	553	645	(92)	860
14	19	(5)	Governance	49	57	(8)	76
41	68	(27)	Other	161	204	(43)	272
216	302	(86)	<b>Total expenses</b>	763	906	(143)	1,208
54	(30)	84	<b>NET SURPLUS / (DEFICIT)</b>	50	(89)	139	(118)
144	59	85	Subvention payment	144	59	85	79
(90)	(89)	(1)	<b>NET SURPLUS / (DEFICIT) AFTER TAX</b>	(94)	(148)	54	(197)

**WELLINGTON WATERFRONT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2014

	<i>Actual</i> <i>Mar 2014</i> \$000's	<i>Actual</i> <i>Jun 2013</i> \$000's
<b>CURRENT ASSETS</b>		
Cash on hand and in bank	84	332
Accounts receivable	491	116
Prepayments	14	31
<b>Total current assets</b>	<b>589</b>	<b>479</b>
<b>NON-CURRENT ASSETS</b>		
Office equipment	3	4
Computer equipment & software	16	24
Artwork	3	0
Motor vehicle	0	0
<b>Total non-current assets</b>	<b>22</b>	<b>28</b>
<b>TOTAL ASSETS</b>	<b>611</b>	<b>507</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	200	271
Management fee in advance	174	174
Deferred income	269	0
<b>Total current liabilities</b>	<b>643</b>	<b>445</b>
<b>EQUITY</b>		
Paid up capital	1	1
Retained earnings	(33)	61
<b>TOTAL EQUITY</b>	<b>(32)</b>	<b>62</b>
<b>TOTAL FUNDS EMPLOYED</b>	<b>611</b>	<b>507</b>

**WELLINGTON WATERFRONT LIMITED**  
**STATEMENT OF CASHFLOWS**  
for the quarter ending 31 March 2014

	Year To Date			Full Year
	<i>Actual</i> \$000's	<i>Budget</i> \$000's	<i>Variance</i> \$000's	<i>Budget</i> \$000's
<b>OPERATIONS</b>				
Cash in	724	818	(94)	1,090
Cash out	(972)	(906)	(66)	(1,208)
<b>NET OPERATIONS CASHFLOW</b>	<b>(248)</b>	<b>(89)</b>	<b>(160)</b>	<b>(118)</b>
<b>INVESTMENT</b>				
Cash in	0	0	0	0
Cash out	0	0	0	0
<b>NET INVESTMENT CASHFLOW</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET MOVEMENT IN CASHFLOW</b>	<b>(248)</b>	<b>(89)</b>	<b>(160)</b>	<b>(118)</b>
Opening balance	332	332	0	332
<b>CLOSING BALANCE</b>	<b>84</b>	<b>244</b>	<b>(160)</b>	<b>214</b>
<b>REPRESENTED BY:</b>				
Cash	0	0	0	0
Bank deposits	84	244	(160)	214
	<b>84</b>	<b>244</b>	<b>(160)</b>	<b>214</b>