

# WELLINGTON CABLE CAR LIMITED

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24 February 2010

## REPORT TO THE MONITORING SUBCOMITTEE FOR THE SECOND QUARTER OF 2009/10

### FINANCE

#### Cable Car & Trolley Bus System Income

Cable Car fare income is 0.81% below budget for the quarter and 0.81% below the same quarter in 2008/09.

The trolley bus overhead network income is shown as 35.2% below budget for the quarter. There are timing differences between the dates of invoicing for the revenue to cover planned expenditure, and the dates that the expenditure (principally projects for the replacement of collector wire) actually occurs. As expenditure is budgeted to match to revenue over the full year, any excess of revenue over expenditure in the short term is not a surplus of income, but rather a prepayment, which is held in WCCL's balance sheet.

The overall expenditure on the overhead network for the year will be close to budget.

#### Income from External Activities

External activities include sundry work on the trolley bus overhead system resulting from third party requests, including providing escorts to high loads through the city and Council initiated activities. Income for the quarter from external activities is \$69K against a budget of \$83K, which is 16.6% below budget, primarily due to the mix of work undertaken. Expenses related to external activities are \$40K against a budget of 18K, which is 121.6% below budget. Overall for the quarter, the external activities resulted in a contribution of \$29K against a budget of \$64K, a shortfall of 55.1%.

#### Administration

Administration costs amount to \$75K against a budget of \$82K, which is 7.87% below budget.

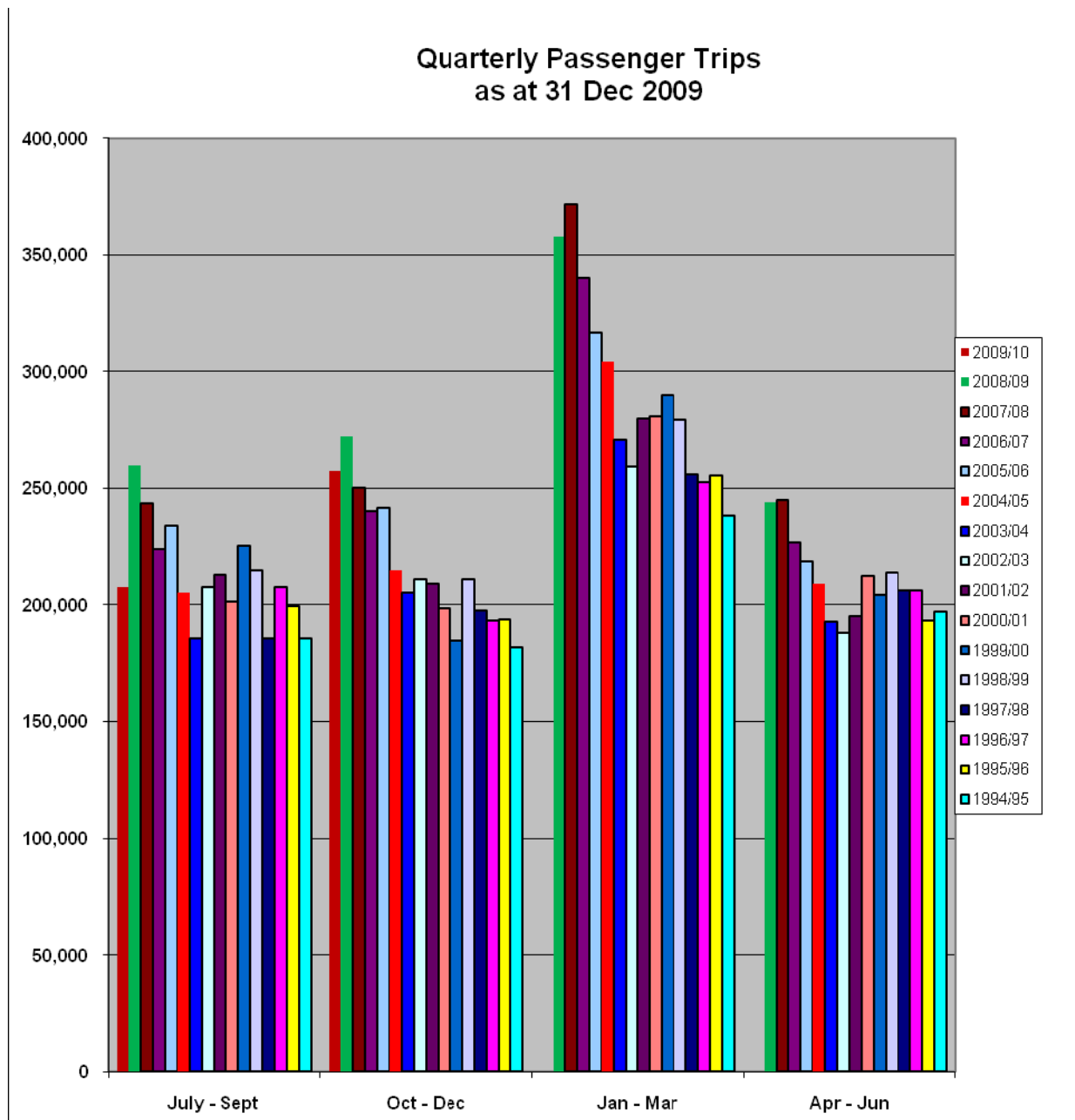
#### Income and Expenditure Overview

The overall income for the quarter was \$1,298K which was 25.1% below budget. Overall expenditure was 3.16% below budget. The overall surplus was \$53K against a budget of \$116K.

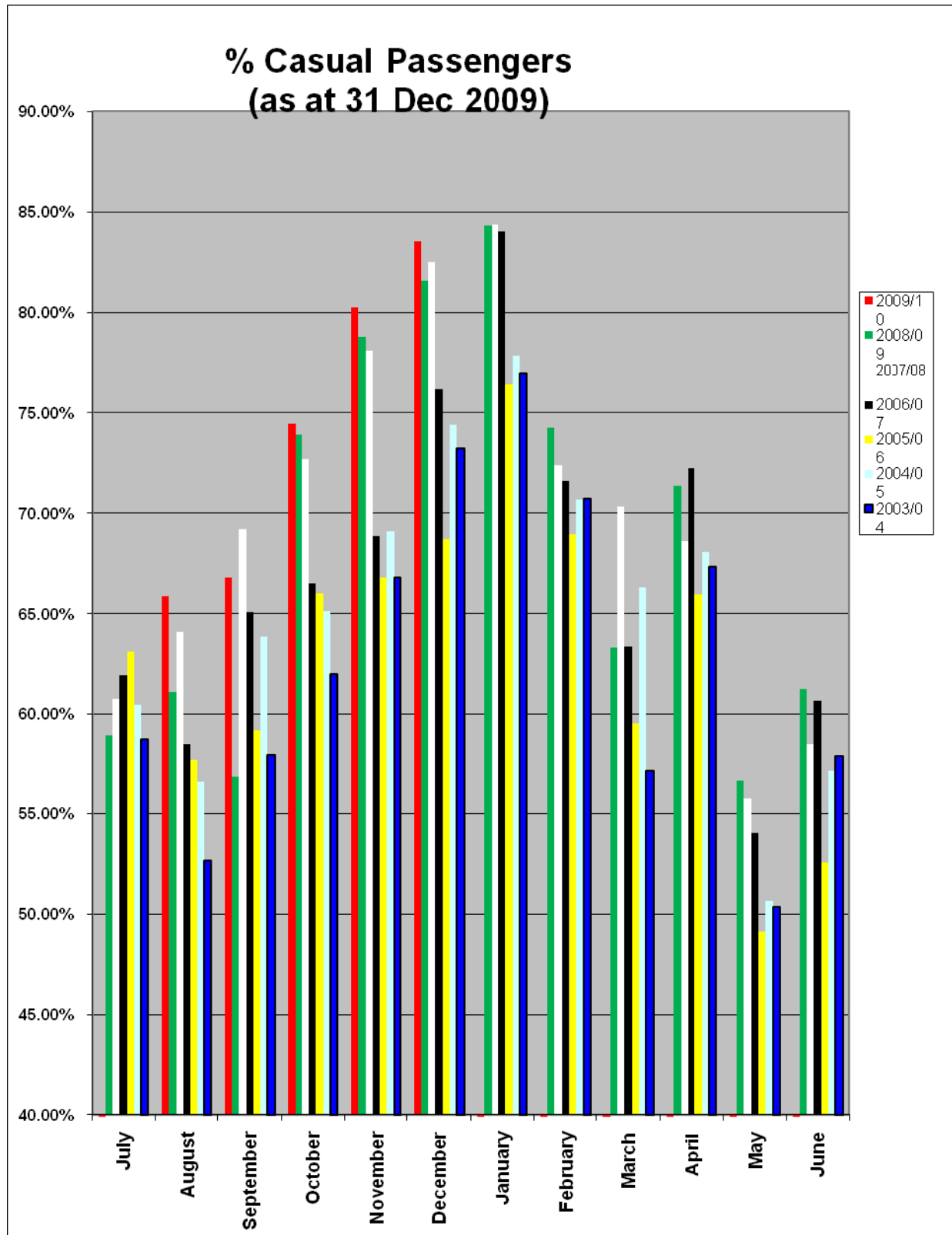
## Cable Car Passenger Numbers

The actual passenger numbers for the second quarter of 2009/10 were 257,114 which are 5.5% below estimate and below the same period in the previous year. The decrease is attributed to the effects of the economic environment.

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



The following chart indicates the percentage of passengers not using a concession fare and therefore classified as being a casual passenger. It is indicative of infrequent use of the cable car as a “special occasion”, by both local residents and visitors to the city.



## **Cable Car Reliability**

The reliability of the cable car was 99.9% 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. The annual survey was undertaken during the second quarter, which included the scheduled change of the rope.

### **Trolley Bus Overhead**

In line with WCCL's Asset Management Plan, replacements of the thin contact wire have been continuing for the current year's projects, with construction work being undertaken in the following Brooklyn area.

It is anticipated that all of the planned wire replacements in the Asset Management Plan for the current year will be completed by the end of the financial year. Pole replacements are currently behind budget due to inclement weather but by the end of the financial year around 125 old poles will have been replaced.

### **Manners Mall**

Further preparatory work for the proposed project to introduce trolley bus routes through Manners Mall has continued.

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A handwritten signature in blue ink, appearing to read 'Maughan', is written in a cursive style.

**p.p. Roger Drummond**

**CHAIRMAN OF THE BOARD OF DIRECTORS**

Wellington Cable Car Limited  
Statement of Financial Performance  
Second Quarter 2009/10

		Quarter Actual	Quarter Budget	Variance		YTD Actual	YTD Budget	Variance		Full Year Budget
<b>OVERHEAD DIVISION:</b>										
<b>INCOME</b>	<b>Total overhead income</b>	<b>770,781</b>	<b>1,189,575</b>	<b>-418,794</b>	<b>-35.21%</b>	<b>1,495,844</b>	<b>2,045,463</b>	<b>-549,619</b>	<b>-26.87%</b>	<b>4,074,411</b>
<b>MAINTENANCE COSTS</b>	WCCL Operational Costs	137,582	140,299	2,717	1.94%	238,237	292,598	54,361	18.58%	593,196
	Contractor Operational Costs	370,214	345,304	-24,910	-7.21%	663,761	690,608	26,847	3.89%	1,381,215
	<b>OPERATING COSTS</b> sub-total	<b>507,796</b>	<b>485,603</b>	<b>-22,193</b>	<b>-4.57%</b>	<b>901,998</b>	<b>983,206</b>	<b>81,208</b>	<b>8.26%</b>	<b>1,974,411</b>
	<b>REPLACEMENTS (INCL. REACTIVE)</b>									
	Sub-total	321,798	431,691	109,893	25.46%	587,846	712,363	124,517	17.48%	2,100,000
	<b>TOTAL MAINTENANCE COSTS</b>	<b>829,594</b>	<b>917,294</b>	<b>87,700</b>	<b>9.56%</b>	<b>1,489,844</b>	<b>1,695,569</b>	<b>205,725</b>	<b>12.13%</b>	<b>4,074,411</b>
<b>OPERATING</b>	<b>SURPLUS=INCOME EXPENDED ON CAPITAL ASSETS</b>	<b>-58,813</b>				<b>6,000</b>				<b>0</b>
<b>ACTIVITIES DIVISION:</b>										
<b>CABLE CAR INCOME</b>	<b>Cable Car Fares</b>	<b>458,234</b>	<b>461,975</b>	<b>-3,741</b>	<b>-0.81%</b>	<b>819,838</b>	<b>775,215</b>	<b>44,623</b>	<b>5.76%</b>	<b>1,743,823</b>
<b>EXPENSES</b>	<b>Cable Car Operations</b>	164,412	142,000	-22,412	-15.78%	287,685	284,000	-3,685	-1.30%	568,000
	<b>Cable Car Maintenance</b>	170,527	166,831	-3,696	-2.22%	315,329	333,661	18,332	5.49%	667,322
	<b>EXPENSES sub-total</b>	<b>334,939</b>	<b>308,831</b>	<b>-26,108</b>	<b>-8.45%</b>	<b>603,014</b>	<b>617,661</b>	<b>14,647</b>	<b>2.37%</b>	<b>1,235,322</b>
<b>OPERATING CONTRIBUTION</b>	<b>NET CABLE CAR OPERATING CONTRIBUTION: SURPLUS/LOSS</b>	<b>123,295</b>	<b>153,144</b>	<b>-29,849</b>	<b>-19%</b>	<b>216,824</b>	<b>157,554</b>	<b>59,270</b>	<b>38%</b>	<b>508,501</b>
<b>EXTERNAL ACTIVITIES INCOME</b>	<b>Total External Activities Income</b>	<b>69,217</b>	<b>83,000</b>	<b>-13,783</b>	<b>-16.61%</b>	<b>134,714</b>	<b>166,000</b>	<b>-31,286</b>	<b>-18.85%</b>	<b>332,000</b>
<b>EXPENSES</b>	<b>Total External Activities Expenses</b>	<b>40,088</b>	<b>18,125</b>	<b>-21,963</b>	<b>-121.18%</b>	<b>55,121</b>	<b>36,250</b>	<b>-18,871</b>	<b>-52.06%</b>	<b>72,500</b>
<b>OPERATING CONTRIBUTION</b>	<b>NET EXTERNAL ACTIVITIES OPERATING CONTRIBUTION: SURPLUS/LOSS</b>	<b>29,129</b>	<b>64,875</b>	<b>-35,746</b>	<b>-55.10%</b>	<b>79,593</b>	<b>129,750</b>	<b>-50,157</b>	<b>-38.66%</b>	<b>259,500</b>
<b>ACTIVITIES DIVISION OPERATING CONTRIBUTION</b>	<b>TOTAL COMPANY ACTIVITIES DIVISION OPERATING CONTRIBUTION SURPLUS/LOSS</b>	<b>152,424</b>	<b>218,019</b>	<b>-65,595</b>	<b>-30.09%</b>	<b>296,417</b>	<b>287,304</b>	<b>9,113</b>	<b>3.17%</b>	<b>768,001</b>
<b>ADMINISTRATION EXPENSES</b>	<b>COMPANY ADMINISTRATION EXPENSES</b>	<b>75,435</b>	<b>81,875</b>	<b>6,440</b>	<b>7.87%</b>	<b>188,487</b>	<b>163,750</b>	<b>-24,737</b>	<b>-15.11%</b>	<b>327,500</b>
<b>OPERATING SURPLUS/LOSS</b>	<b>COMPANY ACTIVITIES DIVISION OPERATING SURPLUS/LOSS</b>	<b>76,989</b>	<b>136,144</b>	<b>-59,155</b>	<b>-43.45%</b>	<b>107,930</b>	<b>123,554</b>	<b>-15,624</b>	<b>-12.6%</b>	<b>440,501</b>
	LESS:OVERHEAD DIVISION DEPRECIATION	23,919	20,349	-3,570	-17.54%	33,245	40,698	7,453	18.3%	81,396
<b>ACTIVITIES DIVISION NET RESULT</b>	<b>ACTIVITIES DIVISION SURPLUS/(LOSS)</b>	<b>53,070</b>	<b>115,795</b>	<b>-62,725</b>	<b>-54.17%</b>	<b>74,685</b>	<b>82,856</b>	<b>-8,171</b>	<b>-9.9%</b>	<b>359,105</b>

**WELLINGTON CABLE CAR LTD.**  
**Statement of Financial Position**  
**As at 31 December 2009**

Year to Date 2009/10

<b>ASSETS</b>	<b>\$</b>
<b>Total Current Assets</b>	1,898,805
<b>Total Fixed Assets</b>	6,090,059
<b>TOTAL ASSETS</b>	<u>7,988,864</u>
<b>LIABILITIES</b>	
<b>Total Current Liabilities</b>	763,072
<b>Total Non Current Liabilities</b>	746,709
<b>TOTAL LIABILITIES</b>	<u>1,509,781</u>
<b>NET ASSETS</b>	<u>6,479,083</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>	<u><u>6,479,083</u></u>

**Statement of Cash Flows**  
**For the Quarter ended 31 December 2009**

	<b>Quarter ended</b>	
	<b>31December 2009</b>	<b>Year to Date 09/10</b>
<b>Cash flows from operating activities</b>		
<u>Cash was received from:</u>		
Operating receipts	1,380,502	3,061,939
Interest received	5,600	13,737
<u>Cash was disbursed to:</u>		
Payments to suppliers and employees	(1,329,874)	(2,935,001)
GST	57,702	10,920
Net cash inflow / (outflow) from operating activities	<u>113,930</u>	<u>151,594</u>
<b>Cash flows from investing activities</b>		
<u>Cash was received from:</u>		
Investments	-	-
Sale of Fixed Assets	-	-
<u>Cash was applied to:</u>		
Purchase of fixed assets	(7,007)	(21,937)
Net cash inflow / (outflow) from investing activities	<u>(7,007)</u>	<u>(21,937)</u>
<b>Cash flows from financing activities</b>		
<u>Cash was received from:</u>		
National Bank Term Loan	-	-
<u>Cash was applied to:</u>		
Payment of Dividend	(130,000)	(130,000)
National Bank Term Loan	110	(40)
Payment of Tax		(7,955)
Subvention Payment	-	-
Net cash inflow/(outflow) from financing activities	<u>(129,890)</u>	<u>(137,995)</u>
Net Increase/(decrease) in Cash held	<u>(22,967)</u>	<u>(8,338)</u>
Opening Cash Balance	851,709	837,079
Closing Cash Balance	<u><u>828,742</u></u>	<u><u>828,742</u></u>

**Reconciliation of Net Surplus/(Deficit) before Taxation and Dividend  
Cash inflow from operating activities to 30 June 2009**

	<u>Qtr. ended 31 December 2009</u>
Net Profit/(Loss) before tax	(5,744)
<b>Add non cash items:</b>	
Depreciation	67,213
(Gain)/Loss on Assets sold/disused	-
	<hr/> 61,469
<b>Add (less) movements in Working Capital:</b>	
Decrease/(Increase) in accounts receivable	(34,114)
Decrease/(Increase) in inventory	(98,623)
Decrease/(Increase) in prepayments	15,590
(Decrease) in accounts payable	13,982
Increase in net GST payable	57,702
(Decrease) in PAYE payable	(4,174)
(Decrease) in Accruals	103,944
SSCWT	-
NPT Contrubitions	-
RWT paid	(1,847)
Retirement Gratuity	-
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Net cash inflow from operating activities	<u><u>113,930</u></u>