

## Statement of Financial Performance

	2005/06 Plan \$000's	2005/06 LTCCP \$000's
<b>INCOME</b>		
Groups of Activities	95,451	103,949
Rates	175,409	173,920
Dividends	30,114	29,680
Other Income	27,570	25,030
<b>Total Operating Income</b>	<b>328,544</b>	<b>332,579</b>
<b>EXPENDITURE</b>		
Groups of Activities	310,198	317,425
Other	6,035	5,948
<b>Total Operating Expenditure</b>	<b>316,233</b>	<b>323,373</b>
<b>Operating Surplus</b>	<b>12,310</b>	<b>9,207</b>
Vested Assets	15,000	15,000
Grants/Contributions for Major Projects	550	550
<b>Surplus before taxation</b>	<b>27,860</b>	<b>24,757</b>
Less Tax Expense / (Benefit)	0	0
<b>Surplus after taxation</b>	<b>27,860</b>	<b>24,757</b>
<b>Net Surplus for Year</b>	<b>27,860</b>	<b>24,757</b>

## Commentary on Significant Variances

### Income – Groups of Activities

The main factor contributing to the decrease relates to the Recovered Materials Foundation taking over the operation of the three Refuse Stations. The impact of this change has been to reduce revenues by \$15.5m. Helping to offset this decrease are increases of \$1.4m to Environmental Services revenues. This increase relates to more accurate forecasting of revenue targets and a buoyant building sector. Other significant offsets include Land Transport NZ subsidy (\$1.7m), cash in lieu of reserve contributions (\$550,000) and Trade Waste charges (\$330,000).

### Rates

Includes an additional \$1.5m of rates generated by property development in the City.

### Dividends

Includes an additional \$500,000 in dividends from CCHL.

### Other Income

Interest income is up \$2.5m.

### Expenditure – Groups of Activities

The main contributor to the variance relates to the cessation of the contract costs (\$15.2m) for operating the Refuse Stations and the transfer of this activity to the Recovered Materials Foundation.

### Operating Surplus

This reflects increased financial contributions which need to be transferred to Special Funds and Capital Revenues (Land Transport NZ Subsidies).

# financial statements

## Statement of Movements in Equity

	2005/06 Plan \$000's	2005/06 LTCCP \$000's
<b>Equity at 1 July</b>	4,129,319	4,004,793
Net Surplus Attributable to:		
Parent Entity Shareholders	27,860	24,757
Total Recognised Revenues and Expenses for the Year	27,860	24,757
<b>Equity at 30 June</b>	<b>4,157,179</b>	<b>4,029,550</b>

## Commentary on Significant Variances

The variance reflects a higher than projected opening Equity balance as at 1 July based on the actuals from the 2004 Annual Report, and a larger than projected surplus.

### Statement of Financial Position

	2005/06 Plan \$000's	2005/06 LTCCP \$000's
<b>Equity</b>	4,157,179	4,029,550
<b>Non-Current Liabilities</b>		
Term Debt	75,381	77,403
Provision for Landfill Aftercare	15,314	14,064
Other	7,541	7,718
<b>Non-Current Liabilities</b>	<b>98,236</b>	<b>99,184</b>
<b>Current Liabilities</b>		
Accounts Payable	33,035	34,198
Accruals	10,929	9,930
Owing to Subsidiaries	8,426	7,818
Current Portion of Term Liabilities	21,738	20,038
Current Portion of Landfill Aftercare	1,985	1,512
<b>Total Current Liabilities</b>	<b>76,113</b>	<b>73,496</b>
<b>Total Equity and Liabilities</b>	<b>4,331,527</b>	<b>4,202,230</b>
<b>Represented by:</b>		
<b>Current Assets</b>		
Cash on Hand	46	46
Bank	1,911	983
Short Term Investments	169,666	167,090
Accounts Receivable	14,934	16,454
Other Receivables/ Prepayments	7,743	7,167
Inventory	1,831	1,976
Dividends Receivable	1,805	9,300
<b>Current Assets</b>	<b>197,936</b>	<b>203,016</b>

### Non-Current Assets

Investments	959,224	1,007,252
Operational Assets	594,821	633,930
Infrastructural Assets	2,207,531	1,994,487
Restricted Assets	372,016	363,544
<b>Total Non-Current Assets</b>	<b>4,133,591</b>	<b>3,999,214</b>
<b>Total Assets</b>	<b>4,331,527</b>	<b>4,202,230</b>

### Commentary on Significant Variances

The variances reflect an update of all figures based on the actuals from the 2004 Annual Report.

Also included in the Infrastructural Assets figure is an additional \$18.44m. This includes construction cost increases, the Landfill Gas to QEII Project (\$3m), Social Housing (\$2m), and other changes as detailed in the Capital Expenditure Programme on pages 19-22.

## Statement of Cash Flows

	2005/06 Plan \$000's	2005/06 LTCCP \$000's
<b>OPERATING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Rates, Grants, Subsidies, and Other Sources	312,394	319,395
Interest Received	18,522	15,980
Dividends	30,114	29,680
Net GST	0	0
	<b>361,030</b>	<b>365,056</b>
<b>Cash was disbursed to:</b>		
Payments to Suppliers and Employees	276,967	281,881
Interest Paid	5,950	6,521
	<b>282,917</b>	<b>288,401</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>78,113</b>	<b>76,655</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Sale of Assets	4,412	4,212
Loans Repaid	0	0
Investments Realised	0	1,600
	<b>4,412</b>	<b>5,812</b>
<b>Cash was applied to:</b>		
Purchase of Assets	161,987	124,248
Purchase of Investments	2,270	1,611
Miscellaneous	0	0
	<b>164,258</b>	<b>125,860</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(159,846)</b>	<b>(120,048)</b>

## Statement of Cash Flows

	2005/06 Plan \$000's	2005/06 LTCCP \$000's
<b>FINANCING ACTIVITIES</b>		
<b>Cash was provided from:</b>		
Raising of Loans	1,623	450
	<b>1,623</b>	<b>450</b>
<b>Cash was applied to:</b>		
Repayment of Term Liabilities	1,683	61
	<b>1,683</b>	<b>61</b>
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(59)</b>	<b>389</b>
Increase/(Decrease) in Cash	(81,793)	(43,004)
Add Opening Cash	253,416	211,123
<b>ENDING CASH BALANCE</b>	<b>171,623</b>	<b>168,119</b>
<b>Represented by:</b>		
Cash and Short Term Investments	171,623	168,119

## Commentary on Significant Variances

The main offsetting variances are the Opening Cash position and Purchase of Assets, both of which relate to the expected carry forward of capital expenditure from 2004/05.