

statement of financial performance

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Note	Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
Income													
92,621	93,451	Groups of Activities	9	102,649	103,954	103,881	107,404	106,814	104,538	104,997	105,615	105,720	107,804
148,449	156,293	Rates		166,030	173,920	181,260	189,312	203,203	218,062	229,347	237,976	247,163	258,416
62,554	86,785	Other Income	1	57,031	54,710	69,721	55,010	56,532	57,875	59,830	61,596	63,589	63,856
303,624	336,529	Total Operating Income		325,710	332,584	354,862	351,726	366,550	380,474	394,173	405,188	416,471	430,076
Expenditure													
253,616	282,105	Groups of Activities	9	303,322	317,430	324,507	333,869	343,182	352,623	361,123	368,976	378,248	390,249
10,598	5,015	Other	2	6,137	5,948	6,382	6,277	6,165	6,046	5,920	5,781	5,630	5,122
264,214	287,120	Total Operating Expenditure		309,459	323,378	330,889	340,146	349,348	358,669	367,043	374,757	383,878	395,371
39,410	49,409	Operating Surplus		16,251	9,207	23,973	11,580	17,202	21,805	27,130	30,430	32,593	34,705
36,349	15,000	Vested Assets	8	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
2,132	500	Grants/Contributions for Major Projects		274	550	540	0	0	0	0	0	0	0
77,891	64,909	Surplus before taxation		31,525	24,757	39,513	26,580	32,202	36,805	42,130	45,430	47,593	49,705
0	0	Less Tax Expense / (Benefit)		0	0	0	0	0	0	0	0	0	0
77,891	64,909	Surplus after taxation		31,525	24,757	39,513	26,580	32,202	36,805	42,130	45,430	47,593	49,705
77,891	64,909	Net Surplus for Year		31,525	24,757	39,513	26,580	32,202	36,805	42,130	45,430	47,593	49,705

statement of movements in equity

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
3,557,350	3,908,359	Equity at 1 July	3,973,268	4,004,793	4,029,550	4,069,063	4,095,643	4,127,845	4,164,650	4,206,780	4,252,211	4,299,804
		Net Surplus Attributable to:										
77,891	64,909	Parent Entity Shareholders	31,525	24,757	39,513	26,580	32,202	36,805	42,130	45,430	47,593	49,705
273,118	0	Increases/(Decreases) in Revaluation Reserves	0	0	0	0	0	0	0	0	0	0
351,009	64,909	Total Recognised Revenues and Expenses for the Year	31,525	24,757	39,513	26,580	32,202	36,805	42,130	45,430	47,593	49,705
3,908,359	3,973,268	Equity at 30 June	4,004,793	4,029,550	4,069,063	4,095,643	4,127,845	4,164,650	4,206,780	4,252,211	4,299,804	4,349,508

statement of financial position

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Note	Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
3,908,359	3,973,268	Equity		4,004,793	4,029,550	4,069,063	4,095,643	4,127,845	4,164,650	4,206,780	4,252,211	4,299,804	4,349,508
84,271	82,927	Non-Current Liabilities	4	120,262	99,184	161,813	231,489	285,188	313,873	340,392	369,851	409,008	448,041
78,370	90,708	Current Liabilities	5	53,541	73,496	53,297	53,115	53,115	53,115	53,115	53,115	53,115	53,115
4,071,000	4,146,903	Total Equity and Liabilities		4,178,596	4,202,230	4,284,173	4,380,247	4,466,148	4,531,638	4,600,287	4,675,176	4,761,927	4,850,665
		Represented by:											
276,673	294,260	Current Assets	6	246,020	203,016	193,576	197,188	205,171	218,938	236,767	256,381	277,953	301,904
		Non-Current Assets											
986,626	1,003,726	Investments	7	1,006,178	1,007,252	1,006,714	1,007,577	1,008,428	1,009,270	1,009,976	1,010,609	1,006,160	1,006,621
573,792	583,303	Operational Assets		605,156	633,930	671,892	706,505	740,704	753,818	765,457	784,772	818,418	846,790
1,889,333	1,914,566	Infrastructural Assets		1,963,326	1,994,487	2,042,951	2,093,945	2,130,122	2,160,945	2,192,370	2,220,393	2,248,757	2,276,926
344,576	351,047	Restricted Assets		357,915	363,544	369,040	375,032	381,724	388,667	395,718	403,022	410,638	418,423
3,794,327	3,852,643	Total Non-Current Assets		3,932,576	3,999,214	4,090,597	4,183,059	4,260,977	4,312,700	4,363,521	4,418,795	4,483,974	4,548,760
4,071,000	4,146,903	Total Assets		4,178,596	4,202,230	4,284,173	4,380,247	4,466,148	4,531,638	4,600,287	4,675,176	4,761,927	4,850,665

statement of cash flows

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
		Operating Activities										
		Cash was provided from:										
257,130	288,285	Rates, Grants, Subsidies, and Other Sources	308,832	319,400	328,730	340,978	356,595	371,013	384,858	396,075	407,568	421,476
20,486	14,093	Interest Received	18,443	15,980	14,515	14,230	14,456	14,969	15,764	16,701	17,726	18,499
46,773	63,250	Dividends	29,100	29,680	45,665	31,665	32,365	33,165	34,135	34,985	35,840	36,958
5,293	0	Net GST	0	0	0	0	0	0	0	0	0	0
329,682	365,628		356,376	365,061	388,910	386,873	403,416	419,147	434,757	447,761	461,135	476,933
		Cash was disbursed to:										
198,749	245,335	Payments to Supplies and Employees	269,754	281,886	286,729	290,433	294,787	301,275	308,307	314,420	321,458	331,040
6,951	7,575	Interest Paid	6,767	6,521	7,677	11,280	15,457	18,303	20,099	21,869	24,014	26,180
205,700	252,910		276,522	288,406	294,406	301,713	310,244	319,577	328,406	336,289	345,472	357,221
123,982	112,718	NET CASH FLOW FROM OPERATIONS	79,854	76,655	94,503	85,160	93,172	99,570	106,350	111,472	115,662	119,712
		INVESTING ACTIVITIES										
		Cash was provided from:										
3,377	2,190	Sale of Assets	1,849	4,212	3,824	7,049	1,866	1,827	1,846	1,832	1,817	1,817
5,500	0	Loans Repaid	0	0	0	0	0	0	0	0	0	0
10,526	0	Investments Realised	0	1,600	1,700	1,800	1,900	2,000	2,232	2,403	7,588	2,788
19,403	2,190		1,849	5,812	5,524	8,849	3,766	3,827	4,078	4,236	9,405	4,605
		Cash was applied to:										
109,711	92,725	Purchase of Assets	130,046	124,248	151,767	158,908	141,457	117,082	117,852	124,250	141,315	138,023
16,952	25,573	Purchase of Investments	1,580	1,611	1,643	1,676	1,710	1,744	1,779	1,814	1,851	1,888
126,663	118,298		131,625	125,860	153,410	160,584	143,167	118,826	119,631	126,065	143,165	139,910
(107,260)	(116,108)	NET CASH FLOW FROM INVESTING ACTIVITIES	(129,777)	(120,048)	(147,886)	(151,735)	(139,401)	(114,998)	(115,553)	(121,829)	(133,760)	(135,306)

statement of cash flows

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
FINANCING ACTIVITIES												
Cash was provided from:												
1,080	45,803	Raising of Loans	39,228	450	43,980	70,215	54,230	29,522	27,041	29,978	39,677	39,551
1,080	45,803		39,228	450	43,980	70,215	54,230	29,522	27,041	29,978	39,677	39,551
Cash was applied to:												
19,462	24,826	Repayment of Term Liabilities	37,546	61	38	27	18	326	9	7	7	6
19,462	24,826		37,546	61	38	27	18	326	9	7	7	6
(18,382)	21,125	NET CASH FLOW FROM FINANCING ACTIVITIES	1,683	389	43,943	70,187	54,211	29,197	27,031	29,971	39,670	39,545
(1,660)	17,587	Increase/(Decrease) in Cash	(48,240)	(43,004)	(9,440)	3,612	7,983	13,768	17,828	19,614	21,572	23,951
243,436	241,776	Add Opening Cash	259,363	211,123	168,119	158,679	162,291	170,274	184,041	201,870	221,484	243,056
241,776	259,363	ENDING CASH BALANCE	211,123	168,119	158,679	162,291	170,274	184,041	201,870	221,484	243,056	267,007
Represented by:												
241,776	259,363	Cash and Short Term Investments	211,123	168,119	158,679	162,291	170,274	184,041	201,870	221,484	243,056	267,007
241,776	259,363		211,123	168,119	158,679	162,291	170,274	184,041	201,870	221,484	243,056	267,007

notes to the financial statements

Note 1: Income

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
92,621	93,451	Group of Activity Income: (Refer to Note 9 - Summary of Group of Activities)	102,649	103,954	103,881	107,404	106,814	104,538	104,997	105,615	105,720	107,804
		Other income:										
		Interest Income:										
3,065	3,763	Subsidiaries	4,390	4,117	4,017	3,910	3,796	3,675	3,547	3,407	3,253	2,739
544	747	Loan Repayment Investments	759	931	1,243	1,572	1,992	2,550	3,214	3,979	4,831	5,779
15,326	8,735	Short Term Investments	11,867	9,050	7,189	6,538	6,267	6,150	6,190	6,288	6,388	6,490
2,155	1,489	Special and Other Fund Investments	1,737	2,192	2,407	2,604	2,852	3,105	3,371	3,654	3,951	4,263
21,090	14,733	Total Interest Income	18,753	16,290	14,855	14,624	14,907	15,480	16,323	17,327	18,423	19,270
		Dividend Income:										
		Christchurch City Holdings Ltd										
28,900	28,200	Ordinary	29,100	29,500	30,300	31,300	32,000	32,800	33,770	34,620	35,475	36,593
3,400	35,050	Special	0	0	15,000	0	0	0	0	0	0	0
		Transwaste Ltd	0	180	365	365	365	365	365	365	365	365
145	0	Travis Finance Ltd										
32,445	63,250	Total Dividend Income	29,100	29,680	45,665	31,665	32,365	33,165	34,135	34,985	35,840	36,958
		Sundry Income:										
2,097	2,050	Petroleum tax	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080	2,080
	6,752	Internal Service Provider Surpluses	7,098	6,659	7,121	6,641	7,180	7,150	7,292	7,204	7,246	5,548
3,292	0	Sundry	0	0	0	0	0	0	0	0	0	0
3,724	0	Grants	0	0	0	0	0	0	0	0	0	0
(94)	0	Equity Accounted Earnings of Associates	0	0	0	0	0	0	0	0	0	0
9,019	8,802	Total Sundry Income	9,178	8,739	9,201	8,721	9,260	9,230	9,372	9,284	9,326	7,628
62,554	86,785	Total Other Income	57,031	54,710	69,721	55,010	56,532	57,875	59,830	61,596	63,589	63,856

Note 2: Expenditure

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
253,616	282,105	Group of Activity Expenditure:	303,322	317,430	324,507	333,869	343,182	352,623	361,123	368,976	378,248	390,249
		(Refer to Note 9 - Summary of Groups of Activities)										
		Other Expenditure:										
5,525	0	Levies	0	0	0	0	0	0	0	0	0	0
2	0	Professional Fees re Subsidiaries	0	0	0	0	0	0	0	0	0	0
5,071	5,015	Sundry	6,137	5,948	6,382	6,277	6,165	6,046	5,920	5,781	5,630	5,122
10,598	5,015	Total Other Expenditure	6,137	5,948	6,382	6,277	6,165	6,046	5,920	5,781	5,630	5,122

Note 3:

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
		After Charging:										
160	175	Audit Fees	185	189	192	196	200	204	208	213	217	221
52,718	63,626	Depreciation	65,075	68,720	71,843	74,668	76,934	78,787	80,292	82,180	84,278	86,290

notes to the financial statements

Note 4: Non-Current Liabilities

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
58,204	58,121	Term Debt	96,969	77,403	140,726	210,913	265,125	294,321	321,352	351,323	390,993	430,538
18,349	17,088	Provision for Landfill Aftercare	15,576	14,064	13,370	12,858	12,346	11,834	11,322	10,810	10,298	9,786
7,718	7,718	Provision for Employee Entitlements	7,718	7,718	7,718	7,718	7,718	7,718	7,718	7,718	7,718	7,718
84,271	82,927	Total Non Current Liabilities	120,262	99,184	161,813	231,489	285,188	313,873	340,392	369,851	409,008	448,041

Note 5: Current Liabilities

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
34,198	34,198	Trade Creditors	34,198	34,198	34,198	34,198	34,198	34,198	34,198	34,198	34,198	34,198
7,818	7,818	Owing to Subsidiaries	7,818	7,818	7,818	7,818	7,818	7,818	7,818	7,818	7,818	7,818
26,073	37,326	Current Portion of Term Debt	83	20,038	657	657	657	657	657	657	657	657
0	0	Unsecured Debt	0	0	0	0	0	0	0	0	0	0
351	1,436	Other	1,512	1,512	694	512	512	512	512	512	512	512
68,440	80,778		43,611	63,566	43,367	43,185	43,185	43,185	43,185	43,185	43,185	43,185
		Employee Entitlements										
1,523	1,523	Accrued Pay	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523	1,523
8,407	8,407	Annual Leave	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407
9,930	9,930	Total Employee Entitlements	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930	9,930
78,370	90,708	Total Current Liabilities	53,541	73,496	53,297	53,115	53,115	53,115	53,115	53,115	53,115	53,115

Note 6: Current Assets

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
241,776	259,363	Cash at Bank, and Short Term Investments	211,123	168,119	158,679	162,291	170,274	184,041	201,870	221,484	243,056	267,007
		Receivables and Prepayments										
5,353	5,353	Rates Debtors	5,353	5,353	5,353	5,353	5,353	5,353	5,353	5,353	5,353	5,353
6,968	6,968	Other Trade Debtors	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968	6,968
1,684	1,684	Amount owing by Subsidiaries	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684	1,684
7,167	7,167	Other Receivables/Prepayments	7,167	7,167	7,167	7,167	7,167	7,167	7,167	7,167	7,167	7,167
2,799	2,799	GST Receivable	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799	2,799
9,300	9,300	Dividends Receivable	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300
33,271	33,271		33,271	33,271	33,271	33,271	33,271	33,271	33,271	33,271	33,271	33,271
(350)	(350)	Less provision for Doubtful Debts	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)	(350)
32,921	32,921	Total Receivables and Prepayments	32,921	32,921	32,921	32,921	32,921	32,921	32,921	32,921	32,921	32,921
		Inventories										
1,496	1,496	General Stores	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496	1,496
204	204	Livestock and Feed	204	204	204	204	204	204	204	204	204	204
276	276	Souvenirs and Food	276	276	276	276	276	276	276	276	276	276
1,976	1,976	Total Inventories	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976	1,976
276,673	294,260	Total Current Assets	246,020	203,016	193,576	197,188	205,171	218,938	236,767	256,381	277,953	301,904

notes to the financial statements

Note 7: Non-Current Assets

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
Investments												
972,580	998,153	General Investments	999,732	999,744	999,687	999,563	999,373	999,117	998,664	998,075	992,338	991,438
14,046	5,573	Loan Repayment Investments	6,446	7,509	7,027	8,014	9,055	10,153	11,311	12,533	13,823	15,183
986,626	1,003,726	Total Non-Current Assets	1,006,178	1,007,252	1,006,714	1,007,577	1,008,428	1,009,270	1,009,976	1,010,609	1,006,160	1,006,621

Note 8: Vested Assets

Actual CCC 2002/03 \$000's	Budget CCC 2003/04 \$000's		Budget CCC 2004/05 \$000's	Forecast CCC 2005/06 \$000's	Forecast CCC 2006/07 \$000's	Projection CCC 2007/08 \$000's	Projection CCC 2008/09 \$000's	Projection CCC 2009/10 \$000's	Projection CCC 2010/11 \$000's	Projection CCC 2011/12 \$000's	Projection CCC 2012/13 \$000's	Projection CCC 2013/14 \$000's
6,625	2,734	Restricted Land and Buildings	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734	2,734
15,714	6,485	Infrastructural Assets	6,485	6,485	6,485	6,485	6,485	6,485	6,485	6,485	6,485	6,485
14,010	5,781	Artworks & Heritage Assets	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781	5,781
36,349	15,000	Total Vested Assets	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000

Note 9: Summary of Groups of Activities

Re-statement of Comparative Figures

Comparative Figures for 2003/2004 have been re-stated as follows:

	Annual Plan Forecast Net Cost CCC 2003/04 \$000's	Movement Net Cost CCC 2003/04 \$000's	Restated Forecast Net Cost CCC 2003/04 \$000's
Art Gallery	5,190	(5,190)	
Car Parking	(4,098)	4,098	
City Streets	33,696	(33,696)	
Community Development and Customer Services	13,587	(13,587)	
Economic Development and Employment	14,774	(14,774)	
Environmental Policy and Regulatory Services	13,309	(13,309)	
Housing	(1,295)	1,295	
Library and Information Services	22,032	(22,032)	
Parks & Waterways	28,735	(28,735)	
Public Accountability	8,566	(8,566)	
Sport, Leisure and Events	14,164	(14,164)	
Waste Minimisation and Disposal	(587)	587	
Wastewater	20,042	(20,042)	
Water Supply	10,642	(10,642)	
City Development		10,475	10,475
Democracy and Governance		8,791	8,791
Art Gallery, Museum and "Our City"		9,847	9,847
Community Services		29,430	29,430
Library Services		22,408	22,408
Parks and Open Spaces		18,732	18,732
Refuse Minimisation and Disposal		249	249
Regulatory Services		5,314	5,314
Wastewater Collection, Treatment and Disposal		20,312	20,312
Streets and Transport		29,634	29,634
Water Supply		10,833	10,833
Waterways and Land Drainage		10,335	10,335
Economic Development		12,293	12,293
Corporate Expenses - Sundry Expenditure *		(9,897)	
	178,757	0	188,653

Note:

* Corporate Expenses provisions of -\$9,897 are now included in Group of Activity Expenditure



Cedar Park flats – one of the Council's housing complexes

notes to the financial statements

Note 9: (cont.)

Summary of Groups of Activities

Budget Income CCC 2003/04 \$000's		Budget Income CCC 2004/05 \$000's	Forecast Income CCC 2005/06 \$000's	Forecast Income CCC 2006/07 \$000's	Projection Income CCC 2007/08 \$000's	Projection Income CCC 2008/09 \$000's	Projection Income CCC 2009/10 \$000's	Projection Income CCC 2010/11 \$000's	Projection Income CCC 2011/12 \$000's	Projection Income CCC 2012/13 \$000's	Projection Income CCC 2013/14 \$000's
Summary of Service Delivery Activities Income											
1,022	City Development	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154
0	Democracy and Governance	320	0	0	320	0	0	320	0	0	320
778	Art Gallery, Museum and "Our City"	1,055	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124	1,124
20,833	Community Services	21,833	21,976	22,246	22,246	22,246	22,491	22,491	22,491	22,491	22,491
1,954	Library Services	2,064	2,102	2,142	2,168	2,195	2,223	2,251	2,280	2,309	2,338
5,103	Parks and Open Spaces	5,032	5,042	5,051	5,060	5,096	5,105	5,114	5,123	5,132	5,141
18,782	Refuse Minimisation and Disposal	21,790	20,764	20,563	20,352	20,118	19,878	19,637	19,393	19,147	18,899
10,097	Regulatory Services	10,257	10,257	10,257	10,257	10,257	10,257	10,257	10,257	10,257	10,257
4,080	Wastewater Collection, Treatment and Disposal	5,106	5,100	5,090	5,077	5,062	5,045	5,026	4,990	4,954	4,918
28,139	Streets and Transport	30,664	32,547	33,036	36,090	36,592	34,410	34,941	36,061	36,478	36,817
2,907	Water Supply	3,429	3,400	3,371	3,342	3,313	3,284	3,255	3,226	3,197	3,168
135	Waterways and Land Drainage	387	587	387	267	267	137	137	137	137	137
189	Economic Development	173	173	173	173	153	153	153	153	153	153
94,019	Total Income of Service Delivery	103,266	104,226	104,594	107,630	107,578	105,261	105,861	106,389	106,533	106,918
(568)	Add Back Service Provider Income	(617)	(272)	(714)	(226)	(764)	(724)	(864)	(774)	(814)	886
93,451	Activity Results represented in Statement of Financial Performance	102,649	103,954	103,881	107,404	106,814	104,538	104,997	105,615	105,720	107,804

Note 9: (cont.)

Summary of Groups of Activities

Budget Income CCC 2003/04 \$000's		Budget Income CCC 2004/05 \$000's	Forecast Income CCC 2005/06 \$000's	Forecast Income CCC 2006/07 \$000's	Projection Income CCC 2007/08 \$000's	Projection Income CCC 2008/09 \$000's	Projection Income CCC 2009/10 \$000's	Projection Income CCC 2010/11 \$000's	Projection Income CCC 2011/12 \$000's	Projection Income CCC 2012/13 \$000's	Projection Income CCC 2013/14 \$000's
Summary of Service Delivery Activities Costs											
11,497	City Development	12,976	12,812	12,522	11,861	11,799	11,967	11,952	12,072	12,149	12,301
8,791	Democracy and Governance	9,916	11,071	11,080	12,137	11,438	11,570	12,561	11,746	11,847	12,913
10,625	Art Gallery, Museum and "Our City"	13,609	13,775	14,037	13,812	13,261	13,564	13,680	13,836	14,067	14,222
50,263	Community Services	54,212	52,623	52,228	53,133	54,605	55,465	55,984	56,491	57,583	58,210
24,362	Library Services	25,661	26,811	27,245	27,901	28,663	29,303	29,814	30,354	30,938	31,569
23,836	Parks and Open Spaces	25,930	26,841	27,436	28,901	29,998	30,718	31,584	32,508	33,472	34,451
19,031	Refuse Minimisation and Disposal	22,832	29,066	29,858	30,880	31,347	31,750	31,913	32,086	32,306	32,555
15,411	Regulatory Services	15,864	16,023	15,937	16,156	16,461	16,620	16,743	16,894	17,009	17,177
24,392	Wastewater Collection, Treatment and Disposal	24,606	25,460	26,288	27,021	28,361	28,976	29,427	30,020	30,425	31,042
57,773	Streets and Transport	61,422	63,506	65,460	65,557	67,381	69,199	70,481	72,079	73,710	75,327
13,741	Water Supply	15,067	15,461	15,814	16,141	16,512	16,828	17,042	17,304	17,581	17,884
10,470	Waterways and Land Drainage	10,957	11,276	11,591	11,926	12,301	12,585	12,905	13,228	13,558	13,895
12,482	Economic Development	10,887	10,483	10,549	10,756	11,178	11,370	11,547	11,758	11,959	12,178
0	Provision for Inflation	0	2,493	5,175	7,911	10,642	13,429	16,355	19,371	22,457	25,637
282,672	Total Cost of Service Delivery	303,939	317,702	325,221	334,094	343,946	353,347	361,987	369,750	379,062	389,363
(568)	Add Back Service Provider Income	(617)	(272)	(714)	(226)	(764)	(724)	(864)	(774)	(814)	886
282,105	Activity Results represented in Statement of Financial Performance	303,322	317,430	324,507	333,869	343,182	352,623	361,123	368,976	378,248	390,249

statement of accounting policies

Reporting Entity

The Christchurch City Council is a territorial authority under the Local Government Act 2002.

Measurement Base

The measurement base adopted is that of historical cost as modified by the revaluation of certain assets.

Accounting Policies

The following accounting policies which materially affect the measurement of financial performance and the financial position have been applied.

A. Associates and Joint Ventures

Associate Organisations

Associate organisations are accounted for by the Equity method, which records the Council's share of profits and losses for the period in the Statement of Financial Performance, and shows the amount of equity held in Investments in the Statement of Financial Position. An associate organisation is one in which the Council has an equity interest of between 20% and 50% and the capacity to significantly influence the policies of that organisation.

Joint Ventures

Joint Ventures are incorporated into the parent's financial statements using the proportionate method.

B. Operational and Fixed Assets

- (a) The following operational assets were valued as at 30 June 1991 by Harcourts Valuations Ltd.

- Chattels
- Mobile Plant (including vehicles)
- Plant

Valuations above were based on depreciated replacement value. This is deemed to be cost.

- (b) Land and Buildings were valued by Simes Ltd at 30 June 2002 to fair value by reference to their highest and best use.
- (c) Library Books are shown at a valuation by Harcourts Valuations Ltd at 30 June 1992. The valuation was based on the lower of the net current replacement cost, and the recoverable amount. This is deemed to be cost.

Operational Assets are valued as follows:

All plant, chattels and library books	At initial valuation and cost for subsequent subsequent purchases.
Land and buildings	Revalued every three years by external valuers

Assets purchased since valuation, have been recorded at cost.

C. Infrastructural Assets

Stormwater Infrastructural Assets have been valued using the optimised depreciated replacement cost method at 30 June 2002, by Meritec Limited. Sewerage Infrastructural Assets have been valued using the optimised depreciated replacement cost at 30 June 2003 by GHD Limited. Roading and Water Reticulation Infrastructural Assets (including Traffic Signals & Bus Shelters) have been valued using the optimised depreciated replacement cost method at 30 June 2001 by Meritec Limited. Land under roads was valued at 30 June 1992, by Quotable Value NZ at the value used for rating purposes. This is deemed to be cost.

Additions to Infrastructural Assets since valuation are recorded at cost. This includes

vested assets that are recorded at the cost to the subdivider.

D. Assets Under Construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion, and then depreciated.

E. Restricted Assets

These assets are:

- Land and Buildings with restrictions on sale – eg, Parks and Reserves
- Library Books - New Zealand Collection
- Properties held in trust for other organisations

These assets have been valued on the same basis as Operational Assets with vested Reserve Land additions recorded at the cost to the subdivider.

- Heritage Assets

These assets have been valued at optimised depreciated reproduction cost as at 30 June 2003 by Plant & Machinery Valuers Limited or at cost to the Council if they were recorded prior to this date.

- Works of Art:
- Works of Art have been valued at market value by the Senior Curator of the Robert McDougall Art Gallery as at 30 June 2003 with this revaluation peer reviewed by Marshall Seiffert, an experienced valuer of New Zealand artworks.

F. Investment and Development Property

The Council has no properties purchased or acquired for the primary purpose of earning capital gains or rental income.

G. Depreciation

Depreciation provided in respect of Operational and Infrastructural Assets is intended to write off the cost of assets over their estimated useful lives.

The straight line method is used.

The main bases are the following periods:

Operational assets

Buildings	15-100 yrs
Office and Computer Equipment	4-5 yrs
Mobile Plant including Vehicles	2-30 yrs
Sealed Surfaces (other than roads)	30-100 yrs
Leasehold Land Improvements	10-100 yrs
Library Books	3-10 yrs

Infrastructural Assets

Pavement Sub-base	Not depreciated
Basecourse	50-90 yrs
Surface	2-63 yrs
Streetlights & Signs	25 yrs
Kerb, Channel, Sumps & Berms	80 yrs
Bridges	70-150 yrs
Bus Shelters & Furniture	20-40 yrs
Water Supply	55-130 yrs
Water Meters	20-25 yrs
Stormwater	30-120 yrs

statement of accounting policies

Waterways	15-120 yrs
Sewer	50-130 yrs
Treatment Plant	10-50 yrs
Pump Stations	10-80 yrs

Restricted Assets are not depreciated except for Historic Buildings, Artworks and Heritage Assets that are depreciated at 1%, 0.1% and 0.1% on a straight line basis respectively.

H. Landfill After Care Costs

As operator of the Burwood Landfill, the Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill site after closure. To provide for the estimated cost of aftercare, a charge is made each year to spread the costs over the life of the landfill.

The estimated cost is calculated based on estimates of:

- (i) Total current cost
This is defined as the amount that would be paid if all equipment, facilities and services included in the estimate were acquired during the current period. The estimate has been based on costs of closure of similar landfills by other local authorities.
- (ii) Total capacity
The estimated length of time needed for post-closure care is 30 years.

The Council also has a legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs to perform this obligation have been accrued and charged.

The calculations assume no change in the legislative requirements for closure and post-closure treatment.

I. Revenue Recognition

Rates revenue is recognised when levied. Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year end, are accrued on an average basis.

Transfund roading subsidies are recognised as revenue upon entitlement, that is, when the conditions related to eligible expenditure have been fulfilled. Other grants and bequests and assets vested in the Council, are recognised as revenue when control over the assets is obtained. Dividends are only recognised as income, net of imputation credits, when the dividends have been declared and have or are almost certain to receive the necessary shareholder approval.

J. Goods and Services Tax

The financial statements have been prepared exclusive of GST with the exception of receivables and payables that have been shown inclusive of GST. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

K. Research and Development Costs

Research and development costs are expensed in the period incurred. Development costs are deferred where it is probable that future benefits will exceed those costs. Deferred development costs are amortised over future periods in relation to expected future revenue.

L. Income Tax

The income tax expense charged to the Statement of Financial Performance includes both the current year's expense and the income tax effects of timing differences applied

on a comprehensive basis and calculated using the liability method.

A debit balance in the deferred tax account, arising from timing differences or income tax benefits from income tax losses, are only recognised when there is virtual certainty of realisation.

M. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by FIFO or weighted average methods. Some inventories are subject to restriction of title.

N. Leases

(i) Finance Leases

These leases effectively transfer all the risks and benefits of ownership to the lessee. Finance Leases are included in liabilities at their current value.

Assets purchased under such leases are included in fixed assets and depreciated at usual rates.

(ii) Operating Leases

Under these leases, the lessor effectively retains all the risks and benefits of ownership. These lease payments are charged as expenses in the periods in which they are incurred.

O. Employment Entitlements

Provision is made in respect of the Council's liability for retiring gratuity allowances, and annual and long service leave.

The liabilities for leave have been calculated on an actual entitlement basis at current rates of pay. The retiring gratuity liability has been assessed on an actuarial basis.

P. Investments

Shares in subsidiaries, apart from Christchurch City Holdings Ltd (CCHL), associates and shares in Local Government Insurance Corporation Limited, are valued at share of equity off the latest Statement of Financial Position. Shares in CCHL were revalued at 30 June 2003, based on a market valuation undertaken by KPMG of three of its subsidiaries. All other investments are stated at lower of cost and net realisable value.

Q. Financial Instruments

Christchurch City Council is party to financial instrument arrangements as part of its everyday operations. These financial instruments include Banking Funds, Bank Deposits, Short Term Investments, Accounts Receivable, Sinking Fund Investments, Accounts Payable and Term Debt.

Revenues and Expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

All financial instruments are recognised in the Statement of Financial Position, with the exception of Guarantees and Contingent Assets and Liabilities, which are disclosed by way of note to the Financial Statements. Any income or expenditure arising from the exercising of a guarantee, or upon a contingency becoming an actual asset or liability, will be recognised in the Statement of Financial Performance at the time of confirmation.

The following methods and assumptions were used to value each class of financial instrument:

- (a) Accounts Receivable and Long Term Receivables are recorded at estimated realisable value.
- (b) Short Term Investments are valued at fair value.

statement of accounting policies

- (c) Investments in Government and Local Authority Stock are valued at cost with premiums paid or discounts taken on acquisition amortised over the life of the investment. Income is recognised on a yield to maturity basis.
- (d) Loans to various sporting and cultural organisations are recorded at fair value.
- (e) All on the financial instruments, including Cash and Bank balances, Accounts Payable and Term Debt are valued at fair value.

R. Debt Servicing Costs

Debt Servicing Costs are apportioned on the basis on the book value of the Operational and Infrastructural Assets employed at 1 July 2004.

S. Cost Allocations

The costs of all internal service type activities are allocated or charged directly to external service type activities.

External service activities refer to activities which provide a service direct to the public.

Internal service type activities provide support for the external service activities. Where the user of a service can be identified, for example with City Solutions, the cost recovery is made by way of direct charge.

Where this has not been possible, the costs are allocated by way of corporate overhead.

The basis of the corporate overhead allocation is reviewed each year and every attempt is made to relate the allocation made with the service utilised.

Internal service costs which are allocated out as corporate overhead include corporate and financial services.

T. Donated Goods and Services

The Council receives the benefits of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms. From an accounting point of view these services are not considered material in relation to the Council's total expenditure.

Vested Land is included at current value and Infrastructural Assets are included at the cost to the subdivider.

U. Third Party Transfer Payment Agencies

The Council collects monies for many organisations including Environment Canterbury, Building Industry Authority and others. Where collections are processed through the Council's books, any monies held are shown as Accounts Payable in the Statement of Financial Position.

V. Financial Reporting Standard No. 29 (FRS-29) Disclosures

In accordance with the Institute of Chartered Accountants of New Zealand Financial Reporting Standard 29, the following information is provided in respect of the Long Term Council Community Plan:

(i) Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

(ii) Nature of Prospective Information

The financial information has been prepared on the basis of best estimate assumptions as to future events which the Council expects to take place. The financial information presented consists of both forecasts and projections. The financials for 2004/05 are forecasts which reflect the most probable outcome. The financials for 2005/06 and subsequent years are projections.

They are based upon varying assumptions about the conditions that might exist and possible courses of action.

(iii) Assumptions

The principal assumptions underlying the forecasts and projections are noted in the Significant Forecasting Assumptions Section of this Plan. These assumptions were valid as at 30 June 2004, the date this Long Term Council Community Plan was adopted.

(iv) Extent to which Prospective Information Incorporates Actual Results

Although the period covered by the Long Term Council Community Plan contains no actual operating results, some financial information has however been extrapolated from the Council's audited Financial Statements as at 30 June 2003.

(v) Purpose for which the Prospective Information is prepared

The Long Term Council Community Plan is prepared in accordance with the Local Government Act 2002. The purpose of this legislation is to provide for democratic and effective local government that recognises the diversity of New Zealand communities and promotes the accountability of local authorities to their communities.

W. Changes in Accounting Policies

There are no changes in Accounting Policies. These have been applied on a basis consistent with those used in previous years.