

Prospective financial statements

The accounting policies form part of these prospective financial statements.

Prospective statement of comprehensive revenue and expense			
	Annual plan 2016/17 \$000	Long term plan 2017/18 \$000	Annual plan 2017/18 \$000
Revenue			
Rates	56,867	60,407	60,701
Fees and charges	7,899	7,842	8,215
Grants and subsidies	4,567	6,094	4,436
Development and financial contributions revenue	1,075	1,109	1,075
Other operating revenue	333	8,151	353 ¹
Total revenue excluding gains	70,741	83,603	74,780
Expenses			
Operating expenses	48,057	49,670	50,098
Depreciation and amortisation	17,569	18,257	18,910
Total expenses	65,626	67,927	69,008
Interest			
Interest income	1,140	210	1,520
Finance expense	9,408	8,707	9,581
Total interest costs	8,268	8,497	8,061
OPERATING SURPLUS/(DEFICIT)	(3,153)	7,179	(2,289)
Unrealised gains/(losses)			
Unrealised gain/(loss) on revaluation of financial derivatives	-	278	-
Total unrealised gains/(losses)	-	278	-
NET OPERATING SURPLUS/(DEFICIT)	(3,153)	6,901	(2,289)
Other comprehensive revenue and expense			
Revaluation of property plant and equipment	32,633	16,208	16,208
Total other comprehensive revenue and expense	32,633	16,208	16,208
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	29,480	23,109	13,919

Significant variances to the long term plan

1. The reduction in Other operating revenue relates to a change in the timing of the vesting of the existing SH1 [from Mackays to Peka Peka] to Council. This is now planned to occur in 2018/19.

Prospective statement of changes in equity			
	Annual plan 2016/17 \$000	Long term plan 2017/18 \$000	Annual plan 2017/18 \$000
Opening Equity	1,317,003	1,334,462	1,339,764
ACCUMULATED FUNDS			
Opening accumulated funds	562,537	571,243	566,140 ²
Operating surplus/(deficit)	(3,153)	6,901	(2,289)
Transfers to reserves and special funds	(546)	(2,310)	(503)
Transfers from reserves and special funds	857	2,361	487
Closing accumulated funds	559,695	578,195	563,835
RESERVES AND SPECIAL FUNDS			
Opening reserves and special funds	2,531	3,161	2,528
Transfers to accumulated funds	(857)	(2,361)	(487)
Transfers from accumulated funds	546	2,310	503
Closing reserves and special funds	2,220	3,110	2,544
REVALUATION RESERVE			
Opening revaluation reserve	751,935	760,058	771,096 ³
Revaluation of property, plant and equipment	32,633	16,208	16,208
Closing revaluation reserve	784,568	776,266	787,304
CLOSING EQUITY	1,346,483	1,357,571	1,353,683

Significant variances to the long term plan

- Council's actual unrealised losses on financial derivatives in 2016/17 were higher than anticipated due to falling interest rates during the year.
- Council's actual revaluation of its three water infrastructure assets in 2015/16 was higher than expected.

Prospective statement of financial position			
	Annual plan 2016/17 \$000	Long term plan 2017/18 \$000	Annual plan 2017/18 \$000
Current Assets			
Cash and cash equivalents	200	200	200
Trade and other receivables	7,064	7,468	7,478
Inventories	100	148	148
Other financial assets	40,480	-	15,400 ⁴
Loans	55	113	59
Total current assets	47,899	7,929	23,285
Non-Current Assets			
Property plant and equipment	1,538,602	1,543,470	1,546,617
Forestry assets	435	81	378
Intangible assets	875	792	2,730
Other financial assets	2,216	2,817	2,675
Loans	613	879	558
Total non-current assets	1,542,741	1,548,039	1,552,958
TOTAL ASSETS	1,590,640	1,555,968	1,576,243
Current Liabilities			
Trade and other payables	22,222	17,072	19,147
Employee benefit	2,279	2,336	2,336
Deposits	770	900	760
Borrowings	70,004	20,000	25,000 ⁴
Provisions	561	572	648
Derivative financial instruments	352	-	558
Total current liabilities	96,188	40,880	48,449
Non-Current Liabilities			
Employee benefit	253	260	260
Borrowings	129,062	147,570	161,361 ⁴
Provisions	2,373	2,420	2,134
Derivative financial instruments	16,281	7,267	10,356
Total non-current liabilities	147,969	157,517	174,111
TOTAL LIABILITIES	244,157	198,397	222,560
Public Equity			
Accumulated funds	559,695	578,195	563,835
Reserves and special funds	2,220	3,110	2,544
Revaluation reserve	784,568	776,266	787,304
TOTAL PUBLIC EQUITY	1,346,483	1,357,571	1,353,683
TOTAL LIABILITIES AND PUBLIC EQUITY	1,590,640	1,555,968	1,576,243

Significant variances to the long term plan

4. To secure lower borrowing cost Council plans to prefund borrowings maturing in 2018/19.

Prospective cash flow statement			
	Annual plan 2016/17 \$000	Long term plan 2017/18 \$000	Annual plan 2017/18 \$000
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Kapiti Coast District Council rates	56,866	51,345	60,701
Grants and subsidies	1,595	3,086	1,543
Interest received	940	211	1,140
Charges and fees	9,099	17,827	9,663
GST (net)	284	90	290
	68,784	72,559	73,337
<i>Cash was applied to:</i>			
Payments to employees and suppliers	45,520	48,930	50,715
	45,520	48,930	50,715
Net cash inflow from operating activities	23,264	23,629	22,622
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Sale of investments	10,088	-	80,050 ⁵
Proceeds from capital grants	4,972	3,008	2,893
	15,060	3,008	82,943
<i>Cash was applied to:</i>			
Construction and purchase of property, plant and equipment and Intangibles	34,184	23,960	32,937
Purchase of investments	35,120	370	40,000 ⁵
	69,304	24,330	72,937
Net cash (outflow)/inflow from investing activities	(54,244)	(21,322)	10,006
Cash flows from financing activities			
<i>Cash was provided from:</i>			
Long-term borrowing	50,000	6,400	55,481 ⁵
	50,000	6,400	55,481
<i>Cash was applied to:</i>			
Interest paid	9,220	8,707	9,389
Long-term borrowing	10,000	-	78,720 ⁶
	19,220	8,707	88,109
Net Cash (outflow)/inflow from financing activities	30,780	(2,307)	(32,628)
Net Increase/(Decrease) in Cash and Cash Equivalents	[200]	-	-
Total Cash and Cash Equivalents at 1 July	400	200	200
TOTAL CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	200	200	200

Significant variances to the long term plan

- To secure lower borrowing cost Council plans to prefund \$80 million of debt maturing during the year and part prefund debt maturing in 2018/19.
- The change in Borrowings relates to \$80 million of debt actually maturing in 2017/18. This was erroneously budget in the Long term plan in 2016/17.