

Draft long term plan 2018-38
Consultation - supporting information

Prospective financial statements



Prospective financial statements

The accounting policies form part of these prospective financial statements.

Prospective statement of comprehensive revenue and expense																					
	2017/18	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue																					
Rates	60,501	63,792	67,788	71,093	74,823	78,267	80,727	83,795	87,684	89,365	91,818	92,684	95,909	97,686	99,799	103,998	103,825	107,932	109,619	111,443	113,910
Fees and charges	8,870	9,298	9,473	9,547	9,741	10,057	10,234	10,485	10,869	11,062	11,375	11,805	12,032	12,375	12,844	13,091	13,455	13,978	14,246	14,653	15,209
Grants and subsidies	5,375	4,313	4,249	8,305	4,032	4,042	5,935	4,698	6,108	7,014	5,187	5,018	5,175	5,337	5,505	6,230	7,990	7,055	6,247	6,596	6,610
Development and financial contributions revenue	1,075	1,076	1,100	1,124	1,148	1,175	1,202	1,231	1,261	1,294	1,329	1,365	1,402	1,440	1,479	1,519	1,560	1,602	1,645	1,689	1,735
Other operating revenue	415	434	433	54,204	431	434	29,026	406	414	423	433	443	453	464	474	485	497	508	520	533	545
Total revenue excluding gains	76,236	78,913	83,043	144,273	90,175	93,975	127,124	100,615	106,336	109,158	110,142	111,315	114,971	117,302	120,101	125,323	127,327	131,075	132,277	134,914	138,009
Expenses																					
Operating expenses	50,635	52,208	55,039	56,864	58,223	59,509	60,644	61,485	63,540	65,016	66,928	67,659	69,681	70,768	72,595	75,486	76,754	78,382	80,540	82,240	84,799
Depreciation and amortisation	18,927	20,032	20,722	20,119	21,949	23,046	24,163	25,664	27,045	27,417	28,260	29,320	30,945	32,104	33,372	35,302	36,499	38,071	38,346	39,440	40,629
Total expenses	69,562	72,240	75,761	76,983	80,172	82,555	84,807	87,149	90,585	92,433	95,188	96,979	100,626	102,872	105,967	110,788	113,253	116,453	118,886	121,680	125,428
Interest																					
Interest income	1,520	2,206	2,207	2,209	2,210	2,211	2,212	2,214	2,215	2,216	2,217	2,219	2,220	2,221	2,222	2,223	2,224	2,225	2,226	2,144	2,144
Finance expense	9,543	10,052	10,460	10,960	11,285	11,472	11,481	11,515	11,646	11,596	11,425	11,265	11,189	11,061	10,901	10,745	10,520	10,216	9,882	9,478	8,979
Total interest expense	(8,023)	(7,846)	(8,253)	(8,751)	(9,075)	(9,261)	(9,269)	(9,301)	(9,431)	(9,380)	(9,208)	(9,046)	(8,969)	(8,840)	(8,679)	(8,522)	(8,296)	(7,991)	(7,656)	(7,334)	(6,835)
OPERATING SURPLUS/(DEFICIT)	(1,349)	(1,173)	(971)	58,539	928	2,159	33,048	4,165	6,320	7,345	5,746	5,290	5,376	5,590	5,455	6,013	5,778	6,631	5,735	5,900	5,746
Unrealised gains/(losses)																					
Unrealised gain/(loss) on revaluation of financial derivatives	-	323	581	522	204	224	(180)	279	28	(115)	(230)	(91)	(48)	(202)	(117)	(194)	(264)	(365)	(328)	(516)	(532)
Total unrealised gains/(losses)	-	323	581	522	204	224	(180)	279	28	(115)	(230)	(91)	(48)	(202)	(117)	(194)	(264)	(365)	(328)	(516)	(532)
NET OPERATING SURPLUS/(DEFICIT)	(1,349)	(1,496)	(1,552)	58,017	724	1,935	33,228	3,886	6,292	7,460	5,976	5,381	5,424	5,792	5,572	6,207	6,042	6,996	6,063	6,416	6,278
Other comprehensive revenue and expense																					
Unrealised gain/(loss) from revaluation of property, plant and equipment	11,747	44,611	23,776	50,378	14,765	72,342	18,762	65,126	34,854	77,329	23,267	101,680	24,625	91,007	45,064	95,696	28,631	122,512	29,280	107,765	53,886
Total other comprehensive revenue and expense	11,747	44,611	23,776	50,378	14,765	72,342	18,762	65,126	34,854	77,329	23,267	101,680	24,625	91,007	45,064	95,696	28,631	122,512	29,280	107,765	53,886
TOTAL COMPREHENSIVE REVENUE AND EXPENSE	10,398	43,115	22,224	108,395	15,489	74,277	51,990	69,012	41,146	84,789	29,243	107,061	30,049	96,799	50,636	101,903	34,673	129,508	35,343	114,181	60,164

Prospective statement of changes in net assets/equity																					
	2017/18 \$000	Year 1 18/19 \$000	Year 2 19/20 \$000	Year 3 20/21 \$000	Year 4 21/22 \$000	Year 5 22/23 \$000	Year 6 23/24 \$000	Year 7 24/25 \$000	Year 8 25/26 \$000	Year 9 26/27 \$000	Year 10 27/28 \$000	Year 11 28/29 \$000	Year 12 29/30 \$000	Year 13 30/31 \$000	Year 14 31/32 \$000	Year 15 32/33 \$000	Year 16 33/34 \$000	Year 17 34/35 \$000	Year 18 35/36 \$000	Year 19 36/37 \$000	Year 20 37/38 \$000
Opening equity	1,414,362	1,430,822	1,473,937	1,496,161	1,604,556	1,620,045	1,694,322	1,746,312	1,815,324	1,856,470	1,941,259	1,970,502	2,077,563	2,107,612	2,204,411	2,255,047	2,356,950	2,391,623	2,521,131	2,556,474	2,670,655
ACCUMULATED FUNDS																					
Opening accumulated funds	566,111	566,086	564,491	562,971	621,001	621,613	623,592	656,835	660,603	666,944	674,423	680,275	685,710	691,158	696,820	702,454	708,691	714,598	721,664	727,765	734,055
Operating surplus/(deficit)	(1,349)	(1,496)	(1,552)	58,017	724	1,935	33,228	3,886	6,292	7,460	5,976	5,381	5,424	5,792	5,572	6,207	6,042	6,996	6,063	6,416	6,278
Transfers to reserves and special funds	(513)	(1,078)	(1,194)	(1,112)	(1,131)	(1,238)	(1,160)	(1,182)	(1,298)	(1,216)	(1,242)	(1,369)	(1,280)	(1,308)	(1,445)	(1,349)	(1,379)	(1,528)	(1,423)	(1,418)	(1,577)
Transfers from reserves and special funds	500	979	1,226	1,125	1,019	1,282	1,175	1,064	1,347	1,235	1,118	1,423	1,304	1,178	1,507	1,379	1,244	1,598	1,461	1,292	1,673
Closing accumulated funds	564,749	564,491	562,971	621,001	621,613	623,592	656,835	660,603	666,944	674,423	680,275	685,710	691,158	696,820	702,454	708,691	714,598	721,664	727,765	734,055	740,429
RESERVES AND SPECIAL FUNDS																					
Opening reserves and special funds	2,570	2,922	3,021	2,989	2,976	3,088	3,044	3,029	3,147	3,098	3,079	3,203	3,149	3,125	3,255	3,193	3,163	3,298	3,228	3,190	3,316
Transfer to accumulated funds	(500)	(979)	(1,226)	(1,125)	(1,019)	(1,282)	(1,175)	(1,064)	(1,347)	(1,235)	(1,118)	(1,423)	(1,304)	(1,178)	(1,507)	(1,379)	(1,244)	(1,598)	(1,461)	(1,292)	(1,673)
Transfer from accumulated funds	513	1,078	1,194	1,112	1,131	1,238	1,160	1,182	1,298	1,216	1,242	1,369	1,280	1,308	1,445	1,349	1,379	1,528	1,423	1,418	1,577
Closing reserves and special funds	2,583	3,021	2,989	2,976	3,088	3,044	3,029	3,147	3,098	3,079	3,203	3,149	3,125	3,255	3,193	3,163	3,298	3,228	3,190	3,316	3,220
REVALUATION RESERVE																					
Opening revaluation reserve	845,681	861,814	906,425	930,201	980,579	995,344	1,067,686	1,086,448	1,151,574	1,186,428	1,263,757	1,287,024	1,388,704	1,413,329	1,504,336	1,549,400	1,645,096	1,673,727	1,796,239	1,825,519	1,933,284
Revaluation of property, plant and equipment	11,747	44,611	23,776	50,378	14,765	72,342	18,762	65,126	34,854	77,329	23,267	101,680	24,625	91,007	45,064	95,696	28,631	122,512	29,280	107,765	53,886
Closing revaluation reserve	857,428	906,425	930,201	980,579	995,344	1,067,686	1,086,448	1,151,574	1,186,428	1,263,757	1,287,024	1,388,704	1,413,329	1,504,336	1,549,400	1,645,096	1,673,727	1,796,239	1,825,519	1,933,284	1,987,170
CLOSING EQUITY	1,424,760	1,473,937	1,496,161	1,604,556	1,620,045	1,694,322	1,746,312	1,815,324	1,856,470	1,941,259	1,970,502	2,077,563	2,107,612	2,204,411	2,255,047	2,356,950	2,391,623	2,521,131	2,556,474	2,670,655	2,730,819

Prospective statement of financial position

	2017/18	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Current Assets																					
Cash and cash equivalents	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Trade and other receivables	7,623	7,895	8,307	9,051	9,020	9,397	9,850	10,064	10,634	10,915	11,012	11,131	11,496	11,728	12,007	12,530	12,730	13,104	13,223	13,487	13,795
Inventories	148	116	118	121	123	126	129	132	136	139	143	147	151	155	159	163	168	172	177	182	187
Other financial assets	15,400	45,720	20,320	25,400	15,240	5,080	20,320	36,814	51,139	30,542	29,396	19,620	3,960	25,776	37,369	51,104	26,034	27,617	18,681	10,420	-
Loans	59	57	57	58	58	48	49	49	50	50	51	51	51	37	38	39	39	40	41	29	25
Total current assets	23,430	53,988	29,002	34,830	24,641	14,851	30,548	47,259	62,159	41,846	40,802	31,149	15,858	37,896	49,773	64,036	39,171	41,133	32,322	24,318	14,207
Non-Current Assets																					
Property plant and equipment	1,617,940	1,662,254	1,694,901	1,814,773	1,835,081	1,914,673	1,961,985	2,038,069	2,079,650	2,161,968	2,186,426	2,292,621	2,322,606	2,414,927	2,464,110	2,562,497	2,592,161	2,714,361	2,743,456	2,846,782	2,896,976
Forestry assets	422	429	438	447	456	466	477	488	500	512	525	539	553	567	582	597	613	628	645	662	679
Intangible assets	2,730	2,529	2,353	2,514	2,451	2,283	2,202	3,121	2,955	2,874	2,639	2,481	2,294	2,340	2,232	2,326	2,190	2,204	2,308	2,427	2,268
Other financial assets	2,675	7,881	33,461	28,542	38,764	48,993	33,698	17,290	2,973	23,535	24,610	34,358	50,003	28,125	16,496	2,701	27,690	25,994	34,829	42,931	53,187
Loans	558	409	377	344	312	288	264	240	216	190	165	139	113	101	88	74	60	45	29	25	25
Total non-current assets	1,624,325	1,673,502	1,731,530	1,846,620	1,877,064	1,966,703	1,998,626	2,059,208	2,086,294	2,189,079	2,214,365	2,330,138	2,375,569	2,446,060	2,483,508	2,568,195	2,622,714	2,743,232	2,781,267	2,892,827	2,953,135
TOTAL ASSETS	1,647,755	1,727,490	1,760,532	1,881,450	1,901,705	1,981,554	2,029,174	2,106,467	2,148,453	2,230,925	2,255,167	2,361,287	2,391,427	2,483,956	2,533,281	2,632,231	2,661,885	2,784,365	2,813,589	2,917,145	2,967,342
Current Liabilities																					
Trade and other payables	17,875	18,498	17,866	19,775	20,347	21,332	20,558	23,124	23,355	23,394	23,096	24,093	25,171	25,010	26,150	27,075	27,409	27,788	28,314	28,143	28,968
Employee benefit	2,336	2,546	2,611	2,713	2,787	2,860	2,929	3,001	3,053	3,122	3,193	3,208	3,282	3,357	3,372	3,504	3,583	3,658	3,742	3,827	3,906
Deposits	780	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820	820
Borrowings	25,000	45,000	20,000	25,000	15,000	5,000	20,000	36,234	71,203	30,062	28,933	19,311	3,898	25,370	36,780	68,995	25,624	27,182	18,387	10,256	-
Provisions	648	404	82	24	25	19	13	21	109	112	114	96	91	93	95	96	87	89	90	92	94
Derivative financial instruments	558	2,335	1,038	1,297	778	259	1,038	1,880	3,694	1,560	1,501	1,002	202	1,316	1,908	3,580	1,330	1,410	954	532	-
Total current liabilities	47,197	69,603	42,417	49,629	39,757	30,290	45,358	65,080	102,234	59,070	57,657	48,530	33,464	55,966	69,125	104,070	58,853	60,947	52,307	43,670	33,788
Non-Current Liabilities																					
Employee benefit	260	246	252	262	269	276	283	290	295	301	308	310	317	324	326	338	346	353	361	369	377
Borrowings	161,548	171,578	207,780	212,842	226,775	241,085	222,611	211,747	177,324	216,257	212,948	220,819	235,309	209,939	196,271	160,322	198,613	190,019	192,493	190,683	190,683
Provisions	3,634	3,223	3,141	3,117	3,092	3,072	3,059	3,039	2,929	2,817	2,703	2,607	2,516	2,423	2,328	2,232	2,145	2,056	1,966	1,874	1,781
Derivative financial instruments	10,356	8,903	10,781	11,044	11,767	12,509	11,551	10,987	9,201	11,221	11,049	11,458	12,209	10,893	10,184	8,319	10,305	9,859	9,988	9,894	9,894
Total non-current liabilities	175,798	183,950	221,954	227,265	241,903	256,942	237,504	226,063	189,749	230,596	227,008	235,194	250,351	223,579	209,109	171,211	211,409	202,287	204,808	202,820	202,735
TOTAL LIABILITIES	222,995	253,553	264,371	276,894	281,660	287,232	282,862	291,143	291,983	289,666	284,665	283,724	283,815	279,545	278,234	275,281	270,262	263,234	257,115	246,490	236,523
Public Equity																					
Accumulated funds	564,749	564,491	562,971	621,001	621,613	623,592	656,835	660,603	666,944	674,423	680,275	685,710	691,158	696,820	702,454	708,691	714,598	721,664	727,765	734,055	740,429
Reserves and special funds	2,583	3,021	2,989	2,976	3,088	3,044	3,029	3,147	3,098	3,079	3,203	3,149	3,125	3,255	3,193	3,163	3,298	3,228	3,190	3,316	3,220
Revaluation reserve	857,428	906,425	930,201	980,579	995,344	1,067,686	1,086,448	1,151,574	1,186,428	1,263,757	1,287,024	1,388,704	1,413,329	1,504,336	1,549,400	1,645,096	1,673,727	1,796,239	1,825,519	1,933,284	1,987,170
TOTAL PUBLIC EQUITY	1,424,760	1,473,937	1,496,161	1,604,556	1,620,045	1,694,322	1,746,312	1,815,324	1,856,470	1,941,259	1,970,502	2,077,563	2,107,612	2,204,411	2,255,047	2,356,950	2,391,623	2,521,131	2,556,474	2,670,655	2,730,819
TOTAL LIABILITIES AND PUBLIC EQUITY	1,647,755	1,727,490	1,760,532	1,881,450	1,901,705	1,981,554	2,029,174	2,106,467	2,148,453	2,230,925	2,255,167	2,361,287	2,391,427	2,483,956	2,533,281	2,632,231	2,661,885	2,784,365	2,813,589	2,917,145	2,967,342

Prospective cash flow statement

	2017/18	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities																					
<i>Cash was provided from:</i>																					
Kapiti Coast District Council rates	60,501	63,792	67,788	71,093	74,823	78,267	80,727	83,795	87,684	89,365	91,818	92,684	95,909	97,686	99,799	103,998	103,825	107,932	109,619	111,443	113,910
Grants and subsidies	1,543	1,701	1,787	5,296	1,868	1,913	1,959	2,008	2,060	2,115	2,174	2,235	2,297	2,362	2,428	2,496	2,565	2,637	2,711	2,787	2,864
Interest received	1,092	1,655	1,655	1,656	1,657	1,658	1,659	1,660	1,661	1,662	1,663	1,664	1,665	1,666	1,667	1,667	1,668	1,669	1,670	1,608	1,608
Charges and fees	10,250	10,807	11,006	11,095	11,320	11,666	11,833	12,121	12,545	12,780	13,137	13,613	13,888	14,278	14,797	15,095	15,511	16,088	16,411	16,875	17,490
GST (net)	109	46	(136)	152	79	79	(160)	307	(45)	(32)	(52)	115	93	(51)	112	53	17	1	53	(57)	67
	73,495	78,001	82,100	89,292	89,747	93,583	96,018	99,891	103,905	105,890	108,740	110,311	113,852	115,941	118,803	123,309	123,586	128,327	130,464	132,656	135,939
<i>Cash was applied to:</i>																					
Payments to employees and suppliers	48,189	52,201	54,581	56,737	58,241	59,386	60,382	61,679	63,269	64,753	66,842	67,501	69,503	70,641	72,377	75,222	75,931	78,043	80,246	81,931	84,363
	48,189	52,201	54,581	56,737	58,241	59,386	60,382	61,679	63,269	64,753	66,842	67,501	69,503	70,641	72,377	75,222	75,931	78,043	80,246	81,931	84,363
Net Cash inflow from operating activities	25,306	25,800	27,519	32,555	31,506	34,197	35,636	38,212	40,636	41,137	41,898	42,810	44,349	45,300	46,426	48,087	47,655	50,284	50,218	50,725	51,576
Cash flows from investing activities																					
<i>Cash was provided from:</i>																					
Investment maturities	80,050	30,631	45,752	20,352	25,433	15,273	5,103	20,344	36,838	51,164	30,568	29,421	19,646	3,986	25,788	37,382	51,118	26,048	27,632	18,697	10,424
Proceeds from capital grants	3,832	2,611	262	3,009	2,164	2,129	3,976	2,691	4,048	4,899	3,013	2,783	2,877	2,975	3,077	3,735	5,425	4,418	3,537	3,810	3,746
	83,882	33,242	46,014	23,361	27,597	17,402	9,079	23,035	40,886	56,063	33,581	32,204	22,523	6,961	28,865	41,117	56,543	30,466	31,169	22,507	14,170
<i>Cash was applied to:</i>																					
Construction and purchase of property, plant and equipment and intangibles	36,783	24,847	28,585	34,757	26,514	29,359	24,966	34,925	33,831	32,525	29,373	32,856	35,378	33,625	36,611	37,630	37,785	37,782	37,865	35,479	36,436
Purchase of investments	40,000	30,000	45,000	20,000	25,000	15,000	5,000	20,000	36,234	50,000	30,062	28,933	19,311	3,898	25,370	36,780	50,000	25,624	27,182	18,387	10,256
	76,783	54,847	73,585	54,757	51,514	44,359	29,966	54,925	70,065	82,525	59,435	61,789	54,689	37,523	61,981	74,410	87,785	63,406	65,047	53,866	46,692
Net cash from investing activities	7,099	(21,605)	(27,571)	(31,396)	(23,917)	(26,957)	(20,887)	(31,890)	(29,179)	(26,462)	(25,854)	(29,585)	(32,166)	(30,562)	(33,116)	(33,293)	(31,242)	(32,940)	(33,878)	(31,359)	(32,522)
Cash flows from financing activities																					
<i>Cash was provided from:</i>																					
Long-term borrowing	55,668	35,654	55,303	29,581	28,470	19,002	1,501	24,964	36,192	67,891	25,214	26,747	18,093	-	22,743	32,517	62,891	18,291	20,527	8,311	-
	55,668	35,654	55,303	29,581	28,470	19,002	1,501	24,964	36,192	67,891	25,214	26,747	18,093	-	22,743	32,517	62,891	18,291	20,527	8,311	-
<i>Cash was applied to:</i>																					
Interest paid	9,352	9,851	10,251	10,740	11,059	11,242	11,251	11,285	11,414	11,364	11,197	11,040	10,965	10,840	10,683	10,530	10,310	10,012	9,684	9,288	8,799
Long-term borrowing	78,720	30,000	45,000	20,000	25,000	15,000	5,000	20,000	36,234	71,203	30,062	28,933	19,311	3,898	25,370	36,780	68,995	25,624	27,182	18,387	10,256
	88,072	39,851	55,251	30,740	36,059	26,242	16,251	31,285	47,648	82,567	41,259	39,973	30,276	14,738	36,053	47,310	79,305	35,636	36,866	27,675	19,055
Net Cash inflow from financing activities	(32,404)	(4,197)	52	(1,159)	(7,589)	(7,240)	(14,750)	(6,321)	(11,456)	(14,676)	(16,045)	(13,226)	(12,183)	(14,738)	(13,310)	(14,793)	(16,414)	(17,345)	(16,339)	(19,364)	(19,055)
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and cash equivalents at 1 July	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
NET CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200