



## 2006/2007 Annual Report Summary

### MAYOR'S REPORT

We are pleased to present the 2006/2007 Annual Report Summary of the Westland District Council and Group, a Public Benefit Entity, prepared in accordance with FRS 43 - Summary Financial Statements. These summary statements have been drawn from the Annual Report dated 29 October 2008. The full 2006/07 Annual Report is the first prepared under the New Zealand International Financial Reporting Standards.

The introduction of these standards has made it almost impossible to compare the previously published 2005/06 report with the 2006/07 report. A substantial amount of time, effort and cost has gone into developing this report in terms of these new standards and has also delayed the completion of the report. The 2006/2007 Annual Report was not adopted by 31 October 2007 as per section 98 of the LGA. The 2006/07 Annual Report, audited by Audit New Zealand, is accessible via the Council website, and can also be obtained at the Council office.

Over the 2006/2007 year, Council's Building Control Department has spent countless hours preparing for the new accreditation regime as established under the 2004 Building Act. All local authorities were required to be accredited by November 2007; however that date has now been pushed out to June 2008.

The development of the Town Entrance to Hokitika has progressed as part of the Hokitika Concept Plan. The project has since been completed with positive feedback from the local community and has succeeded in creating a visually aesthetic drawcard to locals and the visiting public. The beachfront is also being upgraded and landscaped in order to provide a sense of continuity of design throughout the town.

Other projects which have added to the safety of the community are traffic calming devices on Beach Street, Hokitika, and guard railing constructed on the Turnbull Bridge in Haast, to improve sight distance.

The Library continues to grow in membership and in maintaining and developing its facilities and resources throughout the District. This includes the addition of toilet facilities in the Hokitika library.

A successful application was lodged for a Tourism Demand Subsidy Scheme for Franz Josef. During this year a new 600m<sup>3</sup> reservoir was installed to increase the water storage capacity for the town. Further work in upgrading infrastructure is planned to utilise the subsidy.

Council continues to work with local communities in reviewing their facilities, and planning for possible use of Major District Initiative funding through Development West Coast.

Councillors have contributed a huge amount of time and effort over the year and have supported their respective communities with commitment. The national representation review was consulted on throughout Westland, and some ward boundary adjustments were made, and a reduction in the number of Councillors from twelve to ten. This was effective from the triennial elections in October 2007.

### FINANCIAL RESULTS

The summary statements are presented in New Zealand dollars, rounded to the nearest \$000.

**These summary statements cannot be expected to provide as complete an understanding as provided by the full financial statements.**

STATEMENT OF FINANCIAL PERFORMANCE	Council			Group	
FOR THE YEAR ENDED 30 JUNE 2007	Actual	Budget	Actual	Actual	Actual
	2007	2007	2006	2007	2006
<b>Income</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Rates revenue	5,944	5,866	5,464	5,938	5,399
Other revenue	6,419	5,408	6,510	11,520	11,747
Other gains/(losses)	(45)	0	57	(38)	88
<b>Total income</b>	<b>12,318</b>	<b>11,274</b>	<b>12,031</b>	<b>17,420</b>	<b>17,234</b>
<b>Expenditure</b>					
Employee benefit expenses	1,939	1,878	2,185	4,906	4,923
Depreciation and amortisation	3,359	3,153	3,155	4,116	3,832
Other expenses	5,975	5,654	5,958	6,686	6,958
Finance costs	366	408	493	483	493
<b>Total operating expenditure</b>	<b>11,639</b>	<b>11,093</b>	<b>11,791</b>	<b>16,191</b>	<b>16,206</b>
<b>Surplus/(deficit) before tax</b>	<b>679</b>	<b>181</b>	<b>240</b>	<b>1,229</b>	<b>1,028</b>
Income tax expense	(7)	0	9	244	508
<b>Surplus/(deficit) after tax</b>	<b>686</b>	<b>181</b>	<b>231</b>	<b>985</b>	<b>520</b>

STATEMENT OF FINANCIAL POSITION	Council			Group	
AS AT 30 JUNE 2007	Actual	Budget	Actual	Actual	Actual
	2007	2007	2006	2007	2006
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Current assets	10,507	9,948	10,000	12,167	11,388
Non-current assets	336,436	301,361	295,317	338,317	295,866
<b>Total assets</b>	<b>346,943</b>	<b>311,309</b>	<b>305,317</b>	<b>350,484</b>	<b>307,254</b>
Current liabilities	5,287	1,813	5,260	6,297	6,400
Non-current liabilities	3,750	6,245	3,498	5,848	4,160
<b>Total liabilities</b>	<b>9,037</b>	<b>8,058</b>	<b>8,758</b>	<b>12,145</b>	<b>10,561</b>
<b>Equity</b>	<b>337,906</b>	<b>303,251</b>	<b>296,559</b>	<b>338,339</b>	<b>296,693</b>
Retained earnings	158,747	158,434	158,825	159,180	158,959
Restricted reserves	-2,718	-3,510	-3,622	-2,718	-3,622
Revaluation reserve	181,877	148,327	141,356	181,877	141,356
<b>Total ratepayer's equity</b>	<b>337,906</b>	<b>303,251</b>	<b>296,559</b>	<b>338,339</b>	<b>296,693</b>

This Summary of the Annual Report 2006/2007 is dated 11 December 2008, and is authorised by the Mayor and General Manager.

The Annual Report provides extensive commentary and performance measures against the Community Outcomes as identified in the Westland Long Term Council Community Plan (LTCCP). The Community Outcomes process was completed in 2005 as part of the development of Council's first LTCCP 2006-16. Subsequent annual reports will continue to document performance and progress on achieving these outcomes, and the three local authorities and the regional council of the West Coast are collaborating to produce a report as well. **Further information on the Council's financial statements is contained in the Annual Report. The full annual report is available from the Council office, or online at [www.westland.govt.nz](http://www.westland.govt.nz).**

## 2006/2007 Annual Report Summary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2007	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2007	2007	2006	2007	2006
	\$000	\$000	\$000	\$000	\$000
Equity at the beginning of the year	296,559	296,263	274,710	296,693	274,555
Net surplus for the year	686	181	231	985	520
Increase in asset revaluation reserve	40,827	6,807	21,601	40,827	21,601
Revaluation of assets held for resale	-166	0	17	-166	17
Total recognised revenue/(expense) for the year ended 30 June	41,347	6,988	21,849	41,646	22,138
Equity at the end of the year	337,906	303,251	296,559	338,339	296,693

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2007	2007	2006	2007	2006
	\$000	\$000	\$000	\$000	\$000
Net cash from operating activities	4,300	3,471	2,130	5,468	3,298
Net cash from investing activities	-3,849	-4,439	-3,643	-6,028	-5,039
Net cash from financing activities	-33	-32	-1,207	1,119	-668
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	418	-1,000	-2,720	559	-2,409

EXPLANATION OF TRANSITION TO IFRS	Effect on			Effect on		
	Previous	Transition		Previous	Transition	
	NZ GAAP	to NZ IFRS	NZ IFRS	NZ GAAP	to NZ IFRS	NZ IFRS
	1-Jul-05	1-Jul-05	1-Jul-05	30-Jun-06	30-Jun-06	30-Jun-06
COUNCIL	Note	\$000	\$000	\$000	\$000	\$000
Current assets		5,951	5,981	11,932	3,717	6,283
Non-current assets		278,227	-5,965	272,262	301,583	-6,266
Total assets	a	284,178	16	284,194	305,300	17
Current Liabilities		3,085	0	3,085	5,260	0
Non-current liabilities	b,c	6,161	238	6,399	3,117	381
Total liabilities		9,246	238	9,484	8,377	381
Equity		274,932	-222	274,710	296,923	-364
Retained earnings	b,c	157,724	-238	157,486	159,206	-381
Other reserves	a	117,208	16	117,224	137,717	17
<b>Total equity attributable to Council</b>		<b>274,932</b>	<b>-222</b>	<b>274,710</b>	<b>296,923</b>	<b>-364</b>
GROUP	Note	\$000	\$000	\$000	\$000	\$000
Current assets		7,367	5,981	13,348	5,063	6,283
Non-current assets		278,102	-5,998	272,104	302,174	-6,266
Total assets	a	285,469	-17	285,452	307,237	17
Current Liabilities		4,127	0	4,127	6,401	0
Non-current liabilities	b,c	6,563	207	6,770	3,779	381
Total liabilities		10,690	207	10,897	10,180	381
Equity		274,779	-224	274,555	297,058	-364
Retained earnings	b,c	157,570	-240	157,330	159,341	-381
Other reserves	a	117,209	16	117,225	137,717	17
<b>Total equity attributable to Group</b>		<b>274,779</b>	<b>-224</b>	<b>274,555</b>	<b>297,058</b>	<b>-364</b>

### Explanatory notes

a. **Total assets** - In accordance with NZ IFRS, short term investments comprising ASB Bonds and shares in Civic Assurance have been reclassified as other financial assets stated at fair value. The effect of measuring available for sale investments at fair value is to increase current assets by \$5,981,000 at 1 July 2005 and \$6,283,000 at 30 June 2006. The effect on the available for sale reserve is an increase of \$16,000 and \$17,000 at 30 June 2006.

b. **Non-current liabilities** - Under previous GAAP employee benefits relating to long service leave and retirement gratuity were accrued based on estimates. Under NZ IFRS an actuarial calculation has been performed to estimate the future liabilities relating to long service leave and retirement gratuity. The effect is to increase employee benefits by \$121,000 at 1 July 2005 and \$145,000 at 30 June 2006. The impact on the profit and loss account is to decrease profit by \$24,000 in 2006.

c. **Non-current liabilities** - The Council and Group now have to account for deferred taxation on a 'probable' basis; this differs from previous GAAP, which requires a test of virtual certainty.

**The impact of NZ IFRS on the comparative Statement of Financial Performance was not significant and is not included in these summary statements. There was no impact on transition to NZ IFRS on the Statement of Cash Flows. The full explanation of the transition to NZ IFRS can be found on pages 29-32 of the full Annual Report 2006/2007.**

SUMMARY COST OF SERVICES	Council		
	Actual	Budget	Actual
	2007	2007	2006
	\$000	\$000	\$000
<b>Income</b>			
Governance	5	0	17
Planning and Regulatory	470	406	393
Roading	2,418	2,284	2,238
Water Supplies	19	22	10
Sewerage and Waste Water	98	68	91
Solid Waste Management	264	270	165
Other Operational Activities	46	9	1,478
*Community Services	1,963	1,351	1,345
<b>Total Activity Income</b>	<b>5,283</b>	<b>4,410</b>	<b>5,737</b>
Westland Holdings Limited	11	0	8
Petrol Tax	109	90	95
Interest	520	563	632
Dividends	319	160	95
General Rates	3,928	3,778	3,545
Targeted Rates	1,260	1,361	1,164
Metered Water	756	727	755
Other income	132	185	
<b>Total income</b>	<b>12,318</b>	<b>11,274</b>	<b>12,031</b>
<b>Expenditure</b>			
Interest paid and bank charges	366	408	493
Governance	624	558	665
Planning and Regulatory	1,018	999	836
Roading	3,918	3,817	3,661
Water Supplies	946	1,022	972
Sewerage and Waste Water	438	353	453
Solid Waste Management	808	717	738
Other Operational Activities	426	826	1,169
*Community Services	3,085	2,393	2,796
Westland Holdings Limited	10	0	8
<b>Total operating expenditure</b>	<b>11,639</b>	<b>11,093</b>	<b>11,791</b>
<b>Operating Surplus</b>	<b>679</b>	<b>181</b>	<b>240</b>
Tax	-7	0	9
<b>Net Surplus</b>	<b>686</b>	<b>181</b>	<b>231</b>

\* Governance is shown separately of Community Services in this note.

**AUDIT REPORT****TO THE READERS OF WESTLAND DISTRICT COUNCIL AND GROUP'S  
SUMMARY ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**

We have audited the summary annual report.

**Unqualified Opinion**

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 29 October 2008, on:

- the full financial statements; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

**Basis of Opinion**

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in Westland District Council or any of its subsidiaries.

**Responsibilities of the Council and the Auditor**

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



K J Boddy, Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
11 December 2008

**Matters Relating to the Electronic Presentation of the Summary Annual Report**

This audit report relates to the summary annual report of Westland District Council and group for the year ended 30 June 2007 included on the Westland District Council's website. The Westland District Council is responsible for the maintenance and integrity of the Westland District Council's website. We have not been engaged to report on the integrity of the Westland District Council's website. We accept no responsibility for any changes that may have occurred to the summary annual report since they were initially presented on the website.

The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary annual report as well as the related audit report dated 11 December 2008 to confirm the information included in the audited summary annual report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions