

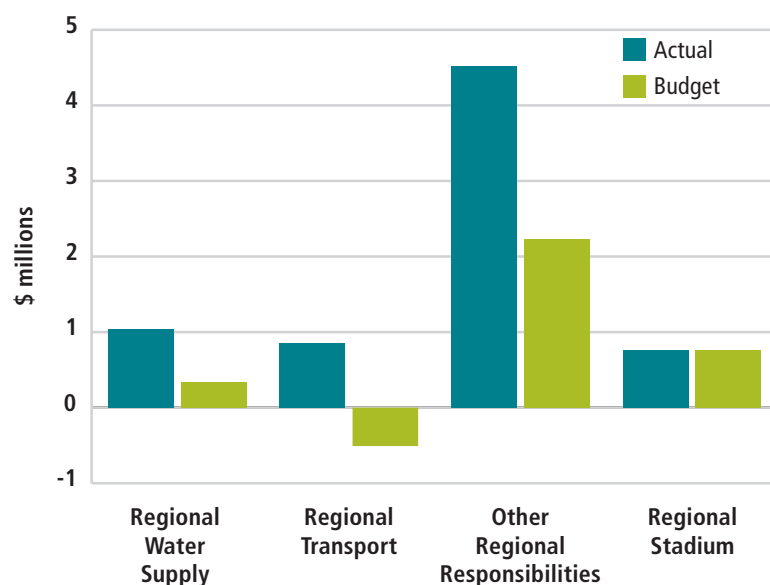
## Statement of Financial Performance

### Have we operated within our overall budget?

	Notes	Council 2004 Actual \$000's	Council 2004 Budget \$000's	Council 2003 Actual \$000's	Group <sup>1</sup> 2004 Actual \$000's	Group 2003 Actual \$000's
	Includes \$54m from rates, \$23m from the city councils for water and \$27m from the government for transport.	124,000				
Total external operating revenue		124,000	124,532	117,252	162,755	156,729
Total external operating expenditure		116,829	121,722	108,478	151,165	142,680
<b>Operating surplus before taxation</b>		<b>7,171</b>	<b>2,810</b>	<b>8,774</b>	<b>11,590</b>	<b>14,049</b>
Taxation expense		0	0	0	1,420	1,666
<b>Operating surplus for the year</b>		<b>7,171</b>	<b>2,810</b>	<b>8,774</b>	<b>10,170</b>	<b>12,383</b>
Plus unrealised increase in the value of investment properties	2	0	0	0	27,044	0
Plus asset acquisitions due to revaluation		0	0	14,916	0	14,916
Less net surplus attributable to minority interest	3	0	0	0	7,441	1,447
<b>Net surplus attributable to Council's interest</b>		<b>7,171</b>	<b>2,810</b>	<b>23,690</b>	<b>29,773</b>	<b>25,852</b>

- Notes:** 1 The Group comprises the Greater Wellington Regional Council and its subsidiaries, including WRC Holdings Limited, Pringle House Limited, Port Investment Limited, CentrePort Limited and its subsidiaries.
- 2 The Group's investment properties comprise CentrePort's developed and undeveloped properties which are revalued annually to net current value. The increase in value of these properties was the major source of the Group's \$29.8m net surplus.
- 3 Minority interests represent Manawatu-Wanganui Regional Council's 23.1% share of CentrePort Limited.

### 2004 Council's Operating Surplus (Deficit) by Funding Type



Some of our surplus comes from savings against budget, while other parts come from delays in projects and additional income from our investments.

The Council's net operating surplus for the 2003/04 financial year was \$7.2 million compared with a budgeted surplus of \$2.8 million. Significant components of this surplus above budget were:

- An additional surplus of \$0.7m in Regional Water Supply due to reduced expenditure on chemicals, insurance and rates, offset by a write off of some assets.
- An additional surplus of \$1.4m in Regional Transport primarily as a result of the delays in a number of planned projects including rolling stock refurbishment and a number of kick start services. Additional patronage funding credits from Transfund added to the surplus.
- An additional surplus of \$2.3m in Other Regional Responsibilities primarily as a result of additional investment income including additional income from subsidiaries and an unrealised investment write up.

## Statement of Movements in Ratepayers' Funds

### What is the net worth of Greater Wellington?

	Note	Council 2004 Actual \$000's	Council 2004 Budget \$000's	Council 2003 Actual \$000's	Group 2004 Actual \$000's	Group 2003 Actual \$000's
Ratepayers' funds at the start of the year		483,221	453,258	446,039	505,176	465,183
Net surplus for the year		7,171	2,810	23,690	29,773	25,852
Increase (Decrease) in asset revaluation reserves	4	51,726	0	13,492	82,534	13,492
<b>Total recognised revenues &amp; expenses for the year</b>		<b>58,897</b>	<b>2,810</b>	<b>37,182</b>	<b>112,307</b>	<b>39,344</b>
Movement in minority interest		0	0	0	16,023	649
<b>Ratepayers' funds at the end of the year</b>		<b>542,118</b>	<b>456,068</b>	<b>483,221</b>	<b>633,506</b>	<b>505,176</b>

- Note:** 4 The Council's increase is attributable to the movement in the Water Supply reserve, due to their asset revaluation exercise undertaken this year. The additional Group movement relates to the revaluation of CentrePort's operational freehold land.