

**Prospective Statement of Comprehensive Revenue and Expense -
For the year ended 30 June**

	2025/26 Annual Plan	2026/27 Amended LTP	2026/27 Annual Plan	Variance to LTP
	\$000's	\$000's	\$000's	\$000's
Revenue				
Rates	628,974	458,928	434,625	(24,303)
Revenue from operating activities				
Development contributions	3,500	3,500	3,500	-
Grants, subsidies and reimbursements	232,728	88,072	78,200	(9,872)
Other operating activities	193,796	197,726	192,535	(5,191)
Investment revenue	25,392	30,077	30,493	416
Vested assets and other revenue	2,247	1,604	2,247	643
Fair value movements - gains	4,758	4,647	4,483	(164)
Finance revenue	36	104	102	(2)
Total revenue	1,091,431	784,658	746,185	(38,473)
Expense				
Finance expense	68,333	69,593	57,615	(11,978)
Expenditure on operating activities	692,954	536,834	516,091	(20,743)
Depreciation and amortisation	254,956	168,093	170,236	2,143
Loss on derecognition of assets ¹	-	3,030,966	-	(3,030,966)
Total expense	1,016,243	3,805,486	743,942	(3,061,544)
Net surplus/(deficit) for the year	75,188	(3,020,828)	2,243	3,023,071
Other comprehensive income				
Fair value movement - property, plant and equipment (net)	208,804	-	1,605	1,605
Share of equity accounted surplus from associates	-	-	-	-
Total other comprehensive income	208,804	-	1,605	1,605
Total comprehensive income for the year¹	283,992	(3,020,828)	3,848	3,024,676

1. The large variance to LTP is driven by different accounting treatments applied to the net assets transferred to Tiaki Wai. The 2026/27 amended LTP assumed the transfer of net assets would result in a loss. However, based on the updated foundation agreements, this is now expected to be recorded as the cost of investment in Tiaki Wai.

Prospective Statement of Financial Position - As at 30 June

	2025/26 Annual Plan	2026/27 Amended LTP	2026/27 Annual Plan	Variance to LTP
	\$000's	\$000's	\$000's	\$000's
Assets				
Current assets				
Cash and cash equivalents	15,838	15,654	20,166	4,512
Derivative financial assets	724	724	30	(694)
Receivables and recoverables	112,778	94,959	91,489	(3,470)
Prepayments	33,884	23,577	21,559	(2,018)
Other financial assets	367,215	365,000	371,710	6,710
Inventories	1,355	1,355	917	(438)
Non-current assets classified as held for sale	-	-	57,515	57,515
Total current assets	531,794	501,269	563,386	62,117
Non-current assets				
Derivative financial assets	63,713	63,713	35,010	(28,703)
Other financial assets	68,075	162,986	65,492	(97,494)
Intangibles	48,713	46,398	35,054	(11,344)
Investment properties	158,214	159,161	170,848	11,687
Property, plant and equipment	12,436,940	8,792,034	8,529,008	(263,026)
Investment in controlled entities	5,998	5,998	24,874	18,876
Investment in associates and joint venture ²	19,384	19,384	3,133,088	3,113,704
Total non-current assets	12,801,037	9,249,674	11,993,374	2,743,700
Total assets	13,332,831	9,750,943	12,556,760	2,805,817
Liabilities				
Current liabilities				
Derivative financial liabilities	-	-	-	-
Exchange transactions and transfers payable	185,445	99,613	99,883	270
Deferred revenue	22,268	22,720	20,662	(2,058)
Borrowings	266,500	371,000	306,000	(65,000)
Employee benefit liabilities and provisions	13,786	13,818	14,848	1,030
Provisions for other liabilities	4,164	3,598	7,417	3,819
Total current liabilities	492,163	510,749	448,810	(61,939)
Non-current liabilities				
Derivative financial liabilities	-	-	-	-
Borrowings	2,057,367	1,480,284	1,567,945	87,661
Employee benefit liabilities and provisions	975	977	885	(92)
Provisions for other liabilities	28,813	26,248	25,773	(475)
Total non-current liabilities	2,087,155	1,507,509	1,594,603	87,094
Total liabilities	2,579,318	2,018,258	2,043,413	25,155
Net assets	10,753,513	7,732,685	10,513,347	2,780,662
Equity				
Accumulated funds and retained earnings ²	5,257,050	5,470,227	8,169,370	2,699,143
Revaluation reserves	5,406,869	2,172,860	2,245,860	73,000
Hedging reserve	65,326	65,326	34,304	(31,022)
Fair value through other comprehensive income and expense reserve	7,330	7,330	8,308	978
Restricted funds	16,938	16,942	55,505	38,563
Total equity	10,753,513	7,732,685	10,513,347	2,780,662

2. The large variance to LTP is driven by different accounting treatments applied to the net assets transferred to Tiaki Wai. The 2026/27 amended LTP assumed the transfer of net assets would result in a loss. However, based on the updated foundation agreements, this is now expected to be recorded as the cost of investment in Tiaki Wai.

Prospective Statement of Changes in Equity - For the year ended 30 June

	2025/26 Annual Plan	2026/27 Amended LTP	2026/27 Annual Plan	Variance to LTP
	\$000's	\$000's	\$000's	\$000's
Equity - opening balances				
Accumulated funds and retained earnings ³	5,181,879	5,257,050	5,174,255	(82,795)
Revaluation reserves	5,198,065	5,406,869	5,228,946	(177,923)
Hedging reserve	65,326	65,326	34,304	(31,022)
Fair value through other comprehensive revenue and expense reserve	7,330	7,330	8,308	978
Restricted funds ³	16,921	16,938	63,686	46,748
Total equity - opening balances	10,469,521	10,753,513	10,509,499	(244,014)
Changes in equity				
Retained earnings				
Net surplus/(deficit) for the year ⁴	75,188	(3,020,828)	2,243	3,023,071
Transfer to restricted funds	(3,545)	(3,581)	(132,591)	(129,010)
Transfer from restricted funds	3,528	3,577	140,772	137,195
Transfer from revaluation reserves	-	3,234,009	2,984,691	(249,318)
Transfer to revaluation reserves	-	-	-	-
Revaluation reserves				
Fair value movement - property, plant and equipment - net	208,804	-	1,605	1,605
Transfer to retained earnings	-	(3,234,009)	(2,984,691)	249,318
Hedging reserve				
Movement in hedging reserve	-	-	-	-
Fair value through other comprehensive revenue and expense reserve				
Movement in fair value	-	-	-	-
Restricted funds				
Transfer to retained earnings	(3,528)	(3,577)	(140,772)	(137,195)
Transfer from retained earnings	3,545	3,581	132,591	129,010
Total comprehensive revenue and expense	283,992	(3,020,828)	3,848	3,024,676
Net equity - closing balances				
Accumulated funds and retained earnings ⁴	5,257,050	5,470,227	8,169,370	2,699,143
Revaluation reserves	5,406,869	2,172,860	2,245,860	73,000
Hedging reserve	65,326	65,326	34,304	(31,022)
Fair value through other comprehensive revenue and expense reserve	7,330	7,330	8,308	978
Restricted funds	16,938	16,942	55,505	38,563
Total equity - closing balances	10,753,513	7,732,685	10,513,347	2,780,662

3. The opening balances in the 2026/27 Annual Plan reflect a change of accounting policy made in the 2024/25 Annual Report. The change redefined restricted funds to include certain Council-created and legislative reserves, including those funded from targeted rates. This was done to provide more transparent and relevant information and there was no change to the value of total equity.

4. The large variance to LTP is driven by different accounting treatments applied to the net assets transferred to Tiaki Wai. The 2026/27 amended LTP assumed the transfer of net assets would result in a loss. However, based on the updated foundation agreements, this is now expected to be recorded as the cost of investment in Tiaki Wai.

Prospective Statement of Cash Flows - For the year ended 30 June

	2025/26 Annual Plan	2026/27 Amended LTP	2026/27 Annual Plan	Variance to LTP
	\$000's	\$000's	\$000's	\$000's
Cash flows from operating activities				
Receipts from rates - Council	626,355	478,254	439,305	(38,949)
Receipts from rates - Greater Wellington Regional Council	150,325	160,674	105,433	(55,241)
Receipts from rates - Sludge Levy	15,781	24,261	24,261	-
Receipts from activities and other income	199,288	199,173	212,277	13,104
Receipts from grants and subsidies - operating	14,144	13,633	12,022	(1,611)
Receipts from grants and subsidies - capital	223,106	78,291	70,675	(7,616)
Receipts from investment property lease rentals	10,792	11,177	11,177	-
Cash paid to suppliers and employees	(575,975)	(554,374)	(494,932)	59,442
Rates paid to Greater Wellington Regional Council	(150,325)	(160,674)	(105,433)	55,241
Rates paid to Sludge Finance LP	(15,781)	(24,261)	(24,261)	-
Grants paid	(69,057)	(61,081)	(61,269)	(188)
Net cash flows from operating activities	428,653	165,073	189,255	24,182
Cash flows from investing activities				
Dividends received	14,600	18,900	19,316	416
Interest received	36	104	102	(2)
Proceeds from sale of investment properties	135,715	3,700	3,000	(700)
Proceeds from sale of intangibles	-	-	-	-
Proceeds from sale of property, plant and equipment ^{5,6}	2,000	752,000	2,000	(750,000)
Proceeds from sale of financial and other assets	191,500	287,215	144,300	(142,915)
Purchase of financial and other assets ⁵	(287,215)	(391,715)	(269,300)	122,415
Purchase of intangibles	(15,836)	(7,227)	(7,970)	(743)
Purchase of property, plant and equipment	(830,998)	(286,058)	(457,848)	(171,790)
Net cash flows from investing activities	(790,198)	376,919	(566,400)	(943,319)
Cash flows from financing activities				
New borrowings	684,867	543,917	619,945	76,028
Repayment of borrowings ^{5,6}	(277,500)	(1,016,500)	(181,000)	835,500
Interest paid on borrowings	(68,333)	(69,593)	(57,615)	11,978
Net cash flows from financing activities	339,034	(542,176)	381,330	923,506
Net increase/(decrease) in cash and cash equivalents	(22,511)	(184)	4,185	4,369
Cash and cash equivalents at beginning of the year	38,349	15,838	15,981	143
Cash and cash equivalents at end of year	15,838	15,654	20,166	4,512

5. The values reported in the 2026/27 Amended LTP have been restated to ensure more comparable presentation with the 2026/27 Annual Plan.

6. The large variance to LTP is driven by a change in the accounting for transferring assets and net debt to Tiaki Wai based on updated foundation agreements.

Prospective Statement of Changes in Restricted Funds - For the year ended 30 June

	Opening balance 2026/27	Additional funds	Utilised funds	Closing balance 2026/27	
	\$000's	\$000's	\$000's	\$000's	Nature and purpose
Council-created reserves					
City growth fund	1,181	1,757	(1,757)	1,181	Economic development growth within Wellington city.
Insurance reserve	15,356	1,553	(1,553)	15,356	Enables the Council to meet the cost of claims that fall below deductible limits under the Council's insurance policies.
Waste minimisation fees fund	263	275	(266)	272	Portion of gate fees collected at landfill for Council-approved waste management initiatives.
Total Council-created reserves	16,800	3,585	(3,576)	16,809	
Legislative reserves					
Targeted rates					
- Residential sector	(1,704)	20,084	(19,857)	(1,477)	Support activities benefiting the residential community.
- Commercial sector	(7,198)	5,603	(8,127)	(9,722)	Support activities benefiting the commercial community.
- Downtown	(11,531)	19,204	(23,720)	(16,047)	Support activities promoting tourism.
City housing	37,860	40,270	(44,955)	33,175	As part of the agreement with the Crown for the Housing Upgrade Project, an amount related to the accumulated surpluses and deficits from the City Housing activity, has been ring-fenced for future investment in the Council's social housing assets. A subset fund which sits within this reserve is the Major Maintenance Development Fund (MMDF) which provides for operational spend related to day-to-day regular maintenance expenses for leased housing properties, as defined by the lease agreement with Te Toi Mahana.
Waste reduction and energy conservation	24,325	40,866	(36,537)	28,654	An amount related to accumulated surpluses and deficits from the Waste reduction and energy conservation activities, which under the Waste Minimisation Act 2008, must be ring-fenced for future investment in waste reduction activities. The Council is committed to several waste minimisation projects that will utilise these funds.
Waste disposal levy	3,862	2,979	(4,000)	2,841	Funding which is distributed by the Ministry for the Environment to local authorities to encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste.
Taputeranga reserve	736	-	-	736	This reserve was created as a result of the Waste Minimisation Act 2008. To purchase and develop the Taputeranga reserve area around Island Bay.
Total legislative reserves	46,350	129,006	(137,196)	38,160	
Trusts and bequests	536	-	-	536	Generally provided for library, educational and environmental purposes.
Total Council restricted funds	63,686	132,591	(140,772)	55,505	