



Financial Overview

Statement of Financial Performance

As at the end of the year Council has a surplus of \$1,129,616 reflecting two main factors. First, a grant for the solid waste project of \$659,000 was carried forward in anticipation of the scheme starting in July 2008. Second, for the second year a significant amount of pavement regravelling has been capitalised and will be expensed over a five year life. Previously, it was expensed in the first year.

Statement of Financial Position

During the year roading, water and wastewater (sewage) assets were revalued upwards by \$7,452,652. The ratio of current assets to current liability is 93.9% which is satisfactory (83.8% 2007).

Notes to the Summary Financial Statements for the Year Ended 30 June 2008

The Council has prepared the Summary Annual Report to provide the users with an overview of Council performance. The Local Government Act 2002 Part 6 s98 (b) requires the Council to make available a summary of the information contained in its Annual Report. The disclosures included in the Summary Annual Report have been extracted from the full Annual Report adopted by Council on 30th October 2008. The full Annual Report received an unqualified audit opinion. The Summary Annual Report cannot be expected to provide as complete an understanding as the full Annual Report. The full Annual Report is available from the Council on request by phoning (03) 305 0033 or can be accessed via the Council website www.cic.govt.nz.

The Summary Annual Report was authorised for issue by the General Manager on 30th October 2008.

Accounting Policies

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZIFRS and other applicable reporting standards, as appropriate for public benefit entities. These accounts are presented in NZ dollars and are rounded to the nearest 1000's. The council is a public benefit entity.

Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Chatham Islands Council's Summary Annual Report for the year ended 30 June 2008

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 Statements and is consistent with the full financial statements from which it is derived.
- We expressed an unqualified audit opinion, in our report dated 30 October 2008, on:
- the full financial statements; and
- the Council'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 Chatham Islands Council.

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.

Julian Tan, Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
30th October 2008

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE SUMMARY ANNUAL REPORT

This audit report relates to the summary annual report of Chatham Islands Council (the Council) for the year ended 30 June 2008 included on the Council's web site. The Council is responsible for the maintenance and integrity of its web site. We have not been engaged to report on the integrity of the web site. We accept no responsibility for any changes that may have occurred to the summary annual report since it was initially presented on the web site.

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 summary annual report and the related audit report dated 30 October 2008 to confirm the information included in the summary annual report presented on this web site.

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