

Christchurch City Holdings Limited

Cost of Service

2001/02 BUDGET \$		2002/03 BUDGET \$
59,989,000	Revenue*	41,291,000
10,216,000	Financing and Interest Costs	11,266,000
2,894,000	Other Costs**	966,000
13,110,000	Total Expenditure	12,232,000
46,879,000	Net Profit before Taxation	29,059,000

Net Profit Before Taxation

Projected Net Profit Before Taxation 2003/04	(\$29,310,000)
Projected Net Profit Before Taxation 2004/05	(\$30,257,000)

* 2001/02 includes special dividend from Orion.

** 2001/02 costs include a subvention payment to other group companies.



Scenes at the Red Bus Company.
Christchurch City Holdings Ltd holds the Council's shareholding in this company.

Capital Expenditure

There are no major items of capital works/fixed assets scheduled.

Nature and Scope

This enterprise is a company established to group the Council's interest in its trading activities under one umbrella. The security provided by this ownership enables the Council to efficiently borrow in commercial markets.

The Company employs no staff directly but sub-contracts its total workload out, employing services as required. The Company has an 'AA+' credit rating from the international credit rating agency Standard and Poor's.

The Company's revenue is principally in the form of dividends and interest from its subsidiary companies. Its expenditure is largely debt servicing.

Relationship to the Council

Christchurch City Holdings Limited is a local authority trading enterprise, 100% owned by the Christchurch City Council. The Company was incorporated in May 1993. The Council retains control over the activities of the Company through approval of the Company's Annual Statement of Corporate Intent. The Council's interest in this Company is in accordance with its Strategic Objective F4 (as printed in the Strategic Statement).

This Company holds the Council's shareholding in Orion New Zealand Limited, Christchurch International Airport Limited, Lyttelton Port Company Limited, Red Bus Limited, City Care Limited and Selwyn Plantation Board Limited.

For a list of the Company directors see page 169.

Following the capital repatriation from Orion in March 2002, the Company acquired the Council's shareholdings in Selwyn Plantation Board Ltd and City Care Ltd at a total cost of some \$39 million, representing the combined, independently assessed values of these companies.

Christchurch City Holdings Limited

Overall Service Objective

To enable the efficient management of the trading activity investments and term liabilities of the Council.

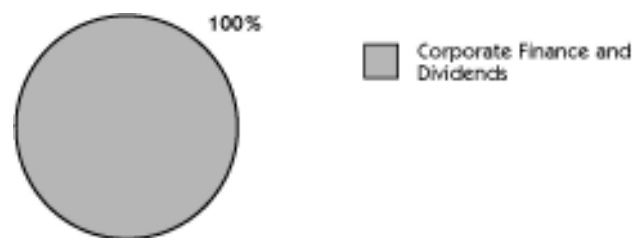
Objectives for 2002/03

1. Achieve projected financial performance.
2. Meet other objectives outlined in Statement of Service Performance.

Performance Indicators

1. Pay ordinary dividends to the Council totalling \$33.5M.
2. As outlined in the Statement of Service Performance for 2002/03.

Sources of Funding



Scenes at the Lyttelton Port Company. Christchurch City Holdings Ltd holds the Council's shareholding in this company.