

Travis Group

Cost of Service

2000/01
BUDGET

Nil Estimated Net Profit before tax

2001/02
BUDGET

Nil

Nature and Scope

The Group was established in July 1996 in order to finance the acquisition of land known as Travis Swamp and a forestry block adjacent to Bottle Lake Plantation. Travis Swamp will in due course be developed by the Christchurch City Council as a heritage park. The forestry block will be leased to Selwyn Plantation Board Limited for forestry purposes as an addition to Bottle Lake Plantation.

It is probable that the company will merge with the Council and the land and net debt will revert to the Council.

Relationship to the Council

The Group comprises three companies:

- Travis Finance Ltd
- Travis Heritage Park Ltd
- THP Holdings Ltd

Travis Finance Limited is wholly owned by the Christchurch City Council and has borrowed the sum of \$7.4M from the Christchurch City Council. It holds 100% of the shares in Travis Heritage Park Limited.

Travis Heritage Park Limited is wholly owned by Travis Finance Limited. It has no term debt and holds all the shares in THP Holdings Limited.

THP Holdings Limited is wholly owned by Travis Heritage Park Limited. It has no debt and its assets are the two parcels of land which are the only assets of the Group.

In the initial years it is expected that the company will incur losses due to the cost of

servicing its debt and the writedown of goodwill. The Council as shareholder will contribute sufficient capital to facilitate the on-going cash flow needs of the company.

The Council's interest in this Company is in accordance with its Strategic Objectives: C3 and F1 (as printed in the Strategic Statement).

For a list of directors see page 170.

Overall Service Objective

This Group of Companies has been established by the Christchurch City Council with the following objectives:

- To finance the acquisition of land with a long-term commercial objective of a successful forestry operation
- To own land known as Travis Swamp
- To hold and maintain heritage land for the enjoyment of Christchurch and its citizens

Objectives for 2002/03

1. To achieve projected financial performance.

Performance Indicators

1. Limit the net loss to no more than the estimated projection.

Sources of Funding

