

CHRISTCHURCH CITY HOLDINGS LIMITED

Cost of Service

1995/96		1996/97
BUDGET		BUDGET
\$		\$
(18,962,697)	Revenue*	(25,896,480)
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10,855,229	Financing and Interest Costs	14,151,494
341,000	Other Costs	317,000
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11,196,229	Total Expenditure	14,468,494
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(7,766,468)	Net Profit before Taxation	(11,427,986)
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Net Profit Before Taxation

Projected Net Profit Before Taxation 1997/98	(14,173,636)
Projected Net Profit Before Taxation 1998/99	(17,315,481)

* Revenue is net of imputation credits.

Capital Expenditure

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

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: D8 (see pp 19-23).

This Company holds the Council's shareholding in Southpower Limited, Christchurch International Airport Limited, Lyttelton Port Company Limited and Christchurch Transport Limited.

Planned Services

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 subcontracts its total workload out, employing services as required.

The company has an "AA" credit rating from the international credit rating agency Standard and Poors.

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

Overall Service Objective

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

Objectives for 1996/97

2. Achieve projected financial performance.
3. Make provision for ongoing debt repayment.

Performance Indicators

- 2.1 Pay dividends to Council totalling \$7.5M.
- 3.1 Reduce existing debt by \$4.2M.

Sources of Funding

