

CHRISTCHURCH CITY HOLDINGS LIMITED

Cost of Service

1998/99 BUDGET		1999/00 BUDGET
\$		\$
(29,380,000)	Revenue*	(32,983,000)
11,416,000	Financing and Interest Costs	8,041,000
995,000	Other Costs	947,000
12,411,000	Total Expenditure	8,988,000
(16,969,000)	Net Profit before Taxation	(23,995,000)

Net Profit Before Taxation

Projected Net Profit Before Taxation 2000/01 (26,788,000)
 Projected Net Profit Before Taxation 2001/02 (28,801,000)

* 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 F4 (see page 28).

This Company holds the Council's shareholding in Orion New Zealand 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 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 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 1999/00

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

Performance Indicators

- 2.1 Pay dividends to the Council totalling \$19.2M.
- 2.2 No significant variances from planned objectives.

Sources of Funding

