

Christchurch City Holdings Limited

Cost of Service

2002/03 BUDGET \$		2003/04 BUDGET \$
46,055,000	Revenue	43,600,000
11,740,000	Financing and Interest Costs	12,500,000
1,191,000	Other Costs	930,000
12,931,000	Total Expenditure	13,430,000
33,123,000	Net Profit before Taxation	30,170,000

Net Profit Before Taxation

Projected Net Profit Before Taxation 2004/05	\$29,910,000
Projected Net Profit Before Taxation 2005/06	\$30,420,000



A runway scene at the Christchurch International Airport Co Ltd.
Christchurch City Holdings Ltd holds 75% of the shares 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 Council controlled trading organisation, 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 Intent. The Council's interest in this Company is in accordance with its Strategic Objective F4 (see page 13).

This Company holds the Council's shareholding in Orion Group 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 221.

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Overall Service Objective

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

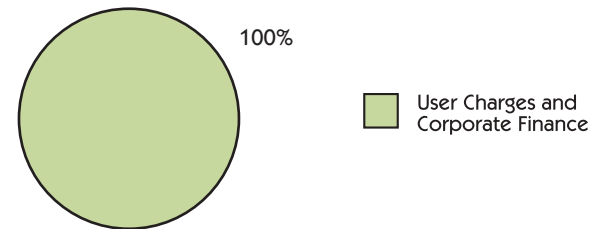
Objectives for 2003/04

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

Performance Indicators

1. Pay ordinary dividends to the Council totalling \$28.2M.
2. As outlined in the Statement of Intent for 2003/04.

Sources of Funding



A bus from the Red Bus Ltd fleet - one of the subsidiary companies of CCHL.