

# City Care Limited

## Cost of Proposed Services

2002/03 BUDGET \$		2003/04 BUDGET \$
49,532,000	Revenue	59,573,000
45,552,000	Operating, Financing and Depreciation Costs	57,176,000
45,552,000	Total Expenditure	57,176,000
3,980,000	Net Profit before Taxation	2,397,000

## Net Profit Before Taxation

Projected Net Profit before Taxation 2004/05	3,214,000
Projected Net Profit before Taxation 2005/06	3,453,000

## Nature and Scope

The company provides construction, maintenance and mechanical services for Waste and Water, Parks and Waterways, Roading, Housing and other CCC owned facilities and assets. In addition the Company also provides a full range of construction and maintenance services to external customers.

## Relationship to the Council

City Care Limited is a Council controlled trading organisation, 100% owned by Christchurch City Holdings Ltd. The Council retains control over the activities of the Company through approval of the Company's Annual Statement of Intent.

During the period under review City Care has reduced the cost of services to Christchurch City Council by \$1,500,000. In exchange for this price reduction a number of contract terms were extended by 3 years.

For a list of the Company directors see page 221.

The Council's interest in this Company is in accordance with its Strategic Objective: F4 (see page 13).

## Overall Service Objective

To operate a profitable, sustainable and innovative business which maintains a strong market presence in all areas of construction and maintenance of the infrastructural assets owned by the shareholder.

The Company will ensure that:

- It will continue to compete in Christchurch markets and aggressively target a significant share of work offered for tender by the shareholder where this offers outcomes of value to the shareholder.
- It will maximise the success of its business in terms of sustainable market share, growth into new markets and new market areas (in and beyond the Christchurch region).

## Objectives for 2003/04

1. To yield a projected return by way of dividend.

## Performance Indicators

1. Total projected dividend to shareholders of \$933,000 (payments in August and February)

## Sources of Funding

