

14. LIQUIDATION OF WINDSOR CENTRAL LIMITED

RR 9246

Officer responsible Director of Finance	Author John Mackey
Corporate Plan Output: Trading Activities	

The purpose of this report is to seek the Council's approval for the proposed liquidation of Windsor Central Limited to transfer the land for the new art gallery in to direct Council ownership.

BACKGROUND

The Council purchased all the shares in Windsor Central Limited in August 1996 to acquire the land for the new art gallery. This was the most cost effective means to acquire the land.

The company ownership of the land has been retained until now because the Council could have incurred a tax liability under the property development provisions of the Income Tax Act. The time period in which these provisions could have applied has now passed.

Therefore advice has been obtained from Buddle Findlay on the legal requirements that need to be met to transfer the land for the new art gallery in to direct Council ownership. A copy of the advice received is attached.

ADVANTAGES OF THE PROPOSED LIQUIDATION

The Council's corporate structure will be simplified thereby reducing overhead costs.

The Council will have direct ownership of the new art gallery land.

There will be no adverse tax implications as a result of the actions recommended.

- Recommendation:**
1. That the Council resolve to liquidate Windsor Central Limited with the land for the new art gallery to be distributed in specie to the Christchurch City Council.
 2. That Thomas John Perry be appointed as the liquidator.
 3. That the Director of Finance be delegated authority to undertake the steps necessary to achieve this.

Chairman's

Recommendation: That the above recommendation be adopted.