



23. CHRISTCHURCH CITY HOLDINGS LTD – CAPITAL REPATRIATION

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Corporate Plan Output: Trading activities monitoring	

The purpose of this report is to request the Council's formal consent to the completion of the budgeted \$162 million capital repatriation from Christchurch City Holdings Ltd ('CCHL').

The Council's Annual Plan for 1999/2000 anticipated the receipt of capital from CCHL sourced from Orion following a capital restructuring and sale of their retail business. The repatriation has been delayed pending receipt of binding rulings from the Inland Revenue Department. However, the receipt of a special dividend of \$78.8 million from Orion has now enabled the repatriation to take place using a different source of funding.

The repatriation involves the repayment of ordinary shares and redemption of preference shares to a total value of \$162 million. The CCHL Board formally approved the repatriation at its meeting on 15 May, and payment will be made on 19 May.

In order to complete the process it has been necessary for the Council as shareholder to formally authorise the repayment. In view of the fact that the Council has previously provided for this in its Annual Plan, the seal of the Council has been affixed to these documents to enable timely completion of the process before the next Council meeting.

Recommendation: That the Council retrospectively approve the sealing of the necessary documents.

Chairman's Recommendation: That the above recommendation be adopted.