

## 10. REPORT FROM CHRISTCHURCH CITY HOLDINGS LIMITED

<b>Officer responsible</b> Chairperson, Christchurch City Holdings Ltd	<b>Authors</b> Bob Lineham, DDI 3711-411, Richard Simmonds, DDI 3711-817
---	---

The purpose of this report is to provide information to the Council on recent activities of Christchurch City Holdings Limited ('CCHL'), and to make recommendations on any matters arising.

### CHRISTCHURCH INTERNATIONAL AIRPORT LTD ('CIAL')

#### Financial Statements for the six months ended 31 December 2001

The CIAL half year report and financial statements for the six months ended 31 December have been separately circulated.

The company recorded an after-tax surplus of \$6.6 million, the same result as in the previous equivalent period. This was a satisfactory result in view of the turmoil in the local airline industry resulting from the financial woes of Air New Zealand and the events of September 11.

International passenger numbers have significantly decreased from November 2001 onwards, although domestic numbers have remained more positive, partially as a result of the airlines re-routing some trans-Tasman traffic through Wellington.

#### Summary of Results and Financial Position

<b>CIAL</b>	6m to 31/12/01 \$m	6m to 31/12/00 \$m
Revenue	27.8	28.7
Net profit after tax	6.6	6.6
Total assets	227.9	210.1
Shareholders' equity	156.6	123.5

### LYTTELTON PORT COMPANY LIMITED ('LPC')

#### Financial Statements for the six months ended 31 December 2001

The LPC half year report and financial statements for the six months ended 31 December have been separately circulated.

The company's net profit after tax for the six months was \$7.8 million, up 19% on last year's half year figure of \$6.6 million. Factors contributing to this were record volumes in cars, coastal trade, fertiliser and logs.

While container volumes were up from 58,000 TEUs (twenty foot equivalent units) to 61,200 TEUs, revenue was relatively flat as the result of continual pricing pressure. Coal volumes were slightly down, but volume projections for the balance of the current financial year are strong, and the company is working closely with Solid Energy to conclude negotiations for a long-term contract.

#### Summary of Results and Financial Position

<b>LPC</b>	6m to 31/12/01 \$m	6m to 31/12/00 \$m
Revenue	30.7	29.1
Net profit after tax	7.8	6.6
Total assets	74.5	72.7
Shareholders' equity	44.2	36.2

### CITY CARE LIMITED ('CCL')

#### Financial Statements for the six months ended 31 December 2001

The CCL half year report and financial statements for the six months ended 31 December have been separately circulated.

The company recorded an after-tax surplus of \$1.3 million, a slight increase over the previous equivalent period. This result was achieved despite the loss of the Council amenity cleaning contract in August 2001, and reflects growth in other business sectors as well as the acquisition of City Maintenance Services in December 2001.

#### Summary of Results and Financial Position

<b>CCL</b>	6m to 31/12/01 \$m	6m to 31/12/00 \$m
Revenue	22.2	20.2
Net profit after tax	1.3	1.2
Total assets	18.5	16.7
Shareholders' equity	12.6	10.7

#### CHRISTCHURCH CITY FACILITIES LIMITED ('CCFL')

##### Financial Statements for the six months ended 31 December 2001

The CCFL half year report and financial statements for the six months ended 31 December have been separately circulated.

The company recorded a net deficit after tax for the half year of \$1.8 million, compared with a deficit of \$2.4 million in the previous year. The depreciation expense for the six months (included in the above result) was \$1.8 million.

The reduced deficit primarily resulted from improved revenues from Meetings and Exhibitions, Food and Beverage and Technical Services. Shareholder's equity continues to decline in line with the deficits being recorded, although the company is in a position to meet or exceed current budgets.

#### Summary of Results and Financial Position

<b>CCFL</b>	6m to 31/12/01 \$m	6m to 31/12/00 \$m
Revenue	4.5	3.3
Net profit/(loss) after tax	(1.8)	(2.4)
Total assets	45.0	47.5
Shareholders' equity	43.5	45.9

#### JADE STADIUM LIMITED ('JSL')

##### Financial Statements for the six months ended 31 December 2001

The JSL half year report and financial statements for the six months ended 31 December have been separately circulated.

The company recorded a net deficit for the half year of \$0.7 million, compared with \$0.1 million in the previous period. The two periods are, however, not comparable, as the last year has seen the construction of the new West Stand and a corresponding increase in borrowings from the Council.

The company has budgeted to make initial losses, offset to an extent by intra-group subvention payments, but in the longer term the company has budgeted for the generation of surpluses sufficient to enable the repayment of the Council advances.

#### Summary of Results and Financial Position

<b>JSL</b>	6m to 31/12/01 \$m	6m to 31/12/00 \$m
Revenue	1.1	0.9
Net profit/(loss) after tax	(0.7)	(0.1)
Total assets	41.5	11.9
Shareholders' equity	1.8	3.7

**SELWYN PLANTATION BOARD LIMITED ('SPBL')**

**Statement of Corporate Intent ('SCI') for the three years to 31 March 2005**

SPBL have presented their draft SCI (separately circulated) for shareholder approval. CCHL has considered the SCI, and met with SPBL directors and management to discuss it and various underlying issues. CCHL has requested various amendments to the initial draft, and these have been actioned together with some minor changes requested by the majority shareholder, Selwyn Council Trading Enterprises Limited and some late changes from the company itself.

- Recommendation:**
1. That the above six monthly reports be received.
  2. That the SPBL SCI be approved by the Council.

**Chair's**

**Recommendation:** That the above recommendation be adopted.