

#### 4. REPORT FROM CHRISTCHURCH CITY HOLDINGS LTD

<b>Officer responsible</b> Chief Executive, Christchurch City Holdings Ltd	<b>Author</b> Richard Simmonds DDI 941-8817
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The purpose of this report is to seek the approval of the Council of a draft Statement of Intent ('Sol') from Christchurch City Holdings Ltd ('CCHL'), which was approved by the CCHL Board on 18 February 2004.

The draft Sol is being presented to the Council much earlier than in previous years because of new deadlines imposed by the Local Government Act 2002.

Subsequent to the approval of the CCHL Sol by the CCHL Board, Orion announced the payment of a special fully-imputed dividend of \$40 million, of which CCHL's share was \$35.05 million. This special dividend is hence not reflected in the draft Sol or the financial projections contained therein, and will be discussed by the CCHL Board at its meeting in March.

With regard to the Sol approval and completion process, Schedule 8 of the Local Government Act provides:

**"3. Completion of Statements of Intent**

*The board must:*

- (a) *Consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and*
- (b) *Deliver the completed statement of intent to the shareholders on or before 30 June each year."*

There is therefore the potential for the CCHL Sol to be amended in consultation between CCHL and the Council.

Draft Sols from the remaining council-controlled trading organisations ('CCTOs'), which have all been received, will be submitted to the April Council meeting for approval.

The draft CCHL Sol is attached. There are no major changes from the previous year.

**Recommendation:** That the draft Statement of Intent of CCHL be approved.