

8. CHRISTCHURCH CITY HOLDINGS LIMITED - STATEMENTS OF INTENT FOR SUBSIDIARY COMPANIES

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PURPOSE OF REPORT

1. The purpose of this report is to seek the approval of the Council of a draft Statement of Intent received from Christchurch City Facilities Ltd.

BACKGROUND

Statements of Intent

1. The Council's subsidiary companies are required by statute to submit an annual Statement of Intent ('Sol') to their shareholders. An Sol must set out the entity's objectives and performance measures, as well as certain other information, and must be approved by the shareholder.
2. CCHL is required by the terms of its own constitution to forward the Sols of the trading companies to the Council for final approval. CCHL has, however, performed an initial review of the CCFL Sol.
3. The draft CCFL Sol has been separately circulated.

CHRISTCHURCH CITY FACILITIES LTD ('CCFL') STATEMENT OF INTENT

1. The CCFL Sol is broadly similar to the previous year's version, with the main changes being:
 - Page 4 New section regarding the intention of CCFL and JSL to enter into a joint venture agreement regarding governance and management of the two companies.
 - Page 6 Confirmation that the current board of wholly-owned subsidiary, Jet Engine Facility Ltd, will resign once all completion issues have been resolved, and be replaced by the directors of the combined CCFL/JSL board.
 - Page 8 The budgeted equity injection from the Council for 2005/06 to fund long term asset renewal and replacement is \$750,000, compared with \$450,000 per annum in recent years.
2. CCFL recently reported its half year result. The company has had a successful 2004/05 financial year to date, with the high NZ dollar helping to attract a number of big-name acts to Christchurch, and leading to a result significantly better than budgeted last year.

RECOMMENDATION

1. That the Council approve the draft Sol of Christchurch City Facilities Ltd.