



Christchurch
City Holdings
Limited

July—December 2019

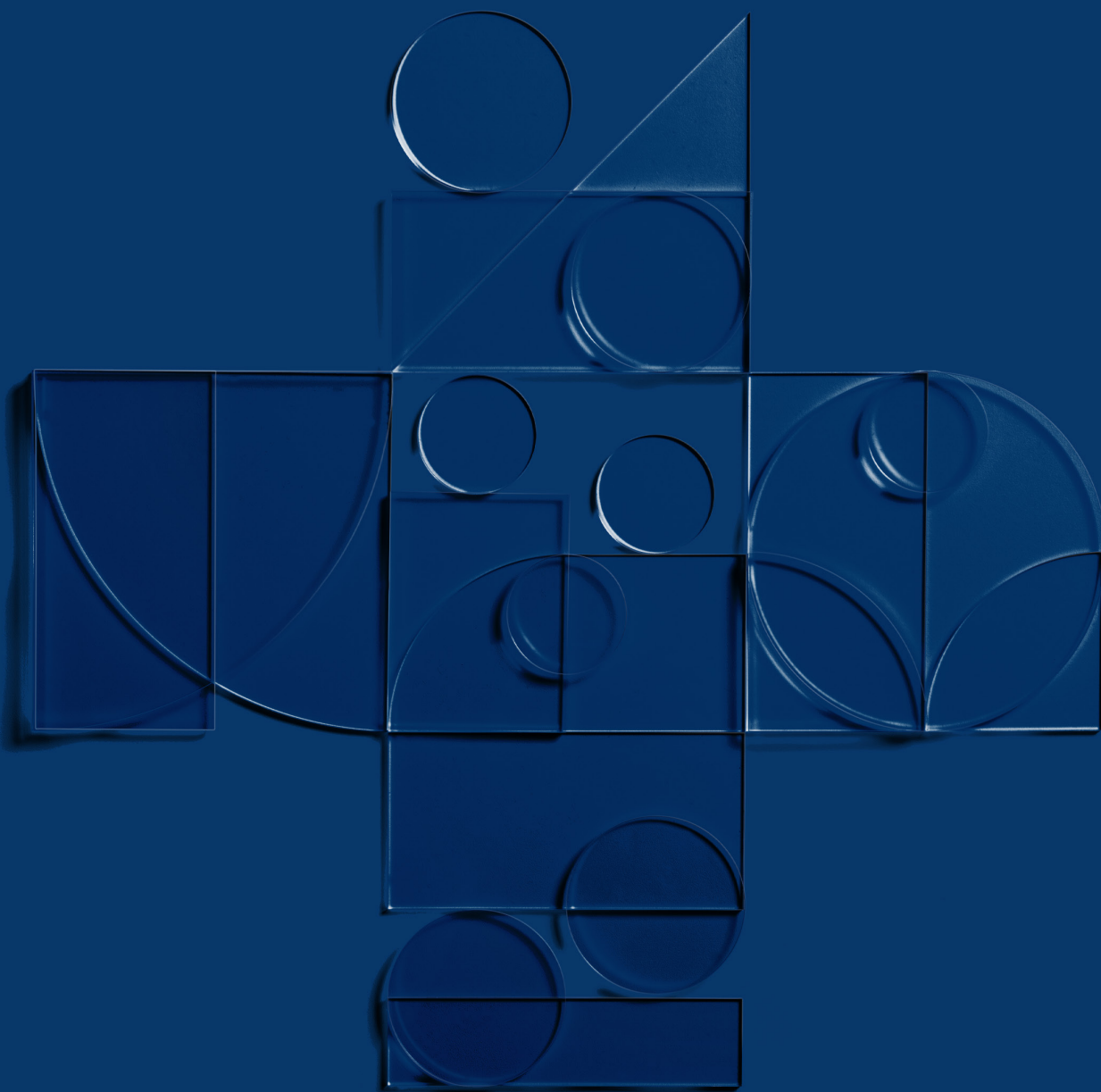
A WHOLLY OWNED SUBSIDIARY
of CHRISTCHURCH CITY COUNCIL

Interim Report

2020

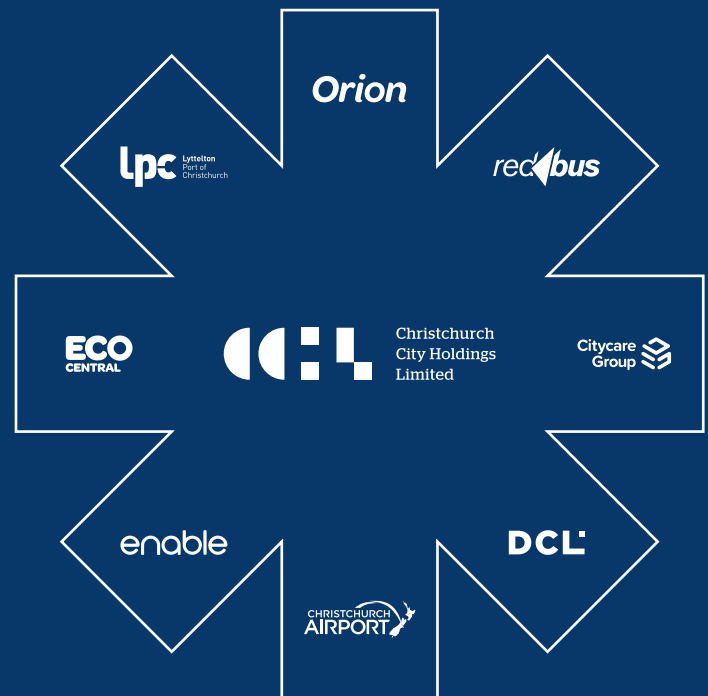


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Group structure



Christchurch City Holdings Ltd (CCHL) is the commercial and investment arm of Christchurch City Council (the Council). It was incorporated on 12 May 1993 to act as the holding company for the Council's commercial investments. As a result, it is a council controlled organisation under the Local Government Act 2002.

The company is responsible for managing the Council's investment in eight fully or partly-owned trading companies—Orion New Zealand Ltd (Orion), Christchurch International Airport Ltd (Christchurch Airport), Lyttelton Port Company Ltd (LPC), Enable Services Ltd (Enable), City Care Ltd (Citycare), Red Bus Ltd (Red Bus), EcoCentral Ltd (EcoCentral) and Development Christchurch Ltd (DCL). Six of these are 100% owned, the other two are majority owned by CCHL, being Orion (10.725% owned by Selwyn District Council) and Christchurch International Airport (25% owned by the Crown).



Alongside the significant financial returns the Christchurch City Holdings Group makes for the city and our wider community, with more than \$538m contributed during the last half year, the Group has continued to enrich the lives of people across the region and foster a healthy, welcoming and engaging environment for everyone to enjoy.

In particular, over the last six months, the Group has focused on initiatives that reflect its role as intergenerational guardians, providing leadership in the areas that matter to the city and its environment.



Supporting generational development

Over the last six months, taking this leadership role has meant finding ways to support, develop and encourage the city's future generations.

To prepare Christchurch's young people for a digitally-connected future, Enable has partnered with education sector internet services provider, Network for Learning to upgrade all Christchurch schools to a maximum speed wholesale service. This provides schools with a connection up to 10-to-20 times faster than their current service at no additional cost. Enable has been working with its partners over the last six months to ensure as many Christchurch schools as possible were upgraded in time for the 2020 school year – so teachers and students can benefit from unlimited opportunities for online learning this year.

Combining volunteer activity with project management skills, linked to the New Zealand primary school curriculum, is part of the Student Volunteer Army (SVA) Schools Programme funded by the Citycare Group. In 2019, 32,000 primary students and 1000 teachers in 1000 classrooms across the country were involved in the programme, delivering a range of community-based projects to make their world a better place and to encourage understanding of community and volunteering.

Red Bus Limited and EcoCentral have also collaborated to remove financial barriers to schools participating in the CCC Learning Through Action, "A Waste of Time", education programme. Schools that meet qualifying criteria will have the transport to the programme provided to them by EcoCentral and Red Bus. This support to schools assists in promoting key waste reduction messages and improving recycling knowledge throughout the community.

Addressing global challenges

The Group is also focused on some of the key challenges facing communities around the country, and across the world.

In November 2019, True North Consulting was engaged to undertake a feasibility study into onshore processing options for mixed paper and mixed plastic in Canterbury. The study is due for completion in March 2020. The study is expected to identify sustainable options for processing recycling in Canterbury (and possibly the wider South Island), which will also create employment and economic benefits for the region. It will be a genuine waste minimisation undertaking and a contribution to the circular economy, by reducing the volume of plastic imported and the volume being shipped overseas for recycling.

The study is attracting industry, local and central government interest and the recommendations will benefit the wider industry.

Investing in key assets

Supporting the development of key assets for the city, which not only provide financial returns but also enhance the local lifestyle is also an important part of the Group's work.

DCL's increased stake in the Christchurch Adventure Park has meant the organisation has been able to take a greater role in decision-making and future planning. The establishment of a new public walking track at the beginning of this year is an example of how the Group's approach can lead to better outcomes for the people of Christchurch, with more of the Port Hills – the city's playground – now open to the public.



It is the Group's belief that the organisation as a whole is judged not only by what it delivers, but how—measuring success not only by immediate results but long-term contribution to the fabric of our community.

This has meant an emphasis on both creating and enhancing key assets for the city, which deliver broad social and economic benefits, while also engaging in programmes and initiatives that help build regional capability, support communities and demonstrate leadership.



Regenerating our city

Since the earthquakes, the Group has been deeply involved in bringing new life to the city by contributing to the development of a wide range of community resources.

In October 2019, Citycare Civil started regeneration work on Christchurch's Avon Loop contract for Ōtākaro. This is the last stretch of work required to complete the new pedestrian- and cycle-friendly pathway from Fitzgerald Avenue to the Health Precinct. The works border a one-kilometre stretch of the Avon river between Willow Street and Fitzgerald Avenue, which has been red zoned since the earthquakes.

The project involves construction of a shared pedestrian/cycle footpath, a boardwalk, enhanced lighting and a canoe jetty providing easy access to the river. Over 13,000 native plants and trees will be planted and just over 4000m² of asphalt will be laid as part of the work.

Work is also progressing well on He Puna Taimoana, the New Brighton hot pools, with construction on time and on budget ahead of the planned opening in late March 2020. Construction of the pools is being led by Development Christchurch Limited (DCL), with Christchurch City Council gearing-up to run the facility for visitors and the community to enjoy. Te Rūnanga o Ngāi Tahu has gifted the name – He Puna Taimoana – to the New Brighton Hot Pools. He Puna Taimoana is a modern name, reflecting the significance of the hot pools in the regeneration of New Brighton.

Playing our part

Over the past six months, the Group has also been taking an active role in issues that are important to the wider community.

Throughout 2019 and early 2020, EcoCentral has been in regular discussions with the Ministry for Environment, Ministry for Business Innovation and Employment and WasteMINZ. Standardisation of recycling messaging for territorial authorities has been an important topic of discussion with WasteMINZ as they seek to establish acceptance guidelines that all councils can adopt to improve residents understanding of what can and cannot be recycled.

With more than 155,000 pieces of equipment in streets

throughout the region, Orion's familiar green boxes and poles often fall foul of graffiti, but not for long thanks to its proactive graffiti removal programme.

Orion makes sure its equipment out in the community looks tidy and helps keep Christchurch looking beautiful. Its specialist Graffiti Removal Team moves swiftly to remove any tagging, with the team aiming to restore the tidy appearance of Orion's equipment within 48 hours of it being reported, as experience shows graffiti is a magnet for just more graffiti.

Supporting our community

The Group also finds a wide range of ways to become actively involved in the things that matter to our local community – the ultimate owners of the Group.

In the last six months, Enable has been part of a diverse series of initiatives designed to make a real difference to local people. The organisation has 16 annual sponsorships, nominated by staff and awarded to organisations, projects or good causes that Enable people are personally involved in. Over the period, Enable has supported several sporting organisations, school initiatives and community support organisations, such as Miscarriage Matters NZ and Bellyful – a volunteer-based organisation that provides meals to families with new-born babies.

In December 2019, Te Hapū o Ngāti Wheke in partnership with the Lyttelton Port Company hosted the Whakaraupō / Lyttelton leg of the national Tuia 250 voyage. The weekend festival held on the grounds of Te Ana Marina saw hundreds gather for kai, kapa haka performances and the chance to take a close-up look at the magnificent Ngāi Tahu waka Kōtukumairangi. Te Ana Marina opened in 2018 as part of LPC's commitment to open Lyttelton's Inner Harbour as a vibrant community-focused destination.

LPC has also come on board this year to sponsor the Lyttelton Youth Programme, a chilled-out, safe space for many local youngsters to hang out after school. The Lyttelton Youth Programme, coordinated by Project Lyttelton, has gone from strength to strength, with more than 50 young people from Year 7 and above dropping into the programme each week.



Group Result 2019

The group recorded a net profit after tax (NPAT) for the six months ended 31 December 2019 of \$48.3 million, compared with \$56.7 million in the equivalent period last year. The reduced group profit is in line with expectations and recognises reduced allowable revenues in Orion's transition year from its customised price path towards the five year default price path under the regulatory framework that Orion operates. This has been balanced with improved results from Enable, Citycare and Red Bus, all in line with expectations.

These positive results are coupled with continued difficult trading conditions for our recycling entity EcoCentral, who continues to face the challenges of the Global recycling crisis. This has resulted in increased processing fees needing to be recovered from its major customers to enable this invaluable community service to continue.

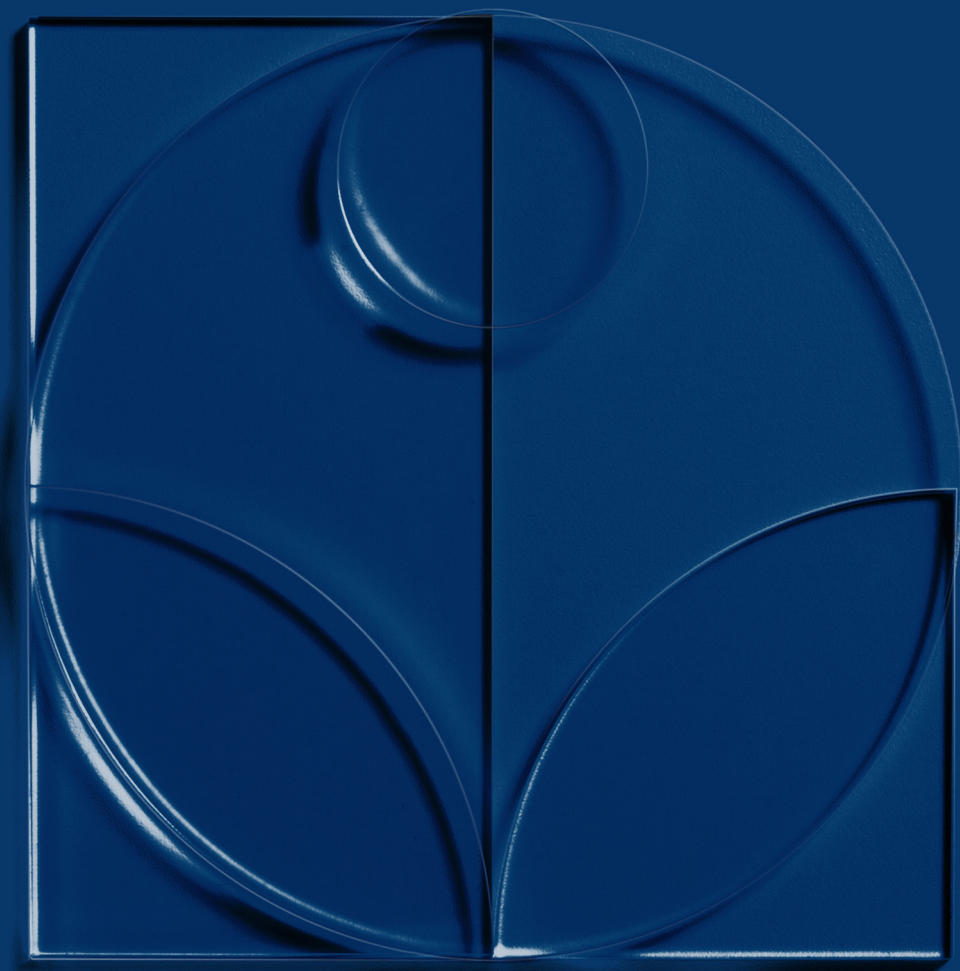
Total operating revenue for the Group for the six month period was \$538m compared to \$532m for the same period

last year. This result reflects year on year growth at operating revenue level by mostly all the companies of the Group noting the exceptions of Orion and EcoCentral as noted above. Most significant was Enable Services who recorded a 27% increase in revenue in line with expectations as it continues to drive customer connections to its network.

Group assets during the period have increased to \$4,415m from \$4,179m, due mainly to the continued property development programme by CIAL, and the implementation of the Lyttelton Port Recovery Plan by LPC, overall Group net assets have only slightly increased from \$1,859m to \$1,864m reflective of increased net debt of \$159m across the Group.

Dividends during the period have been received by Orion (\$21m), Christchurch Airport (\$16.1m) and LPC(\$4.4m), allowing interim dividend payments to our ultimate shareholder of \$22m in line with expectations, and on track to meet our full year commitment of \$48.3m.





Sustainable practice is now deeply embedded in the operations of each member of the Group. Over the past six months, CCHL organisations have shown significant leadership for the region, not only in enhancing the physical environment, but in engaging the community to both contribute to environmental action and modify their own behaviours.

World-leading standards

Christchurch Airport is benchmarking itself against the best 27 airports around the world and performing well above the average in the areas of water, energy and waste. In 2019, the airport company diverted 46% of its waste from landfill, reduced total waste generated by 8%, and achieved a 5.3% energy efficiency increase through projects (including heating and cooling system replacement). Christchurch Airport is on track to reduce per passenger water consumption by 36% this decade, and has recently installed telemetry to monitor real time usage.



Community engagement

The Group has found working with the community on locally-led activities is a highly effective way of spreading its environmental message, and sharing the role of environmental guardianship.

The Tongan Catholic Church and Citycare Property came together in late November to complete a clean-up of parks and reserves in Auckland. More than 300 people from Citycare Property and the church community picked up litter in six parks including Manukau Sports Bowl, Hayman Park, Mountfort Park, Ray Small Park, Rongomai and Preston Reserve.

The Tongan Catholic Church also wanted to better educate their children on the importance of looking after the environment – this resonated with Citycare’s core value ‘We Care’ and the passion the Group has for the communities we work in.

Local children have been responding to the challenges their generation faces and generating conversation about key issues with the construction of a plastic penguin sculpture, which now roosts at Lyttelton Port Company’s head office, Waterfront House. The project, created by Lyttelton Primary School EnviroSchool students, raises awareness about the impacts of plastic waste on harbour life.

After a presentation from LPC Environmental Advisor and marine specialist Dr Crystal Lenky about the potential risks of plastic in the harbour, the students came up with the idea of creating a sculpture, and ‘Janice the penguin’ was born using cable ties, orange plastic fencing and yellow rope.

Innovating change

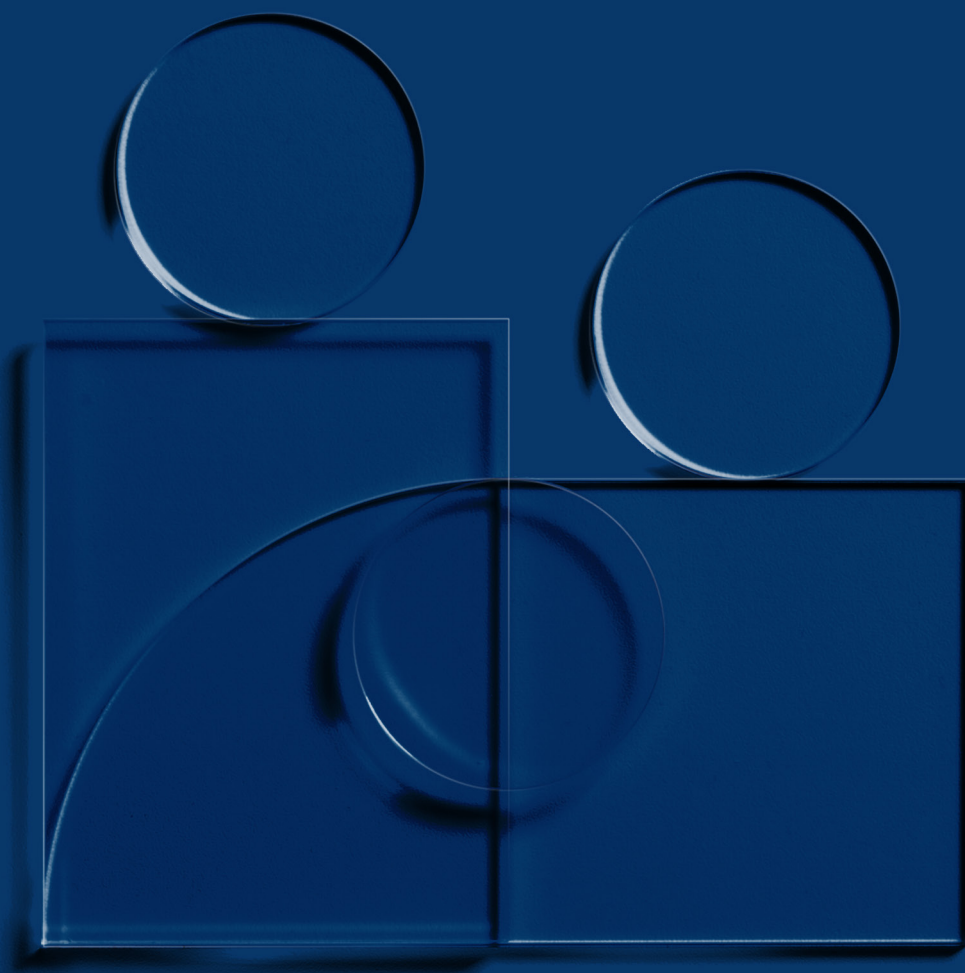
By providing opportunities for other local organisations to share in the Group’s activities, CCHL is also creating the platform for greater levels of environmental activity across the region.

Orion’s free offer for businesses to test-drive an electric vehicle for a week has taken off, and the two vehicles are booked out until February 2021. The offer, made in partnership with the Canterbury Employers’ Chamber of Commerce, provides Chamber members with the chance to try out one of the latest electric vehicles, the new Hyundai Kona.

With support from EECA’s Low Emission Vehicle Contestable Fund, the initiative is part of Orion’s commitment to encouraging the uptake of more sustainable transport options by businesses in its region. Since Orion launched the EV Experience in mid-2019, more than 40 businesses have taken up the opportunity to experience driving an electric vehicle, have seen first-hand how economical to run and enjoyable to drive EVs are and are thinking how well they can fit into their business’ fleet.

Red Bus’ investment in the South Island’s first fully electric bus service has also found support with the Christchurch public, with passenger numbers up by almost seven per cent on the e-vehicle route for the September 2019 quarter.

Red Bus introduced three purpose-built electric buses into its fleet at the beginning of July 2019. The battery electric buses operate on the direct service between Christchurch Airport and CBD, which carries over 200,000 passengers annually. Passenger numbers on the route have increased over five per cent year-on-year since the buses were introduced.



The foundation of every success, CCHL Group's staff and contractors were a key focus of the last six months. Ensuring that everyone not only went home safe, but were engaged, challenged and recognised was the centre of a number of initiatives over the later part of 2019.

Safety through technology

Keeping people safe while they hone skills was the major driver behind Christchurch Airport developing virtual reality (VR) training for its firefighters.

The Airport Fire Service members are first on the scene of more than 500 on-campus emergencies every year - including fires, rescues, alarm activations, fuel and hazardous material spills, special services, medical emergencies and aircraft incidents. Those men and women are highly skilled and specially trained, but it has traditionally been very difficult to train for aircraft fires. Now that training is accomplished without staff actually being in a fire.

Using VR to complement other training, the teams get the experience of managing an aircraft fire without risk. It simulates possible fire scenarios that are otherwise almost impossible to train for in real life, so when the time comes to fight an actual aircraft fire they will be working in an environment they are familiar and confident with.

Christchurch Airport is the first in the country to develop this ground-breaking digital technology to train rescue airport fire fighters, and added to its disruptive technology by introducing a humanoid robot in the terminal. The airport team is keen to understand robots to consider what they can and might do at the airport. The team also wants to see what people think and feel about interacting with a robot and what information they get and might like from it.

Pepper is a robot designed to interact with humans. It is 120 cm tall, can recognise faces and basic human emotions, respond to requests made on the touch screen on its chest, and hold a conversation. At the moment, topics of conversation are limited, but growing all the time.



Bringing people together

Tahu Stirling has become Lyttelton Port's Māori Development Advisor, developing Māori resources, supporting cultural and mana whenua activities and upskilling the business in tikanga.

Working as a Cargo Handler on the wharf since 2014, Tahu is a familiar face around the Port with strong whānau links to Whakaraupō/Lyttelton Harbour and Te Rūnanga o Koukourārata. Since October, Tahu has written the Port Company's first Waiata Tautoko and Haka.

Tahu's mahi is about bringing people together, and is also part of the significance the Port places on its relationship with mana whenua. LPC works closely with Te Hapū o Ngāti Wheke and Te Rūnanga o Koukourārata to fulfil our common responsibility as custodians and kaitiaki of Lyttelton Harbour.

Providing new opportunity

In August 2019, Citycare Water partnered with the Ministry of Social Development (MSD) and Auckland Council on Ngā Puna Pūkenga – Skills for Industry. Auckland Council is working with its supply network in the infrastructure sector to encourage employment opportunities for those who find it challenging to get into meaningful work. MSD provides funding to enable training and pastoral care to support providers and employers.

Citycare was one of the first organisations to join Ngā Puna Pūkenga and employ an individual under the pilot programme in line with the Citycare commitment to employer inclusiveness and providing opportunities within their workplace. The company employed a team member within their construction team as a general labourer.

Unaudited interim condensed financial statements



Unaudited interim condensed financial statements

Directors' Responsibility Statement

These interim condensed financial statements are for Christchurch City Holdings Group (Group), a group made up of Christchurch City Holdings Ltd and the entities over which it has control or joint control.

Christchurch City Holdings Ltd is registered in New Zealand under the Companies Act 1993.

The directors are responsible for ensuring that the Group interim condensed financial statements present fairly in all material respects:

- the financial position as at 31 December 2019, and
- the financial performance and cash flows for the six month period ended 31 December 2019

The directors consider that the interim condensed financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and comply with New Zealand equivalent to International Accounting Standard NZ IAS 34 as appropriate for profit-oriented entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the Group.

The directors have pleasure in presenting the interim condensed financial statements of the Christchurch City Holdings Group for the six months ended 31 December 2019.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 27 February 2020.

For and on behalf of the Board



Jeremy Smith
Chair
Christchurch

27 February 2020



Alex Skinner
Director
Christchurch

27 February 2020

Condensed statement of financial position

As at 31 December 2019

	NOTES	Unaudited 31 DEC 2019 GROUP \$'000	Unaudited 31 DEC 2018 GROUP \$'000	Audited 30 JUN 2019 GROUP \$'000
Non-current assets				
Investments in associates		—	156	—
Property, plant and equipment		3,616,629	3,405,700	3,532,133
Investment property		516,039	459,880	491,202
Loans and other financial assets		28,437	25,416	28,798
Intangible assets		40,938	40,360	41,969
Debtors, inventory and other assets		20,766	20,962	17,649
Right of use assets	2	39,538	—	—
Total non-current assets		4,262,347	3,952,474	4,111,751
Current assets				
Cash and cash equivalents		23,896	18,098	8,767
Debtors, inventory and other assets		126,898	126,527	129,492
Loans and other financial assets		1,993	82,411	2,475
Total current assets		152,787	227,036	140,734
Total assets	3	4,415,134	4,179,510	4,252,485
Non-current liabilities				
Borrowings	9	1,523,651	1,483,919	1,560,249
Net deferred tax liabilities		329,344	343,158	329,167
Provisions and other liabilities		78,648	40,781	73,948
Lease liabilities	2	46,721	10,707	10,020
Total non-current liabilities		1,978,364	1,878,565	1,973,384
Current liabilities				
Borrowings	9	420,700	295,489	262,102
Creditors and other liabilities		99,974	106,047	119,747
Provisions and other liabilities		41,801	34,397	46,819
Lease liabilities	2	4,932	1,034	1,083
Current tax liabilities		4,812	4,276	1,468
Total current liabilities		572,219	441,243	431,219
Total liabilities	3	2,550,583	2,319,808	2,404,603
Net assets		1,864,551	1,859,702	1,847,882
Equity				
Capital and other equity instruments		86,779	81,784	86,779
Reserves		586,922	584,347	588,821
Retained earnings		856,289	869,563	838,053
Parent entity interest		1,529,990	1,535,694	1,513,653
Non-controlling interests		334,561	324,008	334,229
Total equity		1,864,551	1,859,702	1,847,882

The accompanying notes form part of and are to be read in conjunction with these interim financial statements

Condensed statement of comprehensive income

For the six months ended 31 December 2019

	Unaudited 6 MONTHS 31 DEC 2019 GROUP \$'000	Unaudited 6 MONTHS 31 DEC 2018 GROUP \$'000	Audited 12 MONTHS 30 JUN 2019 GROUP \$'000
Operating and other revenue	538,533	532,762	1,094,961
Operating and other expenses	357,814	353,803	713,892
Share of (losses)/profits of associates and joint arrangements	—	(484)	1,010
Earnings before interest, tax, depreciation and amortisation	180,719	178,475	382,079
Depreciation/amortisation and impairment	74,096	67,706	145,726
Earnings before interest and tax	106,623	110,769	236,353
Finance income	469	1,780	4,122
Finance costs	36,049	33,862	69,430
Net finance costs	35,580	32,082	65,308
Net profit before tax	71,043	78,687	171,045
Income tax expense	22,744	21,950	38,933
Net profit after tax	48,299	56,737	132,112
Profit for the period attributable to:			
Owners of the parent	39,959	47,757	113,092
Non-controlling interests	8,340	8,980	19,020
	48,299	56,737	132,112
Other comprehensive income			
Items that will not be recycled to profit and loss:			
Revaluation of assets	—	—	27,924
Items that may be recycled to profit and loss in future			
Cash flow hedges	(2,831)	(6,628)	(36,127)
	(2,831)	(6,628)	(8,203)
Income tax(credit)/expenses relating to other comprehensive income	1,080	122	10,980
Other comprehensive income for the period, net of tax	(1,751)	(6,506)	2,777
Total comprehensive income for the period net of tax	46,548	50,231	134,889
Total comprehensive income is attributable to:			
Owners of the parent	38,333	42,030	111,844
Non-controlling interests	8,215	8,201	23,045
	46,548	50,231	134,889

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Condensed statement of changes in equity

For the six months ended 31 December 2019

	Share capital	Asset revaluation reserve	Hedging reserve	Retained earnings	Attributable to equity holders of parent	Non- controlling interests	Unaudited 6 MONTHS 31 DEC 2019 GROUP \$'000	Unaudited 6 MONTHS 31 DEC 2018 GROUP \$'000	Audited 12 MONTHS 30 JUN 2019 GROUP \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Opening Balance	86,779	630,075	(41,254)	838,053	1,513,653	334,229	1,847,882	1,910,057	1,910,057
NPAT	—	—	—	39,959	39,959	8,340	48,299	56,737	132,112
Other comprehensive income for the period	—	—	(1,899)	277	(1,622)	(125)	(1,747)	(6,506)	2,777
Dividends paid/payable	—	—	—	(22,000)	(22,000)	(7,883)	(29,883)	(100,586)	(205,192)
Issue of shares/other	—	—	—	—	—	—	—	—	8,128
Closing Balance	86,779	630,075	(43,153)	856,289	1,529,990	334,561	1,864,551	1,859,702	1,847,882

The accompanying notes form part of and are to be read in conjunction with these interim financial statements

Condensed statement of cashflows

For the six months ended 31 December 2019

	NOTES	Unaudited 6 MONTHS 31 DEC 2019 GROUP \$'000	Unaudited 6 MONTHS 31 DEC 2018 GROUP \$'000	Audited 12 MONTHS 30 JUN 2019 GROUP \$'000
Cash flows from operating activities				
Receipts from customers and other sources		549,986	533,625	1,073,867
Interest received		419	2,010	4,718
Payments to suppliers and employees		(367,533)	(376,678)	(712,224)
Interest and other finance costs paid		(38,434)	(33,057)	(69,523)
Income tax paid		(18,257)	(20,210)	(39,787)
Subvention payments		—	—	(6,486)
Net cash provided by operating activities	5	126,181	105,690	250,565
Cash flows from investing activities				
Payment for investment securities		—	—	218
Payment for equity investment in subsidiaries/ associated companies		—	—	(3,252)
Advances made		(198)	(247)	—
Payment for property, plant and equipment	10	(170,613)	(170,676)	(309,872)
Proceeds from sale of property, plant and equipment		971	1,143	1,805
Payment for intangible assets		(2,325)	(3,437)	(14,775)
Payment for goodwill		—	(1,035)	—
Payment for investment properties		(28,319)	(20,682)	(49,221)
Proceeds from sale of investment properties		1,000	—	—
Payment for investment into bank deposits		—	(19,000)	(69,829)
Proceeds from bank deposits maturing		—	—	131,000
Other		169	—	3,573
Net cash used in investing activities		(199,315)	(213,934)	(310,353)
Cash flows from financing activities				
Proceeds from borrowing		356,932	350,816	815,206
Repayment of borrowings		(236,520)	(135,478)	(556,948)
Repayment of finance leases		—	—	(1,107)
Proceeds from issue of shares		—	—	4,995
Dividends paid—equity holders		(22,000)	(92,000)	(188,300)
Dividends paid—non-controlling interests		(7,883)	(8,586)	(16,881)
Finance Lease Payments		(2,266)	—	—
Net cash provided by financing activities		88,263	114,752	56,965
Net increase in cash and cash equivalents		15,129	6,508	(2,823)
Cash and cash equivalents at start of period		8,767	11,590	11,590
Cash and cash equivalents at end of period		23,896	18,098	8,767

The accompanying notes form part of and are to be read in conjunction with these interim financial statements

Notes to the condensed interim financial statements

For the six months ended 31 December 2019

1 Reporting entity

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council, formed for the purpose of holding investments in trading subsidiary organisations. The company was incorporated on 12 May 1993, and commenced operations on 14 May 1993.

CCHL is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

CCHL is an issuer for the purposes of the Financial Markets Conduct Act 2013 as its issued debt securities are listed on the New Zealand Debt Exchange ("NZDX").

The unaudited condensed consolidated interim financial statements comprise CCHL, its subsidiaries and the group's interest in associates and joint ventures ("the group").

The unaudited condensed consolidated interim financial statements of CCHL are for the six months ended 31 December 2019. The financial statements were authorised for issue by the CCHL Board of directors on 27 February 2020. The Board of Directors has the power to amend the financial statements after issue.

GROUP OWNERSHIP		SHAREHOLDERS		BALANCE DATE	
Parent	Business				
Christchurch City Holdings Ltd	Holding company	100%	Christchurch City Council		30 June
Subsidiaries		CCHL %	NCI Holder	NCI %	
Orion New Zealand Ltd	Electricity network	89.275%	Selwyn District Council	10.725%	31 March
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%	30 June
			Minister for State-Owned Enterprises	12.5%	
Lyttelton Port Company Ltd	Port	100%			30 June
Enable Services Ltd	Broadband network	100%			30 June
City Care Ltd	Contracting	100%			30 June
Red Bus Ltd	Passenger transport	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch Ltd	Urban development agency	100%			30 June

2 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2019 are unaudited.

The interim condensed consolidated financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) as appropriate for profit-oriented entities. The report should be read in conjunction with the audited financial statements for the year ended 30 June 2019.

The balance date of all subsidiary companies, other than Orion New Zealand Ltd which has a balance date of 31 March, is 30 June. The interim report therefore includes the results of Orion New Zealand Ltd for the six months to 30 September 2019, and the results of other subsidiaries for the six months to 31 December 2019.

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. As noted above, Orion New Zealand Ltd (Orion) and its subsidiary has a 31 March balance date. CCHL applied for and has received an exemption from this obligation from the Financial Markets Authority until 27 August 2023.

The accounting policies as published in the annual report for the year ended 30 June 2019 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2019, and the financial position as at that date. The only change to this is the application of the following new standards effective from 1 July 2019:

NZ IFRS 16 Leases is effective for annual periods beginning on or after 1 January 2019. NZ IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. In the current period the Group adopted all mandatory new and amended standards and interpretations. During the period, NZ IFRS 16 Leases has been adopted with effect from 1 July 2019. The new standard introduces a single lessee accounting model that brings all leases on balance sheet except low-value or short-term leases (less than a year). The Group has adopted NZ IFRS 16 using the modified retrospective approach and has not restated comparative amounts for the period prior to initial adoption. The Group has utilised the practical expedients permitted by NZ IFRS 16 in respect of short-term and low value leases where appropriate. The Group has also elected not to reassess whether a contract contains a lease at the date of initial application. The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 July 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 July 2019, with no overall change in net assets.

Operating leases that were previously off balance sheet are now included on the balance sheet under NZ IFRS 16 through the recognition of right-of-use assets and associated liabilities. Rental and operating lease expenses previously recognised within other operating expenses are now recognised as depreciation for right-of-use assets and finance costs for lease liabilities in the income statement. In the statement of cash flows, operating lease payments previously classified as cash flows from operating activities are now classified as cash flows from financing activities for principal repayments of the lease liability and cash flows from operating activities for the interest payments. There has been no impact on actual cash payments as a result of the adoption of NZ IFRS 16. The accounting requirements for lessors are substantially the same as those in NZ IAS 17.

3 Segment information

The reportable segments of the CCHL Group have been identified in accordance with NZ IFRS 8 'operating segments'. The Group's operating segments are identified on the basis of the nine significantly different businesses whose individual operating results are received on a quarterly basis by the Group chief operating decision maker (CCHL Board) to assess and monitor performance.

The nine reportable segments are as follows:

- i. Orion New Zealand Ltd (Orion)—owns and operates the electricity distribution network in Christchurch and central Canterbury.
- ii. Christchurch International Airport Ltd (CIAL)—operates predominantly in the business of providing airport facilities and services to airline and airport users at Christchurch International Airport.
- iii. Lyttelton Port Company Ltd (LPC)—primarily involved in providing and managing port services and cargo handling facilities over three sites in the Canterbury region.
- iv. Enable Services Ltd (ESL)—owns and operates the ultra-fast broadband fibre network across greater Christchurch and parts of Waimakariri and Selwyn Districts.
- v. City Care Ltd (Citycare)—provides construction, maintenance and management services in the infrastructure sector throughout New Zealand.
- vi. Red Bus Ltd (Red Bus)—provides transport services in the urban bus and tourism sector primarily in the Canterbury region.
- vii. EcoCentral Ltd (EcoCentral)—manages the processing of refuse and sorting of recycling throughout Canterbury.
- viii. Development Christchurch Ltd (DCL)—provides commercial and strategic support to Christchurch City Council to enable investment, development and regeneration activities for Christchurch City.
- ix. Christchurch City Holdings Ltd (Parent)—does not trade in its own right, its primary assets are its investments in and advances to its operating subsidiaries.

The group has no significant reliance on any one customer. All group assets are domiciled and operated in New Zealand. The Group's revenue from external customers by geographical location are not allocated to operating segments as they are not reported at group level.

Segment reporting explanation:

1. Revenue from external customers reflects the revenue of each separate segment excluding revenue earned from other group entities.
2. Segment profit/(loss) represents the actual profit/(loss) of each segment.
3. The Parent total non-current assets and total assets includes the investment held in subsidiaries which have been measured at fair value as at 30 June 2019 per independent valuations completed by PricewaterhouseCoopers. Investments and advances to subsidiaries have been eliminated on consolidation and recognised in the 'intragroup' column.
4. Intra-group transactions between segments have been eliminated on consolidation and recognised in the 'intragroup' column.

3 A For the six months ended 31 December 2019 (unaudited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Segment revenue	41,503	154,409	96,240	67,122	35,450	150,132	10,540	17,477	14,755	(49,107)	538,521
Inter-segment revenue	(41,503)	(690)	(138)	—	—	(6,300)	—	(180)	(296)	49,107	(0)
Revenue from external customers	—	153,719	96,102	67,122	35,450	143,832	10,540	17,297	14,459	(0)	538,521
Share of earnings of associate companies	—	—	—	—	—	—	—	—	—	—	—
Interest income	7,268	23	—	39	20	54	13	20	35	(7,003)	469
Interest expense	(16,676)	(6,151)	(11,814)	(957)	(6,958)	(274)	—	(136)	(86)	7,003	(36,049)
Depreciation and amortisation	(54)	(25,472)	(18,969)	(8,943)	(11,466)	(5,518)	(1,187)	(2,085)	(402)	—	(74,096)
Net realisations and revaluations and impairment	—	—	—	—	5	—	—	7	—	—	12
Taxation expense	—	(8,917)	(9,043)	(2,174)	(1,914)	(675)	(20)	—	—	(1)	(22,744)
Segment profit/(loss)	28,907	22,681	23,253	5,388	4,783	1,718	66	(180)	3,188	(41,506)	48,299
Investments in associates (accounted for by equity method)	—	—	—	—	—	—	—	—	—	—	—
Total Non-current assets (excluding derivatives and deferred tax)	3,115,220	1,191,159	1,745,704	624,147	548,752	55,156	31,311	17,095	17,390	(3,090,022)	4,255,912
Total assets	3,134,905	1,214,580	1,770,888	658,975	565,672	111,554	36,642	23,272	23,051	(3,124,405)	4,415,134
Total liabilities	1,069,636	553,441	715,872	141,118	327,313	55,457	3,817	14,090	1,031	(331,192)	2,550,583
Additions to Non-current assets	—	34,264	56,600	99,971	26,967	13,670	27	688	—	—	232,187

3 B For the six months ended 31 December 2018 (unaudited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Segment revenue	46,042	170,409	95,894	64,370	27,969	151,477	10,235	17,920	4,624	(56,185)	532,755
Inter-segment revenue	(46,042)	(627)	(35)	(3)	(2)	(9,222)	—	(254)	—	56,185	0
Revenue from external customers	—	169,782	95,859	64,367	27,967	142,255	10,235	17,666	4,624	0	532,755
Share of earnings of associate companies	—	—	—	—	—	(484)	—	—	—	—	(484)
Interest income	7,706	67	—	728	38	67	7	28	29	(6,890)	1,780
Interest expense	(15,924)	(5,565)	(11,657)	(355)	(6,960)	(271)	—	(20)	—	6,890	(33,862)
Depreciation and amortisation	(6)	(26,534)	(17,860)	(6,688)	(9,768)	(4,501)	(1,348)	(977)	(24)	—	(67,706)
Net realisations and revaluations and impairment	—	—	26	(103)	2	—	67	15	—	—	7
Taxation expense	2,766	(11,406)	(9,456)	(2,964)	(504)	(212)	77	(249)	—	(2)	(21,950)
Segment profit/(loss)	36,074	29,034	24,284	6,295	920	556	(198)	641	2,409	(43,279)	56,737
Investments in associates (accounted for by equity method)	—	—	—	—	—	(344)	—	—	500	—	156
Total Non-current assets (excluding derivatives and deferred tax)	2,997,437	1,166,584	1,616,827	504,261	527,241	51,137	38,505	8,840	10,992	(2,969,350)	3,952,474
Total assets	3,099,147	1,189,018	1,640,285	536,133	538,370	102,772	42,935	15,150	14,982	(2,999,282)	4,179,510
Total liabilities	1,061,173	515,443	618,810	52,794	321,595	47,159	5,062	6,266	603	(309,097)	2,319,808
Additions to Non-current assets	3,151	34,497	37,400	127,023	34,017	1,588	215	306	—	—	238,197

③ ③ For the year ended 30 June 2019 (audited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Segment revenue	85,547	325,200	187,347	166,708	58,768	298,883	20,760	35,306	6,589	(106,908)	1,078,200
Inter-segment revenue	(85,547)	(1,401)	(136)	(3)	(16)	(19,314)	—	(491)	—	106,908	—
Revenue from external customers	—	323,799	187,211	166,705	58,752	279,569	20,760	34,815	6,589	—	1,078,200
Share of earnings of associate companies	—	—	—	—	—	(139)	—	—	1,149	—	1,010
Interest income	16,580	109	102	859	68	166	14	61	50	(13,887)	4,122
Interest expense	(33,021)	(11,627)	(23,031)	(1,076)	(13,951)	(567)	—	(29)	(15)	13,887	(69,430)
Depreciation and amortisation	(24)	(51,714)	(35,520)	(16,046)	(20,471)	(9,006)	(9,030)	(1,958)	(1,957)	—	(145,726)
Net realisations and revaluations and impairment	2,703	421	13,159	249	—	179	35	15	—	—	16,761
Taxation expense	—	(18,249)	(22,529)	(4,945)	7,025	327	1,850	(440)	655	(2,627)	(38,933)
Segment profit/(loss)	68,540	47,863	57,472	42,170	10,830	(724)	(5,311)	1,130	(1,684)	(88,174)	132,112
Investments in associates (accounted for by equity method)	—	—	—	—	—	—	—	—	—	—	—
Total Non-current assets (excluding derivatives and deferred tax)	3,097,371	1,181,218	1,708,416	543,716	539,650	47,003	32,536	8,296	19,511	(3,072,713)	4,105,004
Total assets	3,106,066	1,212,577	1,741,207	585,528	556,230	106,278	37,568	14,286	21,740	(3,128,995)	4,252,485
Total liabilities	1,049,161	546,673	689,189	68,624	328,242	51,899	4,809	4,924	3,487	(342,405)	2,404,603
Additions to Non-current assets	9,517	78,512	55,232	150,500	65,333	3,644	2,074	743	4,401	—	369,956

4 Revenue

4 A Disaggregation of revenue For the six months ended 31 December 2019 (unaudited)

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Revenue from contracts with customers:										
Electricity Distribution	124,163	—	—	—	—	—	—	—	(690)	123,473
Airport Services	—	53,631	—	—	—	—	—	—	(138)	53,493
Port Services	—	—	67,122	—	—	—	—	—	—	67,122
Gross telecommunications revenue	—	—	—	32,526	—	—	—	—	—	32,526
Construction contract revenue	—	—	—	—	47,839	—	—	8,485	—	56,324
Contracting	21,848	—	—	—	98,083	—	—	—	(6,300)	113,631
Bus and Coach Services	—	—	—	—	—	10,540	—	—	—	10,540
Waste and recycling services	—	—	—	—	—	—	15,972	—	(180)	15,792
Sale of goods	5,436	—	—	1,004	4,210	—	1,505	2,942	(296)	14,801
Total revenue from contracts with customers	151,447	53,631	67,122	33,530	150,132	10,540	17,477	11,427	(7,604)	487,702
Other operating revenue:										
Rent and Lease income	—	34,708	—	—	—	—	—	328	—	35,036
Other	2,962	7,901	—	1,920	—	—	—	3,000	—	15,783
Total other operating revenue	2,962	42,609	—	1,920	—	—	—	3,328	—	50,819
Segment revenue	154,409	96,240	67,122	35,450	150,132	10,540	17,477	14,755	(7,604)	538,521

4 B For the six months ended 31 December 2018 (unaudited)

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Revenue from contracts with customers:										
Electricity Distribution	133,420	—	—	—	—	—	—	—	(627)	132,793
Airport Services	—	53,650	—	—	—	—	—	—	(35)	53,615
Port Services	—	—	64,370	—	—	—	—	—	(3)	64,367
Gross telecommunications revenue	—	—	—	25,526	—	—	—	—	(2)	25,524
Construction contract revenue	—	—	—	—	46,494	—	—	1,396	—	47,890
Contracting	27,805	—	—	—	100,986	—	—	—	(9,222)	119,569
Bus and Coach Services	—	—	—	—	—	10,235	—	—	—	10,235
Waste and recycling services	—	—	—	—	—	—	16,329	—	(252)	16,077
Sale of goods	6,089	—	—	1,328	3,997	—	1,591	—	—	13,005
Total revenue from contracts with customers	167,314	53,650	64,370	26,854	151,477	10,235	17,920	1,396	(10,141)	483,075
Other operating revenue:										
Rent and Lease income	—	34,752	—	—	—	—	—	42	—	34,794
Other	3,093	7,492	—	1,115	—	—	—	3,186	—	14,886
Total other operating revenue	3,093	42,244	—	1,115	—	—	—	3,228	—	49,680
Segment revenue	170,407	95,894	64,370	27,969	151,477	10,235	17,920	4,624	(10,141)	532,755

④ ③ For the year ended 30 June 2019 (audited)

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CityCare \$'000	RedBus \$'000	EcoCentral \$'000	DCL \$'000	Intragroup \$'000	Total \$'000
Revenue from contracts with customers:										
Electricity Distribution	264,726	—	—	—	—	—	—	—	(1,401)	263,325
Airport Services	—	109,838	—	—	—	—	—	—	(136)	109,702
Port Services	—	—	129,108	—	—	—	—	—	(3)	129,105
Gross telecommunications revenue	—	—	—	54,566	—	—	—	—	(16)	54,550
Construction contract revenue	—	—	—	—	89,574	—	—	2,606	—	92,180
Contracting	45,433	—	—	—	201,325	—	—	—	(19,314)	227,444
Bus and Coach Services	—	—	—	—	—	20,619	—	—	—	20,619
Waste and recycling services	—	—	—	—	—	—	25,513	—	(491)	25,022
Sale of goods	12,544	—	—	2,486	7,984	—	9,793	—	—	32,807
Total revenue from contracts with customers	322,703	109,838	129,108	57,052	298,883	20,619	35,306	2,606	(21,361)	954,754
Other operating revenue:										
Rent and Lease income	—	69,350	—	—	—	118	—	77	—	69,545
Other	2,497	8,159	37,600	1,716	—	23	—	3,906	—	53,901
Total other operating revenue	2,497	77,509	37,600	1,716	—	141	—	3,983	—	123,446
Segment revenue	325,200	187,347	166,708	58,768	298,883	20,760	35,306	6,589	(21,361)	1,078,200

5 Reconciliation of profit for the period with operating cash flows

	Unaudited 6 MONTHS 31 DEC 2019 GROUP \$'000	Unaudited 6 MONTHS 31 DEC 2018 GROUP \$'000	Audited 12 MONTHS 30 JUN 2019 GROUP \$'000
Profit for the period	48,299	56,737	132,112
Add/(less) non-cash items			
Depreciation, amortisation and impairment	74,096	67,706	145,726
(Gains)/losses in fair value of investment property	—	—	(13,133)
(Gains)/losses in fair value of derivative financial instruments	3,213	427	1,279
Share of associates' loss/(profit)	—	484	(1,010)
Net foreign exchange (gains)/losses	4	11	19
Deferred tax charged/(credited) to income	1,390	(3,367)	(7,068)
Other	(4,291)	(1,512)	(4,272)
	74,412	63,749	121,541
Add/(less) items classified as investing or financial activities			
Gain on disposal of non-current assets	(370)	(271)	545
Movement in capital creditors/(debtors)	10,393	(25,806)	(15,854)
Other	246	135	(918)
	10,269	(25,942)	(16,227)
Add/(less) movement in working capital items			
Debtors, inventory and other current assets	394	5,187	2,450
Non-current receivables, prepayments and other	11,687	14,748	(787)
Creditors and other liabilities	(18,233)	(3,943)	9,746
Provisions and other liabilities	258	(1,619)	(453)
Current tax liabilities	3,392	5,298	(270)
Other current liabilities	(4,791)	(8,040)	—
Non-current provisions and other liabilities	494	(485)	2,453
Net changes in net assets and liabilities	(6,799)	11,146	13,139
Net cash from operating activities	126,181	105,690	250,565

6 Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — The fair value is calculated using quoted prices in active markets. Quoted market price represents the fair value determined based on quoted market prices in active markets as at the reporting date without any deduction for transaction costs.
- Level 2 — The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments that use valuation techniques with only observable market inputs include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.
- Level 3 — The fair value is estimated using inputs for the asset or liability that are not based on observable market data. The fair values of unlisted investments that do not have an active market are based on market data that is not observable.

6 A 31 December 2019

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value				
Derivative financial instruments	6,435	—	6,435	—
USD loan	22,002	—	22,002	—
	28,437	—	28,437	—
Financial liabilities measured at fair value				
Derivative financial instruments	75,937	—	75,937	—
Loans from External parties	149,963	—	—	149,963
	225,900	—	75,937	149,963
Net assets/(liabilities) at fair value	(197,463)	—	(47,500)	(149,963)

					CARRYING VALUE \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings - bonds	536,920	318,686	218,234	—	506,250
Fixed Rate Loans from CCC, maturing < 1 year	50,027	—	50,027	—	50,000
Fixed Rate Loans from CCC, maturing 1-2 years	94,277	—	94,277	—	89,500
Fixed Rate Loans from CCC, maturing 2-5 years	123,321	—	123,321	—	109,000
Fixed Rate Loans from CCC, maturing > 5 years	15,389	—	15,389	—	13,000
	819,934	318,686	501,248	—	767,750

6 B 31 December 2018

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value				
Derivative financial instruments	4,136	11	4,125	—
USD loan	25,416	—	25,416	—
	29,552	11	29,541	—
Financial liabilities measured at fair value				
Derivative financial instruments	42,896	—	42,896	—
Loans from External parties	143,898	—	—	143,898
	186,794	—	42,896	143,898
Net assets/(liabilities) at fair value	(157,242)	11	(13,355)	(143,898)

					CARRYING VALUE \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings — bonds	593,353	305,313	288,040	—	579,052
Fixed Rate Loans from CCC, maturing < 1 year	85,037	-	85,037	—	80,000
Fixed Rate Loans from CCC, maturing 2-5 years	154,128	-	154,128	—	139,500
Fixed Rate Loans from CCC, maturing > 5 years	78,100	-	78,100	—	70,000
	910,618	305,313	605,305	—	868,552

6 C 30 June 2019

	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value				
Derivative financial instruments	7,393	—	7,393	—
USD loan	22,051	—	22,051	—
Investments	—	—	—	—
	29,444	—	29,444	—
Financial liabilities measured at fair value				
Derivative financial instruments	71,788	—	71,788	—
Loans from External parties	142,601	—	—	142,601
	214,389	—	71,788	142,601
Net assets/(liabilities) at fair value	(184,945)	—	(42,344)	(142,601)

					CARRYING VALUE \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings — bonds	904,792	315,490	589,302	—	864,260
Fixed Rate Loans from CCC, maturing < 1 year	27,007	—	27,007	—	27,000
Fixed Rate Loans from CCC, maturing 2-5 years	164,817	—	164,817	—	148,500
Fixed Rate Loans from CCC, maturing > 5 years	70,925	—	70,925	—	61,000
	1,167,541	315,490	852,051	—	1,100,760

6 D Analysis of movements in Level 3 assets

	TOTAL LEVEL 3 \$'000
Closing carrying value 31 December 2018	(143,898)
Additions	(1,305)
Fair value movements (OCI)	2,602
Closing carrying value 30 June 2019	(142,601)
Additions	(5,592)
Fair value movements (OCI)	(1,771)
Closing carrying value 31 December 2019	(149,963)

There were no transfers between fair value hierarchy levels during either the current or prior periods.

In June 2016, CCHL entered into a Loan Facility Agreement with Crown Infrastructure Partners Ltd (CIP) (previously known as Crown Fibre Holdings Ltd) as part of the reorganisation of Enable Services Ltd (ESL). The loan is drawn down as network stages/premises are completed, and is used to subscribe in redeemable preference shares in ESL. It is secured by a charge over the assets of the Enable Group.

This interest free loan is held at fair value, where fair value is calculated using the current drawn balance and the loan's May 2021 maturity date, discounted by the CCHL parent company's current average cost of borrowing.

7 Dividends

	Unaudited 31 DEC 2019 \$'000	Unaudited 31 DEC 2018 \$'000	Audited 30 JUN 2019 \$'000
Fully paid ordinary shares	86,778	81,783	86,778
Partly paid redeemable preference shares	1	1	1
	86,779	81,784	86,779
Ordinary dividends	22,000	22,000	48,300
Special dividends	—	70,000	140,000
Total dividends declared on fully paid ordinary shares	22,000	92,000	188,300
Cents per share	54	257	462

There are no movements in shares during the period. CCHL has on issue:

- 40,725,528 fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- \$1,300,139,000 (2018: \$1,300,139,000) of redeemable preference shares, paid up to \$1,390, to Christchurch City Council. No further calls have been made on these shares. Dividends are only payable to the extent that the shares are paid up. CCHL may elect to redeem the whole or any part of the shares. The shares do not carry any right to conversion into ordinary shares in CCHL. The shares have no par value.

8 Impact of seasonality

There are no material cyclical impacts in the group.

9 Group debt

	Unaudited 31 DEC 2019 \$'000	Unaudited 31 DEC 2018 \$'000	Audited 30 JUN 2019 \$'000
Unsecured:			
Bonds and floating rate notes	656,188	618,955	762,050
Loans from external parties	481,000	463,055	341,600
Loans from related entities	573,200	553,500	528,500
	1,710,388	1,635,510	1,632,150
Secured:			
Loan from external parties	233,963	143,898	190,201
	233,963	143,898	190,201
Total current group borrowings	420,700	295,489	262,102
Total non current group borrowings	1,523,651	1,483,919	1,560,249
Total group borrowings	1,944,351	1,779,408	1,822,351

		Unaudited 31 DEC 2019 \$'000	Unaudited 31 DEC 2018 \$'000	Audited 30 JUN 2019 \$'000
Christchurch City Holdings Ltd				
Nature of debt	Average rate maturity			
Retail Bond	3.4% Dec 2022	150,000	150,000	150,000
Retail Bond	3.58% Nov 2024	150,000	150,000	150,000
Floating Rate Notes	2.15% Feb 2020	10,000	40,000	40,000
Related Party Funding — Short Term	2.12% 2020	52,700	130,000	27,000
Related Party Funding — Long Term	3.68% 2021—2027	520,500	423,500	501,500
Total Related Party Funding		573,200	553,500	528,500
Crown Infrastructure Partners Ltd	Zero Interest 2021	149,963	152,897	142,601
Undrawn Bank Facility	Dec 2020—2021	100,000	100,000	100,000
Christchurch International Airport Ltd				
Nature of debt	Average rate maturity			
Bank Facility	Avg rate 3.9% Dec 2020—Nov 2022	319,000	159,000	190,000
Bond Funding	Avg rate 5.01% Oct 2021—Apr 2027	206,188	275,000	282,050
Undrawn Bank Facility	—	51,000	61,000	30,000
Orion New Zealand Ltd				
Nature of debt	Average rate maturity			
Bank Loans	2.08% Sept 2020 / Nov 2022	162,000	134,400	151,600
Undrawn Bank Facility	Nov 2022	48,000	75,600	58,400
USPP Facilities (fully drawn)	2.71% Sept 2028 / Sept 2030	140,000	140,000	140,000
Lyttelton Port Company Ltd				
Nature of debt	Average rate maturity			
Bank facility	3.57% Feb 2022	84,000	10,000	35,000
Undrawn bank facility		146,000	220,000	195,000

10 Significant events and transactions

10 (A) Capital Commitments

	Unaudited 6 MONTHS 31 DEC 2019 \$'000	Unaudited 6 MONTHS 31 DEC 2018 \$'000	Audited 12 MONTHS 30 JUN 2019 \$'000
Property, plant & equipment	94,144	33,637	113,452
Electricity distribution network	36,500	14,009	17,757
UFB network	58,500	34,400	14,450
Investment Property	37,715	37,168	27,064
	226,859	119,214	172,723

10 (B) Acquisitions of Property/Plant and Equipment

Additions	232,187	238,197	369,956
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The acquisitions of property, plant and equipment reflects the capital programmes of Orion, Christchurch Airport, Lyttelton Port and Enable.

10 (C) Contingent liabilities

The contingent liabilities of the group as disclosed in Note 18 of the annual report for the year ended 30 June 2019 are materially the same as at 31 December 2019, other than the following update:

Orion New Zealand Ltd/ Development Christchurch Ltd:

On 13 February 2017, two fires started on the Port Hills near Christchurch. The fires spread over 1,600 hectares.

On 30 January 2018, Fire and Emergency New Zealand:

- released its investigation reports into the causes of the fires, with an 'undetermined' cause for both
- stated that it believes that both fires were deliberately lit and that the matter is in the hands of the Police
- stated that its investigations are now closed and will only reopen if new evidence comes to light.

IAG's litigation on behalf of its insured customers against Orion and the Christchurch Adventure Park continues. IAG is claiming 'in excess of \$3.8m' against Orion and 'in excess of \$6.2m' against the Adventure Park. IAG alleges that a branch or an animal/bird crossed Orion's 11kV overhead conductors on Early Valley Road and this caused one of our fuses to operate and start the first of two major fires on 13 February 2017. Investigators found no physical evidence of the alleged branch, animal or bird at or near the scene. In September, we received a separate claim from an Early Valley Road resident for their uninsured losses of \$0.4m (by way of a letter), but this has not progressed to a formal Statement of Claim to date. IAG is due to file its briefs of evidence with the High Court in February and we will respond two months after that happens. The trial start date is set for 3 August 2020.

Orion and Christchurch Adventure Park insures for liability risks, in line with good industry practice.

11 Related Party disclosures

Transactions between CCHL group entities and Christchurch City Council(CCC)	Unaudited 6 MONTHS 31 DEC 2019 \$'000	Unaudited 6 MONTHS 31 DEC 2018 \$'000	Audited FULL YEAR 30 JUN 2019 \$'000
Dividends paid/payable to CCC	22,000	92,000	188,300
Interest paid to CCC	8,627	9,185	18,633
Services provided to CCC	56,112	51,673	106,386
Services provided by CCC (including rent and rates)	8,587	6,306	18,742
Net Loan Advances received from CCC	44,700	65,000	40,000

12 Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements, however the Board would like to note the following:

- The continuing global crisis of the Coronavirus (COVID-19) may impact future trading activities of some parts of the Group.
- Although not significant to the Group, on 27th February the outcome of the Environment Canterbury Urban transport tenders were announced, with Red Bus being unsuccessful in winning any additional tenders.

Investor Relations

Investor Centre

CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including Sols, annual reports for CCHL and its subsidiaries and announcements.

Bondholder Interest Payments

Interest is paid semi-annually in June and December each year, until redemption.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Bond Register. Computershare can be contacted directly:

Computershare Investor Services Limited

Private Bag 92119
Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Telephone:

+64 9 488 8777

Email:

enquiry@computershare.co.nz

Managing your Bondholding online

To view and update your bondholder details please visit www.investorcentre.com/nz.

Bondholder Distribution

In line with clause 10.4.5 of the NZX listing rules, the following table details the spread of bondholders within 2 months of the date of this report:

Holding Range	CH010		CH020		COMBINED	
	Holder Count	Holding Quantity	Holder Count	Holding Quantity	Holder Count	Holding Quantity
5,000 to 9,999	9	49,000	6	37,000	15	86,000
10,000 to 49,999	113	2,230,000	20	407,000	133	2,637,000
50,000 to 99,999	22	1,305,000	7	465,000	29	1,770,000
100,000 to 499,999	17	3,029,000	8	1,630,000	25	4,659,000
500,000 to 999,999	5	2,646,000	2	1,215,000	7	3,861,000
1,000,000 to 9,999,999,999,999	9	140,741,000	5	146,246,000	14	286,987,000
Total	175	150,000,000	48	150,000,000	223	300,000,000

Directory

Registered Office

Level 1, 151 Cambridge Terrace,
Christchurch

Directors

J B Smith (Chair)
C A Evans (appointed 5 August 2019)
G S Campbell
L A Dalziel
S L Templeton (appointed 5 December 2019)
J T Gough
A D Turner
A M G Skinner
V S Buck (resigned 5 December 2019)

Management team

P Munro (Chief Executive)
L Scales (Chief Financial Officer)
S Ballard (Senior Analyst)

Bankers

Bank of New Zealand, Christchurch
Westpac Institutional Bank, Auckland
ANZ Bank, Wellington

Auditors

Audit New Zealand on behalf of the
Auditor-General Christchurch

Supervisor

Public Trust
Level 9, 34 Shortland Street
Auckland 1010
cts.enquiry@publictrust.co.nz

Christchurch City Holdings Limited

Phone:
Email:
Website:

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P O Box 1151, Christchurch 8140
(03) 941 8475
info@cchl.co.nz
www.cchl.co.nz

Orion New Zealand Limited

Phone:
Email:
Website:

565 Wairakei Rd
P O Box 13896
Christchurch 8141
(03) 363 9898
info@oriongroup.co.nz
www.oriongroup.co.nz

Christchurch International Airport Limited

Phone:
Website:

Top floor, Car Park Building,
30 Durey Road
Memorial Avenue
P O Box 14001
Christchurch 8544
(03) 358 5029
www.christchurch-airport.co.nz

Lyttelton Port Company Limited

Phone:
Website:

41 Chapmans Rd,
Woolston, Private Bag 501,
Lyttelton 8841
(03) 328 8198
www.lpc.co.nz

Enable Services Limited

Phone:
Email:
Website:

Enable House, 2nd Floor
106 Wrights Road, Addington
P O Box 9228, Tower Junction,
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(03) 363 2962
support@enable.net.nz
www.enablenetworks.co.nz

City Care Limited

Phone:
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www.citycare.co.nz

Development Christchurch Ltd

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Email:
Website:

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181 High Street, PO Box 333
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info@dcl.org.nz
www.dcl.org.nz

EcoCentral Ltd

Phone:
Email:
Website:

Level 1, Baigent Way,
Middleton
P O Box 6320, Christchurch
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admin@ecocentral.co.nz
www.ecocentral.co.nz

Red Bus Limited

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120 Ferry Road
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(03) 379 4260
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Christchurch
City Holdings
Limited