



Christchurch
City Holdings
Limited



Interim report 2021

July 2020-December 2020



A WHOLLY OWNED SUBSIDIARY of CHRISTCHURCH CITY COUNCIL



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COVID-19 Update

Whether on the frontline of New Zealand's borders, providing essential services to the community, or keeping our people safe, the CCHL team has been working throughout the year to manage the impacts of COVID-19 and the risks it poses to our community. COVID-19 continues to be ever present and has impacted our businesses, as it has all businesses in some form or another globally. Protection of our staff, suppliers and customers is paramount, along with the wider communities we interact with, whilst our subsidiaries navigate the landscape to protect and enhance wealth.

Continuing impact on our bottom line

The first six months of the 2021 year has shown the impact of COVID-19, with our borders remaining closed impacting our tourism, freight, the way we work and the continued rebuild of our city. While challenging, those changes have also created some opportunities for the Group, with our community's increasing reliance on fibre and electricity, and the ability of our companies to react to both commercial and community need.

CCHL's strength comes from the ability to manage short term impacts by focusing on decisions over the long term. For a region that has been struck by three disasters in 10 years, we have learnt the hard way that you need to be ready for the unexpected, that black swan events are not so unusual, and that being resilient does not mean that we know how to react, it means we are prepared. While we know we are a long way from being business-as-usual for some of our entities, the short-term results and the benefit of Group diversity means we are confident that the Group will come back stronger.

Orion remains vigilant

As a lifeline utility, Orion's vigilance in managing its operations during the COVID-19 pandemic has been vital.

Separating its people into two operational teams without any physical contact called for an "out of the box" solution for those who needed a physically distant work station with access to headquarters functionality during lockdown. After establishing temporary work stations during the immediate response, Orion recognised the need for a long-term solution and upgraded its back-up off-site facilities at its Papanui substation to create a fully functional alternative operational base, which opened in May 2020.

Supply chain issues are now beginning to affect the arrival of some specialist equipment and this has resulted in some project delays. Demonstrating planning foresight, Orion has where possible, increased supplier orders and built extra supplies of essential items, such as power poles, which means it has ample supplies to undertake routine maintenance and emergency works and complete future planned projects.

Commitment to safe operation

Citycare Water continued to provide essential services to communities across New Zealand. Throughout COVID-19 the organisation's commitment has been to keep our team safe, with regular COVID-19 updates to staff provided as required.

Maintaining links with the world

While we aren't flying around the world at the moment, South Island produce certainly is. The Government's International Air Freight Capacity (IAFC) scheme has provided funding to airlines for freight flights to ensure our high value products get to the markets requiring them, as well as creating jobs for Kiwis as produce is harvested, prepared and transported.

Before the borders closed, more than 90% of air freight was carried in the holds of passenger aircraft. Christchurch Airport supported the bid from airlines to deliver a network that satisfied the demands on services of our exporters and their freight forwarder partners. And it's far from one-way traffic: incoming freight includes critical supplies including medical parts, medicines, artificial heart valves and componentry.





Kaitiakitanga

Given the importance of the roles we play in our economy and community, being good guardians for the future is one of the Group's key strategic focuses. Through this lens, CCHL seeks to make long-term investments that will benefit future generations, to understand and respond to the needs of our community – both now and over the long term, and to ensure we have the right foundations and support for local businesses and people to work, share and connect.

Investing in the future

The South Island's growing economy means LPC has needed new land to handle increasing volumes of export and import trade. To provide greater freight capacity LPC has completed another stage of the Te Awaparahi Bay reclamation, seeing Port land extend by 6 hectares to approximately 16 hectares of land reclaimed.

LPC has also opened New Zealand's first purpose-built cruise ship facility. The berth welcomed its first domestic cruise ship in November and has been in use for other inner harbour operations, including using the space for fishing vessels, Antarctic research vessels and some bulk cargo operations. While, due to the impacts of COVID-19, it may be some time before it is fully utilised, the berth is a long-term asset for Lyttelton Port.

Understanding community needs

Orion has launched a series of projects to gear its network up for the changing energy needs of our community. The Future Networks project involves understanding the future needs of its customers, how they might embrace new technology and interact differently with Orion's network as they change the way they generate, store, and use electricity in their daily lives and businesses.

A core aspect of the project is installing remote monitoring equipment to improve the data gathering and analysis of customer activity on Orion's low-voltage, street level network. This will enable Orion to understand and forecast usage patterns at a more granular level and make better informed decisions around operating and planning its network developments.

Supporting connections

In a time when the COVID-19 pandemic has highlighted the critical nature of having access to quality broadband, Enable is working to expand connections for the community. 125,000 Christchurch connections, often with several users per connection, are now benefitting from fibre broadband speeds, performance, and reliability. Approximately half of Enable's customers connected to or moved to speeds of 200Mbps or greater as they use more and more data. The importance of this vital infrastructure has never been more important as we faced and continue to recover from the impacts of COVID-19 throughout our region.

Protecting resources

In a first for the Southern Hemisphere, Citycare Water is using the latest technology to pinpoint temperature changes in water networks and reduce the risk of untreated water being discharged into the environment. Temperature profiling in wastewater pipes helps identify stormwater leaks into the sewer networks. Distributed Temperature Sensing Technology is in operation in several districts.

Constant adoption of new technology for sustainable and healthier outcomes is a key part of Apex Environmental's (subsidiary of Citycare Water) mantra. An example of this is The Greasebuster™, which enables the continuous removal of fat, oil and grease using a hydrophilic belt. Apex Environmental has recently installed this new technology in a wastewater treatment process for a food processor client.





Mana

We have a responsibility to act in a way that enhances the lives of our people and our broader community. From operating in a safe manner, to being a good neighbour, this means recognising the impacts made in every aspect of our work, and the array of opportunities we have to make a positive contribution, now and in the future.

Culture change focus

LPC has released an independent review into workplace culture, which has clearly laid out the need for cultural change at the Port. The independent review into workplace culture was commissioned by recently-appointed LPC Chief Executive Officer Roger Gray in May 2020 with the support of the LPC Board and led by Maria Dew QC.

LPC's Board, CEO Roger Gray and Executive Leadership Team have accepted and plan to implement all the review's 32 recommendations, including specialist training for all LPC's 600 staff on appropriate workplace conduct, improving diversity and inclusion in the workforce, improving accountability for poor staff conduct and reducing the 'them and us' barriers that exist between teams.

Modelling change

EcoCentral continues to promote recycling education in the wider community, presenting to an increasing number of community groups and advising businesses on recycling best practice and assisting with key information.

EcoCentral is also involved in a number of key advisory roles with the aim of improving recycling behaviours and the circular economy. Standardisation of recycling messaging for territorial authorities has been an important topic of discussion with MfE and WasteMINZ as they seek to establish acceptance guidelines that are adopted nationally, to improve residents understanding of what can and cannot be recycled.

The organisation is also championing the concept of product stewardship, aimed at holding suppliers to account for those products that are not easily recycled in the current environment, such as batteries, tyres and e-waste.





Being a good neighbour

Focusing on how we can not only reduce impacts, but enhance the lives of our community is an important guide to the way the Group works.

Residents and visitors can now walk, cycle, run or scooter directly from Norwich Quay in Lyttelton to Te Ana Marina, part of LPC's commitment to open the west side of the harbour as a space for the community to enjoy. The new pathway from Norwich Quay along Sutton Quay includes two crossings, creating a direct link from Lyttelton to Te Ana Marina, Canterbury's only walk-on floating marina.

In an initiative driven by the LPC Environmental team, new broadband alarms on straddles have replaced tonal alarms to help LPC reduce the overall port noise. The broadband alarms work by producing white noise across several frequencies, and while they are as loud as the previous tonal alarms, they are not as obvious at a distance, causing less disturbance in the community.

Cyber security boosted

A series of recent, high-profile cyber attacks have highlighted the need for businesses to have very robust protection systems. Working closely with technology partner, Spark, Orion installed a new-generation, threat intelligence service that provides improved visibility, reporting and protection against the more than 1,000 potential cyber threats the organisation fends off each week. The upgrade substantially increases Orion's cyber security capability and allows Orion to tap into the knowledge and experience of a worldwide threat intelligence community.

Community support

Working to enrich our communities often goes beyond the direct projects the Group is involved in. Citycare Property has worked with the Student Volunteer Army (SVA), Live in Vacant Spaces (LiVS) and Land Information New Zealand (LINZ) to transform a disused cul-de-sac in Christchurch's red zone into a vibrant and colourful learn-to-ride bike track.

Award-winning contribution

Citycare has also been recognised in several awards that acknowledge staff, expertise and community contribution. These include: Winner of the South & East Excellence in Community Contribution Award (Westpac Auckland Business Awards, December 2020); Highly Commended in the social impact award at Building Nations Gala dinner – Infrastructure New Zealand; Highly Commended at Diversity Works Awards Tomorrow's Workforce Award and Winner, Best Loo (Hunua Falls) in the Keep NZ Beautiful Awards.



Kai for the community

In South Auckland, Citycare Property is supporting the Garden to Table not-for-profit organisation. The team has built massive garden planters, using recycled timber, for several low-decile schools. Garden to Table's mission is for kids to get their hands dirty and learn to grow, harvest, prepare and cook fresh, seasonal food. The charity provides resources for teachers and the kids to practise their skills in the school gardens.



Financial

The ongoing financial pressures for the Group caused by COVID-19 continues to impact the Group result, but not as badly as originally forecast. As the challenges of a lack of tourism and freight logistics at our air and sea ports continue, our fibre, electricity and contracting companies continue to provide strong support to the Group and our wider community.

The Group recorded a net profit after tax (NPAT) for the six months ended 31 December 2020 of \$26.3 million, compared with \$48.3 million in the equivalent period last year. Total operating revenue for the Group for the six month period was \$496 million, compared to \$538 million for the same period last year. The reduced group profit is reflective of the impact of COVID-19 especially on our airport, where operating revenue was down 31% compared to the same (pre COVID) period last year. Orion also saw a reduction in its operation revenue compared to last year due to the commencement of its five year default price path under the regulatory framework that Orion operates.

LPC has shown a small increase in profit compared to last year, but this is well ahead of expectations considering the impact of the COVID-19 on the cruise industry, and supply chain volatility across the industry. The Group result has also been helped by strong operating performance by City Care, and Enable, with the later showing a 14% increase in revenue compared to last year, and the announcement of their first dividend to be paid this financial year.

The sale of Red Bus urban transport business to Ritchies Ltd during the period, has reduced reported Group revenue for the period, due to the six months trading prior to sale now treated as a discontinued operation, where all the income and expenses from this part of the business are shown separately in the income statement. The sale of this business sees the end of an era with the removal of red buses off Christchurch streets. However, the decision to sell this business was deemed necessary following the combined impact of loss of urban routes and the impact of COVID-19 on Red Travel both having serious financial impact on the ongoing viability of the business.

The transfer of urban development agency work by DCL to Council owned entity ChristchurchNZ has resulted in a reduction in revenue for DCL as it no longer receives Council funding. The two agencies are working closely to ensure the sale of land held by DCL continues to make good progress.

Group assets for the same period have increased to \$4,629m from \$4,415m, due mainly to:

- the continued property development programme by CIAL,
- the capital programme at Orion and LPC, and
- revaluation of net assets of LPC and Enable at last year end.

However, overall Group net assets have only slightly increased to \$1,872m from \$1,864m reflective of increased debt of \$175m across the Group.

Dividends during the period have been received from Orion (\$26.8m), LPC (\$6.4m), City Care (\$2.7m), EcoCentral (\$0.5m) and RBL Property Ltd (\$17m – this includes \$15m of capital dividends). Whilst no interim dividend has been paid to Christchurch City Council in line with our statement of intent, we are on track to meet a full year commitment of \$34m.

Enable set to deliver first dividend a year early

Enable has announced plans to deliver its first dividend to the city in June 2021. The business is targeting a \$13.5 million dividend – which will be its first since beginning its ultra-fast broadband network roll-out in 2011.

Returning a dividend represents another important milestone for the business being reached early – having previously indicated it would generate the first dividend in 2022. This milestone comes on the back of completing its fibre network roll-out 18 months early, reaching 100,000 fibre broadband customers two years ahead of plan and moving to a net profit position two years early.



Sustainability

As a Group, we have the power to make significant changes for the good of our environment, and the opportunity to lead that process for the benefit of the wider community and economy. This means not only making necessary changes to the way we work now, but looking ahead to see how we can become a model for sustainable practice over the long-term.

World-first sustainability

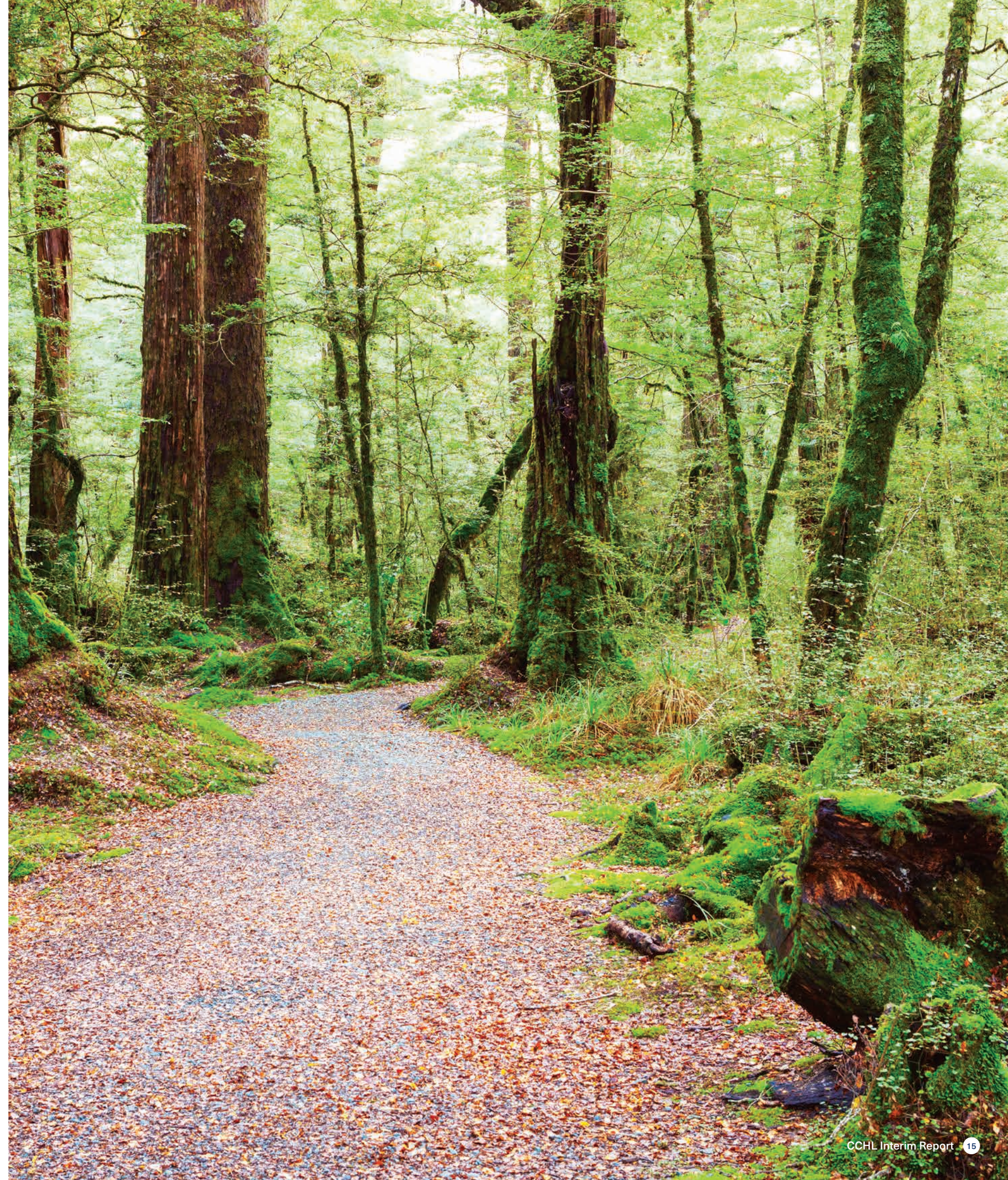
Christchurch Airport is the first in the world to achieve the new global standard in carbon reduction at airports. Airports Council International (ACI) has recognised the airport with its highest award for measurement and reduction of emissions. One of the big changes the airport made was to install ground power for aircraft, an initiative that saves approximately 730 tCO₂e per plane per year.

Enhanced capability

In August 2020, EcoCentral received confirmation of \$16.8m government funding to enhance recycling capability for mixed plastics and mixed fibre. The project will see the installation of the latest optical and mechanical sorting technology, enabling separation of plastic into specific resin types and significantly improving sorted fibre purity. The project is planned to take two years to complete and will ensure Canterbury recycling is equipped to meet current and future global quality standards.

Future ways of working

Enable has made significant changes to the way it runs its business in a post-COVID-19 lockdown environment, embracing fully flexible working arrangements and technology-based activity. Over the first six months of the year, it has realised a 54% reduction in operation carbon emission against its benchmark – saving 37 tonnes of carbon. This has been driven by less vehicle usage (and a transition to efficient vehicles) and reduced travel.





Improving water quality and management

Citycare has been working with young people to help protect and manage precious local water resources. Working with students from Mission Heights Junior College in Manukau, the Citycare Water team has planted riparian buffers of native plants at a South Auckland waterway to improve water quality and generate understanding of sustainability. At the end of December, Citycare Water stormwater and 2 in a Ute teams volunteered to restore a stream area for a local preschool in Ōtara. The team, in collaboration with Ōtara Waterways and Lake Trust, collected more than 2.5 tonnes of rubbish along the stream banks and cleared 5 tonnes of unkempt and damaged plants from the surrounding steep banks.

Auckland's drought has meant Citycare Water has also had to be innovative in responding appropriately to Auckland Council and Watercare's requirements, capturing non-potable water used during water-mains replacement for re-use by Citycare Property for rural and urban streetscape, roadside maintenance programmes and hydro-excavation and concrete mixing.

Plugging in to the future

As part of LPC's wider Sustainability Strategy to work towards being net-zero carbon by 2050, the Port has welcomed four new electric vehicles to its fleet. The project was championed by LPC's Sustainability Team who, with the help of the Procurement Team, were able to purchase three Nissan Leafs and a Nissan eNV200 van. Charging stations have also been installed around LPC, with plans being finalised to transition the entire light fleet to electric.

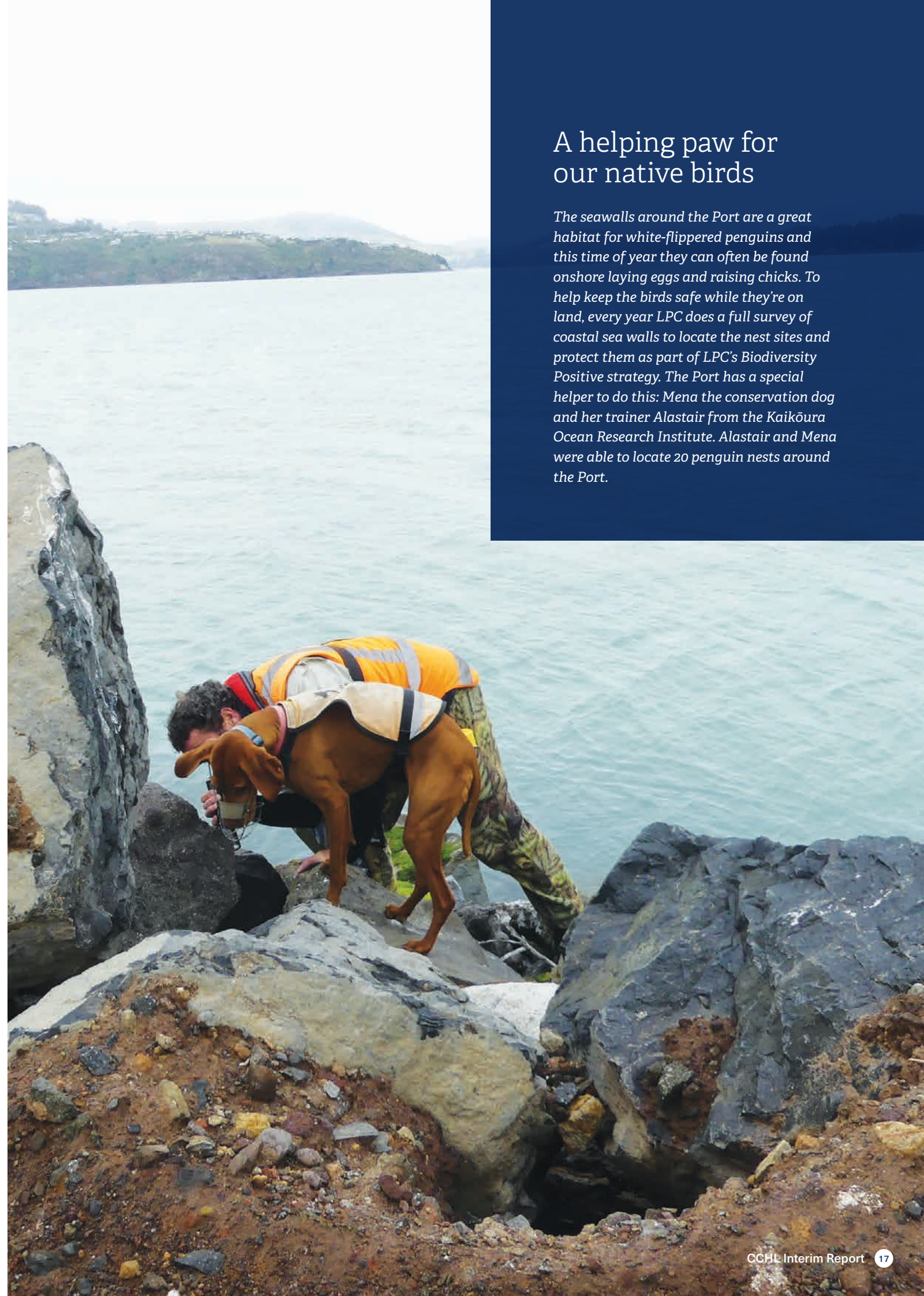
Carbon-neutral target announced

In December 2020 Orion announced its commitment to achieving carbon neutrality for corporate emissions by June 2022, the first electricity organisation in New Zealand to commit to this ambitious target.

To meet the target, the Orion Group is implementing initiatives to reduce its corporate emissions such as vehicle and building emissions, and investing in natural climate initiatives that will provide carbon offsets. Over the next five years Orion will plant more than 200 hectares of native forestry in the central Canterbury region, which is served by its network. While this takes time to be planted and grow, Orion will purchase carbon reduction units associated with New Zealand and international carbon reduction projects.

A helping paw for our native birds

The seawalls around the Port are a great habitat for white-flipped penguins and this time of year they can often be found onshore laying eggs and raising chicks. To help keep the birds safe while they're on land, every year LPC does a full survey of coastal sea walls to locate the nest sites and protect them as part of LPC's Biodiversity Positive strategy. The Port has a special helper to do this: Mena the conservation dog and her trainer Alastair from the Kaikōura Ocean Research Institute. Alastair and Mena were able to locate 20 penguin nests around the Port.





People

Investing in our people – and supporting them in helping our community – is paying enormous dividends for the CCHL Group. From enhanced diversity and the increasing value gained from engaging a variety of voices, to ensuring our people go home safe and well at the end of every day, a firm focus on the people we work with, and the lives they touch, is vital in driving our success.

Supporting our community

The Group continues to focus on ways to support the community in a way that is both engaging and meaningful, with initiatives driven by staff and involving direct participation in a range of local activities.

Feedback from the community through Orion's Residential Survey showed customers would prefer to see Orion supporting "grass roots" activities in the local community rather than large "corporate style" events. This year Orion initiated a Community Fund Sponsorship programme. This is an internal programme where Orion people nominate local non-profit groups they are involved in for support. To date Orion has supported more than 25 community organisations which include Canterbury Community Gardens, Santa's Christmas Parade, Christchurch Bull Breed Dog Rescue and the Western Association Football Club.

Citycare Water teams hosted an education and work experience day for Conservation Volunteers NZ. As well as co-ordinating projects around the country, Conservation Volunteers NZ partners with the Ministry for Social Development to help unemployed people get back into the workforce through the Conservation Work Skills programme.

Enable continues to support Christchurch through its sponsorship activity. It is a Major Sponsor of the Canterbury Employers' Chamber of Commerce (alongside Orion) and sponsors the Chamber's Digital Series to support local businesses to grow through application of technology and will sponsor the key Chamber Back to Business event in February. Enable also supports young technology professionals to contribute more to local business, through the Future Leaders in Technology Christchurch branch.

Focusing on safety

Getting our people home safe, every day, drives the health and safety focus of the whole Group.

LPC's four new state-of-the-art reefer towers highlight the significant investment the organisation is making in the South Island's refrigerated freight market, and a firm focus on the safety of our people.

Each tower is 60 metres long and stands 10 metres high and includes the world's most advanced reefer monitoring system, providing real-time data on temperature and energy consumption. The towers provide a substantial health and safety benefit by introducing hard engineered separation between the Reefer Care Team and the straddles operating in the Container Terminal.





Transformative roles for people

To inspire Orion leaders and develop their leadership capability, 55 Orion people leaders completed a nine day course over a period of several months to equip them with the skills and tools they need to confidently lead our people on the journey of organisation's transformation. This follows a similar course for Connetics' leaders which ran earlier in the year.

The Orion Group has also helped spearhead two critical people projects this year, which led the way for CCHL.

Connetics and Orion supported the phenomenal GirlBoss Edge programme led by gender-equity pioneer Alexia Hilbertou. The programme, fully delivered online this year due to COVID-19, targets young women between 15 and 18 who are passionate about Engineering, Technology and Innovation. Connetics and Orion sponsored the ten-day programme and connected the 140-person cohort to a range of industry mentors.

The Orion Group has also played a pivotal role in the CCHL pilot programme for the online resource sharing platform, Te Whāriki. This platform enables CCHL organisations to post large-scale and micro projects, knowledge-sharing sessions and other development opportunities to optimise Group capability and provide our CCHL employees with ways to contribute outside the sphere of their own entities. Te Whāriki is now being used by a majority of CCHL companies and is contributing to a more collaborative group culture, promoting smarter ways of working for all entities.



Employer Of Choice

Christchurch Airport has just been named an Employer of Choice in the New Zealand HR Awards. As well as programmes to support all aspects of employee wellness, the way its People and Culture team supported the staff during lockdown last year has been recognised.

Generally staff engagement surveys reveal an outstanding and improving level of engagement, with a very high percentage of staff feeling strongly connected and committed to the company. Staff strongly believe the company has a culture of continuous improvement, are proud to work at the airport and wouldn't hesitate to recommend it to others as a great place to work.



Supporting talent and diversity

The Orion Group remains passionate and committed to attracting a more diverse workforce to the engineering sector. The organisation has been proud to recognise the innovation of Rangipo Takuira-Mita, winner of the Orion and Connetics STEM Award for Te Kete Waiora – her portable and affordable water-quality testing kit. To date, Rangipo has facilitated workshops and gifted more than 200 kits to communities in the far north, Auckland, Tauranga, Rotorua, Taranaki, and Tonga and is looking to expand further.

Interim report

July 2020-December 2020



A WHOLLY OWNED SUBSIDIARY of CHRISTCHURCH CITY COUNCIL

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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, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Enable Services Ltd, City Care Ltd, RBL Property Ltd, EcoCentral Ltd and Development Christchurch Ltd. 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).

During the reporting period the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and some surplus buses. Also during the period the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council.

Directors' Responsibility Statement

Unaudited interim condensed financial statements

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 2020, and
- the financial performance and cash flows for the six month period ended 31 December 2020

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 2020.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 25 February 2021.

For and on behalf of the Board.

Jeremy Smith
Chair
Christchurch
25 February 2021

Alex Skinner
Director
Christchurch
25 February 2021



Condensed statement of financial position

As at 31 December 2020

		Unaudited 6 months	Unaudited 6 months	Audited 12 months
		Group	Group	Group
Note		31 Dec 20	31 Dec 19	30 Jun 20
		\$'000	\$'000	\$'000
Non-current assets				
Property, plant and equipment		3,610,685	3,616,629	3,616,191
Investment property		602,672	516,039	571,658
Loans and other financial assets		30,435	28,437	35,044
Intangible assets		23,218	40,938	27,895
Debtors, inventory and other assets		28,733	20,766	22,805
Right of use assets		39,949	39,538	34,484
Finance lease receivable		41,640	–	42,688
Total non-current assets		4,377,332	4,262,347	4,350,765
Current assets				
Cash and cash equivalents		104,331	23,896	50,334
Debtors, inventory and other assets		98,050	126,898	104,197
Finance lease receivable		1,301	–	502
Contract assets		22,728	–	21,051
Loans and other financial assets		16,750	1,993	12,528
Non-current assets held for sale		3,104	–	2,199
Current tax asset		5,014	–	6,331
Total current assets		251,278	152,787	197,142
Total assets	3	4,628,610	4,415,134	4,547,907
Non-current liabilities				
Borrowings	9	1,485,962	1,523,651	1,432,905
Net deferred tax liabilities		305,915	329,344	297,585
Provisions and other liabilities		110,030	78,648	120,688
Lease liabilities		76,223	46,721	70,959
Total non-current liabilities		1,978,130	1,978,364	1,922,137
Current liabilities				
Borrowings	9	633,552	420,700	612,269
Creditors and other payables		130,171	99,974	113,087
Provisions and other liabilities		2,464	41,801	45,700
Contract liabilities		4,740	–	4,897
Lease liabilities		7,993	4,932	7,444
Current tax liabilities		–	4,812	–
Total current liabilities		778,920	572,219	783,397
Total liabilities	3	2,757,050	2,550,583	2,705,534
Net assets		1,871,560	1,864,551	1,842,373
Equity				
Capital and other equity instruments		94,144	86,779	94,144
Reserves		660,793	586,922	657,342
Retained earnings		773,588	856,289	749,417
Parent entity interest		1,528,525	1,529,990	1,500,903
Non-controlling interests		343,035	334,561	341,470
Total equity		1,871,560	1,864,551	1,842,373

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 2020

		Unaudited 6 months	Unaudited 6 months	Audited 12 months
		Group	Group	Group
Note		31 Dec 20	31 Dec 19	30 Jun 20
		\$'000	\$'000	\$'000
Operating revenue				
Other gains		496,517	538,521	1,030,791
		408	12	15,099
Total revenue and gains		496,925	538,533	1,045,890
Operating and other expenses				
		344,835	357,814	708,948
Earnings before interest, tax, depreciation and amortisation		152,090	180,719	336,942
Depreciation/amortisation and impairment				
		77,027	74,096	341,433
Earnings before interest and tax		75,063	106,623	(4,491)
Finance income				
Finance costs		1,020	469	2,394
		37,819	36,049	78,867
Net finance costs				
		36,799	35,580	76,473
Net profit before tax		38,264	71,043	(80,964)
Income tax expense				
		15,372	22,744	(28,488)
Profit/(Loss) from continuing operations (after tax)				
Profit/(Loss) from discontinued operations (after tax)	4d	22,892	48,299	(52,476)
		3,410	–	(568)
Net Profit/(Loss) after tax		26,302	48,299	(53,044)
Profit for the period attributable to:				
Owners of the parent		23,895	39,959	(69,924)
Non-controlling interests		2,407	8,340	16,880
		26,302	48,299	(53,044)
OTHER COMPREHENSIVE INCOME				
Items that will not be recycled to profit and loss:				
Revaluation of assets		–	–	133,596
Items that may be recycled to profit and loss in future:				
Cash flow hedges		5,567	(2,831)	(41,957)
		5,567	(2,831)	91,639
Income tax(credit)/expenses relating to other comprehensive income				
		(1,208)	1,080	(14,646)
Other comprehensive income for the period, net of tax		4,359	(1,751)	76,993
Total comprehensive income for the period		30,661	46,548	23,949
Total comprehensive income is attributable to:				
Owners of the parent		27,623	38,333	1,305
Non-controlling interests		3,038	8,215	22,644
		30,661	46,548	23,949

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



Condensed statement of changes in equity

For the six months ended 31 December 2020

	Share capital	Asset revaluation reserve	Hedging reserve	Retained earnings	Attributable to equity holders of parent	Non- controlling interests	Unaudited 6 months Group 31 Dec 20	Unaudited 6 months Group 31 Dec 19	Audited 12 months Group 30 Jun 20
Opening Balance	94,144	725,147	(67,805)	749,417	1,500,903	341,470	1,842,373	1,847,882	1,847,882
NPAT	–	–	–	23,895	23,895	2,407	26,302	48,299	(53,044)
Other comprehensive income for the period	–	–	3,451	276	3,727	631	4,358	(1,747)	76,993
Dividends paid/payable	–	–	–	–	–	(1,609)	(1,609)	(29,883)	(37,403)
Issue of shares/other	–	–	–	–	–	136	136	–	7,945
Closing Balance	94,144	725,147	(64,354)	773,588	1,528,525	343,035	1,871,560	1,864,551	1,842,373

Condensed statement of cash flows

For the six months ended 31 December 2020

	Note	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Cash flows from operating activities				
Receipts from customers and other sources		516,071	549,986	1,038,448
Interest received		223	419	2,311
Payments to suppliers and employees		(376,580)	(367,533)	(706,146)
Interest and other finance costs paid		(34,181)	(38,434)	(72,182)
Income tax paid		(9,903)	(18,257)	(20,148)
Subvention payments		–	–	(4,602)
Net cash from operating activities of discontinued operations		(334)	–	464
Net cash provided by operating activities	5	95,296	126,181	238,145
Cash flows from investing activities				
Advances made to external parties		(182)	(198)	–
Payment for property, plant and equipment		(97,698)	(170,613)	(288,418)
Proceeds from sale of property, plant and equipment		1,687	971	1,790
Payment for intangible assets		(1,338)	(2,325)	(8,419)
Payment for investment properties		(19,279)	(28,319)	(66,683)
Proceeds from sale of investment properties		12,618	1,000	0
Payment for investment into bank deposits		–	–	(25,000)
Net proceeds from/(to) bank deposits		(4,000)	–	14,301
Other		(504)	169	(1,587)
Net cash used in investing activities		(108,696)	(199,315)	(374,016)
Cash flows from financing activities				
Proceeds from borrowing		74,471	356,932	453,692
Repayment of borrowings		(1,596)	(236,520)	(239,400)
Repayment of lease liabilities		(3,869)	(2,266)	(6,816)
Proceeds from issue of shares		–	–	7,365
Dividends paid – equity holders		–	(22,000)	(22,000)
Dividends paid – non-controlling interests		(1,609)	(7,883)	(15,403)
Net cash provided by financing activities		67,397	88,263	177,438
Net increase in cash and cash equivalents		53,997	15,129	41,567
Cash and cash equivalents at start of period		50,334	8,767	8,767
Cash and cash equivalents at end of period		104,331	23,896	50,334

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

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Notes to the interim financial statements

For the six months ended 31 December 2020

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 2020. The financial statements were authorised for issue by the CCHL Board of directors on 25 February 2021. 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
RBL Property Ltd	Investment Property	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch Ltd	Urban Development Agency and Asset Manager	100%			30 June



Notes to the interim financial statements

For the six months ended 31 December 2020

2

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2020 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 2020.

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 2020, and the results of other subsidiaries for the six months to 31 December 2020.

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 2020 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2020, and the financial position as at that date.

Significant changes during the period:

The ongoing financial pressures on the Group caused by COVID-19 continues to impact the Group result, but not as significantly as originally forecast. The reduced Group profit is reflective of the impact of COVID-19 especially on our airport, where operating revenue was down 31% compared to the same (pre-COVID) period last year. Whilst LPC has shown a small increase in profit compared to last year, this is well ahead of expectations considering the impact of COVID-19 on the cruise industry, and supply chain volatility across the industry.

During the reporting period the urban transport business operations of Red Bus Ltd were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses. The buses are currently treated as assets held for sale, whilst the Land and Buildings have been reclassified as Investment Property. Due to the change in business operations, the net profit resulting from the urban transport operations is treated as discontinued operations in the statement of comprehensive income. Refer to note 4d.

Also during the period the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council. No accounting treatment change has been applied due to this change at this stage. A review of DCL's Public benefit entity status will be undertaken prior to year end due to the Council funding to DCL having stopped during the reporting period.

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) **RBL Property Ltd (RBLPL)** – investment property owner.
- vii) **EcoCentral Ltd (EcoCentral)** – manages the processing of refuse and sorting of recycling throughout Canterbury.
- viii) **Development Christchurch Ltd (DCL)** – urban development land owner and asset manager.
- 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.

Major customers:

Revenue from Christchurch City Council amounted to \$57m (Dec 19: \$56m) mainly from sales by Citycare, Orion, and EcoCentral (refer to note 11). 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 2020 per independent valuations completed by Deloitte. These investments and advances to subsidiaries have been eliminated on consolidation and do not form part of the primary statements. They are recognised in the 'other' column.
- 4 Capital expenditure and investments in the Parent total relates to equity investments made in subsidiaries during the period, which is then eliminated for the Group total.
- 5 Intra-group transactions between segments have been eliminated on consolidation and recognised in the 'other' column.



Notes to the interim financial statements

For the six months ended 31 December 2020

3a For the six months ended 31 December 2020 (unaudited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'000	Total \$'000
Segment revenue	53,679	154,313	66,037	66,078	40,538	152,475	67	19,647	3,215	(59,532)	496,517
Inter-segment revenue	(53,679)	(285)	(417)	–	–	(4,512)	(1)	(200)	(438)	59,532	–
Revenue from external customers	–	154,028	65,620	66,078	40,538	147,963	66	19,447	2,777	–	496,517
Share of earnings of associate companies	–	–	–	–	–	–	–	–	–	–	–
Interest income	7,060	4	13	656	131	43	10	6	3	(6,906)	1,020
Interest expense	18,864	5,596	11,734	1,540	6,639	333	–	–	19	(6,906)	37,819
Depreciation and amortisation	(48)	(26,187)	(20,846)	(8,918)	(12,401)	(6,256)	–	(2,174)	(197)	–	(77,027)
Net realisations, revaluations and (impairments)	–	386	–	–	2	–	20	–	–	–	408
Taxation expense	–	(7,523)	(484)	(2,213)	(3,801)	(1,207)	(17)	(436)	311	(2)	(15,372)
Segment profit/(loss)	40,860	18,308	1,245	5,656	6,962	3,099	3,453	1,121	(721)	(53,681)	26,302
Total non-current assets (excluding derivatives and deferred tax)	3,320,746	1,226,937	1,845,940	512,005	646,759	54,636	16,196	13,124	28,201	(3,295,794)	4,368,750
Total assets	3,390,548	1,250,414	1,875,892	576,623	673,736	126,241	21,032	21,705	30,445	(3,338,026)	4,628,610
Total liabilities	1,153,989	580,018	790,614	220,873	355,454	66,786	2,320	11,796	4,725	(429,525)	2,757,050
Additions to non-current assets	5	37,028	24,708	29,710	16,687	3,969	–	304	–	–	112,411

3c For the year ended 30 June 2020 (audited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'000	Total \$'000
Segment revenue	59,087	307,471	165,721	128,258	76,985	294,305	18,912	34,638	18,147	(72,733)	1,030,791
Inter-segment revenue	(59,087)	(1,901)	(910)	–	–	(9,941)	–	(367)	(527)	72,733	–
Revenue from external customers	–	305,570	164,811	128,258	76,985	284,364	18,912	34,271	17,620	–	1,030,791
Share of earnings of associate companies	–	–	–	–	–	–	–	–	–	–	–
Interest income	14,225	32	86	1,437	81	102	28	31	47	(13,675)	2,394
Interest expense	(39,400)	(12,253)	(23,565)	(2,869)	(13,499)	(666)	–	(335)	(81)	13,801	(78,867)
Depreciation and amortisation	(109)	(51,288)	(42,059)	(206,737)	(24,186)	(12,033)	(737)	(4,166)	(510)	392	(341,433)
Net realisations, revaluations and (impairments)	–	(856)	13,482	(606)	6	290	28	51	–	–	12,395
Taxation expense	–	(11,908)	3,138	31,153	(3,661)	(2,375)	(222)	207	(376)	12,532	28,488
Segment profit/(loss)	31,972	48,315	47,825	(152,781)	11,320	5,616	(30)	(74)	1,126	(46,333)	(53,044)
Total non-current assets (excluding derivatives and deferred tax)	3,323,685	1,216,500	1,842,386	492,215	642,067	57,942	27,775	14,995	24,651	(3,301,746)	4,340,470
Total assets	3,329,826	1,250,329	1,885,606	557,263	666,790	131,538	36,294	21,292	28,881	(3,359,912)	4,547,907
Total liabilities	1,140,450	578,840	805,988	201,201	355,467	72,431	4,035	12,003	1,405	(466,286)	2,705,534
Additions to non-current assets	12,956	70,555	132,551	105,712	33,160	5,632	45	1,339	7,678	(12,956)	356,672

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

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'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, revaluations and (impairments)	–	–	–	–	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
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



Notes to the interim financial statements

For the six months ended 31 December 2020

4 Revenue

4a Disaggregation of revenue

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000
For the six months ended 31 December 2020 (unaudited)										
Revenue from contracts with customers										
Electricity Distribution	118,473	–	–	–	–	–	–	–	(285)	118,188
Airport Services	–	35,898	–	–	–	–	–	–	(12)	35,886
Port Services	–	–	64,308	–	–	–	–	–	–	64,308
Gross telecommunications revenue	–	–	–	38,491	–	–	–	–	–	38,491
Construction contract revenue	–	–	–	–	39,382	–	–	–	–	39,382
Contracting	22,717	–	–	–	109,169	–	–	–	(4,512)	127,374
Bus and Coach Services	–	–	–	–	–	–	–	–	–	–
Waste and recycling services	–	–	–	–	–	–	18,329	–	(200)	18,129
Sale of goods	5,955	–	–	1,067	3,924	–	1,045	3,215	(439)	14,767
Total revenue from contracts with customers	147,145	35,898	64,308	39,558	152,475	–	19,374	3,215	(5,448)	456,525
Other operating revenue										
Rent and Lease income	–	12,247	1,770	–	–	26	–	–	–	14,043
Rental income from investment property	–	12,591	–	–	–	41	–	–	(405)	12,227
Other	7,168	5,301	–	980	–	–	273	–	–	13,722
Total other operating revenue	7,168	30,139	1,770	980	–	67	273	–	(405)	39,992
Segment revenue	154,313	66,037	66,078	40,538	152,475	67	19,647	3,215	(5,853)	496,517

4b

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000
For the six months ended 31 December 2019 (unaudited)										
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

4c

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000
For the year ended 30 June 2020 (audited)										
Revenue from contracts with customers										
Electricity Distribution	242,450	–	–	–	–	–	–	–	(1,901)	240,549
Airport Services	–	80,238	–	–	–	–	–	–	(547)	79,691
Port Services	–	–	124,125	–	–	–	–	–	–	124,125
Gross telecommunications revenue	–	–	–	67,729	–	–	–	–	–	67,729
Construction contract revenue	–	–	–	–	87,378	–	–	9,779	–	97,157
Contracting	45,107	–	–	–	190,680	–	–	–	(9,941)	225,846
Bus and Coach Services	–	–	–	–	–	18,767	–	–	–	18,767
Waste and recycling services	–	–	–	–	–	–	30,009	–	(367)	29,642
Sale of goods	12,172	–	–	2,000	7,078	–	3,704	4,239	–	29,193
Total revenue from contracts with customers	299,729	80,238	124,125	69,729	285,136	18,767	33,713	14,018	(12,756)	912,699
Other operating revenue										
Rent and Lease income	383	29,669	4,133	–	–	145	–	561	(890)	34,001
Rental income from investment property	–	35,237	–	–	–	–	–	–	–	35,237
Other	7,359	20,577	–	7,256	9,169	–	925	3,568	–	48,854
Total other operating revenue	7,742	85,483	4,133	7,256	9,169	145	925	4,129	(890)	118,092
Segment revenue	307,471	165,721	128,258	76,985	294,305	18,912	34,638	18,147	(13,646)	1,030,791

4d Discontinued operations

	Unaudited 6 months Goup 31 Dec 20 \$'000	Unaudited 6 months Goup 31 Dec 19 \$'000	Audited 12 months Goup 30 Jun 20 \$'000
Revenue	8,078	–	1,348
Other gains	4,718	–	9
Depreciation, amortisation and impairment expense	(1,460)	–	(1,157)
Employee benefits expense	(4,621)	–	(597)
Other expenses	(3,047)	–	(392)
Profit (loss) before income tax expense	3,668	–	(789)
Income tax credit/(expense)	(258)	–	221
Net surplus/(loss) after taxation from discontinued operations	3,410	–	(568)



Notes to the interim financial statements

For the six months ended 31 December 2020

5 Reconciliation of profit for the period with operating cash flows

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Profit for the period	26,302	48,299	(53,044)
Add/(less) non-cash items			
Depreciation, amortisation and impairment	77,027	74,096	341,433
(Gains)/losses in fair value of investment property	(20)	–	(13,481)
(Gains)/losses in fair value of derivative financial instruments	3,749	3,213	203
Net foreign exchange (gains)/losses	–	4	14
Deferred tax charged/(credited) to income	3,109	1,390	(46,228)
Discontinued operations	1,460	–	1,151
Other	(1,236)	(4,291)	7,868
	84,089	74,412	290,960
Add/(less) items classified as investing or financing activities			
Gain on disposal of non-current assets	(4,946)	(370)	1,086
Movement in capital creditors/(debtors)	9,515	10,393	9,576
Other	50	246	985
	4,619	10,269	11,647
Add/(less) movement in working capital items			
Debtors, inventory and other current assets	4,192	394	(2,087)
Non-current receivables, prepayments and other	(785)	11,687	(5,156)
Creditors and other liabilities	(14,509)	(18,233)	(6,638)
Provisions and other liabilities	(1,585)	258	4,785
Current tax liabilities	(282)	3,392	(2,127)
Other current liabilities	(6,412)	(4,791)	–
Non-current provisions and other liabilities	(333)	494	(195)
Net charges in net assets and liabilities	(19,714)	(6,799)	(11,418)
Net cash from operating activities	95,296	126,181	238,145

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:

- 1

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.
- 2

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.
- 3

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.

	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
31 December 2020 (unaudited)					
Financial assets measured at fair value					
Derivative financial instruments	8,930	–	8,930	–	
USD loan	21,853	–	21,853	–	
	30,783	–	30,783	–	
Financial liabilities measured at fair value					
Derivative financial instruments	64,471	–	64,471	–	
Loans from External parties	157,078	–	–	157,078	
	221,549	–	64,471	157,078	
Net assets/(liabilities) at fair value	(190,766)	–	(33,688)	(157,078)	
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings – bonds	541,095	323,172	217,923	–	508,286
Fixed Rate Loans from CCC, maturing < 1 year	91,132	–	91,132	–	89,500
Fixed Rate Loans from CCC, maturing 2-5 years	129,601	–	129,601	–	114,500
Fixed Rate Loans from CCC, maturing > 5 years	51,326	–	51,326	–	45,500
	813,154	323,172	489,982	–	757,786



Notes to the interim financial statements

For the six months ended 31 December 2020

	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
31 December 2019 (unaudited)					
Financial assets measured at fair value					
Derivative financial instruments	6,435	–	6,435	–	
USD loan	22,022	–	22,022	–	
	28,457	–	28,457	–	
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	(197,443)	–	(47,480)	(149,963)	
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	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

Analysis of movements in Level 3 assets/liabilities

Closing carrying value 31 December 2019				149,963	
Additions				–	
Fair value movements				3,806	
Closing carrying value 30 June 2019				153,769	
Additions				–	
Fair value movements				3,309	
Closing carrying value 31 December 2020				157,078	

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 was drawn down as network stages/ premises were completed, and was 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.

	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
30 June 2020 (audited)					
Financial assets measured at fair value					
Derivative financial instruments	10,295	–	10,295	–	
USD loan	24,749	–	24,749	–	
	35,044	–	35,044	–	
Financial liabilities measured at fair value					
Derivative financial instruments	115,598	–	115,598	–	
Loans from External parties	153,769	–	–	153,769	
	269,367	–	115,598	153,769	
Net assets/(liabilities) at fair value	(234,323)	–	(80,554)	(153,769)	
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings – bonds	537,036	317,010	220,026	–	360,005
Fixed Rate Loans from CCC, maturing < 1 year	83,179	–	83,179	–	79,500
Fixed Rate Loans from CCC, maturing 1-2 years	10,176	–	10,176	–	10,000
Fixed Rate Loans from CCC, maturing 2-5 years	132,386	–	132,386	–	114,500
Fixed Rate Loans from CCC, maturing > 5 years	19,776	–	19,776	–	15,500
	782,553	317,010	465,543	–	579,505



Notes to the interim financial statements

For the six months ended 31 December 2020

7 Dividends

	Unaudited 31 Dec 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Fully paid ordinary shares	94,143	86,778	94,143
Partly paid redeemable preference shares	1	1	1
	94,144	86,779	94,144
Ordinary dividends	–	22,000	22,000
Total dividends declared on fully paid ordinary shares	–	22,000	22,000
Cents per share	–	54	46

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

- 48,090,528 (2019: 40,725,528) fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- \$1,500,139,000 (2019: \$1,500,139,000) 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 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Unsecured:			
Commercial Paper	75,000	–	–
Bonds and floating rate notes	648,286	656,188	650,005
Loans from external parties	578,950	481,000	668,200
Loans from related entities	573,200	573,200	573,200
	1,875,436	1,710,388	1,891,405
Secured:			
Loan from external parties	244,078	233,963	153,769
	244,078	233,963	153,769
Total current group borrowings	633,552	420,700	612,269
Total non current group borrowings	1,485,962	1,523,651	1,432,905
Total group borrowings	2,119,514	1,944,351	2,045,174

		Unaudited 31 Dec 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Christchurch City Holdings Ltd				
Nature of Debt	Avg rate – Maturity			
Commercial Paper	0.28% Jan 21/Mar 21	75,000	–	55,000
Retail Bond	3.49% Dec 22/Nov 24	300,000	300,000	300,000
Floating Rate Notes	n/a	–	10,000	–
Related Party Funding – Short Term	3.29% May 21/Nov 21	156,500	52,700	183,500
Related Party Funding – Long Term	2.23% Apr 22/Apr 29	416,700	520,500	389,700
Total Related Party Funding		573,200	573,200	573,200
Crown Infrastructure Partners Ltd	0% May 21	157,078	149,963	153,769
Undrawn Bank Facility	Dec-21	100,000	100,000	100,000
Christchurch International Airport Ltd				
Nature of Debt	Avg rate – Maturity			
Bank Facility	3.3% Oct 21/Sept 23	397,000	319,000	380,000
Bond Funding	5.01% Oct 21/Apr 27	208,286	206,188	210,005
Undrawn Bank Facility	n/a	128,000	51,000	105,000
Orion New Zealand Ltd				
Nature of Debt	Avg rate – Maturity			
Bank Loans	1.12% Nov 22/Jul 23	181,950	162,000	174,200
Undrawn Bank Facility	Jul 23	28,050	48,000	35,800
USPP Facilities (fully drawn)	1.87% Sept 28 /Sept 30	140,000	140,000	140,000
Lyttelton Port Company Ltd				
Nature of Debt	Avg rate – Maturity			
Bank facility	1.3% Nov 21/Apr 23	87,000	84,000	59,000
Undrawn bank facility	n/a	78,000	146,000	106,000



Notes to the interim financial statements

For the six months ended 31 December 2020

10 Significant events and transactions

10a Capital commitments

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Property, plant & equipment	22,053	94,144	73,443
Electricity distribution network	22,218	36,500	16,223
UFB network	21,000	58,500	–
Investment property	8,776	37,715	13,285
Intangible assets	60	–	123
	74,107	226,859	103,074

10b Acquisitions of non-current assets

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Additions	112,411	232,187	356,672

The acquisitions of property, plant and equipment reflects the capital programmes of Orion, Christchurch Airport, Lyttelton Port and Enable.

10c Contingent liabilities

The contingent liabilities of the Group as disclosed in Note 18 of the annual report for the year ended 30 June 2020 are materially the same as at 31 December 2020, except that in September 2020, a settlement was reached in the claim against Orion NZ in relation to the Port Hills Fires.

10d Discontinued operations

In December 2020 the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses that are currently held for sale.

11 Related party disclosures

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Transactions between CCHL group entities and Christchurch City Council (CCC)			
Dividends paid/payable to CCC	–	22,000	22,000
Interest paid to CCC	7,206	8,627	16,733
Services provided to CCC	56,845	56,112	113,245
Services provided by CCC (including rent and rates)	8,126	8,587	24,079
Net Loan Advances received from CCC	–	44,700	44,700

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.



Notes to the interim financial statements

For the six months ended 31 December 2020

Investor relations

Investor Centre

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

Bondholder Interest Payments

Interest is paid semi-annually in June and December (until December 22), and November and May (until November 24) 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 3.7.1 of the NZX listing rules, the following table details the spread of bondholders within 2 months of the date of this report:

The 20 largest bondholders as at 31 December 2020 were:

CH010 – Maturing December 2022

Rank	Name	\$ Holdings
1	BNP Paribas Nominees (NZ) Ltd – NZCSD <COGN40>	31,951,000
2	Citibank Nominees (New Zealand) Ltd – NZCSD <CNOM90>	20,227,000
3	National Nominees Ltd – NZCSD <NNLZ90>	14,275,000
4	Tea Custodians Ltd Client Property Trust Account – NZCSD <TEAC40>	12,662,000
5	BNP Paribas Nominees (NZ) Ltd – NZCSD <BPSS40>	10,809,000
6	Forsyth Barr Custodians Ltd <1-CUSTODY>	10,617,000
7	HSBC Nominees (New Zealand) Ltd – NZCSD <HKBN90>	9,735,000
8	JP Morgan Chase Bank NA NZ Branch – Segregated Clients Acct – NZCSD <CHAM24>	8,530,000
9	Investment Custodial Services Ltd <A/C C>	6,048,000
10	FNZ Custodians Limited	4,339,000
11	PIN Twenty Limited <KINTYRE A/C>	3,000,000
12	Forsyth Barr Custodians Limited <Account 1 E>	1,942,000
13	Custodial Services Ltd <A/C 1>	1,891,000
14	Custodial Services Ltd <A/C 4>	1,581,000
15	MT Nominees Limited – NZCSD	1,000,000
16	ANZ Custodial Services New Zealand Ltd NZCSD <PBNK90>	957,000
17	FNZ Custodians Ltd <DTA Non Resident A/C>	930,000
18	Commonwealth Bank of Australia – NZCSD <CBAANZ>	800,000
19	Public Trust RIF Nominees Limited – NZSCD <NZPR40>	748,000
20	Thomas Hermann Grothe	576,000

December 2022 Bond-holder spread

Holding range	Holder Count	Holding quantity	% of total
1 to 499	0	0	0.00
500 to 999	0	0	0.00
1,000 to 1,999	0	0	0.00
2,000 to 4,999	0	0	0.00
5,000 to 9,999	10	54,000	0.04
10,000 to 49,999	117	2,341,000	1.56
50,000 to 99,999	26	1,600,000	1.07
100,000 to 499,999	16	2,887,000	1.92
500,000 to 999,999	6	4,511,000	3.01
1,000,000 over	15	138,607,000	92.4
Total	190	150,000,000	100.00



Notes to the interim financial statements

For the six months ended 31 December 2020

CH020 – Maturing November 2024

Rank	Name	\$ Holdings
1	BNP Paribas Nominees (NZ) Ltd – NZCSD <COGN40>	49,372,000
2	BNP Paribas Nominees (NZ) Ltd – NZCSD <BPSS40>	12,268,000
3	Tea Custodians Ltd Client Property Trust Account – NZCSD <TEA C40>	11,380,000
4	National Nominees Ltd – NZCSD <NNLZ90>	11,300,000
5	Citibank Nominees (New Zealand) Ltd – NZCSD <CNOM90>	11,080,000
6	HSBC Nominees (New Zealand) Ltd – NZCSD <HKBN90>	10,338,000
7	ANZ Fixed Interest Fund – NZCSD <PNL90>	9,800,000
8	HSBC Nominees (New Zealand) Ltd A/C State Street – NZCSD <HKBN45>	9,800,000
9	NZPT Custodians (Grosvenor) Ltd – NZCSD <NZPG40>	7,400,000
10	Forsyth Barr Custodians Ltd <1-CUSTODY>	4,925,000
11	FNZ Custodians Limited	2,833,000
12	Risk Reinsurance Ltd	2,000,000
13	JP Morgan Chase Bank NA NZ Branch Segregated Clients Acct – NZCSD <CHAM24>	1,861,000
14	Custodial Services Ltd <A/C 1>	1,255,000
15	University of Otago Foundation Trust	1,000,000
16	Forsyth Barr Custodians Limited <Account 1 E>	524,000
17	Custodial Services Ltd <A/C 3>	455,000
18	James Hargest High School Board	300,000
19	Custodial Services Ltd <A/C 4>	266,000
20	Guy Denby Domett & Nicole Ann Domett <Guy & Nicole Domett Family A/C>	180,000

November 2024 Bond-holder spread

Holding range	Holder Count	Holding quantity	% of total
1 to 499	0	0	0.00
500 to 999	0	0	0.00
1,000 to 1,999	0	0	0.00
2,000 to 4,999	0	0	0.00
5,000 to 9,999	7	43,000	0.03
10,000 to 49,999	18	367,000	0.24
50,000 to 99,999	9	608,000	0.41
100,000 to 499,999	10	1,846,000	1.23
500,000 to 999,999	1	524,000	0.35
1,000,000 over	15	146,612,000	97.74
Total	60	150,000,000	100.00

Directory

Registered Office

Level 1, 151 Cambridge Terrace
Christchurch

Directors

J B Smith (Chair)
C A Evans
G S Campbell
L A Dalziel
S L Templeton
J T Gough
A D Turner
A M G Skinner

Bankers

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

Auditors

Audit New Zealand (on behalf of the
Controller and Auditor-General)
Christchurch

Ownership

100% owned by Christchurch City Council

Group contact details

Orion New Zealand Limited

565 Wairakei Rd
PO Box 13896 Christchurch 8141

Telephone: (03) 363 9898
Email: info@oriongroup.co.nz
Website: www.oriongroup.co.nz

Christchurch International Airport Limited

Top floor, Car Park Building, 30 Durey Road
Memorial Avenue
PO Box 14001 Christchurch 8544

Telephone: (03) 358 5029
Website: www.christchurch-airport.co.nz

Lyttelton Port Company Limited

41 Chapmans Rd, Woolston
Private Bag 501, Lyttelton 8841

Telephone: (03) 328 8198
Website: www.lpc.co.nz

Enable Services Limited

Enable House, 2nd Floor
106 Wrights Road, Addington
PO Box 9228, Tower Junction, Christchurch

Telephone: (03) 363 2962
Email: support@enable.net.nz
Website: www.enablenetworks.co.nz

City Care Limited

110c Orchard Road
P O Box 7669 Christchurch

Telephone: (03) 941 7200
Website: www.citycare.co.nz

EcoCentral Ltd

Level 1, Baigent Way, Middleton
PO Box 6320, Christchurch

Telephone: (03) 336 0080
Email: admin@ecocentral.co.nz
Website: www.ecocentral.co.nz

RBL Property Ltd Development Christchurch Ltd

C/- Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace
P O Box 1151
Christchurch 8140

Telephone: (03) 941 8475



Christchurch
City Holdings
Limited

Christchurch City Holdings Ltd

Level 1, 151 Cambridge Terrace,

PO Box 1151,

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