



Christchurch  
City Holdings  
Limited

July 2017—June 2018

A WHOLLY OWNED SUBSIDIARY  
of CHRISTCHURCH CITY COUNCIL

# Full Year Preliminary Announcement NZX Listing Rule 10.3.2

# 2018



## Results for announcement to the market

Reporting period: Twelve months to 30 June 2018

Previous reporting period: Twelve months to 30 June 2017

	GROUP 2018 \$'000	GROUP 2017 \$'000	PERCENTAGE CHANGE %
Revenue from ordinary activities	1,043,351	996,914	5%
Profit/(loss) from ordinary activities attributable to security holder	107,725	94,608	14%
Net profit/(loss) attributable to security holders	107,725	94,608	14%
Net tangible assets per listed bond	\$12.490	n/a	
	AMOUNT PER SECURITY	IMPUTED AMOUNT PER SECURITY	
Final Dividend	n/a	n/a	
Record Date	Not Applicable		
Dividend Payment Date	Not Applicable		

### Comments:

#### Christchurch City Holdings Ltd (Group) is an NZDX issuer.

Christchurch City Holdings Ltd (CCHL) does not have equity securities listed on the NZX. CCHL only has one listed bond of \$150m on the NZDX.

Refer to the commentary and primary financial statements for details of the financial results. This announcement is based on financial results that are in the process of being audited. The primary statements in this full year preliminary announcement consist of the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows.

These primary financial statements are for Christchurch City Holdings Group (Group), a group comprising Christchurch City Holdings Ltd and the entities over which it has control or joint control.

## Full Year Preliminary Announcement

For the year ended 30 June 2018

This preliminary announcement reports on results for the year ended 30 June 2018 in accordance with Listing Rule 10.3.2.

The primary financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP), comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and with International Financial Reporting Standards (IFRS). For the purposes of complying with NZ GAAP the entity is a Tier 1 for-profit entity, and is reporting in accordance with Tier 1 for-profit accounting standards.

The primary financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013.

The primary financial statements, in New Zealand dollars, are prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

The primary financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

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%
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%
			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	Urban Development Agency	100%		30 June

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 for the next five years.

### Commentary

The reported consolidated profit for the year was \$135.7m, 16.6% higher than the \$116.4m reported in 2017. The improved result includes a gain of \$53m (FY17 \$36m) in relation to investment properties held by Christchurch International Airport Ltd (CIAL)

Total operating revenue for the group was \$1,043m FY18 compared to \$996m FY17. This 4.7% growth was measured with gains of 2-6% consistent across the group, except for Enable Services Ltd (ESL) and EcoCentral (ECO). ESL recorded a 33% increase in revenue in line with expectations as it moves its focus to customer connections now the fibre network build is complete. EcoCentral was the only entity that recorded a reduction in revenue as the company was impacted by the global collapse of recycling commodity prices.



Net other gains of \$170.5m, mainly relating to the revaluation of assets at CIAL and ESL, has driven the total comprehensive income for the year to \$306.3m (FY17: \$144.4m).

The group's net assets have increased by 6% from \$1,802m in FY2017 to \$1,910m in FY2018. This reflects mainly the completion of the Enable fibre network build, and the continuation of the property development programme at CIAL. Whilst this has impacted on net debt for the group, increasing by \$323m for the year to 30 June 2018, the level of debt was also affected by the ongoing investment by LPC in the implementation of the Lyttelton Port Recovery Plan reducing its cash reserves, and the capital release programme CCHL is currently undertaking in support of its parent, Christchurch City Council.

Key highlights for the group during 2018:

- Orion reduced the frequency and duration of power outages for the fourth consecutive year, and its reliability achievements rank in the top 20% of New Zealand lines companies.
- CIAL's international passenger arrivals grew by 8.5%, while overall arrivals for New Zealand grew by 3.9%
- LPC has achieved record container volume whilst MidlandPort's train service takes 700 truck trips off the road network each week, producing cost efficiencies and reducing carbon emissions.
- Enable completed its network build across greater Christchurch bringing world-class fibre to more than 200,000 homes, schools and businesses. Enable delivered the network 18 months ahead of schedule.
- Citycare was awarded a significant five-year term, Full Facilities Maintenance contract for the maintenance and management of all community-owned Facilities and Parks in Auckland South.
- Red Bus announced the purchase of 3 Electric Buses on its Airport to City route.
- ECO's retail shop has returned a pleasing result ahead of last year. EcoShop's main function is to support the environment and the community by recovering product for resale and, hence, diverting it from the waste stream.
- DCL celebrated the opening of the beachside playground as part of the New Brighton Regeneration Project.

The CCHL parent company does not undertake trading operations in its own right. Its primary assets are its investments in its operating subsidiaries and associated companies, and advances to its subsidiaries.

The parent company's net profit for the year of \$72.9m compared with \$71m in 2017. Parent company reserves increased by \$31m, primarily as a result of the revaluation of the company's investments. However the total carrying value of CCHL's main investments as at balance date were \$2,681m compared to \$2,587m in 2017 as a result of further investment in ESL and DCL.

The company paid dividends to Christchurch City Council of \$192.7m (FY17: \$113.7m) which included special dividends of \$140m towards the capital release programme.

Increased debt at the Parent level has moved the total liabilities to total tangible assets ratio to 29.7% from 24.3%, well within our financial covenant of 60%. Accordingly our interest cover ratio has reduced to 3.57 from 3.98, again well above our 1.5 covenant.

### **Bond Issue**

In November 2017, Christchurch City Holdings Ltd made an offer of unsecured, unsubordinated, fixed rate 5 year bonds to the debt capital markets. In the offer, CCHL sought up to \$100 million with the ability to accept oversubscriptions of up to \$50 million at CCHL's discretion. Following a successful offer period, on the 6th December 2017, CCHL issued \$150m of unsecured, unsubordinated fixed rate 5 year bonds, maturing on 6 December 2022. The bonds were quoted on the NZX Debt Market on the same day.

A key purpose of the offer was to diversify CCHL's source of debt funding. Since June 2013, except for debt securities previously issued under its existing capital markets programme, CCHL has sourced all of its term borrowing requirements from the Council, which, to fund this, has in turn borrowed from the Local Government Funding Agency. Although CCHL expects this source of funding to remain available for the foreseeable future, CCHL considers it prudent to diversify its available sources of funding by issuing debt in its own name to complement its borrowing from the Council.

The proceeds of the bond Offer were used to fund special dividends to the Council of \$140m during CCHL's 2018 financial year with the additional proceeds used to repay short term debt.

Further information in relation to the bond offer can be found in the Product Disclosure Statement available on CCHL's website.

In its FY19 Statement of Intent CCHL noted its intention to release a further \$140 million of capital over the next financial year to the Council to support post-earthquake infrastructure investment.

### Segment Reporting

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's 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 2018 per independent valuations completed by PricewaterhouseCoopers. Investments and advances to subsidiaries have been eliminated on consolidation and 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.

## For the year ended 30 June 2018

	PARENT \$'000	ORION \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CITYCARE \$'000	RED BUS \$'000	ECOCENTRAL \$'000	DCL \$'000	OTHER \$'000	TOTAL \$'000
Segment revenue	88,653	321,883	182,630	122,101	48,474	312,539	21,052	34,315	9,746	(98,042)	1,043,351
Inter-segment revenue	(88,653)	(3,634)	(53)	(6)	(2)	(5,164)	(1)	(529)	-	98,042	0
Revenue from external customers	-	318,249	182,577	122,095	48,472	307,375	21,051	33,786	9,746	-	1,043,351
Share of earnings of associate companies	-	-	-	-	-	(14)	-	-	624	-	610
Interest income	15,189	122	246	4,286	201	14	6	70	65	(13,049)	7,150
Interest expense	(28,385)	(10,442)	(23,442)	(122)	(13,064)	(365)	(2)	(59)	-	13,049	(62,832)
Depreciation and amortisation	(135)	(55,500)	(35,128)	(13,030)	(18,489)	(9,942)	(2,724)	(1,843)	(47)	(2,490)	(139,328)
Net realisations and revaluations and impairment	1,337	308	53,742	72	-	1,386	26	87	-	-	56,958
Taxation expense	-	(20,734)	(22,111)	(5,909)	1,623	148	(82)	(136)	(437)	3,803	(43,835)
Segment profit/(loss)	72,857	53,300	88,737	12,216	(3,782)	(445)	117	381	(303)	(87,340)	135,738
Investments in associates(accounted for by equity method)	-	-	-	-	-	139	-	-	500	-	639
Total non-current assets (excluding derivatives and deferred tax)	2,977,486	1,155,660	1,597,884	407,690	511,702	51,894	39,640	9,512	11,015	(2,950,285)	3,812,198
Total assets	2,986,939	1,183,438	1,620,942	515,756	523,986	114,689	43,602	14,069	12,683	(2,996,101)	4,020,003
Total liabilities	887,750	512,397	597,664	33,496	311,034	59,632	5,533	5,610	827	(303,997)	2,109,946
Additions to non-current assets	63,347	80,589	84,935	72,400	84,088	11,055	768	1,614	10,349	(64,210)	344,935

The results of Orion, CIAL, LPC, ESL and CCL are deemed significant to the Group as they provide 94% of the total revenue and 99% of total assets.

## For the year ended 30 June 2017

	PARENT \$'000	ORION \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	CITYCARE \$'000	RED BUS \$'000	ECOCENTRAL \$'000	DCL \$'000	OTHER \$'000	TOTAL \$'000
Segment revenue	85,460	309,123	177,199	114,424	36,272	303,547	20,568	37,879	4,317	(91,875)	996,914
Inter-segment revenue	(85,460)	(2,297)	(12)	(13)	(5)	(3,572)	-	(495)	-	91,854	0
Revenue from external customers	-	306,826	177,187	114,411	36,267	299,975	20,568	37,384	4,317	(21)	996,914
Share of earnings of associate companies	-	-	-	-	-	(194)	-	-	-	-	(194)
Interest income	13,161	53	272	5,195	181	53	28	46	22	(12,455)	6,556
Interest expense	(23,821)	(10,660)	(21,412)	(25)	(11,987)	(84)	(15)	(79)	-	12,455	(55,628)
Depreciation and amortisation	(16)	(54,220)	(36,525)	(13,552)	(14,223)	(9,367)	(2,480)	(2,758)	(31)	1,465	(131,707)
Net realisations and revaluations and impairment	-	2,688	35,930	303		1,896	119	10	-	-	40,946
Taxation expense	-	(19,412)	(21,113)	(4,640)	3,221	(1,399)	(96)	(724)	(66)	3,739	(40,490)
Segment profit/(loss)	71,010	51,770	64,590	14,447	(8,519)	3,539	207	902	166	(81,721)	116,391
Investments in associates(accounted for by equity method)	-	-	-	-	-	153	-	-	-		153
Total non-current assets (excluding derivatives and deferred tax)	2,870,636	1,132,901	1,328,883	347,399	405,018	49,818	41,688	9,869	2,214	(2,841,626)	3,346,800
Total assets	2,877,489	1,160,150	1,352,023	506,404	425,314	104,758	43,702	16,626	3,097	(2,884,171)	3,605,392
Total liabilities	699,408	487,409	525,123	27,976	286,427	48,456	5,749	8,212	660	(286,514)	1,802,906
Additions to non-current assets	46,613	70,160	85,655	55,398	94,346	10,338	6,754	818	243	(46,607)	323,718

**Revaluations of property, plant and equipment, and investment property****Property, plant and equipment**

During the year, the Group recognised a revaluation gain of \$203.5m pre tax on revaluation of property, plant and equipment, under 'other comprehensive revenue', of which \$169m relates to land, buildings and specialised assets held by CIAL, and \$34.5m to ESL's UFB network assets.

**CIAL**

Land and car parking assets were revalued by independent valuers Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd. Sealed surfaces, infrastructure assets, terminal assets and specialised buildings were valued by independent valuers Opus International Limited as at 30 June 2018.

<b>CIAL asset revaluation</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Land	88,929	-
Buildings	2,657	-
Terminal	38,854	-
Sealed Surfaces	18,848	-
Infrastructure	739	-
Car parking	18,990	(3,714)
	<b>169,015</b>	<b>(3,714)</b>



ASSET CLASSIFICATION AND DESCRIPTION	VALUATION APPROACH	VALUATION SENSITIVITY
<b>Land</b> includes land used for airport activities and specialised aeronautical assets and for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business.	Market value highest and best use approach, with an allowance being deducted to allow for services valued as infrastructure assets. Land included in car parking and Investment property categories are not included in this category.	+/- \$19 million (of a 5% change in adopted rate).
<b>Infrastructure and sealed surfaces</b> including site services.	Optimised depreciated replacement cost - the cost of constructing equivalent asset at current market based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and the sub optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	+/- \$11.5 million (of a 5% change of cost estimate).
<b>Buildings</b> for identified airport activities, including office spaces and storage that exist because of the airport activities.	Specialised buildings are valued by optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Infrastructure and Sealed Surfaces above.  Buildings that are owned by CIAL that could be leased by a third party are valued on an income valuation approach similar to that used for Investment Properties.	+/- \$1.35 million (of a 5% change of cost estimate).
<b>Terminal</b>	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Infrastructure and Sealed Surfaces above.	+/- \$15.96 million (of a 5% change of cost estimate).
<b>Carparking</b>	Discounted cash flow valuation performed by independent valuers based on internal management information such as forecast future revenues, costs and capital expenditure.	+/- \$7.0 million (of a 5% change in discount rate). +/- \$6.0 million (of a change in growth rate to 0.5% for year 11 onwards).

**ESL**

The UFB network Layers 1 and 2 assets, together with the Central Offices (collectively described as UFB network assets), are owned by ESL's 100% subsidiary ENL. These UFB network assets were revalued to fair value as at 30 June 2018 by independent valuers Ernst & Young Transaction Advisory Services Limited (EY). EY are considered to have the appropriate qualifications and experience in the fair value measurement of such assets.

ASSET CLASSIFICATION AND DESCRIPTION	VALUATION APPROACH	VALUATION SENSITIVITY
<b>Optical Fibre Network and Central Offices (UFB network assets)</b>	<p>The DCF methodology involved assessing:</p> <ul style="list-style-type: none"> <li>the future free cash flows of the business (excluding expansionary capital expenditure and related revenue)</li> <li>a terminal value for cash flows beyond the forecast period</li> <li>discounting the above cash flows using a discount rate based on weighted average cost of capital</li> <li>whether there were any surplus assets.</li> </ul>	<p>+ \$38m/- \$43m (of a 5.0% in Peak connection %)</p> <p>+ \$33m/- \$29m (of a 0.5% WACC)</p> <p>+ \$15m/- \$12m (of a 0.5% Terminal growth rate)</p>

**Investment Property**

During the year the Group recognised a fair value gain of \$53.7m through 'other gains' in the statement of comprehensive income relating to Investment property.

All of the Group's investment property is held by CIAL.

	GROUP 2018 \$'000	GROUP 2017 \$'000
Balance at beginning of financial year	370,523	303,692
Transfer (to)/from property, plant & equipment	(25,974)	(6,464)
Additional capitalised expenditure	30,598	37,369
Net gain/(loss) from fair value adjustments	53,701	35,926
<b>Balance at end of financial year</b>	<b>428,848</b>	<b>370,523</b>

Included in the amount above is \$6.1m (2017: \$3.5m) relating to investment properties under construction, but sufficiently advanced to enable a fair value to be assessed by the independent valuer. These properties are carried at fair value on completion less estimated costs to complete.

The valuation as at 30 June 2018 was completed by Crighton Anderson Property and Infrastructure Ltd, trading as Colliers International Ltd, registered valuers and member of the New Zealand Property Institute. The basis of valuation is fair value.

ASSET CLASSIFICATION AND DESCRIPTION	VALUATION APPROACH	VALUATION SENSITIVITY
Investment Properties are land and buildings which are owned to earn rental income, for capital appreciation or both.	The income based valuation approach is used.	+/- \$18.14 million (of a 5% change of capitalisation rate)

**Dividend Distribution**

	GROUP 2018 \$'000
Fully paid ordinary shares	81,783
Partly paid redeemable preference shares	1
	<b>81,784</b>
	\$'000
Interim Dividend - 24 October 2017	10,000
Interim Dividend - 14 December 2017	12,000
Special Dividend - 14 December 2017	70,000
Final Ordinary Dividend -20 June 2018	30,694
Special Dividend - 20 June 2018	70,000
Total Dividends declared on fully paid ordinary shares	<b>192,694</b>
	cents
Cents per share	539

There was a new issue of 10,349,000 shares made to Christchurch City Council this year. CCHL has on issue:

- 35,730,528 fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- 1,300,139,000 (2017: 1,300,139,000) redeemable preference shares, paid 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.

**Control of entities gained or lost during the year**

There were no changes in the entities the Group has control of during the year.

**Details of Associates and Joint ventures**

City Care Limited has an unincorporated joint venture agreement, City Care Limited John Fillmore Contracting Limited Joint Venture of which they have a 50/50 percentage. This joint venture is a strategic partnership to tender for relevant contracts.

Development Christchurch Ltd has an investment of 14.29% in associate Leisure Investments New Zealand Partnership. This associate runs the Christchurch Adventure Park.

These investments in associates and joint ventures are not deemed material to the Group.

**Prior period adjustment**

The Board of CCHL have reviewed the carrying value of Goodwill on Consolidation for each of our companies and have determined that:

EcoCentral – when comparing the carrying value of EcoCentral to its fair value less costs of disposal, the Goodwill on consolidation of \$5.74m is overstated, and should have been impaired in the FY16 and prior years.

LPC – when comparing the carrying value of LPC to its value in use, the Goodwill on consolidation of \$21.749m is overstated, and should have been impaired in FY16.

A prior period adjustment of \$27.489m has been made in the Statement of Financial Position which impacts the opening balance of Goodwill and Retained earnings in the 2017 comparatives.

**Events after the reporting period**

There are no material events after the reporting date which would require adjustment or disclosure by the Group.

## Statement of financial position (unaudited)

As at 30 June 2018

	GROUP 2018 \$'000	GROUP 2017 \$'000
<b>Non-current assets</b>		
Investments in entities using the equity method	639	153
Property, plant and equipment	3,285,126	2,892,317
Investment property	428,848	370,523
Loans and other financial assets	25,411	28,040
Intangible assets	37,015	29,072
Construction contract work in progress	28,787	22,220
Prepayments	6,923	6,466
<b>Total non-current assets</b>	<b>3,812,749</b>	<b>3,348,791</b>
<b>Current assets</b>		
Cash and cash equivalents	11,590	14,740
Debtors	113,612	104,713
Inventory	18,102	18,313
Non-current assets held for sale	314	1,617
Loans and other financial assets	63,636	117,218
<b>Total current assets</b>	<b>207,254</b>	<b>256,601</b>
<b>Total assets</b>	<b>4,020,003</b>	<b>3,605,392</b>
<b>Non-current liabilities</b>		
Borrowings	1,341,671	1,145,598
Net deferred tax liabilities	347,351	309,692
Provisions and other liabilities	30,222	32,206
<b>Total non-current liabilities</b>	<b>1,719,244</b>	<b>1,487,496</b>
<b>Current liabilities</b>		
Borrowings	232,123	161,906
Creditors and other liabilities	109,990	106,038
Provisions and other liabilities	46,845	42,725
Current tax liabilities	1,744	4,741
<b>Total current liabilities</b>	<b>390,702</b>	<b>315,410</b>
<b>Total liabilities</b>	<b>2,109,946</b>	<b>1,802,906</b>
<b>Net assets</b>	<b>1,910,057</b>	<b>1,802,486</b>
<b>Equity</b>		
Capital and other equity instruments	81,784	71,435
Reserves	590,350	456,714
Retained earnings	913,530	998,968
Parent entity interests	1,585,664	1,527,117
Non-controlling interests	324,393	275,369
<b>Total equity</b>	<b>1,910,057</b>	<b>1,802,486</b>

## Statement of comprehensive income (unaudited)

For the year ended 30 June 2018

	GROUP 2018 \$'000	GROUP 2017 \$'000
Operating revenue	1,043,351	996,914
Other income including revaluations of investment property	56,958	40,946
<b>Total revenue and gains</b>	<b>1,100,309</b>	<b>1,037,860</b>
Operating expenses	726,336	700,006
Share of profits/(losses) of associates and joint ventures	610	(194)
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>374,583</b>	<b>337,660</b>
Depreciation	122,292	118,358
Impairment	13,502	10,069
Amortisation	3,534	3,280
	<b>139,328</b>	<b>131,707</b>
<b>Earnings before interest and tax</b>	<b>235,255</b>	<b>205,953</b>
Finance income	7,150	6,556
Finance costs	62,832	55,628
	<b>55,682</b>	<b>49,072</b>
<b>Net profit before tax</b>	<b>179,573</b>	<b>156,881</b>
Income tax expense/(credit)	43,835	40,490
<b>Net profit after tax</b>	<b>135,738</b>	<b>116,391</b>
<b>Other comprehensive income</b>		
<i>Items that will not be recycled to profit or loss:</i>		
Revaluation of assets	203,534	14,720
Income tax effect	(30,947)	(2,486)
<b>Revaluation of assets, net of income tax effect</b>	<b>172,587</b>	<b>12,234</b>
<i>Items that may be recycled to profit or loss in future:</i>		
Cash flow hedges	(2,478)	23,007
Income tax effect	410	(7,204)
<b>Cash flow hedges, net of income tax effect</b>	<b>(2,068)</b>	<b>15,803</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>170,519</b>	<b>28,037</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>306,257</b>	<b>144,428</b>
<b>Profit for the year attributable to:</b>		
Owners of the parent	107,725	94,608
Non-controlling interests	28,013	21,783
	<b>135,738</b>	<b>116,391</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	241,519	119,924
Non-controlling interests	64,738	24,504
	<b>306,257</b>	<b>144,428</b>



## Statement of changes in equity (unaudited)

For the year ended 30 June 2018

	SHARE CAPITAL \$'000	ASSET REVALUATION RESERVE \$'000	HEDGING RESERVE \$'000	RETAINED EARNINGS \$'000	ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT \$'000	NON- CONTROLLING INTERESTS \$'000	Total \$'000
<b>Balance as at 1 July 2016</b>	71,435	463,011	(31,083)	1,045,004	<b>1,548,367</b>	265,003	<b>1,813,370</b>
Opening balance restated for prior period adjustment	71,435	463,011	(31,083)	1,017,515	<b>1,520,878</b>	265,003	<b>1,785,881</b>
Profit for the year	-	-	-	94,608	<b>94,608</b>	21,783	116,391
<i>Other comprehensive income for year:</i>							
Revaluation of assets	-	13,671	-	-	<b>13,671</b>	1,049	<b>14,720</b>
Revaluation of derivative financial instruments	-	-	20,337	-	<b>20,337</b>	2,670	<b>23,007</b>
Tax associated with revaluation movements	-	(2,192)	(6,456)	(44)	<b>(8,692)</b>	(998)	<b>(9,690)</b>
Other comprehensive income for year	-	11,479	13,881	(44)	<b>25,316</b>	2,721	28,037
<b>Total comprehensive income</b>	-	11,479	13,881	94,564	<b>119,924</b>	24,504	144,428
Transfer on disposal of revalued assets	-	(573)	-	573	-	-	-
Dividends paid or provided for	-	-	-	(113,682)	<b>(113,682)</b>	(14,138)	<b>(127,820)</b>
Adjustment for share acquisitions	-	-	-	-	-	-	-
Other	-	-	(1)	(2)	<b>(3)</b>	-	<b>(3)</b>
<b>Balance as at 30 June 2017</b>	<b>71,435</b>	<b>473,917</b>	<b>(17,203)</b>	<b>998,968</b>	<b>1,527,117</b>	<b>275,369</b>	<b>1,802,486</b>
Profit for the year	-	-	-	107,725	<b>107,725</b>	28,013	<b>135,738</b>
<i>Other comprehensive income for year:</i>							
Revaluation of assets	-	161,280	-	-	<b>161,280</b>	42,254	<b>203,534</b>
Revaluation of derivative financial instruments	-	-	(2,110)	-	<b>(2,110)</b>	(368)	<b>(2,478)</b>
Tax associated with revaluation movements	-	(25,564)	250	(62)	<b>(25,376)</b>	(5,161)	<b>(30,537)</b>
Other comprehensive income for year	-	135,716	(1,860)	(62)	<b>133,794</b>	36,725	170,519
<b>Total comprehensive income</b>	-	135,716	(1,860)	107,663	<b>241,519</b>	64,738	<b>306,257</b>
Transfer on disposal of revalued assets	-	(220)	-	220	-	-	-
Dividends paid or provided for	-	-	-	(192,694)	<b>(192,694)</b>	(15,714)	<b>(208,408)</b>
Issue of shares	10,349	-	-	-	<b>10,349</b>	-	<b>10,349</b>
Other	-	-	-	(627)	<b>(627)</b>	-	<b>(627)</b>
<b>Balance as at 30 June 2018</b>	<b>81,784</b>	<b>609,413</b>	<b>(19,063)</b>	<b>913,530</b>	<b>1,585,664</b>	<b>324,393</b>	<b>1,910,057</b>

## Statement of cash flows (unaudited)

For the year ended 30 June 2018

	GROUP 2018 \$'000	GROUP 2017 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers and other sources	1,041,262	1,005,209
Interest received	8,141	3,393
Payments to suppliers and employees	(730,066)	(686,359)
Interest and other finance costs paid	(63,988)	(47,958)
Income tax paid	(30,653)	(37,082)
Subvention payments	(8,986)	(7,997)
<b>Net cash provided by/(used in) operating activities</b>	<b>215,710</b>	<b>229,206</b>
<b>Cash flows from investing activities</b>		
Proceeds from investment in subsidiaries/associates	-	495
Advances made to external parties	(530)	(589)
Payment for property, plant and equipment	(326,273)	(285,750)
Proceeds from sale of property, plant and equipment	3,946	1,880
Payment for intangible assets	(14,038)	(7,063)
Payment for investment properties	(4,624)	(30,905)
Proceeds from sale of investment properties	-	2,500
Payment for investment into bank deposits	(169,500)	(102,530)
Proceeds from bank deposits maturing	223,500	138,023
Other	-	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(287,519)</b>	<b>(283,939)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowing	441,315	357,921
Repayment of borrowings	(173,590)	(161,292)
Repayment of finance leases	(1,007)	(1,187)
Proceeds from issue of shares	10,349	-
Dividends paid	(192,694)	(113,682)
Dividends paid - non-controlling interests	(15,714)	(14,138)
<b>Net cash provided by/(used in) financing activities</b>	<b>68,659</b>	<b>67,622</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,150)</b>	<b>12,889</b>
Cash and cash equivalents at beginning of year	14,740	1,851
<b>Cash and cash equivalents at end of year</b>	<b>11,590</b>	<b>14,740</b>



Christchurch  
City Holdings  
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