CHRISTCHURCH CITY HOLDINGS LIMITED

Unaudited financial statements

Directors' Responsibility Statement

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the company and group as at 31 December 2013, and the financial performance and cash flows for the six months ended on that date.

The directors consider that the financial statements of the company and group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and that all relevant financial reporting and accounting standards have been followed.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the company and group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider they have taken adequate steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors have the pleasure in presenting the interim financial statements, set out on pages 7 to 14, of Christchurch City Holdings Limited for the six months ended 31 December 2013.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 28 February 2014.

Bruce Irvine	**Sarah Smith**
Director	Director
28 February 2014	28 February 2014

Contents

Directory

Registered Office

53, Hereford Street
Christchurch

Directors

B Irvine (Chairman)
V Buck
W Dwyer
J Gough
Y Johanson
R Manji
A Pearce
S Smith

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

Chairman's review

Attached are the unaudited financial statements of the CCHL group and parent company for the six months ended 31 December 2013.

Financial

Group
The group recorded a profit for the six months ended 31 December 2013 of $365.7 million, compared with $34.5 million in the previous equivalent period.

The current period's profit was dominated by a settlement of Lyttelton Port Company's insurance claim with its insurers in December 2013, which resulted in the recognition of insurance revenue of $358 million and a net earthquake-related gain of $330 million. While accounting rules require the insurance proceeds to be recorded as a profit, the proceeds are earmarked for earthquake repairs at the port over the next few years.

Excluding the port company's one off gain from insurance proceeds and other earthquake related effects, the group's underlying profitability was $35.7 million – broadly in line with the previous half year result.

Parent
The parent company's profit for the period was $12.4 million, compared with $16.0 million recorded in the previous half year. The main reason for the lower profit is that City Care Ltd did not pay a final dividend in respect of its 2013 financial year, following its lower than expected result in that year. City Care Ltd has returned to an acceptable level of profitability in the current financial year and is on track to meet its forecasts and return to previous dividend levels.

Operations

Orion New Zealand Ltd
Orion recorded a profit for the period of $26.6 million, compared with $27.2 million in the previous equivalent period.

The company is undertaking a full capital programme as it implements its earthquake recovery plan on top of normal capital expenditure under its asset management plan. The company has also had to deal with the effects of three severe windstorms in the period.

Orion has recently received Commerce Commission approval to increase its prices to help fund the network rebuild by CPI plus 8.4 percent from April 2014. Orion's prices will remain below the New Zealand average for network charges to household customers after the price increase. The company can make further annual increases at the rate of inflation plus one percentage point until 2019. The quality standards require the reliability of supply to gradually improve over the period to 2019, towards pre-earthquake levels.

Christchurch International Airport Ltd
Christchurch International Airport Ltd ('CIAL') recorded a net half year profit of $6.1 million, compared with $7.4 million in the previous period. While revenues and trading results improved, higher depreciation and interest costs (a combined $5.2 million higher than the previous period) resulting from the construction of the new terminal suppressed profits.

International and domestic passenger numbers both improved over the previous period, and future trends are positive.

The 3.0% growth in domestic passenger numbers has been driven predominantly by increased capacity on the main truck routes to Auckland and Wellington.

Signs of the beginning of a recovery in international volumes are becoming evident, with increasing numbers on the Sydney, Melbourne and Gold Coast routes, supplemented by the new Perth service which commenced in December 2013, the addition of two Singapore Airlines flights a week from early December and additional summer charter services from Japan. The increase in numbers, combined with the phasing in of airline price increases in December, has resulted in an improvement in aeronautical revenues.

The company continues to place a major emphasis on route development, with a view to attracting new long haul services into Christchurch.

The company continues to develop its property portfolio, with its freight and logistics precinct, Dakota Park, progressing well with four new developments currently under way. The detailed design for the new Spitfire Square retail development is now complete, with a tender for the main contractor to be released shortly.

Lyttelton Port Company Ltd

Lyttelton Port Company Ltd's (LPC's) result for the half year was a profit of $336.5 million, compared with $3.3 million in the previous equivalent period. The result was dominated by the recognition of a net $330m accounting gain following a settlement agreed with its insurers in December 2013 in respect of its claims arising from the earthquakes. Further information is provided in Note 4.

The company recorded its highest container terminal volume ever for the six month period, with a 9.2% increase on the previous equivalent period. This growth was driven by a strong import season and continued growth in the rural sector.

In November and December 2013, two workplace fatalities occurred in the operations of third-party firms operating in the port—in the logging area, and in the hold of a fertiliser vessel. On 4 January 2014, a staff fork hoist driver at CityDepot suffered injuries when a dislodged container hit his cab. WorkSafe New Zealand issued the company with five improvement notices relating to work practices at CityDepot, and all five improvements were actioned immediately. Investigations are continuing, and the company is working closely with WorkSafe New Zealand and employees. The company has implemented a number of operational and organisational changes to improve health and safety.

The company is investing to improve operational efficiency, including the increasing the land available to the container terminal. The terminal's fourth ship to shore gantry crane is due to be commissioned by July 2014, and four new straddle carriers went into service during the period, with four more expected to be commissioned in the next few months.

Enable Services Ltd

Enable Services Ltd recorded a net loss for the period of $(2.9) million, compared with $(3.4) million in the previous year. Operating losses have always been budgeted for during the network construction period.

The first two stages of network construction – primarily Halswell, Papanui, Rolleston and Redwood – are complete, and have been transferred to joint venture company Enable Networks Ltd (ENL). ENL is jointly owned by Enable Services Ltd and government entity Crown Fibre Holdings Ltd. Work is now well under way on Stage 3. Enable has also made good progress in its commitment to provide fibre to all schools and business premises in the build area by 2015.

Excellent progress has also been made on the central office programme (a central office is essentially a small building housing a network exchange), with eight now operational, three complete and awaiting fibre connectivity and Layer 2 installation and the final one expected to be complete by June 2014.

Enable has also been very active in deploying network in greenfields sites. Following the earthquakes, subdivision activity has significantly increased, and the company is focusing on laying fibre at the optimum stage of the process.

City Care Ltd

City Care Ltd recorded a profit for the period of $5.7 million, the same result as the previous equivalent period, and is on track to meet its Statement of Intent profit target for the full year of $10.8 million.

The company was successful in tendering for the Housing New Zealand 5000 Rebuild contract in Christchurch.

The company has some 1,500 full time equivalents on its payroll.

Red Bus Ltd

Red Bus Ltd has continued to experience difficult trading conditions following the earthquakes, but recorded a slightly improved result with a loss of $(0.35) million, compared with a loss of $(0.46) million in the previous period.

The company has introduced the Rebuild Tour of the central city (a development of the previous Red Zone tour), and is seeing growing tour numbers.

Looking forward, results are expected to improve, although patronage is expected to remain subdued during the central city rebuild.

EcoCentral Ltd

EcoCentral Ltd's profit for the half year decreased slightly from $0.56 million last year to $0.42 million. The EcoDrops (transfer stations) continued to trade well, although margins were slightly down due mainly to product mix. The EcoSort result was broadly consistent with the previous half year, and profits from the EcoShop increased.

Other projects

During the period, we continued our investigation into the business case for investment into a district heating system, which would involve the reticulation of hot water for heating purposes to large users in the central city, and the wider use of aquifer water for heating and cooling. We have received expressions of interest from a number of parties and are in the process of evaluating them. We see our role as primarily being a facilitator of this project rather than a direct investor.

Outlook

We expect the group to continue to grow profits both for reinvestment back into the development of the individual businesses, and to increase dividend payments to assist the City's rebuild programme.

The port company's settlement with its insurers has removed a significant uncertainty for the group, and enables LPC's management to now focus on the rebuild and development of the port.

Acknowledgments

I would like to acknowledge the excellent performance of each of the CCHL group companies. Their response to the difficult conditions following the earthquakes, and their continued focus on growing their businesses, has made, and will continue to make, an invaluable contribution to the City's recovery efforts.

Bruce Irvine
Chairman

Income statement

For the six months ended 31 December 2013

	Unaudited **6 months** **31 Dec 13** **Group** $'000	Unaudited **6 months** **31 Dec 12** **Group** $'000	Audited **Full year** **30 Jun 13** **Group** $'000	Unaudited **6 months** **31 Dec 13** **Parent** $'000	Unaudited **6 months** **31 Dec 12** **Parent** $'000	Audited **Full year** **30 Jun 13** **Parent** $'000
Operating and other revenue	494,263	455,108	927,420	17,608	21,020	42,379
Insurance revenue (Note 4)	357,613	2,880	17,952	-	-	-
Finance income	1,481	1,482	3,260	4,423	3,578	7,021
Other gains	3,650	3,976	9,563	-	270	13,119
Total income	857,007	463,446	958,195	22,031	24,868	62,519
Depreciation and amortisation	50,861	47,513	96,160	-	-	-
Finance costs	21,356	19,238	38,349	8,820	7,870	15,944
Personnel costs	124,476	108,826	223,091	321	293	591
Operating and other expenses	262,360	235,509	496,922	538	814	2,064
Total operating expenses	459,053	411,086	854,522	9,679	8,977	18,599
Share of (losses)/profits of associates	(1,664)	(822)	(2,365)	-	-	-
Profit before income tax expense	396,290	51,538	101,308	12,352	15,891	43,920
Income tax expense	30,544	17,025	30,596	-	(91)	(91)
Profit for the period	365,746	34,513	70,712	12,352	15,982	44,011
Attributable to:						
Owners of the parent	292,645	29,075	57,393	12,352	15,982	44,011
Non-controlling interests	73,101	5,438	13,319	-	-	-
	365,746	34,513	70,712	12,352	15,982	44,011

The accompanying notes form part of these financial statements

Statement of comprehensive income

For the six months ended 31 December 2013

	Unaudited 6 months 31 Dec 13 Group $'000	Unaudited 6 months 31 Dec 12 Group $'000	Audited Full year 30 Jun 13 Group $'000	Unaudited 6 months 31 Dec 13 Parent $'000	Unaudited 6 months 31 Dec 12 Parent $'000	Audited Full year 30 Jun 13 Parent $'000
Profit for the period	365,746	34,513	70,712	12,352	15,982	44,011
Other comprehensive income						
Revaluation of assets						
Revaluation of property, plant & equipment	(125)	-	27,585	-	-	-
	(125)	-	27,585	-	-	-
Available-for-sale financial assets						
Revaluation of investment in subsidiaries	-	-	-	13,143	-	50,573
	-	-	-	13,143	-	50,573
Cash flow hedges						
Effective portion of gains and losses on cash flow hedging instruments	9,839	791	18,067	4,833	196	6,299
Net change in cash flow hedges transferred to income statement	1,137	-	-	-	-	-
	10,976	791	18,067	4,833	196	6,299
Income tax						
Income tax - other comprehensive income	-	-	3,448	-	-	-
	-	-	3,448	-	-	-
Other comprehensive income for the period net of tax	10,851	791	49,100	17,976	196	56,872
Total comprehensive income for the period net of tax	376,597	35,304	119,812	30,328	16,178	100,883
Total comprehensive income is attributable to:						
Owners of the parent	301,587	29,713	96,031	30,328	16,178	100,883
Non-controlling interests	75,010	5,591	23,781	-	-	-
	376,597	35,304	119,812	30,328	16,178	100,883

The accompanying notes form part of these financial statements

Statement of changes in equity

For the six months ended 31 December 2013

	Unaudited **6 months** **31 Dec 13** **Group** $'000	Unaudited **6 months** **31 Dec 12** **Group** $'000	Audited **Full year** **30 Jun 13** **Group** $'000	Unaudited **6 months** **31 Dec 13** **Parent** $'000	Unaudited **6 months** **31 Dec 12** **Parent** $'000	Audited **Full year** **30 Jun 13** **Parent** $'000
Opening equity	1,450,379	1,372,661	1,372,661	1,462,159	1,397,601	1,397,601
Total comprehensive income for the period	376,597	35,304	119,812	30,328	16,178	100,883
Equity transactions						
Dividends paid/payable	(24,550)	(22,817)	(41,969)	(22,000)	(20,000)	(36,325)
Adjustment to controlling and non-interests for share acquisitions	-	(91)	(125)	-	-	-
Closing equity	1,802,426	1,385,057	1,450,379	1,470,487	1,393,779	1,462,159

The accompanying notes form part of these financial statements

Balance sheet

As at 31 December 2013

	Unaudited 31 Dec 13 Group	Unaudited 31 Dec 12 Group	Audited 30 Jun 13 Group	Unaudited 31 Dec 13 Parent	Unaudited 31 Dec 12 Parent	Audited 30 Jun 13 Parent
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets						
Cash and cash equivalents	31,309	35,683	(2,838)	12,684	16,633	1,774
Debtors and other receivables	118,634	104,804	124,779	1,528	1,369	1,434
Insurance receivables	382,737	30,003	27,684	-	-	-
Derivative financial instruments	112	311	34	-	-	-
Other financial assets	5,423	14,463	17,882	-	11,450	11,450
Prepayments	10,789	13,304	9,653	204	178	197
Inventories	15,250	17,897	16,810	-	-	-
Current tax assets	2,340	6,049	404	-	-	-
Non-current assets held for sale	-	-	3,234	-	-	-
Total current assets	566,594	222,514	197,642	14,416	29,630	14,855
Non-current assets						
Debtors and other receivables	6,603	2,625	-	-	-	-
Investments in associates	39,566	53,143	34,599	-	16,144	-
Derivative financial instruments	5,827	-	1,962	5,594	-	1,962
Other financial assets	41,149	14,502	21,466	1,826,042	1,689,199	1,772,726
Prepayments	8,197	9,062	8,200	-	-	-
Property, plant and equipment	2,086,143	2,051,511	2,068,363	-	-	-
Investment property	169,433	136,647	178,187	-	-	-
Intangible assets	12,447	12,602	14,239	-	-	-
Deferred tax assets	846	3,228	11,821	-	-	-
Goodwill	39,150	38,900	39,152	-	-	-
Total non-current assets	2,409,361	2,322,220	2,377,989	1,831,636	1,705,343	1,774,688
Total assets	2,975,955	2,544,734	2,575,631	1,846,052	1,734,973	1,789,543
Current liabilities						
Creditors and other payables	88,234	73,535	82,340	2,002	1,646	1,537
Borrowings	72,704	151,149	113,197	72,000	98,000	88,000
Derivative financial instruments	1,911	955	1,277	404	-	82
Employee entitlements	26,502	22,014	25,198	52	44	42
Current tax liabilities	10,417	16,339	-	-	-	-
Provisions and other	867	1,083	1,692	-	-	-
Total current liabilities	200,635	265,075	223,704	74,458	99,690	89,661
Non-current liabilities						
Borrowings	667,422	580,930	585,761	297,000	230,000	230,000
Derivative financial instruments	13,533	37,428	25,082	4,107	11,504	7,723
Employee entitlements	1,200	1,084	2,000	-	-	-
Deferred tax liabilities	288,403	271,956	284,547	-	-	-
Other	2,336	3,204	4,158	-	-	-
Total non-current liabilities	972,894	894,602	901,548	301,107	241,504	237,723
Total liabilities	1,173,529	1,159,677	1,125,252	375,565	341,194	327,384
Net assets	1,802,426	1,385,057	1,450,379	1,470,487	1,393,779	1,462,159
Equity						
Capital and other equity instruments	71,435	71,435	71,435	71,435	71,435	71,435
Reserves	328,672	281,753	319,729	1,112,738	1,038,086	1,094,762
Retained earnings	1,055,268	772,607	784,623	286,314	284,258	295,962
Parent entity interest	1,455,375	1,125,795	1,175,787	1,470,487	1,393,779	1,462,159
Non-controlling interests	347,051	259,262	274,592	-	-	-
Total equity	1,802,426	1,385,057	1,450,379	1,470,487	1,393,779	1,462,159

The accompanying notes form part of these financial statements

Cash flow statement

For the six months ended 31 December 2013

	Unaudited 6 months 31 Dec 13 Group $'000	Unaudited 6 months 31 Dec 12 Group $'000	Audited Full year 30 Jun 13 Group $'000	Unaudited 6 months 31 Dec 13 Parent $'000	Unaudited 6 months 31 Dec 12 Parent $'000	Audited Full year 30 Jun 13 Parent $'000
Cash flows from operating activities						
Receipts from customers and other sources	493,199	442,622	884,614	1	1	3
Interest received	1,359	1,134	2,909	4,291	3,252	6,687
Dividends received	-	-	-	17,607	21,019	42,377
Proceeds from insurance	2,560	1,670	17,394	-	-	-
Payments to suppliers and employees	(384,331)	(362,319)	(711,401)	(1,134)	(1,148)	(2,240)
Interest and other finance costs paid	(20,498)	(20,395)	(39,071)	(8,394)	(7,554)	(15,739)
Income tax paid	(12,665)	(8,746)	(17,812)	-	-	-
Subvention payments	-	-	(7,471)	-	-	-
Net cash provided by operating activities	79,624	53,966	129,162	12,371	15,570	31,088
Cash flows from investing activities						
Payment for investment securities	(2,750)	-	-	(6,500)	(5,091)	(8,123)
Proceeds from sale of investment securities	-	1,672	1,818	-	-	-
Proceeds of return of capital from associated company	-	-	20,793	-	-	20,793
Proceeds from repayment of related party loans	11,450	44	44	13,450	5,044	5,044
Advances made	(14,911)	-	(6,814)	(14,911)	-	(6,814)
Amounts advanced to related parties	-	-	-	(22,500)	(18,000)	(33,000)
Payment for property, plant and equipment	(58,212)	(77,717)	(146,874)	-	-	-
Proceeds from sale of property, plant and equipment	5,852	408	1,480	-	-	-
Proceeds from insurance	-	10,764	12,110	-	-	-
Payment for intangible assets	(709)	(973)	(5,985)	-	-	-
Payment for goodwill	-	-	(250)	-	-	-
Payment for investment properties	-	(46)	(3,735)	-	-	-
Proceeds from sale of investment properties	11,162	-	-	-	-	-
Other	(1,898)	-	(3,250)	-	-	-
Net cash used in investing activities	(50,016)	(65,848)	(130,663)	(30,461)	(18,047)	(22,100)
Cash flows from financing activities						
Proceeds from borrowing	125,814	114,475	136,350	67,000	26,000	16,000
Repayment of borrowings	(96,725)	(49,535)	(100,515)	(16,000)	-	-
Repayment of finance leases	-	-	(334)	-	-	-
Capitalised bond issue costs	-	-	(312)	-	-	-
Dividends paid	(22,000)	(20,000)	(36,324)	(22,000)	(20,000)	(36,324)
Dividends paid - non-controlling interests	(2,550)	(2,817)	(5,644)	-	-	-
Net cash used in financing activities	4,539	42,123	(6,779)	29,000	6,000	(20,324)
Net increase in cash and cash equivalents	34,147	30,241	(8,280)	10,910	3,523	(11,336)
Cash and cash equivalents at start of year	(2,838)	5,442	5,442	1,774	13,110	13,110
Cash and cash equivalents at end of year	31,309	35,683	(2,838)	12,684	16,633	1,774

The accompanying notes form part of these financial statements

Notes to the financial statements

Note 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 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.

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

Note 2. Basis of preparation

The financial statements for the period ended 31 December 2013 are unaudited.

The financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards 34, Interim Financial Reporting, as adopted by the New Zealand Institute of Chartered Accountants, and should be read in conjunction with the audited financial statements for the year ended 30 June 2013.

The balance date of all subsidiary companies, other than Orion New Zealand Ltd which has a balance date of 31 March, is 30 June. This interim report therefore includes the results of Orion New Zealand Ltd for the six months to 30 September 2013, and the results of other subsidiaries for the six months to 31 December 2013.

The accounting policies as published in the annual report for the year ended 30 June 2013 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2013, and the financial position as at that date.

Note 3. Reconciliation of profit for the period with operating cash flows

	Unaudited 6 months 31 Dec 13 Group $'000	Unaudited 6 months 31 Dec 12 Group $'000	Audited Full year 30 Jun 13 Group $'000	Unaudited 6 months 31 Dec 13 Parent $'000	Unaudited 6 months 31 Dec 12 Parent $'000	Audited Full year 30 Jun 13 Parent $'000
Profit for the period	365,746	34,513	70,712	12,352	15,982	44,011
Add/(less) non-cash items						
Depreciation, amortisation and impairment	50,861	47,513	96,160	-	-	-
Donated and subsidised assets	-	(1,835)	(4,406)	-	-	-
(Gains)/losses in fair value of investment property	-	-	(7,775)	-	-	-
(Gains)/losses in fair value of derivative financial instruments	(1,149)	244	555	(354)	(270)	533
Share of associates' loss/(profit)	1,664	822	2,365	-	-	-
Net foreign exchange (gains)/losses	-	-	(58)	-	-	-
Realisation of fair value through equity reserv	-	-	-	-	-	(13,119)
Deferred tax charged/(credited) to income	12,359	2,652	10,266	-	-	-
Gain on disposal of investment	-	(1,788)	-	-	-	-
Issue of shares in Enable Networks Ltd as consideration for network build	(8,014)	(3,144)	(6,726)	-	-	-
Other	5,540	(4,099)	(2,949)	-	-	1
	61,261	40,365	87,432	(354)	(270)	(12,585)
Add/(less) items classified as investing or financing activities						
Gain on disposal of non-current assets	(3,487)	9	(175)	-	-	-
Movement in capital creditors	-	-	(1,943)	-	-	-
Insurance proceeds	-	(10,764)	(12,110)	-	-	-
Other	132	-	-	-	-	-
	(3,355)	(10,755)	(14,228)	-	-	-
Add/(less) movement in working capital items						
Current trade and other receivables	(348,908)	(2,310)	(19,966)	(145)	(137)	(203)
Current inventories	1,560	(692)	395	-	-	-
Current prepayments	(1,136)	(6,257)	(2,606)	(6)	(81)	(101)
Income tax receivable	(1,936)	(6,049)	(404)	-	-	-
Other current assets	24	24	-	-	-	-
Non-current receivables	(939)	(1,111)	25	-	-	-
Non-current prepayments	3	66	928	-	-	-
Other non-current assets	(5,664)	(1,465)	24	-	-	-
Current payables	5,894	2,504	11,309	516	187	75
Current provisions	1,304	(3,094)	-	8	(111)	-
Current employee benefits	-	-	90	-	-	(18)
Income tax payable	10,417	12,347	(3,992)	-	-	(91)
Other current liabilities	(825)	(602)	7	-	-	-
Non-current provisions	(2,000)	(1,561)	-	-	-	-
Non-current employee benefits	-	-	439	-	-	-
Other non-current liabilities	(1,822)	(1,957)	(1,003)	-	-	-
Net changes in net assets and liabilities	(344,028)	(10,157)	(14,754)	373	(142)	(338)
Net cash from operating activities	79,624	53,966	129,162	12,371	15,570	31,088

Note 4. Lyttelton Port Company Ltd (LPC) insurance settlement

On 19 December, LPC announced that, following a mediation process with its insurers (Vero, NZI and QBE), all the various claims of the company against its three insurers under the company's material damage, business interruption and contract works insurance policies, arising out of the September 2010, February 2011 and June 2011 earthquakes, had been settled with the insurers.

The settlements involve the payment in aggregate by the three insurers of $438.3 million plus GST (being a gross amount of $450 million less deductibles of $11.7 million) in full and final settlement of the claims. The company has already received payments from its insurers of $55.6 million, so that the total amount remaining to be paid by the insurers in respect of all of the claims will be $382.7 million plus GST. Payment will be made in full by 28 February 2014.

The monies received will be expended over time in the development of Lyttelton Port's facilities. Approximately $66 million has already been expended on keeping the port operational. The port has flexibility on how and when assets will be developed. There remains one outstanding matter with a third party that may result in the company making an additional recovery. The company is not in a position to provide further details at this time.

LPC is finalising contract works insurance cover (including earthquake cover) for the development programme. Work is progressing on the rebuild of Cashin Quay 2 and the company expects to be able to fully insure this asset (including for earthquake) when construction is completed. It is anticipated that, as the overall programme progresses, all assets will be able to be fully insured.

Note 5. Impact of seasonality on results

There are no material cyclicality impacts in the group.

Note 6. Contingent liabilities

The contingent liabilities of the group as disclosed in Note 38 of the annual report for the year ended 30 June 2013 are materially the same as at 31 December 2013.

Note 7. 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.