cchl 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 2015, 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 of presenting the interim financial statements, set out on pages 7 to 16, of Christchurch City Holdings Limited for the six months ended 31 December 2015.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 17 February 2016.

Bruce Irvine
Director

Sarah Smith
Director

Contents

Directory

Registered Office

77 Hereford Street
Christchurch

Directors

B Irvine (Chairman)
V Buck
W Dwyer
J Gough
Y Johanson
A Pearce
S Smith
R Manji (Resigned 11/1/2016)

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/Chief Executive's review

Attached are the unaudited financial statements of the CCHL group and parent company for the six months ended 31 December 2015.

Financial

Group

The group recorded a profit for the six months ended 31 December 2015 of $45.7million, compared with $48.7 million in the equivalent period last year.

On a pre-tax profit basis, there was an improvement of some $3m in the underlying profit before tax for the period under review. The improved result reflects, in the main, higher trading profits recorded by Orion New Zealand Ltd and the Christchurch International Airport Ltd. Further information is provided below.

Parent

The parent company's profit for the period was $31 million, compared with $36.3 million recorded in the previous half year. The main reasons for the reduced profit was 2014 included the receipt of a special dividend from Lyttelton Port Company Ltd as part of the takeover process, this has been offset however by improved dividends from Orion New Zealand Ltd and Christchurch International Airport Ltd.

Operations

Christchurch City Holdings Ltd (parent company)

During the period CCHL has been working with the Council as it undertakes a review of the structure and governance of CCHL. This review is now complete with the expectation that the structure will remain largely as is.

In July 2015 the Council approved its Long Term Plan, which moved two of the groups companies off the strategic asset list, City Care and Red Bus. In November 2015 the Council requested CCHL to undertake a sales process of City Care. The process was commenced in December 2015 with the appointment of Murray & Co as Sale Advisors. It is intended that the sale process be completed before the end of the financial year.

Orion New Zealand Ltd

Orion recorded a half-year after tax profit of $32.5 million, $4 million above YTD budget and $3.5 million above the equivalent period last year.

Orion continues great progress with its planned projects outlined in its ten-year asset management plan. This period saw the completion of the major network resilience restoration project in the eastern suburbs. Orion is now well underway on the 66kV "northern loop" build. The northern loop will largely complete the urban 66kV interconnected ring - ensuring long term capacity and resilience to the whole urban network. Future network resilience projects include the investigation of an 11kV feed through the Lyttleton tunnel.

Orion completed a share buy-back of $90 million during the period.

Orion's 100%-owned subsidiary Connetics Ltd continues to perform strongly netting an YTD profit of $2.6 million, $1 million ahead of last year's equivalent period.

Christchurch International Airport Ltd
Christchurch International Airport Ltd ('CIAL') recorded a half-year after tax profit of $16.2 million, compared with $9.9 million in the equivalent period last year. This reflects growth in aeronautical revenue off the back of strong growth in passenger numbers, and new aircraft capacity.

International and domestic passenger numbers both improved over the previous period, and future trends continue to be positive. The 4.8% increase in international passenger numbers over last year reflects strong capacity growth on Singapore Airlines flights, increased capacity to Melbourne and Fiji, and the introduction of a direct service to China (China Southern) in Dec 2015. Growth in domestic passengers is up around 6% compared to last year which was driven by growth on the main trunk routes.

CIAL sold the International Antarctic Centre during the period, which impacted on the commercial revenue for the period. Development of the company's property portfolio continues, with the new Spitfire Square retail development opening during the period with 13 of the 17 stores now leased or under offer. Construction of the JUCY Backpacker Accommodation is progressing, and a feasibility study for a proposed second hotel on the airport is in progress.

Lyttelton Port Company Ltd
Lyttelton Port Company Ltd's (LPC) result for the half year was a profit of $7.1 million, compared with $11.2 million in the equivalent period last year. This result is reflective of lower container volumes driven by weak global commodity pricing, specifically in dairy.

Health and Safety remain a top priority with the implementation of the new Safe System of work rolled out during the period.

Bulk Coal is ahead of budget for the year, however the uncertainty around the medium to long term future of Solid Energy could impact on future volumes.

This period saw the completion of Cashin Quay 2 Wharf, a significant milestone for LPC allowing greater container vessel capacity and enhanced customer service.

The release of the Lyttleton Port Recovery Plan in November 2015 is another significant milestone as it provides the framework for the Port's future and gives certainty for the progress of the infrastructure repairs, rebuild and development.

Work on the Midland Port continues with operations scheduled to commence early in 2016 with a rail siding providing direct train connections between Rolleston and Lyttelton. LPC continues to devote significant focus to increasing Container Terminal productivity.

Enable Services Ltd
Enable Services Ltd recorded a net loss for the period of $(4.1) million, compared with $(3.6) million in the equivalent period last year. Operating losses have always been budgeted for during the network construction period.

Enable has delivered its first major milestone commitment by passing 90% of business and 100% of schools and hospitals by 31 December 2015.

The Network Delivery Alliance is still operating ahead of plan in deploying the new network. As at 31 December 2015, Enable had passed 81,430 premises and total customer connections has reached 17,596, both ahead of plan.

Shallow trenching has been introduced and will be fully operational from 1 January 2016. This key initiative will mitigate health and safety risk and secure cost reduction/containment.

City Care Ltd

City Care Ltd recorded a profit for the period of $2.2 million, down on the equivalent period last year of $4.2m. This result is reflective of the reduction in SCIRT-derived work and a very competitive tender market.

City Care in conjunction with its shareholder commenced a sale process for the company during the period.

The company through its Joint venture with John Fillmore Contracting (JFC), has successfully completed phase one of the Margaret Mahy Playground which was officially opened on 22 December. This successful relationship with JFC has helped secure entry into the civil construction market in Auckland.

The company is actively pursuing opportunities throughout the country to reduce the impact of the completion of the SCIRT work at the end of 2016.

The company has just under 1,400 full time equivalents on its payroll.

Red Bus Ltd

Red Bus Ltd has continued to show improvement to its trading result, with a loss of $(0.06) million, compared with a loss of $(0.13) million in the equivalent period last year. The company has a strong balance sheet, with cash reserves and no debt.

Red Travel, the coach division introduced last year, continues to show steady growth with an additional vehicle added to the fleet.

During the period Red Bus successfully retained 11 Ecan school contracts at a significantly improved operating margin for a three year term.

The rollout of the Telematics to the whole fleet has successfully shifted driver performance, resulting in increased percentage points in Ecan customer experience ratings and a noticeable reduction in fuel consumption.

EcoCentral Ltd

EcoCentral Ltd recorded a profit for the half year of $.76 million compared with a profit of $1.03 million in the equivalent period last year. This expected reduction is reflective of the demolition activity diminishing in the city. EcoSort is tracking ahead year on year at a NPAT level, whereas the EcoShop has seen a reduction in customers and revenue.

Health and Safety continues to be a focus for the company, resulting in pit face fall restraints installed at all EcoDrop sites during the period.

The EcoDrop volumes are expected to continue to decline in line with budget, recognising the change in composition from demolition to rebuild which generate significantly less product.

Development Christchurch Ltd

During the period the Christchurch City Council requested CCHL to activate a shelf company to be called Development Christchurch Ltd (DCL).

DCL's core role is to provide the Council with the increased strategic capacity that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders.

The company commenced operations in July 2015, and is currently governed by an establishment board, and has contract staff.

For the first two years the operations will be funded by equity from CCHL. Year to date the company has incurred operating costs of $.43 million.

Current projects include the Peterborough Quarter, New Brighton Precinct and Christchurch Adventure Park.

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.

CCHL will continue to work with the Council as it develops its plans to recycle capital from its commercial investments in line with its Long Term Plan.

Acknowledgments

We would like to acknowledge the excellent performance of each of the CCHL group companies and their continued focus on growing their businesses.

Bruce Irvine	Bob Lineham
Chairman	**Chief Executive**

Income statement

For the six months ended 31 December 2015

	Unaudited 6 months 31 Dec 15 Group $'000	Unaudited 6 months 31 Dec 14 Group $'000	Audited Full year 30 Jun 15 Group $'000	Unaudited 6 months 31 Dec 15 Parent $'000	Unaudited 6 months 31 Dec 14 Parent $'000	Audited Full year 30 Jun 15 Parent $'000
Operating and other revenue	512,155	492,938	1,025,756	37,689	44,267	84,324
Insurance revenue	-	-	29,000	-	-	-
Other gains/(losses)	(52)	176	23,198	(26)	-	-
Total income	512,103	493,114	1,077,954	37,663	44,267	84,324
Depreciation and amortisation	53,401	51,642	102,786	8	-	11
Personnel costs	136,154	134,088	263,225	392	331	650
Operating and other expenses	233,777	221,830	497,333	706	1,399	2,421
Total operating expenses	423,332	407,560	863,344	1,106	1,730	3,082
Share of (losses)/profits of associates	(1,067)	(2,156)	(3,255)	-	-	-
Earnings before interest and tax	87,704	83,398	211,355	36,557	42,537	81,242
Finance income	7,564	8,351	17,129	7,004	6,107	13,096
Finance costs	25,284	24,696	50,489	12,529	12,364	25,523
Net finance costs	17,720	16,345	33,360	5,525	6,257	12,427
Profit before income tax expense	69,984	67,053	177,995	31,032	36,280	68,815
Income tax expense	24,315	18,395	45,713	-	-	-
Profit for the period	45,669	48,658	132,282	31,032	36,280	68,815
Attributable to:						
Owners of the parent	38,141	43,075	113,497	31,032	36,280	68,815
Non-controlling interests	7,528	5,583	18,785	-	-	-
	45,669	48,658	132,282	31,032	36,280	68,815

The accompanying notes form part of these financial statements

Statement of comprehensive income

For the six months ended 31 December 2015

	Unaudited 6 months 31 Dec 15 Group $'000	Unaudited 6 months 31 Dec 14 Group $'000	Audited Full year 30 Jun 15 Group $'000	Unaudited 6 months 31 Dec 15 Parent $'000	Unaudited 6 months 31 Dec 14 Parent $'000	Audited Full year 30 Jun 15 Parent $'000
Profit for the period	45,669	48,658	132,282	31,032	36,280	68,815
Other comprehensive income						
Revaluation of assets						
Revaluation of property, plant & equipment	-	-	736	-	-	-
	-	-	736	-	-	-
Available-for-sale financial assets						
Revaluation of investment in subsidiaries	-	-	-	-	-	253,191
	-	-	-	-	-	253,191
Cash flow hedges						
Effective portion of gains and losses on cash flow hedging instruments	(2,147)	(6,694)	(15,330)	(1,474)	(3,620)	(4,879)
Net change in cash flow hedges transferred to income statement	-	-	-	-	-	-
	(2,147)	(6,694)	(15,330)	(1,474)	(3,620)	(4,879)
Income tax						
Income tax - other comprehensive income	-	-	5,961	-	-	-
	-	-	5,961	-	-	-
Other comprehensive income for the period net of tax	(2,147)	(6,694)	(8,633)	(1,474)	(3,620)	248,312
Total comprehensive income for the period net of tax	43,522	41,964	123,649	29,558	32,660	317,127
Total comprehensive income is attributable to:						
Owners of the parent	36,199	37,664	106,810	29,558	32,660	317,127
Non-controlling interests	7,323	4,300	16,839	-	-	-
	43,522	41,964	123,649	29,558	32,660	317,127

The accompanying notes form part of these financial statements

Statement of changes in equity

For the six months ended 31 December 2015

	Unaudited 6 months 31 Dec 15 Group $'000	Unaudited 6 months 31 Dec 14 Group $'000	Audited Full year 30 Jun 15 Group $'000	Unaudited 6 months 31 Dec 15 Parent $'000	Unaudited 6 months 31 Dec 14 Parent $'000	Audited Full year 30 Jun 15 Parent $'000
Opening equity	1,928,419	1,945,433	1,945,433	1,839,146	1,568,028	1,568,028
Total comprehensive income for the period	43,522	41,964	123,649	29,558	32,660	317,127
Equity transactions						
Dividends paid/payable	(88,250)	(29,619)	(58,653)	(82,000)	(22,000)	(46,009)
Share buyback of shares - non controlling intere	(9,653)	-	-	-	-	-
Adjustment to controlling and non-interests for share acquisitions	494	(83,533)	(82,010)	-	-	-
Closing equity	1,874,532	1,874,245	1,928,419	1,786,704	1,578,688	1,839,146

The accompanying notes form part of these financial statements

Balance sheet

As at 31 December 2015

	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	31 Dec 15	**31 Dec 14**	**30 Jun 15**	**31 Dec 15**	**31 Dec 14**	**30 Jun 15**
	Group	**Group**	**Group**	**Parent**	**Parent**	**Parent**
	$'000	$'000	$'000	$'000	$'000	$'000
Current assets						
Cash and cash equivalents	74,660	141,381	89,811	8,512	20,458	6,877
Debtors and other receivables	179,691	154,279	199,512	2,292	2,379	2,111
Insurance receivables	-	-	-	-	-	-
Derivative financial instruments	34	119	96	-	-	-
Other financial assets	95,748	85,415	110,961	-	-	18,487
Prepayments	10,863	15,202	7,971	88	135	453
Inventories	20,648	21,063	19,407	-	-	-
Current tax assets	2,699	5,822	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	-
Total current assets	384,343	423,281	427,758	10,892	22,972	27,928
Non-current assets						
Debtors and other receivables	4,693	20,409	3,854	-	-	-
Investments in associates	39,723	41,753	40,790	-	-	-
Derivative financial instruments	1,120	239	1,568	1,120	192	1,568
Other financial assets	135,772	96,553	99,036	2,284,108	2,071,630	2,313,419
Prepayments	7,659	7,721	7,429	-	-	-
Inventories			879			-
Property, plant and equipment	2,454,522	2,385,839	2,405,062	176	98	184
Investment property	261,184	193,175	255,092	-	-	-
Intangible assets	20,409	10,860	19,843	-	-	-
Deferred tax assets	6,964	3,799	-	-	-	-
Goodwill	37,592	39,888	39,705	-	-	-
Other			-			-
Total non-current assets	2,969,638	2,800,236	2,873,258	2,285,404	2,071,920	2,315,171
Total assets	3,353,981	3,223,517	3,301,016	2,296,296	2,094,892	2,343,099
Current liabilities						
Creditors and other payables	84,985	84,039	111,215	2,998	3,291	3,399
Borrowings	117,435	127,675	192,020	47,500	77,000	165,000
Derivative financial instruments	822	1,283	743	-	-	16
Employee entitlements	30,779	29,052	31,529	37	58	59
Current tax liabilities	24,751	21,422	18,891	-	-	-
Provisions and other	2,379	3,177	3,773	-	-	-
Total current liabilities	261,151	266,648	358,171	50,535	80,349	168,474
Non-current liabilities						
Borrowings	857,890	730,798	660,513	445,500	428,500	323,000
Derivative financial instruments	29,283	18,086	25,988	13,557	7,355	12,479
Employee entitlements	1,747	1,733	2,192	-	-	-
Deferred tax liabilities	328,774	330,449	323,510	-	-	-
Other	604	1,558	2,223	-	-	-
Total non-current liabilities	1,218,298	1,082,624	1,014,426	459,057	435,855	335,479
Total liabilities	1,479,449	1,349,272	1,372,597	509,592	516,204	503,953
Net assets	1,874,532	1,874,245	1,928,419	1,786,704	1,578,688	1,839,146
Equity						
Capital and other equity instruments	71,435	71,435	71,435	71,435	71,435	71,435
Reserves	431,502	438,564	433,440	1,462,384	1,211,923	1,463,855
Retained earnings	1,110,586	1,098,583	1,154,447	252,885	295,330	303,856
Parent entity interest	1,613,523	1,608,582	1,659,322	1,786,704	1,578,688	1,839,146
Non-controlling interests	261,009	265,663	269,097	-	-	-
Total equity	1,874,532	1,874,245	1,928,419	1,786,704	1,578,688	1,839,146

The accompanying notes form part of these financial statements

Cash flow statement

For the six months ended 31 December 2015

	Unaudited 6 months 31 Dec 15 Group $'000	Unaudited 6 months 31 Dec 14 Group $'000	Audited Full year 30 Jun 15 Group $'000	Unaudited 6 months 31 Dec 15 Parent $'000	Unaudited 6 months 31 Dec 14 Parent $'000	Audited Full year 30 Jun 15 Parent $'000
Cash flows from operating activities						
Receipts from customers and other sources	519,764	485,201	980,015	-	7	-
Interest received	7,165	6,033	4,486	6,820	5,741	12,764
Dividends received	-	-	-	37,680	44,141	84,140
Proceeds from insurance	-	-	10,876	-	-	-
Payments to suppliers and employees	(403,390)	(381,404)	(756,635)	(938)	(1,782)	(2,805)
Interest and other finance costs paid	(25,393)	(22,050)	(38,611)	(12,734)	(11,482)	(24,718)
Income tax paid	(22,159)	(22,778)	(30,262)	-	-	-
Subvention payments	-	-	(17,714)	-	-	-
Net cash provided by operating activities	75,987	65,002	152,155	30,828	36,625	69,381
Cash flows from investing activities						
Payment for investment securities	-	-	-	(500)	(85,008)	-
Proceeds from sale of investment securities	-	372,000	-	80,347	-	-
Proceeds of return of capital from associated company	-	-	-	-	-	-
Payment for equity investment in subsidiaries/associated companies			(500)			(85,008)
Proceeds from repayment of related party loans	-	11,450	-	-	2,000	28,000
Advances made	(340)	-	-	(340)	-	(636)
Amounts advanced to related parties	-	-	(2,636)	(31,700)	(34,500)	(64,500)
Payment for property, plant and equipment	(116,832)	(213,422)	(283,851)	-	-	(192)
Proceeds from sale of property, plant and equipment	1,003	1,120	9,916	-	-	-
Proceeds from insurance	-	-	18,124	-	-	-
Payment for intangible assets	(2,425)	(328)	(9,546)	-	-	-
Payment for goodwill	(786)	(738)	(553)	-	-	-
Payment for investment properties	-	-	(41,536)	-	-	-
Proceeds from sale of investment property/businesses	5,163	1,012	5,708	-	-	-
Maturity of/(investment in) term deposits	-	(402,501)	(39,867)			
Other	450	(311)	-	-	-	-
Net cash used in investing activities	(113,767)	(231,718)	(344,741)	47,807	(117,508)	(122,336)
Cash flows from financing activities						
Proceeds from borrowing	175,200	257,000	141,700	52,500	242,000	118,500
Repayment of borrowings	(54,668)	(141,205)	(22,571)	(47,500)	(121,000)	(15,000)
Repayment of finance leases	-	-	-	-	-	-
Capitalised bond issue costs	-	-	-	-	-	-
Dividends paid	(82,000)	(22,000)	(46,009)	(82,000)	(22,000)	(46,009)
Dividends paid - non-controlling interests	(6,250)	(7,619)	(12,644)	-	-	-
Capital buyback - non-contolling interests	(9,652)	-	-			
Net cash used in financing activities	22,630	86,176	60,476	(77,000)	99,000	57,491
Net increase in cash and cash equivalents	(15,150)	(80,540)	(132,110)	1,635	18,117	4,536
Cash and cash equivalents at start of year	89,811	221,921	221,921	6,877	2,341	2,341
Cash and cash equivalents at end of year	74,661	141,381	89,811	8,512	20,458	6,877

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 2015 are unaudited.

The financial statements have been prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards 34, Interim Financial Reporting, and should be read in conjunction with the audited financial statements for the year ended 30 June 2015.

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 2015, and the results of other subsidiaries for the six months to 31 December 2015.

The accounting policies as published in the annual report for the year ended 30 June 2015 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2015, 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 15 Group $'000	Unaudited 6 months 31 Dec 14 Group $'000	Audited Full year 30 Jun 15 Group $'000	Unaudited 6 months 31 Dec 15 Parent $'000	Unaudited 6 months 31 Dec 14 Parent $'000	Audited Full year 30 Jun 15 Parent $'000
Profit for the period	45,669	48,658	132,282	31,032	36,280	68,815
Add/(less) non-cash items						
Depreciation, amortisation and impairment	53,401	51,642	106,271	8	-	11
(Gains)/losses in fair value of investment property	-	-	(18,086)	-	-	-
(Gains)/losses in fair value of derivative financial instruments	1,728	222	762	28	123	183
Share of associates' loss/(profit)	1,067	2,156	3,255	-	-	-
Net foreign exchange (gains)/losses	-	-	(361)	-	-	-
Realisation of fair value through equity reserve	-	-	-	-	-	-
Deferred tax charged/(credited) to income	923	(5,885)	(2,759)	-	-	-
Gain on disposal of investment	(40)	-	-	-	-	-
Issue of shares in Enable Networks Ltd as consideration for network build	(22,139)	(8,137)	(16,421)	-	-	-
Other	(294)	5,196	1,756	-	-	-
	34,646	45,194	74,417	36	123	194
Add/(less) items classified as investing or financing activities						
Gain on disposal of non-current assets	(439)	(246)	(3,892)	-	-	-
Movement in capital creditors	9,494	2,209	(575)	-	-	-
Insurance proceeds	-	-	(18,124)	-	-	-
Other	143	(183)	60	-	-	-
	9,198	1,780	(22,531)	-	-	-
Add/(less) movement in working capital items						
Current trade and other receivables	19,821	(10,321)	(55,554)	19	(486)	(348)
Current inventories	(1,241)	(2,250)	(594)	-	-	-
Current prepayments	(2,892)	(7,094)	137	39	18	(300)
Income tax receivable	(2,699)	(5,822)	-	-	-	-
Other current assets	-	59	59	-	-	-
Non-current receivables	(839)	(7,274)	(865)	-	-	-
Non-current prepayments	(230)	2,938	3,230	-	-	-
Non-current inventories	879	575	(304)	-	-	-
Other non-current assets	-	(10,142)	4	-	(94)	4
Current payables	(26,230)	7,764	19,412	(277)	772	1,003
Current provisions	(735)	(2,173)	314	(21)	12	-
Current employee benefits	-	-	3,224	-	-	13
Income tax payable	5,860	(2,365)	(166)	-	-	-
Other current liabilities	(1,409)	760	948	-	-	-
Non-current provisions	(2,192)	3,082	(1,200)	-	-	-
Non-current employee benefits	-	-	310	-	-	-
Other non-current liabilities	(1,619)	1,633	(968)	-	-	-
Net changes in net assets and liabilities	(13,526)	(30,630)	(32,013)	(240)	222	372
Net cash from operating activities	75,987	65,002	152,155	30,828	36,625	69,381

Note 4. Financial instruments

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

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

	Consolidated				Parent			
31 December 2015	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Investments in subsidiaries (CCHL parent only)	-	-	-	-	2,018,352	-	-	2,018,352
Derivative financial instruments	1,154	34	1,120	-	1,120	-	1,120	-
USD loan	26,069	-	26,069	-	26,069	-	26,069	-
Investments	-	-	-	-	-	-	-	-
Transfer LPC investment on de-listing	4	-	-	4	-	-	-	-
	27,227	34	27,189	4	2,045,541	-	27,189	2,018,352
Financial liabilities measured at fair value								
Fixed rate bonds	75,140	-	75,140	-	-	-	-	-
Derivative financial instruments	2,934	-	2,934	-	(13,558)	-	(13,558)	-
	78,074	-	78,074	-	(13,558)	-	(13,558)	-
Net assets/liabilities at fair value	**(50,847)**	**34**	**(50,885)**	**4**	**2,059,099**	**-**	**40,747**	**2,018,352**

Financial liabilities not measured at fair value but for which fair values are disclosed	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Carrying value**	**Fair value**	**Level 1**	**Level 2**	**Level 3**	**Carrying value**
$70.0m bonds maturing 27 Jun 2016	(71,370)	-	(71,370)	-	-	(71,370)	-	(71,370)	-	-
CCC loan maturing 15 May 2021	(88,256)	-	(88,256)	-	-	(88,256)	-	(88,256)	-	-
CCC loan maturing 15 April 2023	(67,563)	-	(67,563)	-	-	(67,563)	-	(67,563)	-	-
CCC loan maturing 15 April 2020	(10,004)		(10,004)			(10,004)	-	(10,004)	-	-
CCC loan maturing 15 April 2024	(1,586)		(1,586)			(1,586)	-	(1,586)	-	-
CCC loan maturing 15 April 2027	(16,652)		(16,652)			(16,652)	-	(16,652)	-	-
	(255,431)	-	(255,431)	-	-	(255,431)	-	(255,431)	-	-

Reconciliation of movements in Level 3 assets	Consolidated 31 December 2015			Parent 31 December 2015		
Group	Total Level 3	Shares in subs	Other	Total Level 3	Shares in subs	Other
	$'000	$'000	$'000	$'000	$'000	$'000
Opening carrying value	4	-	4	1,845,007	1,845,007	-
Additions	-	-	-	499	499	-
Disposals	-	-	-	(80,347)	(80,347)	
Fair value movements (OCI)	-	-	-	253,193	253,193	-
Transfers (to)/from Level 1 or 2	-	-	-	-	-	-
Closing carrying value	4	-	4	2,018,352	2,018,352	-

31 December 2014	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
-	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets measured at fair value								
Investments in subsidiaries (CCHL parent only)	-	-	-	-	1,845,007	342,807	-	1,502,200
Derivative financial instruments	358	56	302	-	192	-	192	-
USD loan	22,635	-	22,635	-	22,635	-	22,635	-
Investments	15	-	-	15	-	-	-	-
Transfer LPC investment on de-listing	-	-	-	-	-	(342,807)	-	342,807
	23,008	56	22,937	15	1,867,834	-	22,827	1,845,007
Financial liabilities measured at fair value								
Fixed rate bonds	72,464	-	72,464	-	-	-	-	-
Derivative financial instruments	4,659	23	4,636	-	(7,355)	-	(7,355)	-
	77,123	23	77,100	-	(7,355)	-	(7,355)	-
Net assets/liabilities at fair value	**(54,115)**	**33**	**(54,163)**	**15**	**1,875,189**	**-**	**30,182**	**1,845,007**

Financial liabilities not measured at fair value but for which fair values are disclosed	Fair value	Level 1	Level 2	Level 3	Carrying value	Fair value	Level 1	Level 2	Level 3	Carrying value
$70.0m bonds maturing 27 Jun 2016	(73,161)	-	(73,161)	-	-	(73,161)	-	(73,161)	-	-
CCC loan maturing 15 May 2021	(96,166)	-	(96,166)	-	-	(96,166)	-	(96,166)	-	-
CCC loan maturing 15 April 2023	(60,735)	-	(60,735)	-	-	(60,735)	-	(60,735)	-	-
	(230,062)	-	(230,062)	-	-	(230,062)	-	(230,062)	-	-

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 39 of the annual report for the year ended 30 June 2015 are materially the same as at 31 December 2015.

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.