

RBL Property Ltd

Statement of Intent

For the year ended 30 June 2022



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Introduction

This Statement of Intent (Sol) is prepared by RBL Property Ltd (RBLPL) in accordance with Section 64(1) of the Local Government Act 2002. The Sol specifies for RBLPL the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives.

The Sol is a public and legally required document, reviewed and agreed annually with its shareholder Christchurch City Holdings Ltd (CCHL) and covers a three-year period.

This Sol covers the period from 1 July 2021 to 30 June 2024.

Contact details for the Executive Chair at RBLPL's registered office are:

Address: C/- CCHL, level 1, 151 Cambridge Terrace, Christchurch
Telephone No: +64 3 941 8475
Email: tony.king@rblproperty.co.nz

RBLPL Ltd is a council-controlled trading organisation (CCTO) for the purposes of the Local Government Act 2002.

RBLPL Partners

- Christchurch City Council
- Christchurch City Holdings Ltd and subsidiaries
- Ngāi Tahu and local hapu

Important Note for reading of this Sol

This Sol relates to the company RBL Property Ltd (formerly named Red Bus Ltd). In December 2020, Red Bus sold its operating business to Ritchies Transport Holdings Ltd. This sale followed the loss of contracts in the 2019/20 Environment Canterbury tender and consequent reduction in size and scale of the business. Due to the material nature of the transaction, the sale was approved in principle in advance by Christchurch City Council, and the actual sale by Christchurch City Holdings Ltd, the shareholder of Red Bus Ltd.

On the completion of the sale, the company was renamed to RBL Property Ltd reflecting that the primary asset remaining is the property on Ferry Rd that was the main depot and office. The other remaining assets were surplus buses not required for ongoing operations by the new owners. These will be sold during the 2021/22 year.

Nature and scope of activities

For the purposes of this Sol, it is assumed that the only commercial activities undertaken by RBLPL are the leasing and management of the property that comprises the company's main asset. This holding is a block of approximately 27,000m² bounded by Ferry Road, Fitzgerald Avenue and Morehouse Avenue.

A decision on the long term ownership of the site, will be made by CCHL and the Christchurch City Council.

Our objectives

RBLPL is committed to being a responsible landowner and landlord until the final ownership of the site is determined and implemented. We will maintain community, environment, people and financial initiatives commensurate with the size and scale of the business.

Kaitiakitanga

RBLPL is 100% owned by the people of Christchurch.

The council's strategic priorities are "to meet our community's aspirations of a liveable city, with strong connected communities, a healthy environment and a prosperous economy".

Our key objective is to work with CCHL and CCC to establish the preferred long term ownership of the site.

Mana

RBLPL will be a responsible land owner in the city, and professional and constructive landlord for our tenants.

Sustainability

We will ensure that site environmental management is maintained to a high standard.

People

RBLPL has no employees. Activities are undertaken by part time contractors and supported by CCHL.

Financial

RBLPL is a council-controlled trading organisation (CCTO), operating for the purpose of making a profit.

Key objectives for our **Financial** focus:

- maximise the return from leasing the land consistent with not encumbering the land to the extent that options for the owners are constrained.
- return all surplus cash to our shareholder

Performance targets

Key assumptions

- All surplus assets except for the land will be sold in the 2021/22 financial year
- RBLPL is purely a holding company and landlord for the Ferry road site

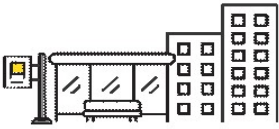

Financial Forecasts

The financial forecasts for the year ended 30 June 2022 have been based on the following assumptions:

- All surplus assets except for the land will be sold in the 2021/22 financial year
- RBLPL is purely a holding company and landlord for the Ferry road site with the exception of activities relating to the sale of surplus assets referred to above.

	2022	2023	2024
	\$000's	\$000's	\$000's
NPAT	379	6	6
Total Assets	21,161	21,167	21,173
Equity	18,684	18,690	18,696
Shareholder Funds to Total Assets	88%	88%	88%

Non-Financial Targets

	Performance targets	Performance Measures
<p>Our Mana Relationships and partnerships with the people who power us.</p> 	<p>Constructive relationship with owners regarding future of land holding</p>	<p>RBLPL will work with CCHL and in turn with CCC to establish the future for the Ferry Road site, and to then implement whatever is required to give effect to the desired outcome.</p>
<p>Our Kaitiakitanga Kaitiakitanga – how we will manage the impact on our environment</p> 	<p>Site environmental management maintained to acceptable standard</p>	<p>Site maintained in compliance with consents and lease arrangements</p>

Governance

Role of the Board of Directors

The board is responsible for approving RBLPL's strategic direction, for overseeing the management of the company and for delivering its business strategy. The board's ultimate aim is to increase shareholder value, while ensuring the obligations of the company are met.

RBLPL directors comply with a formal code of ethics, which is consistent with the New Zealand Institute of Directors' Four Pillars of Governance to ensure best practice governance.

Responsibility to the Shareholder

In accordance with section 64 of the Local Government Act 2002, the company submits a Sol for the coming financial year to the shareholder. The Sol sets out the company's overall objectives, intentions and financial and performance targets.

Board Composition

The directors of RBLPL Ltd are appointed by the shareholder Christchurch City Holdings Limited (CCHL). Board membership currently consists of one contracted executive director and one non-executive director.

Board Committees

There are currently no Board committees. The board can establish committees on an as-needed basis, to deal with issues as they arise.

Accounting policies

RBLPL Ltd has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the CCHL group. The detailed accounting policies are available in RBLPL's most recent annual report, as published on the CCHL website.

Remuneration policy

RBLPL contractor remuneration is:

- Based on market rates for the role performed
- Determined by the characteristics of the position without gender or other discrimination
- Subject to an annual review.

Distributions

RBLPL Ltd will pay dividends to the shareholder after taking into account the company's financial position, profitability, working capital requirements and future investment requirements. The dividends payable to the shareholder will be determined by the board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

Information to be provided to shareholder

Information Flows

The Board aims to ensure that CCHL is informed of all major developments affecting the Company's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

Statement of Intent:

Under the Local Government Act 2002, the Company submits a draft Statement of Intent (Sol) for the coming financial year for consideration by CCHL and the Council. This Sol sets out the Company's overall objectives, intentions and financial and performance targets. Having considered any comments on the Sol by CCHL and Council, the Company issues the Sol in final form.

Annual Report:

RBLPL will submit an annual report to its shareholder which will be available for Council and the public. The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of the Company's performance and financial position during the reporting period and to comply with the requirements of the Companies Act and Financial Reporting Act.

Acquisition/divestment procedures

The subscription or acquisition of securities in any company or organisation, or a divestment of remaining parts of the existing business, will only be considered where it is requested by CCHL or Council.

Major transactions as defined in the Companies Act 1993, s129 (2), will be subject to shareholder approval by special resolution.

Compensation sought from local authority

This Statement of Intent contains no specific requirements for compensation by CCHL or Council. It is noted that there may be a need to obtain funding from CCHL for the delivery of specific additional work or reinvestment that is identified. This will be formally agreed and contracted between CCHL and DCL.

Estimate of commercial value of shareholder's investment

The board estimate that the commercial value of our shareholder's investment is at least that which is stated as shareholders' equity, in the audited financial statements.

The major assets of RBLPL are the the property at 120 Ferry Road.