



**Report** 04.580  
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**Committee** Policy, Finance and Strategy  
**Author** Barry Turfrey, Chief Financial Officer

## Approval of Dividend from WRC Holdings Ltd

### 1. Purpose

To approve the payment of a dividend of \$322,772 by WRC Holdings Ltd to the Council.

### 2. Background

The Directors of WRC Holdings Ltd met on 14 September 2003 to consider the financial results for the WRC Holdings Group and have proposed payment of a dividend to the Council of 100% of the company's net surplus, excluding revaluation gains, as revaluation gains do not represent cash.

The Directors have satisfied themselves that the "solvency test" would be met and have approved a dividend of \$322,772 to the Council. However, WRC Holdings Ltd's Constitution states that the shareholder needs to give its approval to allow payment of any "distribution", which includes dividends.

Council's approval to put into effect the payment of the dividend from WRC Holdings Ltd to the Council is required. The Directors of WRC Holdings Ltd approved the financial statements of WRC Holdings Ltd incorporating the proposed dividend.

A copy of the shareholder's resolution required is provided as **Attachment 1**.

### 3. Comment

The dividend proposed by WRC Holdings Ltd is below the dividend included within the WRC Holdings SOI (\$322,772 vs \$1,036,000) due to a lower CentrePort dividend.

### 4. Communications

As the dividend will be reflected in the Council's 2003/04 Annual Report, no separate communication is needed at this time.

## 5. Recommendations

*That the Committee recommend to Council that it:*

- (1) receive the report and note its contents.*
- (2) approve the payment by WRC Holdings Ltd of \$322,772 (fully imputed) and authorise the Council Secretary to approve the necessary documentation giving effect to that transaction.*

Report prepared by:

**Barry Turfrey**  
Chief Financial Officer

**Attachment 1:** Copy of Shareholder's Resolution to approve the dividend