



**Report** 05.215  
**Date** 10 May 2005  
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**Committee** Policy, Finance and Strategy Committee  
**Author** Richard Waddy, Divisional Accountant Environment

## **WRC Holdings – Results for the Six and Nine Months**

### **1. Purpose**

To receive the financial results of the WRC Holdings Group of companies for the six and nine month periods ended 31 December 2004 and 31 March 2005.

### **2. Significance**

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### **3. Background**

The WRC Holdings Group Statement of Intent (SOI) includes a requirement for the companies to report to the shareholder on the half year results. On 8 March 2005 the Directors of WRC Holdings Ltd, Pringle House Ltd and Port Investments Ltd received half yearly management reports for each company and approved their release to the Council.

The management reports are unaudited as is normal practice for interim financial reports.

### **4. Financial Results**

The following table summarises the operating results of the three 100% owned WRC Holdings group of companies for the periods ended 31 December 2004 and 31 March 2005. The underlying factors affecting the financial position of these companies at the end of nine months operations remain substantially unchanged from those at the close of six months operations.

<b>WRC holdings Group: Net Surplus (Deficit) after Tax for the periods ended 31 December 2004 and 31 March 2005</b>				
<b>Company:</b>	<b>YTD 31 March 2005 (Nine months)</b>		<b>YTD 31 December 2004 (Six months)</b>	
	<b>Actual \$000</b>	<b>Budget \$000</b>	<b>Actual \$000</b>	<b>Budget \$000</b>
Port Investments Ltd	(294)	(315)	(1,212)	(1,133)
Pringle House Ltd	439	431	280	306
WRC Holdings Ltd	(68)	(85)	(54)	(56)
CentrePort Ltd	5,039	4,549	3,131	3,048
Less: InterCompany Transactions	(1,385)	(1,235)	Nil	Nil
<b>Consolidated Group</b>	<b>3,731</b>	<b>3,345</b>	<b>2,145</b>	<b>2,165</b>

#### **4.1 4.1 Year to Date Results for the nine month period ended 31 March 2005**

##### 4.1.1 Port Investments Ltd (PIL)

PIL's financial statements show a net deficit of \$294,000 compared with a budgeted deficit of \$315,000. The main reasons for the variance are:

- The \$44,000,000 advanced from WRCHL to PIL attracted a higher interest charge than anticipated in the budget (\$197,000).
- CentrePort's interim dividend has been increased slightly (\$147,000).
- Increases in subvention payments from CentrePort (\$57,000).

##### 4.1.2 Pringle House Ltd (PHL)

PHL's financial statements show a net surplus of \$439,000 compared with a budgeted surplus of \$431,000.

- Increased operating costs on the refurbishment of the air conditioning system that was brought forward from the 2003/04 financial year. These have been offset by some reduced property expenditure.

##### 4.1.3 WRC Holdings Ltd (WRCH)

The WRCHL financial result shows an operating deficit of \$68,000, and this is generally in line with the budgeted deficit of \$85,000.

##### 4.1.4 CentrePort Ltd

Details are provided in report 05.221.

## **5. Projected results for the WRC Holdings Group for the year to 30 June 2005**

The expected performance of the WRC Holdings Group to 30 June 2005 will be largely influenced by the full year performance of CentrePort. At this stage officers are not forecasting any change to the dividend from CentrePort to Port Investments Ltd.

## **6. Communications**

There is nothing significant to communicate at this time.

## **7. Recommendation**

*That the Committee recommend that the Council receive the report and note its contents.*

Report prepared by:

Report approved by:

**Richard Waddy**  
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Environment

**Barry Turfrey**  
Chief Financial Officer

- Attachment 1:** Port Investments Limited – Summarised Financial Statements for the six months ended 31 December 2004
- Attachment 2:** Pringle House Limited – Summarised Financial Statements for the six months ended 31 December 2004
- Attachment 3:** WRC Holdings Limited – Summarised Financial Statements for the six months ended 31 December 2004
- Attachment 4:** Port Investments Limited – Summarised Financial Statements for the nine months ended 31 March 2005
- Attachment 5:** Pringle House Limited – Summarised Financial Statements for the nine months ended 31 March 2005
- Attachment 6:** WRC Holdings Limited – Summarised Financial Statements for the nine months ended 31 March 2005