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Report 02.157

13 March 2002

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Report to the Policy and Finance Committee
from Greg Schollum, Chief Financial Officer

WRC Holdings Group – Half Year Report

1. Purpose

To receive the WRC Holdings Group half year report for the period 1 July 2001 to 31 December 2001.

2. Background

Each six months the Directors of WRC Holdings Ltd are required, per the Statement of Corporate Intent (SCI) to report to the shareholder (the Council).

As there is one SCI prepared for the consolidated group it is only the WRC Holdings Group financial statements which are required to be provided to the Council. However, to ensure transparency of operations of all Council owned companies the following half year financial statements are provided:

- WRC Holdings Ltd (consolidated and parent company)
- Pringle House Ltd
- Port Investments Ltd
- CentrePort Ltd (refer to report 02.156)

All these financial statements are unaudited as is normal practice for interim financial statements.

3. Comments

3.1 WRC Holdings Ltd

The year to date financial performance of the WRC Holdings Group compares favourably with the full year SCI targets set at the start of the year as follows:

WRC Holdings Group
Half Year Performance – 31/12/01

	Actual (6 months)	SCI Target (12 months)
Net Profit before Tax	\$3,844,000	\$6,113,000
Net Profit after Tax	\$2,650,000	\$3,776,000
Return on assets	12.1%	10%
Return on equity	38.6%	22.7%
Dividend stream	-	\$668,000

Based on the above YTD performance I expect that the WRC Holdings Ltd should be in a position to exceed its targeted dividend for the 2001/02 year of \$668,000. Typically WRC Holdings Ltd does not pay a dividend until year end.

3.2 **Pringle House Ltd**

The half year financial statements of Pringle House Ltd (**Attachment 1**) reflect business as usual for the company that owns the Regional Council Centre.

3.3 **Port Investments Ltd**

The half year financial statements of Port Investments Ltd (**Attachment 2**) do not include dividend income from CentrePort of \$1,538,000 as the dividend was not recognised in the CentrePort half year financial statements. This dividend has subsequently been received by Port Investments Ltd. In effect, this is just a timing difference.

4. **Communications**

The continuing good performance by Council companies should be of interest to the Regional community.

5. **Recommendation**

That the Committee recommends that the Council receives the report and notes its contents.

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: Pringle House Ltd – Half Year Report
Attachment 2: Port Investments Ltd – Half Year Report
Attachment 3: WRC Holdings Ltd – Half Year Report