



Report 06.295
Date 19 June 2006
File CFO/9/1/1

Committee Policy, Finance and Strategy
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WRC Holdings Ltd - Dividends

1. Purpose

To note and approve the intention of WRC Holdings Ltd to pay out in dividends 100% of its 2005/06 net profit after tax.

2. Significance of Decision

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

On 1 June 2006 the Directors of WRC Holdings Ltd resolved:

“that the Directors of WRC Holdings Ltd approve, subject to satisfying the solvency test, a provision for dividend for the year ending 30 June 2006 equating to 100% of the net profit after tax (excluding revaluation gains and losses), and advise the Wellington Regional Council accordingly”.

The above resolution is a record of the obligation of Directors to make such a dividend payout once the 2005/06 annual report for WRC Holdings Group has been finalised. This obligation is consistent with the WRC Holdings Statement of Intent (SOI) for 2005/06.

I expect that the annual report of WRC Holdings Ltd will be finalised during September, with the dividend likely to be paid in October.

This report is the formal advice to the Council of the intention of Directors of WRC Holdings Ltd to pay the dividend.

4. Communications

No communications are required at this stage

5. Recommendations

That the Committee recommend that Council:

- (1) receive the report*
- (2) note its contents.*
- (3) approve the intention of the Directors of WRC Holdings Ltd to pay a dividend to the shareholder equating to 100% of the company's 2005/06 net profit after tax (excluding revaluation gains and losses).*

Report prepared by:

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