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Report 02.785

2 December 2002

File: M/30/3/3

Report to Wellington Regional Council
from Councillors Terry McDavitt and Rick Long

WRC Holdings Group Meeting – 28 November 2002

1. Purpose

To report to Council the proceedings of the Annual General Meeting (AGM) of WRC Holdings Limited and the WRC Holdings Group Directors' meeting, both held on Thursday, 28 November 2002.

2. Background & Comment

2.1 WRC Holdings Limited AGM

On 21 November 2002 the Council appointed Councillor Evans to represent the Wellington Regional Council, as sole shareholder of WRC Holdings Limited, at the AGM of WRC Holdings Limited. The Council also nominated Councillor Barr as the deputy.

However, neither the proxy nor the deputy proxy attended the AGM. As Councillor Kirton was initially the only member of Council present at the AGM, the meeting took place with Councillor Kirton as the representative for the Wellington Regional Council. Councillor Evans later phoned to apologise whole-heartedly for his absence.

As Councillor Kirton was not the original proxy nominated by Council, it was decided, after discussions with the company lawyer, that Council should sign written resolutions to confirm the decisions taken at the AGM for WRC Holdings Limited (**Attachment 1**). The resolutions include adoption of the annual report and financial statements for the year ended 30 June 2002, the continuance of the current scale of fees for external directors and the continuance of the Audit Office as Auditor of the Company.

2.2 WRC Holdings Group Meeting

2.2.1 Regional Council Centre Operational Report

The Directors considered a range of operational issues in relation to the Regional Council Centre, none of which warrant special mention in this report.

2.2.2 Audit Management Letter for the year ended 30 June 2002

There were no major concerns highlighted by the audit management letter from Audit New Zealand.

2.2.3 CentrePort Limited – Results to 30 September 2002

Officers advised Directors that CentrePort was on track for the first quarter but officers were yet to see forecast results to 30 June 2003. The quarterly forecast will be discussed at the next management meeting with CentrePort, and reported back to Directors on 10 December 2002.

2.2.4 Financial Statements for the three months ended 30 September 2002

Officers advised Directors that the actual results of the three months ended 30 September 2002 were close to the budgeted results for that period, with one or two minor exceptions.

2.2.5 Directors' and Officers' Liability Insurance 2002/03

Directors noted that Directors' and Officers' Liability Insurance was renewed on its anniversary with QBE International Limited, for the period 30 June 2002 to 30 June 2003.

2.2.6 Tranz Rail Update

Officers provided an oral update to Directors of the current impasse in the sale and purchase negotiations.

Directors were advised that officers will provide a report to Council on the progress of negotiations with Tranz Rail on 10 December 2002.

3 Recommendations

- 1) *That the report be received and the contents noted.*
- 2) *That Council, as the sole shareholder of WRC Holdings Limited, confirms and signs the attached written resolutions in lieu of the WRC Holdings Limited Annual General Meeting.*
- 3) *That Council authorises the Council Secretary to affix the Council's Common Seal to the resolutions of the Company (**Attachment 1**).*

TERRY MCDAVITT
Director, WRC Holdings Limited

RICK LONG
Director, WRC Holdings Limited