WRC HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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FOR THE YEAR ENDED 30 JUNE 2009

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Directors

	Appointed
F H Wilde (Chair)	14-Nov-2007
A Blackburn	1-May-2002
P Blades	1-May-2002
I M Buchanan	1-Jan-2005
J B Burke	14-Nov-2007
P E Glensor	14-Nov-2007

Registered Office
142-146 Wakefield Street
Wellington

Auditors
Audit New Zealand
on behalf of the Auditor-General

Solicitors
Chapman Tripp

Bankers
ANZ National Bank Ltd

WRC HOLDINGS LIMITED
STATUTORY REPORT OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2009

The Directors have pleasure in submitting their Annual Report including the financial statements of WRC Holdings Ltd and its subsidiaries (the Group) for the year ended 30 June 2009.

Principal Activities

WRC Holdings Ltd (the Company) is the investment holding company of Greater Wellington Regional Council (the Council). The Group consists of WRC Holdings Ltd, its wholly owned subsidiary companies, Port Investments Ltd, Pringle House Ltd, Greater Wellington Rail Ltd, Greater Wellington Transport Ltd, Greater Wellington Infrastructure Ltd and is a 76.9% owner of CentrePort Ltd.

The Group's primary objectives shall be to:

Support the Greater Wellington's strategic vision, operate as a successful, sustainable and responsible business.

Own and operate Greater Wellington's headquarters at 142-146 Wakefield Street, Wellington (known as the Regional Council Centre) on a cost effective basis.

Own Greater Wellington's interest in CentrePort Ltd , to maximise the commercial value of CentrePort to the shareholders and to protect the shareholders' investment, including land and property, while maintaining the CentrePort's strategic value to the economy of the region.

CentrePort owns and operates the port of Wellington and related facilities at Seaview and Miramar. It also owns and operates a number of commercial properties. Current tenants include Statistics New Zealand, Telstra Clear and NZ Rugby Union. CentrePort has just completed a major building which houses the Bank of New Zealand. In 2008 construction commenced on a building for NZ Customs.

Own Greater Wellington's current and future investments in rail rolling stock.

- Greater Wellington Rail Ltd currently owns 18 carriages used on the Wairarapa line, at a cost of $26 million.
- During 2007/08 a contract was entered into with Rotem Mitsui for the supply of 90 Matangi electric multiple units (EMUs) with an option to purchase up to 6 additional EMUs.The units will be delivered in stages commencing 2010.

Effectively manage any other investments held by the Group in order to maximise the commercial value to the shareholders and to protect the shareholder's investment.

The financial objectives of the Group shall be to:

Where possible, provide a commercial return to shareholders.

Adopt policies that prudently manage risk and protect the investment of shareholders.

The environmental objectives of the Group shall be to:

Operate in an environmentally responsible and sustainable manner.

Minimise the impact of any of the Group's activities on the environment.

Raise awareness of environmental issues within the Group.

Ensure CentrePort and Pringle House become more energy efficient and make greater use of renewable energy.

The social objectives of the Group shall be to:

Be a leading organisation and a superior employer.

Provide a safe and healthy workplace.

Participate in development, cultural and community activities within the regions in which the Group operates.

Help sustain the economy of the region.

The WRC Holdings Group met all its objectives as set out in the 2008/09 SOI and Greater Wellington's 2006-2016 Long-Term Council Community Plan (LTCCP).

The nature and scope of activities undertaken by the group are consistent with those set in the 2008/09 Statement of Intent and Greater Wellington's LTCCP.

WRC HOLDINGS LIMITED
STATUTORY REPORT OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2009

Financial Results Compared with Statement of Intent (SOI) Targets:

	Actual 2009 $000	Target 2009 $000	Actual 2008 $000
Net surplus before tax	10.468	8.162	7.235
Net surplus after tax	(3.885)	4.068	3.205
Return on total assets	4.48%	4.35%	4.80%
Return on shareholder's equity: **excluding any** increase/decrease in the value of investment property	6.07%	1.66%	3.40%
Return on shareholder's equity: **including any** increase/decrease in the value of investment property	(3.03%)	1.66%	1.30%
Dividends	1.659	245	64

Net surplus before tax
The Goup posted a net surplus before tax, before any increases/decrease in the value of investment property and land, of $10.5 million (vs. budget $8.1million) for the year.

Net surplus after tax (before deduction of minority interest)
The net surplus after tax measure includes a $11.0 million decrease in the net current value of the Group's investment properties and land (2008: $830,000 decrease).

Return on total assets
This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets.

Return on shareholder equity
This target is calculated as net surplus after tax (after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest). The measure is shown both before and after any increase in the value of investment properties. Average parent shareholder equity has also increased due to the revaluation of assets.

Dividends paid (or payable to the parent shareholders)
Lower interest rates have increased the net surplus resulting in a higher dividend from the Group of $1.659 million (2008: $245,000).

Directors
Directors holding office during the year were:

Parent and 100% owned subsidiaries
F H Wilde (Chair)
A Blackburn
P Blades
I M Buchanan
J B Burke
P E Glensor

Remuneration of Directors of the Parent Company
Details of Directors' remuneration are as follows:

	$
F H Wilde (Chair)	Nil
A Blackburn	3,750
I M Buchanan	Nil
P E Glensor	Nil
P Blades	3,750
J B Burke	Nil

WRC HOLDINGS LIMITED
STATUTORY REPORT OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2009

Entries in the Interests Register
Disclosure of interests by Directors for the year ended 30 June 2009:

F H Wilde (Chair)
Councillor & Chair of Greater Wellington Regional Council

A Blackburn
None

P Blades
None

I M Buchanan
Past Chair and current Councillor of Greater Wellington Regional Council

J B Burke
Councillor of Greater Wellington Regional Council

P E Glensor
Councillor of Greater Wellington Regional Council

Directors' Interest Register

Directors have had no interest in any transaction or proposed transaction with the Group.

Directors' Insurance

The Company has arranged Directors' and Officers' Liability insurance cover to indemnify the Directors against loss as a result of actions undertaken by them as directors and employees respectively, provided they operate within the law. This disclosure is made in terms of section 162 of the Companies Act 1993.

Directors' Use of Company Information

The board received no notices during the year from Directors requesting use of company information received in their capacity as Directors which would not have otherwise been available to them.

Remuneration of Employees
The Company has no employees. The Group has 20 employees who are paid over $100,000.

Auditor
The Auditor-General is the appointed auditor in accordance with section 15 of the Public Audit Act 2001 and section 70 of the Local Government Act 2002. The Auditor-General has appointed Andy Burns of Audit New Zealand to undertake the audit.

For, and on behalf of, the Board of Directors

Director ______________________ September 24, 2009

Director ______________________ September 24, 2009

WRC HOLDINGS LIMITED
NON-FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009

The Group's non-financial performance criteria contained in the statement of intent for the 2008/09 year. and results are summarised:

ENVIRONMENTAL PERFORMANCE TARGETS

Planned Target
CentrePort to develop a formal environmental management system consistent with the standards specified in AS/NZS 14000: 2004.
Actual Performance
Achieved. Conducted self-assessment of systems against standard. This resulted in the Environmental Management Plan being updated. CentrePort is working on identified environmental objectives/targets aimed at ongoing performance improvement.

Planned Target
CentrePort to undertake the monitoring of environmental discharges in accordance with implemented management plans in the areas of:
a. Port Noise
b. Stormwater discharges to the Coastal Marine Area
c. Fumigants associated with the pest treatment of cargoes
Actual Performance
Achieved. a. Initial monitoring under Port Noise management Plan effected showing compliance for Central Port Area and inconclusive outcomes for Seaview and Miramar port areas warranting further monitoring.
b. Monitoring of private stormwater discharges showed compliance although high bacterial counts registered due to bird rousting in port.
c. All monitoring data of pest treatment of cargoes submitted to GWRC.

Planned Target
CentrePort to formally review. at least annually. the company's compliance with all environmental legislation. district and regional plans and conditions of resource
Actual Performance
Achieved. Regulatory review undertaking along with a specific review of Resource Consents/Permits resulting in the granting of time extensions on dredging permits held. Monitoring of environmental effects also undertaken.

Planned Target
CentrePort to establish a sustainability programme with measurable performance criteria covering as a minimum the monitoring of waste and greenhouse gas emissions.
Actual Performance
Achieved. Policy established and sustainability now part of CentrePort's overall business ethos. Carbon footprint and waste recycling performance reviewed against 2008 baseline position.

Planned Target
Centreport to maintain an environment issues register of environmental complaints and issues for monitoring and actioning purposes. The register to be reported to CPL's Health. Safety and Environmental Committee on a regular basis (meets at least 3 times per annum).
Actual Performance
Achieved. No issues of materiality recorded.

Planned Target
CentrePort Ltd will hold a minimum of three Environmental Consultative Committee meetings in 2008/09 comprising CPL and affected stakeholders (customers. port users. local authorities and residential groups). The meetings provide a forum to identify and inform on a range of environmental port related matters.
Actual Performance
Achieved. CentrePort held 3 meetings. Iwi representation included.

Planned Target
The Group to comply with all conditions under resource consents and permits held. and full adherence to the requirements of environmental law generally.
Actual Performance
The Group has complied with all of its resource consents.

Planned Target
The Group to establish a sustainability programme with measurable performance criteria.
Actual Performance
The Group. excluding CentrePort Ltd. has established a sustainability programme via Greater Wellington.

WRC HOLDINGS LIMITED
NON-FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2009

SOCIAL PERFORMANCE TARGETS

Planned Target
CentrePort to maintain tertiary level of compliance with the ACC Workplace Safety Management Practices Programme and comply with the AS/NZS 4801: Occupational Health and Safety Management Systesm.
Actual Performance
Achieved. ACC tertiary certificate received November 2008.

Planned Target
CentrePort to maintain compliance with the International Ship & Port Security (ISPS) Code which promotes security against terrorism within the port environment.

Actual Performance
Achieved. Certified compliant until October 2009.

Planned Target
CentrePort to undertake risk assessments and implement any mitigating procedures relating to the Port & Harbour Safety Code which promotes safety and excellence in marine operations.
Actual Performance
Achieved. In 2006, CentrePort Ltd in conjunction with the Harbour Master conducted a risk assessment review as part of the requirements of the Port and Harbour Safety Code. CentrePort Ltd and GWRC are progressing the assessment and implementation of recommendations from that review with the next initiative the Beacon Hill signal station upgrade.

Planned Target
CentrePort to undertake an appropriate level of community sponsorship.
Actual Performance
Achieved. CentrePort contributed $81,734 to community sponsorship.

Planned Target
To meet regularly with representative community groups.
Actual Performance
Achieved.

Planned Target
CentrePort to provide opportunities for employee growth, development, improvement and recognition.
Actual Performance
Achieved. Key initiatives in 2009 were the extension of our leadership development programme to tier three managers and 45 employees entering into national training contracts to gain level 3 accreditation in Cargo Handling. Nine staff achieved accreditation in 2009.

Planned Target
CentrePort to undertake an annual review of Health and Safety Policy.
Actual Performance
Achieved.

GENERAL PERFORMANCE TARGETS

Planned Target
The Company will, in consultation with shareholders, continue to develop performance targets in the environmental and social areas in order to be able to maintain triple bottom line reporting in accordance with best practice.
Actual Performance
Achieved. The 2010 SCI has 1 new environmental target and 1 revised environmental target.

Planned Target
When developing "property held for development" the Board is to adhere to the following principles:
- Properties may be developed without the building being fully pre-let so long as tenance risk is managed prudently
- Property developments must not compromise port operations
- Developments are to be undertaken only if they are able to be funded without additional capital from shareholders.

Actual Performance
Achieved. Investment property to accommodate NZ Customs Service meets the pre-let requirements.

Planned Target
CentrePort Board has resolved to partition the company into two business streams of port and property. Shareholders support this initiative to achieve an optimum company structure, while simultaneously developing the property asset base and maintaining focus on the port operations. CentrePort and shareholders will continue to work collaboratively on the implementation of an optimum company structure encompassing legal entities, asset segregation, financing from the possible sell-down of property assets and dividend policy.
Actual Performance
Achieved. Centreport has established Centreport Properties Limited as a vehicle for our property assets. Work is progressing on financing options.

WRC HOLDINGS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Operating Revenue		59,270	57,014	5,371	3,908
Change in Financial Instrument Fair Value	14	1,065	(779)	-	-
Share of associate profit accounted for using the equity method		542	315	-	-
TOTAL OPERATING REVENUE	2	60,877	56,550	5,371	3,908
Increase in the value of Developed Investment Property		(6,578)	(66)	-	-
Net change in value of Land available for Development		(4,468)	(764)	-	-
Operating Expenses	2	(41,151)	(39,333)	(1,624)	(114)
Impairment of Assets	9	(777)	-	-	-
OPERATING SURPLUS BEFORE INTEREST AND INCOME TAXATION		7,903	16,387	3,747	3,794
Net Interest costs	2	(8,481)	(8,951)	(2,342)	(3,683)
OPERATING SURPLUS BEFORE INCOME TAXATION AND SUBVENTION PAYMENT	2	(578)	7,436	1,405	111
Subvention payments	10	(895)	(1,031)	-	-
Income Taxation	10	(2,412)	(3,200)	-	-
NET SURPLUS BEFORE MINORITY INTEREST		(3,885)	3,205	1,405	111
Share of surplus attributable to minority interest	4	303	(1,603)	-	-
SURPLUS FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS		(3,582)	1,602	1,405	111

WRC HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Equity - opening balance as at 1 July 2008		164,834	162,194	14,807	14,161
Shares Issued during the year		975	599	975	599
Asset revaluation gains taken directly to equity		-	-	-	-
Asset revaluation gains taken directly to equity attributable to minority interest		-	-	-	-
Net income recognised directly in equity		-	-	-	-
Net surplus/(deficit) for the year before minority interest		(3,885)	3,205	1,405	111
Total recognised income and expenses for the year		(3,885)	3,205	1,405	111
Dividends attributable to:					
Equity holders of the parent	12	(1,659)	(64)	(1,659)	(64)
Minority interest	4	(1,193)	(1,101)	-	-
Total dividends		(2,852)	(1,165)	(1,659)	(64)
Total recognised income and expenses for the period		(6,737)	2,040	(253)	47
Balance as at 30 June 2009	3	159,072	164,833	15,529	14,807

The accompanying accounting policies and notes form part of these financial statements.

WRC HOLDINGS LIMITED
BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
EQUITY					
Issued and paid up capital	3	36,115	35,140	36,115	35,140
Retained earnings					
Capital reserve - CentrePort Limited		35,031	42,042	-	-
Operating surpluses/(deficits)		1,728	(43)	(20,586)	(20,333)
Total retained earnings	3	36,759	41,999		
Revaluation reserve		43,060	43,060	-	-
Minority interest	4	43,138	44,634	-	-
TOTAL EQUITY	3	159,072	164,833	15,529	14,807
Represented by:					
ASSETS					
Current Assets					
Cash and cash equivalents		211	820	1	1
Trade and other receivables	5	7,452	7,004	1,785	183
Taxation refund		1,119	-	-	-
Current account - Greater Wellington Regional Council	6	1,817	432	(143)	42
Current account - Pringle House Ltd	6	-	-	1,997	1,824
Inventories		1,092	668	-	-
Total Current Assets		11,691	8,924	3,640	2,050
Non Current Assets					
Investment properties	8	216,182	116,345	-	-
Investments	7	1,811	1,597	56,327	56,857
Financial Instruments	14	5,439	2,187	1,251	-
Property, Plant & Equipment	9	220,290	257,646	-	-
Deferred tax	10	-	1,920	-	-
Intangible assets	16	959	942	-	-
Total Non Current Assets		444,681	380,637	57,578	56,857
TOTAL ASSETS		456,372	389,561	61,218	58,907
Less:					
LIABILITIES					
Current Liabilities					
Bank overdraft		-	-	-	-
Other financial liabilities	14	2,187	-	-	-
Trade and other payables		10,260	13,024	30	36
Borrowings	13	45,148	44,000	44,000	44,000
Dividend payable	12	2,121	479	1,659	64
Provision for subvention payments	10	895	1,031	-	-
Taxation payable	10	-	235	-	-
Revenue in advance		61,219	33,075	-	-
Provision for employee entitlements	11	2,194	2,084	-	-
Total Current Liabilities		124,024	93,928	45,689	44,100
Non Current Liabilities					
Borrowings	13	170,531	128,932	-	-
Deferred taxation liability		2,065	1,168	-	-
Provision for employee entitlements	11	680	700	-	-
Total Non-Current Liabilities		173,276	130,800	-	-
TOTAL LIABILITIES		297,300	224,728	45,689	44,100
NET ASSETS		159,072	164,833	15,529	14,807

For, and on behalf of the Board of Directors

Director ____________________ September 24, 2009

Director ____________________ September 24, 2009

The accompanying notes and accounting policies form part of these financial statements.

WRC HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was Provided from:					
Receipts from Customers		56,443	50,987	-	-
Dividend Income Received		328	350	-	304
Income Taxation Received		22	16	-	-
Interest Income Received		-	-	2,342	4,124
Other Income					
Cash was disbursed to:					
Payments to Suppliers and Employees		(33,484)	(28,703)	-	-
Subvention Payments to Greater Wellington Regional Council		-	-	-	-
Income Taxation paid		(532)	(2,265)	-	-
Interest Expense paid		(8,481)	(9,082)	(2,342)	(4,124)
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	**14,296**	**11,303**	**-**	**304**
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Proceeds from Sale of Property, Plant & Equipment		230	1,000	-	-
Investment in Joint Venture		-	(1,000)	-	-
Repayment of Loans by Associate Company		-		-	-
Cash was Applied to:					
Purchase of Property, Plant & Equipment		(53,169)	(55,082)	-	-
Development of Investment Properties		-	(61)	-	-
Subsidary Company Shares				(975)	(599)
Purchase of Intangible Assets		(355)	(279)	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(53,294)**	**(55,422)**	**(975)**	**(599)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was Provided from:					
Proceeds from Borrowings		41,600	44,679	-	-
Issue of Ordinary Shares		975	599	975	599
Movement in Current Account - Pringle House Limited		(3,040)	759	-	-
Cash was applied to:					
Settlement of Loans		-	-	-	-
Movement in current account - Greater Wellington Regional Council		-	(176)	-	(176)
Dividends Paid to Shareholders of the Company		(1,146)	(1,229)	-	(128)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**38,389**	**44,632**	**975**	**295**
Net Increase / (Decrease) in Cash Held		(609)	513	-	-
Add Opening Cash / (Overdraft) Brought Forward		820	307	1	1
ENDING CASH CARRIED FORWARD		**211**	**820**	**1**	**1**

The accompanying notes and accounting policies form part of these financial statements.

NOTE 1

Statement of Accounting Policies

Statement of Compliance

The "Group" consists of WRC Holdings Ltd, its wholly owned subsidiaries, Pringle House Ltd, Port Investments Ltd, Greater Wellington Rail Ltd, Greater Wellington Transport Ltd, Greater Wellington Infrastructure Ltd and its 76.9% subsidiary CentrePort Ltd, together with its subsidiaries, as disclosed in Note 7.

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

Compliance with the New Zealand International Financial Reporting Standards (NZ IFRS) ensures that the consolidated financial statements comply with International Financial Reporting Standards (IFRS). The Group financial statements and notes also comply with IFRS.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost except for the revaluation of Operating Port Freehold Land and Investment Properties (Developed Investment Properties and Land Available for Development) and financial instruments as outlined below.

Cost is based on the fair value of the consideration given in exchange for assets.

The going concern concept has been adopted in the preparation of these financial statements.

These financial statements are prepared in accordance with NZ IFRS, as appropriate for profit oriented entities.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009, the comparative information presented in these financial statements for the year ended 30 June 2008.

Specific Accounting Policies

The following accounting policies which materially affect the financial statements have been consistently applied and are set out below.

1.1 Basis of Consolidation

The Group financial statements include WRC Holdings Ltd and its subsidiaries. The subsidiaries are accounted for using the purchase method which involves adding together corresponding assets, liabilities, revenues and expenses on a line by line basis. The associate companies are accounted for on an equity accounting basis, which shows the share of surplus/deficits in the Group's income statement and share of post acquisition increases/decreases in net assets in the Group's balance sheet.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the difference is credited to the income statement in the period of acquisition.

The Group's share of the net surplus of associate companies is recognised as a component of revenue in the consolidated income statement. Dividends received from associate companies are credited to the carrying amount of the investment.

All significant inter-company transactions are eliminated on consolidation.

1.2 Statement of Cash Flows

The following are the definitions used in the statement of cash flows:

(a) Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments include securities not falling within the definition of cash.

(c) Financing activities are those activities which result in the changes in size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid to shareholders are included in financing activities.

(d) Operating activities include all transactions and other events that are not investing or financing activities.

(e) Goods and Services Tax (GST) is accounted for on an accruals basis consistent with the income statement.

1.3 Revenue
Revenue shown in the income statement comprises the amounts received and receivable by the Group for services provided to customers in the ordinary course of business based on the stage of completion of the contract at balance sheet date.

Grants for asset purchases are initially recognised in the balance sheet as deferred income and only recognised in the income statement over periods necessary to match them with the related use over the life of the asset.

Other grants and contributions from territorial local authorities are recognised in the income statement when eligibility has been established by the grantor.

Income is stated exclusive of GST collected from customers.

Interest and dividend income are recognised on an accrual basis.

1.4 Property, Plant and Equipment
The Group has six classes of Property, Plant and Equipment
Freehold land
Buildings, wharves and paving
Cranes and floating plant
Plant, vehicles and equipment
Rail rolling stock
Other assets

Operational port freehold land is stated at valuation determined every three years by an independent registered valuer. The basis of valuation is fair value which is determined by reference to the assets highest and best use as determined by an independent valuer. The fair values are recognised in the financial statements of the Group, and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values. Any increase in the value on revaluation is taken directly to the revaluation reserve unless it offsets a previous decrease in value for the same asset recognised in the income statement, in which case it is recognised in the balance sheet. A decrease in the value on revaluation is recognised in the Income Statement where it exceeds the increase of that asset previously recognised in the revaluation reserve.

The remaining property, plant and equipment acquired by CentrePort on 1 October 1988 are recorded at cost, less accumulated depreciation and impairment, based on a business valuation carried out in accordance with the company plan under section 21 of the Port Companies Act 1988.
Subsequent purchases of remaining property, plant and equipment are recorded at cost. Cost represents the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service. All these property, plant and equipment are depreciated excluding land.

1.5 Investment Properties
Investment properties, which is property held to earn rentals and/or for capital appreciation, is measured at its fair value at the reporting date. Gains or losses arising from changes in fair value of investment property are included in profit or loss in the period in which they arise.

The Group has two classes of investment properties:
Developed investment properties
Land available for development

1.6 Leased Assets
Group entities lease certain land, buildings, wharves and plant. Leases are finance leases wherever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases. All leases held by the Group are classified as operating leases.

Consolidated entity as lessee:
Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Consolidated entity as lessor:
Operating leases relate to subleases of surplus of properties leased by the company for its own operation use, with lease terms between 1 and 12 years, with an option to extend for a further period between 1 to 6 years. All operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The lessee does note have an option to purchase the property at expiry of the lease period.

Lease incentives:
In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.7 Non-current assets held for sale
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups as classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The sale of the asset (or disposal group) is expected to be completed within one year from the date of classification.

1.8 Intangibles
Software is a finite life intangible and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives between 1 and 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

1.9 Impairment of assets
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidation entity estimates the recoverable amount of the cash-generating using to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount off an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had not impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant assets is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Depreciation
There is no depreciation on capital works in progress and operational port land. Depreciation on all other property plant and equipment is charged on a straight line basis so as to write off the cost of the assets to their estimated residual value over their expected economic lives. The expected economic lives are as follows:

Buildings, wharves and paving	10 to 50 years
Cranes and floating plant	4 to 50 years
Plant, vehicles and equipment	2 to 20 years
Rail rolling stock	20 to 35 years
Other assets	0 to 20 years

The economic useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

1.11 Borrowing Costs
Borrowing costs directly attributable to capital construction are capitalised as part of the cost of those assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Investments
Investments in subsidiaries are valued annually at the lower of cost and net asset backing. The change in valuation is recognised in the income statement.

Investments in associates are stated at the fair market value of the net tangible assets at acquisition plus the share of post-acquisition increases in reserves.

Investment properties are revalued annually to net current value. The change in valuation is recognised in the income statement. There is not any depreciation on investment properties.

Other investments are stated at the lower of cost and fair value.

1.121 Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposit held at call with banks, other short term highly liquid investments with original maturities of 3 months or less.

1.13 Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Provision has been made for obsolescence where applicable.

1.14 Income Taxation
Current Tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets and liabilities are offset only when the Group has a legally enforceable right to set off the recognised amounts, and intends to settle on a net basis.

Deferred Tax
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

1.14 Income Taxation - continued

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

1.15 Goods and Services Tax (GST)

The Group is part of the Wellington Regional Council GST Group. All items in the financial statements are exclusive of GST, with the exception of CentrePort's receivables and payables, which are consolidated inclusive of GST.

Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

1.16 Employee Entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet paid at balance date. Employee benefits include salaries, wages, annual leave and long service leave. Where the services that gave rise to the employee benefits are expected to be paid for within twelve months of balance date, the provision is the estimated amount expected to be paid by the Group. The provision for other employee benefits is stated at the present value of the future cash outflows expected to be incurred.

The present value is determined by discounting the future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

1.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

1.18 Provision for Dividends

Dividends are recognised in the period that they are authorised and approved.

1.19 Financial Instruments

As part of normal operations, the Group is party to financial instruments with off balance sheet risk to meet financing needs. These financial instruments include bank overdraft facilities, forward interest rate and interest swap agreements. Forward interest rate and interest swap agreements are used within predetermined policies and limits in order to manage interest rate exposure. The differential to be paid or received is accrued as interest rates change and is recognised as a component of interest income / expense over the life of the agreements.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.20 Financial Assets

Investments are recognised and derecognised on trade date where purchase and sale of an investment is under a contract whose terms require delivery of the investments within the timeframe established by the market concerned, and are initially at fair value, plus transactions costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Subsequent to initial recognition, investments in joint ventures are accounted for under the equity method in the consolidated financial statements.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are fair value through income statement

The Group has classified certain derivative instruments as financial assets at fair value through the income stateemnt. The policy for these items is outlined in note 1.22

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets or financial liability

1.21 Financial liabilities

Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services and are subsequently recorded at amortised cost using the effective interest method.

Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised costs with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

1.22 Derivative financial instruments

The consolidated entity enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including forward foreign exchange contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at cost on the date a derivative contract is entered into, which is equivalent to fair value, and are subsequently re-measured to fair value at each reporting date. Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in income statement.

Cash settlements of derivatives adjust the line in the income statement to which they relate.

1.23 Financial instruments issued by the company

Equity instruments

Equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Dividends

Dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related equity instrument.

1.24 Foreign Currency Transactions

Transactions in foreign currency are converted at the rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate and exchange variations arising from these transactions are recognised in the income statement.

1.25 Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the Group financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, investments in joint ventures are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the income statement.

Where a Group entity transacts with a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Interests in jointly controlled entities are recognised in the parent company's financial statements using the cost method.

1.26 Adoption of new and revised Standards

Early adoption of Standards and Intrepretations

The Group has elected to adopt the following in advance of their effective dates:

NZ IAS 23 (Revised) Borrowing Costs (effective for accounting periods beginning on or after 1 January 2009):

The revisions to NZ IAS 23 have had no impact on the Group's accounting policies. The principal change to the Standard, which was to eliminate the previously available option to expense all borrowing costs when incurred, has no impact on these financial statements because it has always been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

NZ IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009); and the revisions to NZ IFRS 8 also did not impact on the Group's accounting policy as the Group has always designated reportable segments

1.27 Changes in Accounting Policies

There have been no changes in accounting policies adopted in the last audited financial statements.

Standards or intrepretations in issue not yet effective

Improvement to NZIFRS 2008 -

NZ IAS 40 Investment Properties (effective for accounting periods beginning on or after 1 January 2009);

The revisions to NZ IAS 40 require that properties being developed for future use as development properties can be classified as Investment Properties instead of property, plant and equipment. Had this amendment been applied, the Company and Group would have realised an increase in pre-tax profit of $0.8m (June 2008 $5.3m).

Various other standards, amendments and interpretations have been issued by the Accounting Standards Review Board (ASRB) and the International Accounting Standards Board (IASB) but have not been adopted by the Group as they are not yet effective.

Application of these standards, amendments and interpretations, is not expected to have a material impact on the Group's financial position and results in the period of initial application

1.28 Key Management Assumptions and Uncertainities

Retirement Gratuity Allowance
The valuation is on a discounted cash flow basis whereby the future cash flow liability is discounted using a discount rate based on the 10-year government bond yield at balance date.

Financial Instruments
Fair value is the amount for what could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. Refer to note 14 for details of fair values of derivatives.

Property, Plant and Equipment and Investment Properties
Certain items of property, plant and equipment have been revalued to fair value at 30 June 2007. Investment Properties have been revalued to fair value at 30 June 2009. Refer to note 8 and 9 respectively for disclosure about the valuations and valuation methodology.
The Board and management have undertaken a process to determine what constitutes Investment Property and what constitutes property, plant and equipment. There was an element of judgement in this. There is a developed port plan, and those items of land that are considered integral to the operations of the port have been included in operational port land. Land held specifically for capital appreciation or to derive income rental have been classified as investment property.

CentrePort estimates that $14 million of future infrastructure costs will be incurred to create investment property sites at Harbour Quays. These future costs have been taken into account when determining the fair value of investment properties at 30 June 2009.

NOTE 2

Operating Surplus before Subvention and Taxation	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Operating surplus before subvention and taxation		(578)	7,436	1,405	111
After Crediting:					
REVENUE					
Port Income		42,680	41,881	-	-
Rental Income		12,382	12,188	-	-
Grants from Greater Wellington Regional Council		2,239	2,448	-	-
Equity accounted earnings of associate companies		542	315	-	-
Dividend Income from subsidiaries		-	-	1,778	173
Change in financial instrument fair value	14	1,065	(779)	-	-
Gain on sale of fixed assets		230	448	-	-
Interest revenue		69	49	2,342	3,686
Write up of investment in subsidiaries		-	-	-	49
Gain on Sale of Medical Waste		-	-	-	-
Other revenue		1,670		1,251	-
Total Operating Revenue		60,877	56,550	5,371	3,908
Increase/decrease in the value of developed investment property		(6,578)	(66)	-	-
Increase/decrease in the value of land available for development		(4,468)	(764)	-	-
Change in value of Investment property		(11,046)	(830)	-	-
After Charging:					
Impairment of Assets		777	-	-	-
EXPENSES					
Amortisation	16	338	356	-	-
Bad debts written (back)\off		19	194	-	-
Change in provision for doubtful debts		126	85	-	-
Depreciation	9	6,904	6,490	-	-
Directors fees and expenses		387	396	8	9
Employee benefits expense		15,672	15,401	-	-
Energy costs (Pringle House only)		34	25	-	-
Fees paid to company auditors for:					
- Audit NZ: audit services		31	31	15	15
- Other auditor: audit services		95	72	-	-
- Audit NZ: other assurance services		-	-	-	-
- Other auditor: other assurance services		5	32	-	-
- Other auditor: tax services		48	98	14	9
Consultant and Professional fees		5	759	-	-
Fixed Assets Written Off		-	-	-	-
Insurance		278	262	5	5
Legal Fees		1	381		
Loss on sale of fixed assets				-	-
Management fees		346	339	54	56
Maintenance		4,262	295	-	-
Rates		186	164	-	-
Rental and lease expenses		943	646	-	-
Other operating expenses		11,471	13,307	1,528	20
Total Operating Expenses		41,151	39,333	1,624	114
Interest expense		12,499	11,721	2,342	3,683
Interest capitalised		(4,018)	(2,770)	-	-
Net interest		8,481	8,951	2,342	3,683
Operating Surplus before Subvention and Taxation		(578)	7,436	1,405	111

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 3
Equity

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Ordinary Share Capital					
50,000,000 $1 shares, uncalled		-	-	-	-
34,541,100 $1 shares, fully paid		34,541	34,541	36,115	35,140
22,170,000 $1 shares, part paid to 7.1 cents		1,574	599		
Redeemable Preference Share Capital					
25,000 $1000 shares, paid to 1 cent		-	-	-	-
Total share capital		36,115	35,140	36,115	35,140
Revaluation Reserve					
Operational port land		43,060	43,060	-	-
Total Revaluation Reserve		43,060	43,060	-	-
Revaluation reserve brought forward		43,060	43,060	-	-
Transfer from operational port land		-	-	-	-
Gain on property valuation		-	-	-	-
Revaluation reserve carried forward		43,060	43,060	-	-
Retained Earnings / (Deficit) brought forward		42,001	40,464	(20,333)	(20,380)
Operating surplus after income tax		(3,582)	1,601	1,405	111
Transfer from operational port land		-	-	-	-
Dividends		(1,659)	(64)	(1,659)	(64)
Retained Earnings / (Deficit) carried forward		36,760	42,001	(20,587)	(20,333)
Minority Interest	4	43,137	44,632	-	-
Total Equity		159,072	164,833	15,528	14,807
Included in Retained Earnings:					
Investment Property Reserves					
Developed investment properties		5,658	11,164	-	-
Land available for development		19,956	23,393	-	-
Total Investment Property Reserve		25,614	34,557	-	-

WRC HOLDINGS LIMITED
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NOTE 4

Minority Interest

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Opening minority interest	44,631	44,129	-	-
Minority share of operating surplus	(303)	1,603	-	-
Minority share of asset revaluation gains taken directly to equity	-	-		
Minority share of dividends paid or payable	(1,193)	(1,101)	-	-
Total Minority Interest	43,135	44,631	-	-

Minority interest represent the Manawatu-Wanganui Regional Council's 23.1% share of CentrePort Ltd.

NOTE 5

Receivables and Prepayments

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Trade receivables	6,065	6,458	-	-
Provisioning for doubtful debts	(182)	(214)	-	-
Other receivables	602	165	-	-
Prepayments	967	595	-	-
Shareholder subvention receivable	-	-	-	-
Interest receivable	-	-	7	10
Dividends receivable	-	-	1,778	173
Total Receivables and Prepayments	7,452	7,004	1,785	183

Provision of Doubtful debts

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Opening balance	214	129	-	-
Amounts written off during the year	(158)	(123)	-	-
Amounts recovered during the year		(14)	-	-
Increased in allowance recognised in Profit & Loss	126	222	-	-
Closing balance	182	214	-	-

The average credit period on sales of goods is 30 days. No interest is charged on the trade receivables. An allowance has been made for estimated irrecoverable amounts from the sale of services, determined by reference to past default experience .

Included in trade receivables are debtors with a carrying amount of $1,050,000 which are past due at 30 June 2009. The Group believes that the amounts (net of doubtful debt provision) are recoverable.

Included in the allowance for doubtful debts are $182,000 of debtor balances where the respective company is in receivership or liquidation.

NOTE 6

Current Accounts

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Current account - Pringle House Ltd	-	-	1,997	1,824
Current account - Greater Wellington Regional Council	1,817	432	(143)	42
Total Current Accounts	1,817	432	1,854	1,866

NOTE 7

Investments

All group companies have a common balance date of 30 June and all significant inter-company transactions have been eliminated on consolidation.

Name	Relationship	Equity Held	Principal Activity
Pringle House Ltd	Subsidiary	(100%)	Property owner
Port Investments Ltd	Subsidiary	(100%)	Investment management
Greater Wellington Rail Ltd	Subsidiary	(100%)	Rail rolling stock owner
Greater Wellington Transport Ltd	Subsidiary	(100%)	Inactive company
Greater Wellington Infrastructure Ltd	Subsidiary	(100%)	Inactive company
CentrePort Ltd	Subsidiary	(76.9%)	Port operations
Central Stevedoring Ltd	Subsidiary	(76.9%)	Inactive company
CentrePort Properties Limited*	Subsidiary	(76.9%)	Inactive company
Port of Wellington (1988) Ltd	Subsidiary	(76.9%)	Asset ownership
CentrePac Ltd	Joint Venture	(38.5%)	Container packing
Transport Systems 2000 Ltd	Joint Venture	(38.5%)	Storage, wash and repair of containers
Wellington Port Coldstores Ltd	Joint Venture	(38.5%)	Coolstore opearation

During the year CentrePort Ltd entered into a 50% joint venture agreement to purchase Wellington Port Coldstore, a coolstore operation located on the port. This transaction was completed in July 2008.

*Re-named CentrePort Properties Ltd on 2 July 2008, previously Port Wellington Limited

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Investments in Subsidiary Companies					
Investments are stated at the lower of cost and fair value and comprise					
Pringle House Ltd		-	-	10,753	12,258
Port Investments Ltd		-	-	-	-
Greater Wellington Rail Ltd		-	-	1,574	599
Greater Wellington Transport Ltd		-	-	-	-
Greater Wellington Infrastructure Ltd		-	-	-	-
Total investments in subsidiary companies		-	-	12,327	12,857
				-	-
Investment in Associate Companies - are stated :					
at the fair market value of net tangible assets					
at acquisition plus post acquisition increases in reserves					
Carrying Amount at Beginning of Year		1,597	632	-	-
Equity accounted earnings of associate companies		542	315	-	-
Dividends from associate companies				-	-
Dividends from joint ventures		(328)	(350)	-	-
Investment in joint venture during the year			1,000	-	-
Carrying Amount at End of Year		1,811	1,597	-	-
Other Investments - are stated :					
at the lower of cost and fair value					
Advance to subsidiary		-	-	44,000	44,000
Total investments		1,811	1,597	56,327	56,857

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 8
Properties

	Notes	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Developed investment properties		186,734	78,127	-	-
Land available for development		29,448	38,218	-	-
TOTAL		216,182	116,345	-	-

Valuation
Investment properties are revalued every year. Investment properties were valued on 30 June 2009 by independent registered valuers. The Regional Council Centre at 142-146 Wakefield Street, Wellington was valued by CB Richard Ellis Limited as at 30 June 2009. Colliers International valued the CentrePort investment properties. The properties are valued at fair value. The properties are valued in accordance NZ Property Institute Practise Standard 3 - valuations for financial reporting purposes at fair value arrived at using comparable market rental information. The CentrePort valuation assumes the completion of the Harbour Quays development plan as approved by the CentrePort Board and certain costs to complete the infrastructure development for its intended use have been identified to the inspection date of 30 June 2009. The fair value of investment properties valued was $216.2 million (2008: $116 million).

Reconciliation of movements in value of investment properties

	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
Developed investment properties brought forward	78,127	78,130	-	-
Additions to investment property	12,364	61	-	-
Transfer from (to) property plant & equipment	98,387	0	-	-
Transfer from (to) land available for development	4,302			
Net change in the value of developed investment property	(6,446)	(64)	-	-
Developed investment properties carried forward	186,734	78,127	-	-
Land available for development brought forward	38,218	37,999	-	-
Transfer from (to) developed investment property	(4,302)			
Net change in the value of land available for development	(4,468)	219	-	-
Land available for development carried forward	29,448	38,218	-	-
TOTAL	216,182	116,345	-	-

The Group's investment properties comprise:
(a) The Regional Council Centre at 142-146 Wakefield Street, Wellington.
(b) CentrePort's developed and undeveloped investment properties.

WRC Holdings Ltd has an unsecured advance facility of $44 million with its subsidiary, Port Investments Ltd. The facility matures on 28 October 2018. The interest rate charged on the facility as at 30 June 2009 was 2.62% p.a. (30 June 2008: 8.37% p.a.).

Disclosure required for amounts recognised in the profit & loss for Centreport :
i) Rental income from investment property $8.1 million (2008:$7.1 million)
ii) Direct operating expenses (including repairs & maintenance) arising from investment property that generated income during the period $2.9 million (2008 $2.6 million)
iii) Direct operating expenses (including repairs & maintenance) arsing from investment property that did not generate rental income during the period $0.03 million (2008: $0.03 million)

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 9

Property, Plant & Equipment

Group – 2009	Operational Port and freehold land at fair value	Buildings, Wharves, and Pavings at cost	Cranes and Floating Equipment at cost	Property, Plant and Equipment at cost	Work In Progress	Rail Rolling Stock at cost	Total
Gross Carrying Amount							
	$000	$000	$000	$000	$000	$000	$000
Balance at 1 July 2008 *	76.344	148.944	39.851	8.272	8.887	25.363	307.661
Transfers	-	(99.476)	-	-	-	-	(99.476)
Additions	-	49.156	-	1,807	17.753	-	68.716
Disposals	-	(1)	(8)	(164)	-	-	(173)
Adjustments from revaluation increases/decreases	-	(1.778)	-	-	-	-	(1.778)
Balance at 30 June 2009	76.344	96.845	39.843	9.915	26.640	25.363	274,950
Accumulated Depreciation/amortisation and impairment							
Balance at 1 July 2008	-	34.136	8.393	6.488	-	998	50.015
Transfers	-	(1.089)	-	-	-	-	(1.089)
Depreciation expense	-	3.065	1.961	610	-	1.268	6.904
Amortisation and impairment expense	-	-	-	-	-	-	-
Disposals	-	(1)	(8)	(160)	-	-	(169)
Adjustments from revaluation increases/decreases	-	(1.001)	-	-	-	-	(1.001)
Balance at 30 June 2009	-	35.110	10.346	6.938	-	2.266	54.660
* includes discount on acquisition							
Net Book Value							
as at 30 June 2009	76,344	61,735	29,497	2,977	26,640	23,097	220,290

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 9 Continued
Property, Plant & Equipment

Group – 2008	Operational Port and freehold land at fair value	Buildings, Wharves, and Pavings at cost	Cranes and Floating Equipment at cost	Property, Plant and Equipment at cost	Other Assets at cost	Rail Rolling Stock at cost	Total
Gross Carrying Amount							
	$000	$000	$000	$000	$000	$000	$000
Balance at 1 July 2007 *	78,764	94,311	35,666	9,406	1,099	19,809	239,055
							-
Transfers	(2,420)	2,420	-	-	-	-	-
Additions		52,361	5,435	925	-	14,441	73,162
Disposals	-	(148)	(1,250)	(2,059)	(1,099)	-	(4,556)
Adjustments from revaluation increases/decreases	-	-	-	-	-	-	-
Balance at 30 June 2008	76,344	148,944	39,851	8,272	-	34,250	307,661
Accumulated Depreciation/amortisation and Impairment							
Balance at 1 July 2007	-	31,195	7,340	7,816	780	-	47,131
Transfers	-	-	-	-	-	-	-
Depreciation expense	-	3,058	1,819	615	-	998	6,490
Amortisation and impairment expense	-	-	-	-	-	-	-
Disposals	-	(117)	(766)	(1,943)	(780)	-	(3,606)
Adjustments from revaluation increases/decreases	-	-	-	-	-	-	-
Balance at 30 June 2008	-	34,136	8,393	6,488	-	998	50,015
* includes discount on acquisition							
Net Book Value							
As at 30 June 2008	76,344	114,808	31,458	1,784	-	33,252	257,646

Impairment
The directors have reviewed assets and tested for impairment. As a result an imparement of $777,000 (2008 nil) for CentrePort has been recognised in the income statement.

Borrowing Costs Capitalised
During the year borrowing costs of $4.018 million (2008: $2.770 million) were capitalised. The weighted average capitalisation rate on funds borrowed was 6.61% (2007: 7.63%).

Investment Properties Work In Progress
Included in Property, plant and equipment (sub category Buildings, Wharves and paving) is $12 million (2008: $58 million) associated with the development of investment properties. On completion these work-in-progress amounts will be reclassified as investment properties.

Valuation
Operational port freehold land is revalued every three years. On 30 June 2007 operational port freehold land was independently valued by registered valuers of the firm Colliers International. The valuations were based on the assets highest and best use in accordance with New Zealand Property Institute Practise Standard 3 – valuations for financial reporting purposes with reference to sales evidence of land sales or development sites within the wider Wellington region. Each freehold parcel of land is valued on a per square metre basis by reference to the most comparable sales evidence with appropriate adjustments for size, shape and location. The valuation was $76.3 million. Additions subsequent to the valuation are recorded at cost.

All other Property, plant & equipment are carried at cost less accumulated depreciation.

The discount on acquisition of fixed assets resulted from the purchase by Port Investments Ltd of 76.9% of CentrePort Ltd in 1998/99.

The parent, WRC Holdings Ltd, does not hold any property plant or equipment.

NOTE 10
Taxation

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
(a) Income tax recognised in profit or loss				
Tax expense/(income) comprises:				
Current tax expense/(income)	(1,662)	1,379	-	-
Adjustments recognised in the current period in relation to the current tax of prior periods	(98)	(109)	-	-
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	2,816	1,062	-	-
Deferred tax expense arising from the write-down, or reversal of previous write-down, of a deferred tax asset	1,357	1,013	-	-
Impact of change in tax rate	-	(144)	-	-
Total tax expense/(benefit)	**2,413**	**3,201**	**0**	**0**

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Group 2009 $000	Group 2008 $000	Parent 2009 $000	Parent 2008 $000
(Profit)/loss from operations	578	(7,436)	(1,406)	(2,758)
Income tax expense/(benefit) calculated at 30% (2008: 33%)	(173)	2,454	422	910
Non-deductible expenses	5	506	452	-
Non-assessable income	2,054	54	(534)	(968)
Land and buildings reclassification	1,063	-	-	58
Tax effect of imputation credits	(554)	(629)	-	-
Temporary differences	-	(241)	-	-
Previously unrecognised and unused tax losses now utilised	(1,165)	-	(263)	-
Tax loss offsets from or subventions paid to Group companies	(346)	-	(78)	-
Unused tax losses and tax offsets not recognised	1,627	1,310	-	-
Impact of change in tax rate	-	(144)	-	-
Other	-	-	-	-
	2,511	3,310	-	-
(Over)/under provision of income tax in previous period	(98)	(109)	-	-
Total tax expense/(benefit)	**2,413**	**3,201**	-	-

(b) Tax loss sharing
On 22 September 1998 WRC Holdings Limited, its wholly owned subsidiaries and CentrePort Limited entered into a Tax Loss Sharing Agreement under which the WRC Holdings Group will receive subvention payments from CentrePort Limited equivalent to 33% of its available losses (now 30%), with the balance of losses offset, where the companies elect to do so. At 30 June 2009, CentrePort Ltd had advanced $nil (2008: $nil) on account of the subvention payment.

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10
Taxation - Continued

(d) Current tax assets and liabilities	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Current tax assets:				
Subvention receivable	-		-	-
Tax refund receivable	1,119	-	-	-
Other	-		-	-
	1,119	-	-	-
Current tax payables:				
Income tax payable attributable to:	-	-	-	-
Parent entity	-	-	-	-
Other		235	-	-
	-	235	-	-
(e) Deferred tax balances				
Deferred tax assets comprise				
Tax losses	-	-	-	-
Temporary differences	10,692	6,854	-	-
Other	-	-	-	-
	10,692	6,854	-	-
Deferred tax liabilities comprise:				
Temporary differences	12,756	6,102	-	-
	12,756	6,102	-	-

Taxable and deductible temporary differences arise from the following:

Group 2009	Opening balance	Charged to income	Charged to equity	Change in tax rate	Closing balance
	$000	$000	$000	$000	$000
Cash and cash equivalents			-		
Investment properties	(5,522)	(6,636)	-	-	(12,158)
Property, plant and equipment	5,546	197	-	-	5,743
Trade and other payables	1,168	72	-	-	1,240
Other financial liabilities	(580)	(18)	-	-	(598)
Revenue in advance		3,709	-	-	3,709
Other	140	(140)	-	-	-
Total	**752**	(2,816)	-	-	(2,064)

Group 2008	Opening balance	Charged to income	Charged to equity	Change in tax rate	Closing balance
	$000	$000	$000	$000	$000
Cash and cash equivalents	-	-	-	-	-
Investment properties	(3,742)	(1,957)	-	177	(5,522)
Property, plant and equipment	5,473	140	-	(67)	5,546
Trade and other payables	1,002	182	-	(16)	1,168
Other financial liabilities	(1,125)	487	-	58	(580)
	-	-	-	-	-
Other	62	86	-	(8)	140
Total	**1,670**	(1,062)	-	144	**752**

NOTE 10
Taxation - Continued

Taxable and deductible temporary differences arise from the following:

Parent 2009	**Opening balance**	**Charged to income**	**Charged to equity**	**Change in tax rate**	**Closing balance**
	$000	**$000**	**$000**	**$000**	**$000**
Total	-	-	-	-	-

Parent 2008	**Opening balance**	**Charged to income**	**Charged to equity**	**Change in tax rate**	**Closing balance**
	$000	**$000**	**$000**	**$000**	**$000**
Total	-	-	-	-	-

	Group		Parent	
Unrecognised deferred tax balances	**2009**	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
The following deferred tax assets have not been brought to account as assets:				
Tax losses	1,666	1,551	-	262
Unused tax credits	-	-	-	-
Temporary differences	-	-	-	-
	1,666	**1,551**	-	**262**

Tax losses not recognised

WRC Holdings Limited has fully utilised the unrecognised tax losses of $0.875 million brought forward from 2008. As such, WRC Holdings Limited no longer has any unrecognised deferred tax assets.

Port Investments Limited has unrecognised tax losses of $5.554 million (2008 $4.193 million) available to be carried forward and to be offset against taxable income in the future. The tax effect of these losses is $1.666 million (2008: $1.258 million).

Greater Wellington Rail Limited does not have any unrecognised tax losses as they were fully utilised during the period (2008: $0.105m).

The 2009 financial statements accrue a subvention payment for the utilisation of losses incurred by Greater Wellington Regional Council of $0.895 million (2008: $1.031 million) payable by Pringle House Limited. In addition, a subvention payment of $1.031 million was made during the year by Pringle House Limited relating to the 2008 net loss of Greater Wellington Regional Council that was utilised in that year.

(e) Imputation credit account balances	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Balance at beginning of the period	10,747	9,447	476	439
Attached to dividends received	1,447	1,596	-	100
Taxation paid	731	1,231	-	-
Attached to dividends paid	(1,369)	(1,527)	(27)	(63)
Other adjustments	93	-		
Balance at end of the period	**11,649**	**10,747**	**449**	**476**

Imputation credits available directly and indirectly to shareholders of the parent company, through

Parent company	449	476
Subsidiaries	11,200	10,271
	11,649	10,747

NOTE 11

Provision for Employee Entitlements

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Balance at beginning of year	2,784	2,534	-	-
Additional provision made	1,535	1,830	-	-
Amount utilised	(1,445)	(1,580)	-	-
Balance at End of Year	2,874	2,784	-	-
This is represented by:				
Current liability	2,194	2,084	-	-
Non-current	680	700	-	-
Balance at End of Year	2,874	2,784	-	-

The provision for employee entitlements relates to employee benefits such as redundancy provisions, accrued annual leave, sick leave and long service leave. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken.

The rate used for discounting the provision for future payments is 6.10% (2008: 6.4%).

NOTE 12

Dividends Payable

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Proposed distributions:				
Proposed dividend to the Greater Wellington Regional Council	1,659	64	1,659	64
Proposed dividend to minority interest	462	415	-	-
Total Dividends Declared	2,121	479	1,659	64

NOTE 13

External Debt

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Bank loans - current	45,148	-	44,000	0
Bank loans - long term	170,531	172,932	-	44,000
Other debt	-	-	-	-
Total External Debt	215,679	172,932	44,000	44,000

The parent has a bank loan facility of $44 million with the Commonwealth Bank of Australia (drawn to $44 million) which is secured by $50,000,000 uncalled shares in favour of Greater Wellington Regional Council. The interest rate charged on the facility as at 30 June 2008 was 2.62% p.a. (30 June 2008: 8.37% p.a.).

The long term bank loan facility is an unsecured three-year facility of $203 million with renewal dates in 2010 and 2011. The facility can be repaid or drawn down until expiry. The interest rate charged on this facility as at 30 June 2009 ranged from 2.958% to 3.787% p.a. (2008: 8.225% to 9.158%). No collateral was required on lending, but CentrePort Limited has given the bank a negative pledge and there are therefore restrictions on the quantum of borrowing made.

WRC HOLDINGS LIMITED
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NOTE 14

Financial Instruments

Nature of activities and management policies with respect to financial instruments:

Fair Values
The estimated fair value of the following financial instruments are:

Financial Risk Management Objectives
The Group's finance function provides services to the business. co-ordinates access to financial markets, monitors and manages the financial risk relating to the operations of the Group through internal risk reports which analyses exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group seeks to minimise the effects of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Group does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

Treasury activities are reported to the Board quarterly at CentrePort and at each meeting of the WRC Holdings Board. In addition, Centreport has established a Treasury Committee with independent Treasury advisors as a members. WRC Holdings Treasury activities are covered by Greater Wellington's Treasury Policy.

Fair values
The Group considers that the carrying amount of financial assets and financial liabilities (except borrowings) recorded in the financial statements approximates their fair values. The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instrument.

Inter- group Advances
The parent company holds balances with other group entities. These inter-group advances are non-interest bearing, and are carried at cost not fair value. It is considered impractical to determine the fair value of these advances due to the difficulty of doing so without an actively traded market.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 13.

The Boards of Directors reviews the capital structure at least annually. This review is forward focused and considers the availability, cost and risks associated with each class of capital to balance capital structure through the payment of dividends and issue of new debt or the redemption of existing debt.

Externally imposed capital requirements

CentrePort Limited has borrowing covenant requirements for gearing and interest cover ratios. Covenants are reported semi-annually to the Board then forwarded its banker. All externally imposed covenants have been complied with during the period. WRC Holdings Limited does not have any financial covenants on its borrowing.

Note 14 (continued)

The following table details the classes of financial assets and financial liabilities contained in the Balance Sheet for both the Company and the Group:

Group 2009	Loan & Receivables	Derivatives classified as held for trading	Financial liabilities at amortised cost	Total
	$000	$000	$000	$000
Assets:				
Cash and cash equivalents	211	-	-	211
Trade and other receivables	5,518	-	-	5,518
Other financial	1,960	5,439	-	7,399
Total Financial Assets	7,689	5,439	-	13,128
Liabilities:				
Trade and other payables	-	-	10,260	10,260
Borrowings	-	2,187	215,679	217,866
Other financial	143	-	66,214	66,357
Total Financial Liabilities	143	2,187	292,153	294,483

Group 2008	Loan & Receivables	Derivatives classified as held for trading	Financial liabilities at amortised cost	Total
	$000	$000	$000	$000
Assets:				
Cash and cash equivalents	820	-	-	820
Trade and other receivables	6,409	-	-	6,409
Other financial	774	2,187	-	2,961
Total Financial Assets	8,003	2,187	-	10,190
Liabilities:				
Trade and other payables	-	-	13,024	13,024
Borrowings	-	-	172,932	172,932
Other financial	342	-	36,338	36,680
Total Financial Liabilities	342	-	222,294	222,636

Parent 2009	Loan & Receivables	Derivatives classified as held for trading	Financial liabilities at amortised cost	Total
	$000	$000	$000	$000
Assets:				
Cash and cash equivalents	1	-	-	1
Trade and other receivables	7	-	-	7
Other financial	1,997	1,251	45,778	49,026
Total Financial Assets	2,005	1,251	45,778	49,034
Liabilities:				
Trade and other payables	30	-	-	30
Borrowings	-	-	44,000	44,000
Other financial	143	-	1,659	1,802
Total Financial Liabilities	173	-	45,659	45,832

Parent 2008	Loan & Receivables	Derivatives classified as held for trading	Financial liabilities at amortised cost	Total
	$000	$000	$000	$000
Assets:				
Cash and cash equivalents	1	-	-	1
Trade and other receivables	10	-	-	10
Other financial	1,866	-	44,173	46,039
Total Financial Assets	1,877	-	44,173	46,050
Liabilities:				
Trade and other payables	36	-	-	36
Borrowings	-	-	44,000	44,000
Other financial	-	-	64	64
Total Financial Liabilities	36	-	44,064	44,100

Note 14 (continued)

Interest Rate Risk
The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite as provided for in the Treasury Policy; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of note 14.

Interest Rate Sensitivity
The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 1% or 100 basis point increase or decrease represents management's assessment of the possible change in interest rates
At reporting date, if interest rates had been 1% or 100 basis points higher or lower and all other variables were held constant, the Group's net profit would increase/decrease by $840,000 (2008: decrease/increase by $580,000). This is mainly attributable to the Group's exposure to interest rates on its uncovered rate borrowings.
The Group's sensitivity to interest rates has decreased during the current period due to the increase in interest rate swaps.

Interest Rate Swap Contracts
Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed below. The average interest rate is based on the outstanding balances.

At balance date the Group had entered into the following swap agreements and interest rate collars (options) that had interest rates ranging from 4.15% to 7.30% (2008: 6.02% to 7.765% p.a.) and maturities of:

Interest Rate Swap Agreements - Group		Group			
	Interest Rate	**Face Value 2009**	**Fair Value 2009**	**Face Value 2008**	**Fair Value 2008**
Financial Assets	**%**	**$000**	**$000**	**$000**	**$000**
Less than one year		-	-	5,000	49
One to two years		-	-	20,000	564
Two to five years	4.87	45,000	1,612	85,000	1,319
Greater than 5 years	5.76	40,000	341	-	-
Greater than 5 years	4.15	10,000	558	-	-
Greater than 5 years	4.54	10,000	693	-	-
Greater than 5 years	5.18	45,000	2227	-	0
Total Financial Assets		150,000	5,431	110,000	1,932
Financial Liabilities					
Less than one year	6.28	20,000	(505)	-	-
Two to five years	6.49	20,000	(1,217)	-	-
Greater than 5 years	5.99	25,000	(465)	-	-
Total Financial Liabilities		65,000	(2,187)	-	-
Foreign Exchange contracts		-	-	-	255
Diesel contracts			8		
Total Financial Instruments		215,000	3,252	110,000	2,187

Interest Rate Swap Agreements - Parent		Parent			
	Interest Rate	**Face Value 2009**	**Fair Value 2009**	**Face Value 2008**	**Fair Value 2008**
Financial Assets	**%**	**$000**	**$000**	**$000**	**$000**
Greater than 5 years	4.15	10,000	558	-	-
Greater than 5 years	4.54	10,000	693	-	-
Total Financial Assets		20,000	1,251	-	-

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14 - continued

Maturity profile of financial instruments - group

The following table details the Group's exposure to interest rate risk at 30 June 2009 and 30 June 2008.

2009	Weighted Average Effective Interest Rate %	Variable interest Rate NZ $'000	Maturity Profile of Financial Instruments						Non interest Bearing	Total
			Less than one year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	$000	$000
Financial Liabilities:									-	-
Trade payables			10,260	-	-	-	-	-	10,260	10,260
Other payables			65,677	680	-	-	-	-	66,357	66,357
Debt - WRCH	2.62%	2.62%	44,000	-	-	-	-	-	-	44,000
Debt - CentrePt	6.05%	2.08%	1,148	140,531	30,000	-	-	-	-	171,679
Total			121,085	141,211	30,000	-	-	-	76,617	292,296

2008	Weighted Average Effective Interest Rate %	Variable interest Rate NZ $'000	Fixed Maturity Dates						Non interest Bearing	Total
			Less than one year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	$000	$000
Financial Liabilities:										
Trade payables			13,024	-	-	-	-	-	13,024	13,024
Other payables			35,980	700	-	-	-	-	36,680	36,680
Debt - WRCH	8.37%	8.37%	44,000	-	-	-	-	-	-	44,000
Debt - CentrePt	7.11%	8.70%	371	30,000	98,932	-	-	-	-	129,303
Total			93,375	30,700	98,932	-	-	-	49,704	223,007

NOTE 14 - continued

Maturity Profile of Financial Instruments - Parent

The following table details the group's exposure to interest rate risk at 30 June 2008 and 30 June 2007.

2009	Weighted Average Effective Interest Rate %	Variable interest Rate NZ $'000	Fixed Maturity Dates						Non interest Bearing	Total
			Less than one year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	$000	$000
									-	-
Financial liabilities:									-	-
Trade payables			30	-	-	-	-	-	30	30
Other payables			1,802	-	-	-	-	-	-	1,802
Borrowings -		2.62%	44,000	-	-	-	-	-	-	44,000
Total			45,832	-	-	-	-	-	30	45,832

2008	Weighted Average Effective Interest Rate %	Variable interest Rate NZ $'000	Fixed Maturity Dates						Non interest Bearing	Total
			Less than one year $000	1-2 years $000	2-3 years $000	3-4 years $000	4-5 years $000	5+ years $000	$000	$000
Financial										
Trade payables			36	-	-	-	-	-	36	36
Other payables			64	-	-	-	-	-	-	64
Borrowings -		8.37%	44,000	-	-	-	-	-	-	44,000
Total			44,100	-	-	-	-	-	36	44,100

NOTE 14 continued

Credit risk management

Credit risk is the risk that the counter party to a transaction with the Group will fail to discharge its obligations, causing the Group to incur a financial loss. The Group is exposed to credit risk through the normal trade credit cycle and advances to third parties. The Group performs credit evaluations on all customers requiring credit and generally does not require collateral. Maximum exposures to credit risk as at balance date are the carrying value of financial assets in the balance sheet/statement of financial performance.

Trade and other receivables include amounts that are unimpaired but considered past due as at balance date. An analysis of the age of such trade receivables is included in the table following

Aging past due trade receivables	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
1-30 days	512	733	-	-
30-60 days	345	218	-	-
60-60 days	104	14	-	-
90-120 days	89	212	-	-
Total	**1,050**	**1,177**	-	-

No collateral is held on the above amounts.

Concentrations of credit risk

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by International credit-rating agencies.

Currency risk

The Group enters into forward exchange contracts to hedge the group's foreign currency risk on major asset purchases.

There were no forward foreign currency (FC) contracts as at year end.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds at short notice to meet its financial commitments as they fall due. To reduce the exposure to liquidity risk the Group has a bank overdraft facility of $1 million (2008: $1 million), New Zealand dollar Commercial Bill facilities of $203 million (2007: $170 million) and a cash advance facility of $44 million (2008: $44 million) other borrowings of $Nil (2007: $Nil). Of these $214.5 million (2008: $172.9 million) had been drawn down by the Group at balance date.

CentrePort Limited has an unsecured facility agreement of $203 million with Westpac Banking Corporation with renewal dates in 2010 and 2011. The Board and management of CentrePort review the cash flow on a monthly basis.

WRC Holdings has a $44 million term facility with Commonwealth Bank which expires in September 2009. WRC Holdings has accepted an offer to extend this facility for a term of 3 years maturing in September of 2012.

NOTE 14 continued

Liquidity profile of financial instruments - Group

The following tables detail the entity's liquidity profile based on undiscounted cash outflows at 30 June 2008 and 30 June 2007, assuming future interest cost on borrowings at 6.10% of the average debt for each period.

Group 2009	Fixed Maturity Dates						Total
	Less than one year $000	1-2 years $001	2-3 years $002	3-4 years $003	4-5 years $004	5+ years $005	$006
Financial liabilities							
Trade payables	10,260	-	-	-	-	-	10,260
Other payables	65,677	680	-	-	-	-	66,357
Other financial liabilities	816	330	350	372	283	307	2,458
Borrowings	55,199	149,911	30,688	-	-	-	235,798
Total	131,952	150,921	31,038	372	283	307	314,873

Group 2008	Fixed Maturity Dates						Total
	Less than one year $000	1-2 years $001	2-3 years $002	3-4 years $003	4-5 years $004	5+ years $005	$006
Financial liabilities							
Trade payables	13,024	-	-	-	-	-	13,024
Other payables	35,980	755	-	-	-	-	36,735
Borrowings	13,835	86,635	102,889	-	-	-	203,359
Total	62,839	87,390	102,889	-	-	-	253,118

NOTE 14 continued

Liquidity profile of financial instruments - Parent

The following tables detail the entity's liquidity profile based on undiscounted cash outflows at 30 June 2008 and 30 June 2007, assuming future interest cost on borrowings at 6.10% of the average debt for each period.

Parent 2009	Fixed Maturity Dates						Total
	Less than one year $000	1-2 years $001	2-3 years $002	3-4 years $003	4-5 years $004	5+ years $005	$006
Financial liabilities							
Trade payables	30	-	-	-	-	-	30
Other payables	1,802	-	-	-	-	-	1,802
Borrowings	44,671	-	-	-	-	-	44,671
Total	46,503	-	-	-	-	-	46,503

Parent 2008	Fixed Maturity Dates						Total
	Less than one year $000	1-2 years $001	2-3 years $002	3-4 years $003	4-5 years $004	5+ years $005	$006
Financial liabilities							
Trade payables	36	-	-	-	-	-	36
Other payables	64	-	-	-	-	-	64
Borrowings	3,520	47,520	-	-	-	-	51,040
Total	3,620	47,520	-	-	-	-	51,140

NOTE 15

Disclosure for lessees

Leases

The Group through CentrePort has operating leases which relate to straddles and forklift trucks. The straddle lease is for a period of 10 years; the forklift truck lease terms are between 2 to 5 years, with an option to extend. All operating lease contracts contain market review clauses in the event that the CentrePort Limited exercises its option to renew. CentrePort Limited does not have an option to purchase the leased asset at the expiry of the lease period.

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Non-cancellable operating lease payments				
Not longer than 1 Year	1.619	415	-	-
Longer than 1 year and not longer than 5 years	4.930	364	-	-
Longer than 5 years	5.558		-	-
	12,107	779	-	-

Disclosure for lessors

Future minimum lease payments under non-cancellable operating lease are as follows:	Group		Parent	
	2009	2008	2009	2008
Non- cancellable operating lease receipts:	$000	$000	$000	$000
Not later than 1 year	14.021	7.126	-	-
Later than 1 year and no later than 5 years	37.164	3.491	-	-
Later than 5 years	73.854	3.491	-	-
	125,039	14,108	-	-

2007 comparatives are no available for the above tables.

NOTE 16

Intangible Assets

	Cost	Accumulated Amortisation	Total
Group 2009			
	$000	$000	$000
Opening balance	3.791	(2.849)	942
Additions	355	-	355
Disposals	(140)	140	-
Amortisation	-	(338)	(338)
Closing balance	4,006	(3,047)	959

Group 2008	Cost	Accumulated Amortisation	Total
Opening balance	$000	$000	$000
Additions	3,687	(2.668)	1.019
Disposals	279	-	279
Revaluations	(175)	175	-
Amortisation	-	-	-
	-	(356)	(356)
Closing balance			
	3,791	(2,849)	942

The amortisation expense is included in operating expenses in the income statement (see Note 2).

WRC HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17

Reconciliation of surplus for the year with cash flows from operating activities

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Profit after tax before minority interest	(3,885)	3,205	1,405	111
Less Dividends declared	(1,659)	-	(1,659)	-
Add /(Less) Non Cash Items:				
Depreciation	6,904	6,490	-	-
Amortisation	338	356		
Impairment of fixed assets	777	-	-	-
(Gain)/loss on sale of property, plant & equipment	(230)	(448)	-	-
(Gain) on sale of medical waste	-	-	-	-
Fixed assets written off	-	-	-	-
Disposal costs of Investment properties	-	-	-	-
Gain on fair value movement financial instruments	(1,065)	779	(1,251)	
Revaluation movements	10,914	(155)	1,505	(49)
Impairment of investments		-	-	-
Equity accounted earnings from associate companies	(217)	35	-	-
Deferred tax	2,816	918	-	-
(Increase)/decrease in value of investments	-	-	-	-
Bad debt expense	19	194	-	-
Change in provision for doubtful debt	126	85	-	-
Add /(Less) Movements in Working Capital:				
Accounts receivable	(590)	9,942	3	572
Accounts payable	(2,395)	(6,910)	(6)	(515)
Revenue in advance	15,780	13,216	-	-
Dividends receivable	-	-	(1,605)	
Inventory	(424)	(147)	-	-
Borrowings	1,366	-	-	-
Taxation - refund	(1,354)	682	-	-
Taxation - provision		-	-	-
Current account		1,011		
Greater Wellington Regional Council	(1,528)	250	42	(57)
Current account			(173)	
Employee entitlements	90	-	-	-
Add /(Less) Items Classified as Investing and Financing Activities:				
Dividends paid/payable	1,595	64	1,595	64
Shareholder Subvention payable	(136)			
Increase/(decrease) in current accounts relating to financing activities	1,620	(581)	144	178
Accounts Payable related to Property, Plant & Equipment	(15,541)	(17,683)	-	-
Increase in Share Capital	975	-	-	-
Interest Capitalised		-	-	-
Accounts Receivable related to Property, Plant & Equipment	-	-	-	-
Net Cash Inflows From Operating Activities	14,296	11,303	-	304

NOTE 18

Related Parties

WRC Holdings Ltd is 100% owned by Greater Wellington Regional Council. During the year transactions between WRC Holdings Ltd and related parties included:

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Greater Wellington Regional Council				
Interest income on inter company current accounts	86	(49)	-	3
Rental income received	(1,546)	(1,551)	-	-
Proposed dividend	(1,659)	(64)	(1,659)	(64)
Payment for management fees	(262)	(249)	(54)	(56)
Payment for rent and services. CentrePort	-	93	-	-
Payment for use of navigational facilities. CentrePort	(650)	(705)	-	-
WRC Holdings Subsidiaries				
Dividend income from Port Investments Ltd and Pringle House Ltd	-	-	1,778	173
Interest income on Port Investments Ltd advance	-	-	2,342	3,686
CentrePac Ltd				
Income received from rent and services performed.	307	303	-	-
Payment received for payroll and support services	13	(13)	-	-
Transport Systems 2000 Ltd				
Income received from rent and services performed	1,052	1,614	-	-
Payment received for payroll and support services	35	(35)	-	-
Payment for services performed	(28)	-	-	0
Wellington Port Coldstore Limited				
Income received from rent and services performed.	164			
Contribution to plant development	(12)			

During the year CentrePort subsidiary companies charged by way of lease rentals $17.3 million 2008: $17.9 million)

During the year CentrePort charged by way of a management fee $1.2 million to a subsidiary company (2008: $1.2 million).

CentrePort made subvention payments to Greater Wellington Regional Council and its subsidiaries totalling $ Nil million (2007: $ Nil.

All transactions with related parties have been carried out on normal commercial terms.

At year-end the following outstanding balances with related parties were recorded as an asset / (liability):

	2009	2008
	$000	$000
Greater Wellington Regional Council and Subsidiaries	-	-
CentrePac Limited	1	9
Transport Systems 2000 Limited	7	18
Wellington Port Coldstore Limited	(12)	-

The compensation of the Directors and executives. being the key management personnel of the entity. is set out below:

	2009	2008
	$000	$000
Short-term employee benefits	2,190	2,038
Post-employment benefits	-	14
Other long-term employee benefits	-	-
Total Key Management Personnel Compensation	2,190	2,052

NOTE 19

Contingent Liabilities

The following contingent liabilities existed at 30 June 2009:

Parent Company

The parent company has uncalled capital in Port Investments Ltd of $10,000,100 (2008: $10,000,100).
The parent company has uncalled capital in Greater Wellington Rail of $20,595,930 composed of 22,170,000 $1 shares unpaid to 92.9 cents and has reduced by 4.4c from 97.3 cents in 2008.

Subsidiary Companies

At balance date CentrePort Limited had contingent liabilities of $750,000 being shares in Wellington Port Coldstore Limited subscribed but not paid. (2008: $750,000l).

Capital Commitments

The following capital commitments existed at 30 June 2009:

Parent Company

The parent company has no capital commitments (2007: Nil).

Subsidiary Companies - CentrePort Ltd

At balance date there were commitments in respect of contracts for capital expenditure of $31.7 million (2008: $57.3 million).
The majority of this is in relation to the investment building for Customs $20.1 million.

Subsidiary Companies - Pringle House Ltd

Estimated contractual commitments at balance date but not provided were nil (30 June 2008:$19,000).

Subsidiary Companies - Greater Wellington Rail Ltd

Estimated contractual commitments at balance date but not provided were $205,000,826 (2008 $208,825,000).

NOTE 20

Financial Results Compared with Statement of Intent (SOI) Targets:

	Actual 2009 $000	Target 2009 $000	Actual 2008 $000
Net surplus before tax	10,468	8,162	7,235
Net surplus after tax	(3,885)	4,068	3,205
Return on total assets	4.5%	4.3%	4.8%
Return on shareholder equity: excluding any increase in the value of investment property	6.1%	1.66%	3.4%
Return on shareholder equity: including any increase in the value of investment property	(3.0%)	1.66%	1.3%
Dividends	1,659	245	64

Net profit before tax

The Group posted a net profit before tax, before any changes in the value of investment property and land, of $10.5 million (budget $8.1million) for the year.

Net profit after tax (before deduction of minority interest)

The net surplus after tax measure includes a $11.0 million (2008 $830,000 decrease) decrease in the net current value of the group's investment properties and land.

Return on total assets

This target is calculated as earnings before interest and tax (EBIT) and expressed as a percentage of average total assets.

Return on shareholder equity

This target is calculated as net profit after tax (after deduction of minority interest) as a percentage of average shareholder equity (excluding minority interest). The measure is shown both before and after any increase in the value of investment properties. Average parent shareholder equity has also increased due to the revaluation of assets.

NOTE 21

Segment Information

The Group's operations can be split into property, port operation and investment segments. All operations are carried out within New Zealand.

	Port Operations 2009 $000	Rail 2009 $000	Property 2009 $000	Other Operations 2009 $000	Eliminations 2009 $000	Group 2009 $000
Total revenue	50,749	2,239	10,593	5,393	(8,097)	60,877
Net surplus before tax	10,024	-	(7,757)	1,405	(4,250)	(578)
Total assets	214,861	51,064	235,599	61,224	(106,376)	456,372
Other Segment Information						
Carrying value of investments accounted for using the equity method	1,812	-	-	-	-	1,812
Share of net profit/loss of associates accounted for under the equity method	542	-	-	-	-	542
Acquisition of segment assets	8,852	-	53,660	-	-	62,512
Depreciation and amortisation of segment assets	5,513	-	461	-	-	5,974

NOTE 23 **Segment Information - continued**	**Port Operations 2008 $000**	**Rail 2008 $000**	**Property 2008 $000**	**Other Operations 2008 $000**	**Eliminations 2008 $000**	**Group 2008 $000**
Total revenue	47.565	2448	10.252	3.859	(7.574)	56.550
Net surplus before tax	10.385	(105)	936	111	(3.891)	7.436
Total assets	212.506	34117	189.886	58.366	(106.144)	388.731
Other Segment Information						
Carrying value of investments accounted for using the equity method	1.597	-	-	-	-	1.597
Share of net profit/loss of associates accounted for under the equity method	315	-	-	-	-	315
Acquisition of segment assets	17.371	-	41.629	-	-	59.000
Depreciation and amortisation of segment	5.495	-	353	-	-	6.846

CentrePort Limited operates in the property and port operation segments. All operations are carried out within New Zealand. The principal products and services of the Port operations are management and operation of a commercial port pursuant to the Port Companies Act 1998. The principal products and services of the property segment are marine, logistical and storage services for containers, forestry, vehicles, bulk fuels and other ancillary cargos imported and exported through CentrePort.

Wellington Regional Council Holdings Limited is a holding company for Pringle House Limited which owns and operates an Investment property at 142 Wakefield St. Ports Investments Limited holds shares a 76.9% share Centreport Limited, Greater Wellington Rail Limited holds rail rolling stock, Greater Wellington Transport & Infrastructure are inactive companies.

NOTE 24

Subsequent Events

On 14th September 2009 the $44.000.000 Facility with CBA Bank was renewed for a 3 year term and funds were raised at an interest rate of 3.02% for 90 days via issuance of commercial paper.

WRC HOLDINGS LIMITED
STATEMENT OF COMPLIANCE AND RESPONSIBILITY
FOR THE YEAR ENDED 30 JUNE 2009

Compliance

The Directors and management of the Company confirm that all the statutory requirements of the Local Government Act 2002 in relation to the financial report have been complied with.

Responsibility

The Directors and management of the Company accept responsibility for the preparation of the annual Financial Statements and statement of service performance and the judgements used in them.

The Directors have authority to sign these financial statements.

The Directors and management of the Company accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Directors and management of the Company, the annual Financial Statements for the year ended 30 June 2009 fairly reflect the financial position and operations of the Company.

Director		September 24, 2009
Director		September 24, 2009
Chief Financial Officer	B.	September 24, 2009

Audit Report

To the readers of WRC Holdings Limited and group's Financial Statements and performance information for the year ended 30 June 2009

The Auditor-General is the auditor of WRC Holdings Limited (the company) and group. The Auditor-General has appointed me, A P Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the company and group on pages 8 to 40:
  - comply with generally accepted accounting practice in New Zealand;
  - give a true and fair view of:
    - The company and group's financial position as at 30 June 2009; and
    - The results of its operations and cash flows for the year ended on that date.
- The performance information of the company and group on page 6 and 7 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 30 June 2009.
- Based on our examination the company kept proper accounting records.

The audit was completed on 24 September 2009 and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- Verifying samples of transactions and account balances;
- Performing analyses to identify anomalies in the reported data;
- Reviewing significant estimates and judgements made by the Board of Directors;
- Confirming year-end balances;
- Determining whether accounting policies are appropriate and consistently applied; and
- Determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 30 June 2009. The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the company or any of its subsidiaries.

A P Burns
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand