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

CentrePort Annual Report – 2001/02

1. **Purpose**

To receive the 2001/02 financial statements of CentrePort Ltd (refer **Attachment 1**).

2. **Background**

The CentrePort financial statements were approved by the Directors of CentrePort on 22 August 2002 and a clear audit opinion has been issued on those financial statements.

On 26 September 2002 the Directors of Port Investments Ltd received the CentrePort financial statements. These are now provided to the Committee for information.

3. **Comment**

3.1 **Overall Comments**

The financial statements reflect both a record operating result and a healthy financial position for the company at 30 June 2002.

The company has continued to generate strong operating cashflows during the year and debt levels at 30 June 2002 remain within prudent levels (Debt:Equity ratio = 35:65).

The Directors have approved a dividend of \$4.4m on a net profit after tax of \$7.4m, which approximates the 60% payout contained within the Statement of Corporate Intent.

This is the highest ever dividend payout from CentrePort (excluding special dividends and capital repayments).

3.2 Performance compared with Previous Year

	Actual 2002	Actual 2001
Revenue	\$40,443,000	\$38,451,000
Net Profit Before Tax	\$10,375,000	\$10,059,000
Net Profit After Tax	\$7,359,000	\$6,902,000

The company has performed well when compared with the previous year, largely as a result of increased revenue.

3.3 Performance compared with SCI targets

	Actual 2002	SCI 2002
Net Profit Before Tax	\$10,375,000	\$9,750,000
Net Profit After Tax	\$7,359,000	\$6,530,000
Return on Assets	12.9%	12.3%
Return on Shareholders Funds	12.2%	10.9%
Dividends	\$4,400,000	\$3,920,000

Overall, actual performance compares favourably against the SCI targets, which is consistent with the forecast information that we have been receiving from CentrePort during the year.

3.4 Shareholder briefing

Councillors will get an opportunity to hear from CentrePort Directors on both the past year's results and future prospects, at the upcoming briefing in October. (No date set yet.)

4. Communications

CentrePort has recently announced its 2001/02 results.

5. Recommendations

That the report be received and the contents noted.

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: 2001/02 Financial Statements of CentrePort Ltd