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**Committee** Policy, Finance and Strategy  
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## CentrePort Annual Report - 2002/03

### 1. Purpose

To receive the 2002/03 financial statements of CentrePort Ltd (refer **Attachment 1**).

### 2. Background

The CentrePort financial statements were approved by the Directors of CentrePort on 8 September 2003 and an unqualified audit opinion has been issued on those financial statements.

Councillors should have already received the published version of 2003 CentrePort Annual Report with the Councillors' Bulletin.

### 3. Comment

#### 3.1 Overall Comments

The financial statements reflect a solid operating result, considering the loss of the P & O big ships, and a healthy financial position for the company at 30 June 2003, particularly given the inherent value of land in note 5 on page 11 of **Attachment 1**. (A directors' valuation of \$130 million compared with a book value of \$36 million).

The company has continued to generate strong operating cashflows during the year and debt levels at 30 June 2003 remain within prudent levels (Debt:Equity ratio = 34:66).

The directors have approved a dividend of \$3.5m on a net profit after tax of \$6.3m, which approximates the 55% payout contained within the Statement of Corporate Intent.

### 3.2 Performance compared with previous year

	<b>Actual 2003</b>	<b>Actual 2002</b>
Revenue	\$41,167,000	\$40,443,000
Net Profit Before Tax	\$8,845,000	\$10,375,000
Net Profit After Tax	\$6,270,000	\$7,359,000

Although the results are not as good as 2002, the company performed well when the loss of the P & O big ships is taken into consideration.

### 3.3 Performance compared with SCI targets

	<b>Actual 2003</b>	<b>SCI 2003</b>
Net Profit Before Tax	\$8,845,000	\$10,600,000
Net Profit After Tax	\$6,270,000	\$7,100,000
Return on Assets	10.7%	12.7%
Return on Shareholders Funds	9.9%	11.3%
Dividends	\$3,460,000	\$3,900,000

Although the results are down on the SCI targets, they are consistent with the forecast information prepared by CentrePort (post the loss of the P & O big ships).

### 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 during November. (The Port Company has suggested a combined Port briefing/Tour/AGM with Horizons Regional Councillors on 13 November at 1.00 pm, but at the time of writing this report the date is yet to be confirmed).

#### **4. Communications**

CentrePort has recently released its 2002/03 results.

#### **5. Recommendation**

*That the Committee recommend to Council that it receive the report and note its contents.*

Report prepared by:

**Greg Schollum**  
Chief Financial Officer

**Attachment 1:** 2002/03 Financial Statements of CentrePort Ltd