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

CentrePort Annual Report – 2000/01

1. Purpose

To receive the 2000/01 financial statements of CentrePort Ltd (refer **Attachment 1**).

2. Background

The CentrePort financial statements were approved by the Directors of CentrePort on 22 August 2001 and a clear audit opinion has been issued on those financial statements.

The Directors of CentrePort provided Port Investments Ltd Directors and Councillors with a briefing on 12 September 2001.

On 18 September 2001 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 solid operating result and a healthy financial position for the company at 30 June 2001.

The company has continued to generate strong operating cashflows during the year and debt levels at 30 June 2001 remain within prudent levels (Debt:Equity ratio = 33:67).

The directors have approved a dividend of \$4.1m on a net profit after tax of \$6.9m, which approximates the 60% payout contained within the Statement of Corporate Intent.

3.2 Performance Compared with Previous Year

	2001 \$000s	2000 \$000s
Revenue	38,308	38,488
Net Profit Before Tax	9,916	10,463
Net Profit After Tax	6,902	7,243

While revenue was held at last year's levels, profitability has been reduced as margin pressure continues and as the company has incurred one off restructuring costs of \$0.3 million. However, remembering that the 2000 year was one of record profitability for CentrePort, a net profit after tax of \$6.9 million is a very pleasing result in an environment of intense competition.

3.3 Performance compared with SCI targets

	Actual 2001	SCI 2001
Net Profit Before Tax	\$9,916,000	\$9,950,000
Net Profit After Tax	\$6,902,000	\$6,660,000
Return on Assets	13.1%	13.7%
Return on Shareholders Funds	12.1%	11.6%
Dividends	\$4,100,000	\$4,000,000

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.

4. Communications

At the time of writing this report CentrePort had not formally announced the 2000/01 results.

5. Recommendation

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

GREG SCHOLLUM
Chief Financial Officer

Attachment 1: 2000/01 Financial Statements of CentrePort Ltd