

CentrePort Limited

HALF YEAR REPORT

December 2002

DIRECTORY

Directors

Nigel Gould (Chairman)
Ken Harris (Managing Director)
Mike Cashin
Jim Jefferies
Malcolm Johnson
Warren Larsen
Howard Stone

Management

Ken Harris (Managing Director)
David Setter (Chief Financial Officer)

Auditors

Deloitte Touche Tohmatsu, on behalf of the Controller and Auditor-General

Bankers

Westpac Institutional Bank

CentrePort Limited

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Hinemoa Street
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CentrePort Limited

Directors Report to Shareholders

For the six months ended 31 December 2002

The Company has performed strongly in the six month period to 31 December 2002 benefiting from a well performing New Zealand economy. The profit result is ahead of the corresponding period last year and surpasses budgeted expectations.

Total cargo throughput grew 2% to reach a new record level of 4.674M tonnes for the period under review. This was an encouraging result. Highlights were container volumes up 12%, vehicle imports up 6% and forestry 38%. International cargo grew 9% in total, but coastal trades were flat.

The number of vessel calls to the port decreased by 170 calls to 2,310 calls due to vessels on the interisland service being off their runs to enable repairs to be undertaken.

Financial Performance

Revenue for the six months to 31 December 2002 was \$20.99M compared to the corresponding period last year of \$19.64M, an increase of 7% for the period.

Surplus before interest and tax amounted to \$6.13M being 11% up on the corresponding period last year of \$5.51M.

Surplus after taxation for the period is \$3.67M (2001: \$3.31M) - an improvement of 11%.

Annualised average return on shareholders funds for the period is 11.6% (2001: 11.0%)

The result represents a satisfactory performance and reflects the success the Company has had during the period, in growing its revenue base through attracting increased cargo volumes to Wellington.

The company will pay an interim dividend of 7.1 cents per share fully imputed amounting to \$1.66M.

Outlook for the Second Half of the Year

While the results for the first six months of the year were encouraging, CentrePort was disappointed to be advised that the ANZ Alliance round the world services would be omitting CentrePort from their schedules. The loss of these services will adversely affect our volumes and financial results during the second half of the year. CentrePort is currently undertaking a strategic review as a result of this loss and remain optimistic that in time this loss of trade can be recovered.

Another recent change was the introduction of a new interisland service during January 2003. The increase in services on the interisland trade will result in CentrePort obtaining improved coastal feeder links to Wellington. The improvement in these links will enable CentrePort to extend our hinterland and thereby attract additional cargo to Wellington.

Nigel J Gould
Chairman
27 February 2003

CentrePort Limited
Consolidated Statement of Financial Performance
For the six months ended 31 December 2002 (Unaudited)

Year ended 30 June 2002 \$000		6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
	Notes		
40,443	REVENUE	20,993	19,642
(28,690)	Expenses	(14,862)	(14,135)
11,753	SURPLUS BEFORE INTEREST	6,131	5,507
(1,378)	Net Interest Expense	(805)	(730)
10,375	SURPLUS BEFORE TAXATION	5,326	4,777
	5		
(3,016)	Taxation Expense	(1,659)	(1,469)
	3		
7,359	SURPLUS AFTER TAXATION	3,667	3,308
	17		

Consolidated Statement of Movements in Equity
For the six months ended 31 December 2002 (Unaudited)

Year ended 30 June 2002 \$ 0 0 0		6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
	Note		
58,652	EQUITY - OPENING BALANCE	61,611	58,652
7,359	Surplus after Taxation	3,667	3,308
(4,400)	Dividends		
	4		
61,611	EQUITY - CLOSING BALANCE	65,278	61,960

For and on behalf of the Board of Directors

N J Gould - Chairman
27 February 2003

K D Harris - Managing Director
27 February 2003

The Statement of Accounting Policies and Notes on pages 6 to 16 form part of these Financial Statements.

CentrePort Limited
Consolidated Statement of Financial Position
As at 31 December 2002 (Unaudited)

30 June 2002 \$000		Notes	31 December 2002 \$000	31 December 2001 \$000
61,611	EQUITY	7	65,278	61,960
	Represented by:			
	ASSETS			
	Non Current Assets			
86,637	Fixed Assets	8	87,706	85,185
1,145	Future Taxation Benefit	9	1,098	1,142
2,262	Investments	11	222	2179
90,044	Total Non Current Assets		91,026	88,506
	Current Assets			
3,330	Receivables and Prepayments	12	4,979	3,985
278	Inventories		316	297
601	Taxation Refund			442
4,209	Total Current Assets		5,295	4,724
94,253	TOTAL ASSETS		96,321	93,230
	Less:			
	LIABILITIES			
25,800	Bank Borrowing	13	25,800	26,000
	Current Liabilities			
593	Bank Overdraft		40	47
3,905	Creditors and Accruals		3,706	3,274
400	Provision for Dividend	4		
1,944	Provision for Employee Entitlements	14	2,147	1,949
6,842	Total Current Liabilities		5,893	5,270
3			431043	31,2702
61,611	NET ASSETS		65,278	61,960

The Statement of Accounting Policies and Notes on pages 6 to 16 form part of these Financial Statements.

CentrePort Limited
Consolidated Statement of Cash Flows
For the six months ended 31 December 2002 (Unaudited)

Year ended 30 June 2002 \$000		6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was Provided from:</i>			
40,476	Receipts from Customers	19,952	19,418
135	Dividends Received	25	135
110	Interest Received	76	6
<i>Cash was Disbursed to:</i>			
(23,723)	Payments to Suppliers and Employees	(12,901)	(12,427)
(685)	Restructuring Costs Paid	(334)	(297)
(2,029)	Income Taxation Paid	(710)	(850)
(805)	Subvention Paid	(292)	(275)
(1,393)	Interest Paid	(800)	(6 4 2)
12,086	NET CASH FLOWS FROM OPERATING ACTIVITIES	0 1 6	5,068
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was Provided from:</i>			
65	Proceeds from Sale of Fixed Assets		59
50	Repayment of Advance from Associate Companies	50	
<i>Cash was Applied to:</i>			
(11,072)	Purchase of Fixed Assets	(3,463)	(7,652)
(500)	Advance to Associate and Other Companies		(1,500)
In t(1,000)	Bearing Advance		
(12,457)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,413)	(9,093)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was Provided from:</i>			
4,000	Loan advances		4,200
<i>Cash was Applied to:</i>			
-	Settlement of Loans and Advances	(650)	
(4,200)	Dividends Paid	(400)	(200)
(200)	NET CASH FLOWS FROM FINANCING ACTIVITIES	(1,050)	4,000
(571)	Net Decrease in Cash Held	553	(25)
(22)	Add Opening Overdraft Brought Forward	(593)	(22)
(593)	ENDING OVERDRAFT CARRIED FORWARD	(40)	(47)

The Statement of Accounting Policies and Notes on pages 6 to 16 form part of these Financial Statements.

CentrePort Limited

Notes to the Financial Statements

For the six months ended 31 December 2002 (Unaudited)

NOTE 1

Statement of Accounting Policies

Reporting Entity

CentrePort Limited is a company registered under the Companies Act 1993. The Group consists of CentrePort Limited, its Subsidiaries and Associates as disclosed in Note 11.

The group financial statements of CentrePort Limited are presented in accordance with the Companies Act 1993 and the Port Companies Act 1988 and have been prepared to comply with the Financial Reporting Act 1993.

General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of financial performance, cash flows and financial position under the historical cost method have been followed.

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

Accrual accounting is used to match income and expenses.

Specific Accounting Policies

The specific accounting policies adopted in the preparation of these financial statements, which materially affect the measurement of financial performance, cash flows and financial position, are set out below:

1.1 Revenue

Revenue shown in the Consolidated Statement of Financial Performance comprises the amounts received and receivable by the Group for services provided to customers in the ordinary course of business. Income is stated exclusive of Goods and Services Taxation collected from customers.

1.2 Fixed Assets

The Group has four classes of fixed assets:

Land
Buildings, Wharves and Paving
Cranes and Floating Plant
Plant, Vehicles and Equipment

The **fixed** assets acquired by the Group on 1 October 1988 are stated at cost 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 fixed assets 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 fixed assets, except land are depreciated.

1.3 Leased Assets

Group entities lease certain land, buildings, wharves and plant. Operating lease payments, where the lessors effectively retain substantially all risks and benefits of ownership of the leased items, are charged to the Statement of Financial Performance in equal instalments over the lease term.

CentrePort Limited

Notes to the Financial Statements

For the six months ended 31 December 2002 (Unaudited)

1.4 Depreciation

Depreciation on fixed assets other than land, is charged on a straight line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The expected economic lives are as follows:

Buildings	20 to 50 years
Wharves and Paving	10 to 50 years
Cranes and Floating Plant	10 to 50 years
Plant, Vehicles and Equipment	3 to 20 years

1.5 Investments

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

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

1.6 Receivables

Receivables are valued at expected net realisable value inclusive of Goods and Services Taxation. Provision has been made for doubtful debts.

1.7 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. Inventories are held for maintenance purposes only.

1.8 Income Taxation

The Group follows the liability method of accounting for deferred taxation.

The income taxation expense charged against the surplus for the period is the estimated liability in respect of that surplus and is calculated after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

Future taxation benefits attributable to timing differences or taxation losses carried forward are only recognised when there is virtual certainty that the benefit of the timing differences or taxation losses will be utilised by the Group.

1.9 Basis of Consolidation

The consolidated financial statements include the Parent Company and its Subsidiaries. Subsidiaries are those entities controlled directly or indirectly by the Parent Company. The financial statements of subsidiaries are included in the consolidated financial statements using the **purchase** method. Associates are entities in which the Group has significant interest, but not control, over the operating and financial policies. The Associate Companies are accounted for on an equity accounting basis. The Group's share of the net surplus of Associate Companies is recognised as a component of revenue in the Statement of Financial Performance. Dividends received from Associate Companies are credited to the carrying amount of the investment in Associate Companies.

All significant inter-company transactions are eliminated on consolidation.

CentrePort Limited

Notes to the Financial Statements

For the six months ended 31 December 2002 (Unaudited)

1.10 Provision for Employee Entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received 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 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.

1.11 Provision for Dividends

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

1.12 Statement of Cash Flows

The following are the definitions used in the Statement of Cash Flows:

- (a) Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.
- (b) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can 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 in relation to capital structure are included in financing activities.
- (d) Operating activities include all transactions and other events that are not investing or financing activities.

1.13 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 solely 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.

1.14 Changes in Accounting Policies

There have been no material changes in accounting policies during the period.

NOTE 2

Financial Statements

The financial statements for **the** six month periods ended 31 December 2002 and 31 December 2001 are unaudited.

– **CentrePort Limited**
Notes to the Financial Statements
– **For the six months ended 31 December 2002 (Unaudited)**

NOTE 3

Taxation

Year ended 30 June 2002 \$000	6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
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Taxation Expense

The Income Taxation Expense has been calculated as follows:

10,375	Surplus before Taxation	5 326	4 777
3,424	Income Taxation on the Surplus for the Period at 33%	1,754	1,605
	Taxation Effect of		
140	- Permanent Differences	49	79
(257)	- Timing Differences not Recognised	(132)	(131)
(59)	Benefit of Imputation Credits Received	(12)	(66)
3,248	Current Period Taxation Expense	1,659	1,487
(232)	Prior Period Adjustments		(18)
3,106	Taxation Expense	1,659	1,469

The Taxation Expense is represented by:

2,234	Current Period Taxation	1,320	1,221
(23)	Future Taxation Benefit	47	(27)
805	Subvention Payments	292	275
3,016	Taxation Expense	1,659	1,469

NOTE 4

Dividends

Year ended 30 June 2002 \$000	6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
4,000	Interim Distributions: Dividend Paid on Ordinary Shares	
400	Proposed Distributions: Dividend on Ordinary Shares	-
4,400	Total Dividends Paid or Payable	-

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 5

Surplus before Taxation

Year ended 30 June 2002 \$000	Note	6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
10,375		5 326	4,777
Surplus before Taxation			
<i>After Crediting:</i>			
REVENUE			
132	6	35	49
119		76	6
<i>After Charging:</i>			
EXPENSES			
10		37	
132		17	90
Depreciation:			
-			
- Freehold Land			
2,491		1,200	1,206
502		335	226
1,147		577	554
156		81	77
Fees paid to Parent Company Auditors for:			
49		22	25
68		31	55
29		4	15
(65)			(59)
1,497		805	736
712		378	340
695		334	297

NOTE 6

Equity Accounted Earnings of Associate Companies

Year ended 30 June 2002 \$000	Note	6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
196		55	74
(64)		(20)	(25)
Equity Accounted Earnings of Associate Companies after			
132	5	35	49
Taxation			

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 7

Equity

30 June 2002 \$000	31 December 2002 \$000	31 December 2001 \$000
Equity includes:		
Issued and Paid Up Capital		
30,000	23,424,657	ordinary shares
	30,000	30,000

NOTE 8

Fixed Assets

Net Book Value 30 June 2002 \$000	cost	Accumulated Depreciation	Net Book Value 31 December 2002 \$000	Net Book Value 31 December 2001 \$000
35,539	Freehold Land	35,539	35,539	35,539
35,698	Buildings, Wharves and Paving	57,930	21,761	36,169
10,348	Cranes and Floating Plant	15,541	4,512	11,029
5,052	Plant, Vehicles and Equipment	13,019	8,050	4,969
86,637	Total Fixed Assets	122,029	34,323	87,706

A Directors valuation of all Group freehold land was completed in June 1999 at \$43 million.

NOTE 9

Future Taxation Benefits

30 June 2002 \$000	31 December 2002 \$000	31 December 2001 \$000
1,181	Opening Balance	1,145
23	Current Period Movement	(47)
(59)	Prior Period Adjustments	(66)
1,145	Closing Balance	1,098
Taxation Balances Not Recognised		
6,465	Taxation Effect of the Differences between the Accounting and Taxation Treatment of Depreciation	6,336
		6,803

Due to the long term nature of the fixed assets deployed by the Group, future taxation benefits have not been recognised as an asset in the financial statements.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 10**Imputation Credit Account**

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
1,756	Opening Balance	3,639	1,756
3,022	Imputation Credits Attached to Dividends Received	1,243	2,999
(2,069)	Imputation Credits Attached to Dividends Paid	(197)	(98)
930	Income Taxation Payment	166	340
3,639	Closing Balance - Parent	4,851	4,997

Imputation credits available to the shareholders of the Parent Company as at 31 December 2002 are:

3,639	Through direct shareholding in the Parent Company	4,851	4,997
1,283	Through indirect interests in Subsidiaries	596	723

NOTE 11**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
Central Stevedoring Limited	Subsidiary	(100%)	Stevedoring Company
Container Terminals Limited	Subsidiary	(100%)	Inactive Company
Port of Wellington (1988) Limited	Subsidiary	(100%)	Property Owning
CentrePac Limited	Associate	(50%)	Container Packing
Medical Waste (Wellington) Limited	Associate	(50%)	Treatment of Waste
Transport Systems 2000 Limited	Associate	(50%)	Container Depot

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
		Note	
Investment in Associate Companies			
765	Opening Balance of Carrying Amount	762	765
132	Equity Accounted Earnings of Associate Companies	6	35
(135)	Dividends from Associate Companies	(25)	@ i i -
762	Closing Balance of Carrying Amount	-772	679
Term Investments			
1,000	Interest Bearing Advance	1,000	1,000
500	Advance to Associate Company	450	500
1,500		1,450	1,500
2,262	Total Investments	2,222	2,179

The interest bearing advance is secured by debenture, mortgage and guarantees. Other investments are unsecured.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 12

Receivables and Prepayments

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
3,145	Trade Receivables	4,181	3,314
	- Associate Company Receivables		50
185	Prepayments and Other Receivables	798	621
3,330	Total Receivables and Prepayments	4,979	3,985

NOTE 13

Bank Borrowing

The Group has bank loan facilities which are unsecured and mature on 14 April 2004. The interest rate charged on the facilities as at 31 December 2002 ranged from 6.1% to 6.2% p.a.

NOTE 14

Provision for Employee Entitlements

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
1,917	Opening Balance	1,944	1,917
1,126	Additional Provision Made	488	571
(1,099)	Amount Utilised	(285)	(539)
1,944	Closing Balance	2,147	1,949

The provision for employee entitlements relates to employee benefits such as accrued annual 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.

NOTE 15

Operating Leases

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
	Lease commitments for non-cancellable operating leases as at balance date were:		
263	Less than One Year	213	196
139	One to Two Years	104	69
55	Two to Three Years		
457		317	265

CentrePort Limited

Notes to the Financial Statements

For the six months ended 31 December 2002 (Unaudited)

NOTE 16

Financial Instruments

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

Fair Values

The estimated fair value of the forward interest rate swap agreements is (\$80,000) (Carrying Value \$Nil). The estimated fair values of all other financial instruments of the Group are the carrying amounts of the financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk primarily through its cash balances and advances, bank overdrafts and borrowings. To minimise this risk, management monitors the levels of market interest rates on an on going basis and uses forward rate and swap agreements to hedge interest rates when rates are anticipated to rise. At balance date the Group had entered into the following forward rate and swap agreements with maturities of:

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
3,000	Less than One Year	7,000	13,000
7,000	One to Two Years	2,500	7,000
5,000	Two to Three Years	7,500	5,000

Credit Risk

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:

30 June 2002 \$000		31 December 2002 \$000	31 December 2001 \$000
3,255	Receivables	4,290	3,500
1,500	Advances	1,450	1,500

No collateral is held on the above amounts **except for those disclosed in Note 11.**

Concentrations of Credit Risk

The Group's major concentration of credit risk is in respect to its **\$1,450,000** term investments. The Group is not exposed to any other concentrations of credit risk.

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 facilities of \$1,000,000 (December 2001: \$1,000,000 and June 2002: \$1,000,000) and New Zealand dollar Commercial Bill facilities of \$40,000,000 (December 2001: \$33,000,000 and June 2002: \$40,000,000). Of these \$25,190,000 (December 2001: \$26,047,000 and June 2002: \$26,393,000) had been drawn down by the Group at balance date.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 17

Reconciliation of Surplus after Taxation with Cash Flows from Operating Activities

Year ended 30 June 2002 \$000	6 Months to 31 December 2002 \$000	6 Months to 31 December 2001 \$000
7,359	3,667	3,308
Reported Surplus after Taxation		
Add (Less) Non Cash Items:		
4,140	2,112	1,986
(65)	-	(59)
3	(11)	86
36	47	39
Add (Less) Movements in Working Capital:		
481	(1,649)	(174)
(1,532)	(109)	(2,158)
46	(36)	27
145	601	304
Add (Less) Items Classified as Investing and Financing Activities:		
(50)		
1523	394	1,709
12,086	5,016	5,068
Net Cash Inflow from Operating Activities		

NOTE 18

Related Parties

CentrePort Limited is 76.9% owned by Port Investments Limited, a subsidiary of Wellington Regional Council, and 23.1% owned by Manawatu-Wanganui Regional Council. During the period transactions between CentrePort Limited and related parties included:

Year ended 30 June 2002 \$000	6 Months to 31 December 2002 \$ 0 0 0	6 Months to 31 December 2001 -A!!!!
Wellington Regional Council and Subsidiaries		
33	13	20
(550)	(284)	(275)
805	292	275
Medical Waste (Wellington) Limited		
60	14	44
(191)	(82)	(94)
CentrePac Limited		
158	72	85
Transport Systems 2000 Limited		
332	179	166

Subvention payments were made to Wellington Regional Council and its subsidiaries totalling \$292,000 (2001: \$275,000 and June 2002: \$805,000).

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

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 2002 (Unaudited)

NOTE 19**Contingent Liabilities**

Certain parties have commenced litigation disputing the level of the Group's charges and seeking some reimbursement of charges paid. The Group has lodged counter claims against these parties for breach of contract in respect of charges that have been withheld. The charges determined by the Group as appropriate, are included within trade receivables (Note 12) at balance date. Professional advice indicates that the Group has no significant further exposure to the claims.

NOTE 20**Capital Commitments**

At balance date there were commitments in respect of contracts for capital expenditure of \$1,146,000 (December 2001: \$449,000 and June 2002: \$1,159,000).

NOTE 21**Segment Information - 6 months to 31 December 2002**

				Port Operations \$000	Property \$000	Group \$000
Revenue		19,326		1,581		20,907
Surplus	after		Taxation	3,088	579	3,667
Total	Assets		83,608		12,713	96,321

CentrePort Limited operates in the property and port operations segments. All operations are carried out within New Zealand.