CENTREPORT LIMITED
FIFTEENTH STATUTORY REPORT OF DIRECTORS
For the Year ended 30 June 2004

Your Directors have pleasure in submitting their Annual Report including the financial statements of the Company and its Subsidiaries for the year ended *30* June 2004.

Principal Business

CentrePort Limited is a port company pursuant to the Port Companies Act 1988. Its principal business is the management and operation of a commercial port and of property.

Results

- Group revenue for the year ended 30 June 2004 was $40,196,000.
- Net profit attributable to shareholders of the Company was $5,199,000 after providing for taxation of $2,294,000.
- Total equity at 30 June 2004 was $133,854,000.

Dividends

Interim	$ 1,600,000
Final	$ 1,260,000
Total	$ 2,860,000

Directors

Directors' holding office during the year were:

Parent & Subsidiaries
N J Gould
M J Cashin (Resigned 21 May 2004)
J G Jefferies
E M M Johnson
W A Larsen
H J Stone

Remuneration of Directors

Directors' remuneration paid during the year was as follows:	Group & Parent
N J Gould	$ 95,500
M J Cashin	$ 34,708
J G Jefferies	$ 27,500
E M M Johnson	$ 33,500
W A Larsen	$ 27,500
H J Stone	$ 27,500

Entries in the Interests Register

CentrePort maintains an Interests Register in which particulars of certain transactions and matters involving the Directors are recorded. The following are the particulars of changes made in the Interests Register for the year to 30 June 2004.

Directors disclosed interests in the following entities pursuant to section 140 of the Companies Act 1993:

N J Gou!d, Chairman
- Deputy Chairman of Enterprise NZ Trust
- Resigned as Chairman of NZ Chamber of Commerce

J G Jefferies
- No entries recorded

E M M Johnson
- Resigned as Chairman of Wellington Cable Car Limited

W A Larsen
- Director of Consortium Limited
- Resigned as Director of Fletcher Challenge Forests Limited
- Resigned as Director of Richmond Limited

H J Stone
- Resigned as Director of HJ Stone Associates Limited

Directors' Insurance

The Company has arranged Directors' and Officers' liability insurance cover for $20 million with QBE Insurance (International) Limited to indemnify the Directors against loss as a result **of** actions undertaken by them as Directors and employees provided they operate within the law. This disclosure is made in terms of Section 162 of the Company 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 been otherwise available to them.

Remuneration of Employees

During the year, the number of employees or former employees of CentrePort Limited and its Subsidiaries who received remuneration and other benefits in excess of $100,000 are:

	Number of Current Employees	Number of Former Employees
$100,001 - $110,000	7	1
$120,001 - $130,000	4	1
$140,001 - $150,000		3
$190,001 - $200,000		1
$210,001 - $220,000	1	-

A former employee is one who left the employment of the Company during the year by way of resignation, retirement or redundancy.

Auditor

The Auditor-General continues in office in accordance with Section *19* of the Port Companies Act 1988. The Auditor-General has appointed Mr I C Marshall of Deloitte *to* undertake the audit.

For, and on behalf of, the Board of Directors

N J Gould
Chairman
26 August 2004

J G eries
Director
26 August 2004

CENTREPORT LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
For the Year ended 30 June 2004

	Note	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
OPERATING REVENUE		**40,196**	41,167	**42,019**	43,558
Operating Expenses		**(31,504)**	(30,900)	**(37,500)**	(37,262)
OPERATING SURPLUS BEFORE INTEREST AND INCOME TAXATION		**8,692**	10,267	**4,519**	6,296
Net Interest Expense		**(1,199)**	(1,422)	**(1,339)**	(1,422)
OPERATING SURPLUS BEFORE INCOME TAXATION	2	**7,493**	8,845	**3,180**	4,874
Income Taxation	8	**(2,294)**	(2,575)	**(416)**	(905)
NET SURPLUS FOR THE YEAR		**5,199**	6,270	**2,764**	3,969

STATEMENT OF MOVEMENTS IN EQUITY
For the Year ended 30 June 2004

	Note	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Total **Recognised Revenues and Expenses**					
Net Surplus for the Year		**5,199**	6,270	**2,764**	3,969
Increase in Revaluation Reserve	4,7	**67,094**		**63,901**	
		72,293	6,270	**66,665**	3,969
Distributions to Owners					
Dividends	5	**(2,860)**	(3,460)	**(2,860)**	(3,460)
MOVEMENTS IN EQUITY FOR THE YEAR		**69,433**	**2,810**	**63,805**	**509**
Equity at Beginning of Year		**64,421**	61,611	**25,663**	25,154
EQUITY AT END OF YEAR		**133,854**	64,421	**89,468**	25,663

The Statement of Accounting Policies and Notes on pages 7 to **19** form part of these Financial Statements.

Authorised for issue for, and on **behalf of, the Board of Dir**

N J Gould
Chairman
26 August 2004

J G Jefferies
Director
26 August 2004

CENTREPORT LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2004

	Note	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
EQUITY	4	133,854	64,421	89,468	25,663
Represented by:					
ASSETS					
Current Assets					
Cash			225		268
Receivables and Prepayments	6	5,478	4,820	5,478	4,789
Inventories		370	285	370	285
Taxation Refund		621	293	538	-
Total Current Assets		**6,469**	5,623	**6,386**	5,342
Non Current Assets					
Fixed Assets	7	158,782	88,474	104,518	39,902
Future Taxation Benefit	8	1,117	1,338	1,139	1,308
Investments	12	2,285	2,399	33,244	33,445
Total Non Current Assets		162,184	92,211	138,901	74,655
TOTAL ASSETS		168,653	97,834	145,287	79,997
Less:					
LIABILITIES					
Current Liabilities					
Bank Overdraft		541		541	
Creditors		6,365	5,006	6,363	4,879
Dividend Payable	5	1,260	1,800	1,260	1,800
Provision **for** Employee Entitlements	10	2,372	2,892	2,372	2,835
Taxation Payable			-	-	55
Due to Subsidiaries	11	-		21,022	21,050
Total Current Liabilities		**10,538**	9,698	**31,558**	30,619
Borrowings	13	**24,261**	23,715	**24,261**	23,715
TOTAL LIABILITIES		**34,799**	33,413	**55,819**	54,334
NET ASSETS		133,854	64,421	89,468	25,663

The Statement of Accounting Policies and Notes on pages **7** to 19 form **part** of these Financial Statements.

CENTREPORT LIMITED
STATEMENT OF CASH FLOWS
For the Year ended 30 June 2004

	Note	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was Provided from:					
Receipts from Customers		**39,189**	41,093	**39,164**	41,014
Dividend Income Received		**249**	125	**2,348**	2,625
Interest Income Received		**320**	149	**178**	149
Income Taxation Received		**348**		**564**	
Cash was Disbursed to:					
Payments to Suppliers and Employees		**(24,449)**	(24,664)	**(34,877)**	(34,996)
Income Taxation Paid		-	(1,540)		(216)
Interest Expense Paid		**(1,473)**	(1,637)	**(1,472)**	(1,637)
Restructuring Costs Paid		**(1,386)**	(873)	**(1,218)**	(873)
Subvention Payments Made		**(2,749)**	(921)	**(1,405)**	(458)
NET CASH FLOWS FROM OPERATING ACTIVITIES	14	**10,049**	11,732	**3,282**	5,608
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was Provided from:					
Proceeds from Sale of Fixed Assets		**454**	6	**-**	
Proceeds from Sale of Investment in Associate Company		**-**	754		754
Repayment of Loans by Associate Companies		**200**	150	**200**	150
Cash was Applied to:					
Purchase of Fixed Assets		**(8,615)**	(6,644)	**(1,290)**	(126)
Acquisition of Shares of Associate Company		**-**	(820)		(820)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(7,961)**	(6,554)	**(1,090)**	(42)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash was Provided from:					
Proceeds from Borrowings		**546**		**546**	
Cash was Applied to:					
Repayment of Bank Borrowings		**-**	(2,300)	**-**	(2,300)
Repayment of Subsidiary Company Borrowings		**-**		**(147)**	(345)
Dividends Paid to Shareholders of the company		**(3,400)**	(2,060)	**(3,400)**	(2,060)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2,854)**	(4,360)	**(3,001)**	(4,705)
Net Increase / (Decrease) in Cash Held		**(766)**	818	**(809)**	861
Add Opening Cash / (Overdraft) Brought Forward		**225**	(593)	**268**	(593)
ENDING CASH / (OVERDRAFT) CARRIED FORWARD		**(541)**	225	**(541)**	268

The Statement of Accounting Policies and Notes on pages 7 to 19 form part of these Financial Statements.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

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 12.

Financial statements for CentrePort Limited (the "Parent") and consolidated financial statements (the "Group") are presented. The financial statements comprise statements of the following: financial performance; movements in equity; financial position; cash flows; as well as notes to these statements contained on pages 7 to 19 of this annual report. The financial statements and 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, movements in equity, financial position and cash flows under the historical cost method, modified to include the revaluation of operational port freehold land, developed investment properties and undeveloped investment properties, 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, movements in equity, financial position and cash flows are set out below:

1.1 Basis **of** Consolidation

The consolidated financial statements include the Parent and its subsidiaries. Subsidiaries are those entities controlled directly or indirectly by the Parent. 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 intra-group transactions are eliminated on consolidation.

1.2 Statement **of** Cash **Flows**

The following are the defintions 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 include securities not falling within the definition of cash.

(c) Financing activities are those activities that 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.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

1.3 Revenue

Revenue shown in the Statement of Financial Perfomance 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 Tax collected from customers.

1.4 Fixed Assets

The Group has six classes of fixed assets:

- Operational Port Freehold Land
- Developed Investment Properties
- Undeveloped Investment Properties
- Buildings, Wharves and Paving
- Cranes and Floating Plant
- Plant, Vehicles and Equipment

Operational port freehold land is stated at valuation determined every three years by an independent registered valuer. The basis of valuation is highest and best use. Any increase in the value on revaluation is recognised directly against equity unless it offsets a previous decrease in value recognised in the Statement of Financial Performance, in which case it is recognised in the Statement of Financial Performance. **A** decrease in the value on revaluation is recognised in the Statement of Financial Performance where it exceeds the increase previously recognised in equity.

Developed investment property and undeveloped investment property are stated at valuation determined every year by an independent registered valuer. The basis of valuation is open market value based on each property's highest and best use. Any increase in value on revaluation is recognised directly in equity unless it offsets a previous decrease in value recognised in the Statement of Financial Performance, in which case it is recognised in the Statement of Financial Performance. **A** decrease in value is recognised in the Statement of Financial Performance where it exceeds the increase previously recognised in equity. Where an investment property is disposed of, the gain or loss recognised in the Statement of Financial Performance is the difference between the sale price and the carrying amount of the property. Investment properties are not depreciated.

The remaining fixed assets acquired by the Group on 1 October 1988 are recorded 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 remaining 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 that have been incurred in bringing the assets to the location and condition necessary for their intended service. All these fixed assets are depreciated.

1.5 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

1.6 Depreciation

There is no depreciation on operational port land, developed investment property and undeveloped investment property. Depreciation on other fixed is charged on a straight line basis so **as** to write off the cost **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

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

1.7 Investments

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

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

1.8 Receivables

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

1.9 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.

1.10 Income Taxation

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

The income taxation expense charged against the surplus for the year 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.

1.11 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 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.

1.12 Provision for Dividends

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

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 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.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

1.14 Changes in Accounting Policies

In the current year the Group reclassified fixed assets creating new classes of fixed assets for operational port freehold land, developed investment properties and undeveloped investment properties.

In respect to:

(a) Operational port freehold land the Group changed its policy of accounting from recording these assets at cost to recording them at valuation in accordance with FRS 3 (refer to accounting policy **1.4).** The implementation of the new accounting policy has had the impact of increasing equity and fixed assets in the Group and Parents Statement of Financial Position in the current year by **$40,050,000.**

(b) Developed investment properties and undeveloped investment properties the Group changed its policy of accounting from recording these assets at cost to recording them at valuation in accordance in accordance with **SSAP 17** (refer to accounting policy **1.4).** The implementation of the new accounting policy has had the impact **of** increasing equity and fixed assets in the Statement of Financial Position in the current year by **$27,044,000** (Group) and **$23,851,000** (Parent).

With the exception of the above changes in accounting policies, uniform accounting policies have been applied throughout the Group on a consistent basis with those of the previous year.

NOTE 2

Operating Surplus before Income Taxation

	Note	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Operating Surplus before Income Taxation		**7,493**	8,845	**3,180**	**4,874**
After Crediting:					
REVENUE					
Equity Accounted Earnings of Associate Companies	3	**334**	**131**	**-**	
Dividend Income from Associate Companies		**-**		**248**	**125**
Dividend Income from Subsidiary Companies		**-**		**2,100**	**2,500**
Gain on Sale of Fixed Assets		**183**	**6**		
Interest Received		**321**	**149**	**179**	**149**
After Charging:					
EXPENSES					
Bad Debts Written **Off**		**12**	**44**	**12**	**44**
Change in Provision for Doubtful Debts		**45**	**101**	**111**	**101**
Depreciation	7	**4,375**	**4,399**	**576**	**600**
Directors' Fees		**210**	**163**	**210**	**163**
Fees Paid to Parent Company Auditors for:					
- Audit Services		**49**	**52**	**49**	**52**
- Other Assurance Services		**76**	**29**	**76**	**29**
- Consultancy Services		**42**	**59**	**42**	**59**
Fixed **Assets** Written **Off**		**634**			
Interest Expense		**1,518**	**1,571**	**1,518**	**1,570**
Rental and Lease Expenses		**629**	**703**	**16,289**	**15,408**
Restructuring ***Costs***		**823**	**1,708**	**654**	**1,708**

CENTREPORT LIMITED
NOTES **TO THE** FINANCIAL STATEMENTS
For the Year **ended** 30 June **2004**

NOTE 3

Equity Accounted Earnings **of** Associate companies

	Group	
	2004	2003
	$000	**$000**
Share of Earnings of Associate Companies before Taxation	503	190
Taxation	(169)	(59)
Equity Accounted Earnings of Associate Companies after Taxation	**334**	131

NOTE **4**

Equity

	Note	Group		Parent	
		2004	2003	2004	2003
		$000	**$000**	**$000**	**$000**
Issued and Paid Up Capital					
23,424,657 ordinary shares		30,000	30,000	30,000	30,000
Revaluation Reserve	7	67,094		63,901	
Retained Earning / (Deficit)		**36,760**	34,421	(4,433)	(4,337)
Total Equity		**133,854**	64,421	89,468	25,663

NOTE 5

Dividends

	Group and Parent	
	2004	2003
	$000	**$000**
Interim **Distributions:** Dividend Paid **on** Ordinary Shares	1,600	1,660
Final Distributions: Dividends Payable on Ordinary Shares	**1,260**	1,800
Total Dividends Paid **or** Payable	**2,860**	3,460

NOTE 6

Receivables and Prepayments

	Group		Parent	
	2004	2003	2004	2003
	$000	**$000**	**$000**	**$000**
Trade Receivables	4,062	3,087	4,062	*3,056*
Prepayments	**1,416**	1,733	**1,416**	1,733
Total Receivables and Prepayments	**5,478**	4,820	**5,478**	4,789

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 7

Fixed Assets

	Cost / Valuation $000	Accumulated Depreciation $000	Net Book Value $000	Depreciation Expense $000
Group – 2004				
Operational Port Freehold Land	60,390		60,390	
Developed Investment Properties	24,056	-	24,056	-
Undeveloped Investment Properties	24,453	-	24,453	-
Buildings, Wharves and Paving	58,338	23,706	34,632	2,589
Cranes and Floating Plant	16,715	5,729	10,986	807
Plant, Vehicles and Equipment	12,693	8,428	4,265	979
Total Fixed Assets	196,645	37,863	158,782	4,375
Group – 2003				
Freehold Land	35,539		35,539	
Buildings, Wharves and Paving	59,969	23,036	36,933	2,450
Cranes and Floating Plant	16,346	4,945	11,401	768
Plant, Vehicles and Equipment	13,313	8,712	4,601	1,181
Total Fixed Assets	125,167	36,693	88,474	4,399
Parent – 2004				
Operational Port Freehold Land	60,390	-	60,390	-
Developed Investment Properties	14,597	-	14,597	-
Undeveloped Investment Properties	24,453	-	24,453	-
Paving	12,898	7,820	5,078	576
Total Fixed Assets	112,338	7,820	104,518	576
Parent – 2003				
Freehold Land	35,539		35,539	
Paving	11,607	7,244	4,363	600
Total Fixed Assets	47,146	7,244	39,902	600

On 30 June 2004 the Group and Parent reclassified fixed assets creating new classes of fixed assets for operational port freehold land, developed investment properties and undeveloped investment properties.

On 30 June 2004 operational port freehold land, developed investment properties and undeveloped investment properties were independently valued by Mr AG Stewart and Mr AP Washington, registered valuers with DTZ New Zealand Limited. The valuations were based on the assets highest and best use. All other fixed assets are valued at cost less accumulated depreciation.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 8

Taxation

	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Taxation Expense				
The Income Taxation Expense has been calculated as follows:				
Operating Surplus before Income Taxation	**7,493**	8,845	**3,180**	4,874
Income Taxation on the Surplus for the Year at 33%	2,473	2,919	1,049	1,608
Taxation Effect of				
- Permanent Differences	72	88	(592)	(765)
- Timing Differences not Recognised	(127)	(285)	97	102
Benefit of Imputation Credits Received	(93)	(12)	(93)	(12)
Current Year Taxation Expense	2,325	2,710	461	933
Prior Year Adjustments	(31)	(135)	(45)	(28)
Taxation Expense	**2,294**	2,575	**416**	905
***The** Taxation **Expense** is **represented** by:*				
Current Year Taxation	(526)	1,896	(1,008)	659
Future Taxation Benefit	71	(242)	19	(212)
Subvention Payments	**2,749**	921	**1,405**	458
	2,294	2,575	**416**	905
Future Taxation Benefit Comprises				
Balance at Beginning **of** Year	1,338	1,145	**1,308**	1,145
Current Year Movement	(71)	242	(19)	212
Prior Year Adjustments	**(150)**	(49)	**(150)**	**(49)**
Balance at End of Year	**1,117**	1,338	**1,139**	1,308
Taxation Balances Not Recognised				
Taxation Effect of the Differences between the Accounting and Taxation Treatment of Depreciation	**6,073**	6,120	**947**	850

A deferred tax asset of $6.073m (2003 $6.120m) has not been recognised in the financial statements in relation to timing differences in the Group from the difference between accounting and tax depreciation on the basis that there **is** no virtual certainty of the realisation of that asset.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 9

Imputation Credit Account

	Parent 2004 $000	Parent 2003 $000
Balance at Beginning of Year	**4,062**	3,639
Imputation Credits Attached to Dividends Received	**1,128**	1,222
Imputation Credits Attached to Dividends Paid	**(1,675)**	(1,015)
Income Taxation Paid / (Refunded)	**(691)**	216
Balance at End of Year	**2,824**	4,062
Imputation credits available to the Shareholders of the Parent Company as at 30 June 2004 are:		
- Through direct shareholding in the Parent Company	**2,824**	4,062
- Through indirect interests in Subsidiary Companies	**615**	1,376

NOTE 10

Provision for Employee Entitlements

	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Balance at Beginning of Year	**2,892**	1,944	**2,835**	1,944
Additional Provision Made	**1,476**	2,062	**1,479**	1,989
Amount Utilised	**(1,996)**	(1,114)	**(1,942)**	(1,098)
Balance at End of Year	**2,372**	2,892	**2,372**	2,835

The provision for employee entitlements relates to employee benefits such as redundancy provisions, 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 11

Due to Subsidiaries

	Parent 2004 $000	Parent 2003 $000
Central Stevedoring Limited	**-**	223
Port Wellington Limited	**1,167**	1,167
Port of Wellington (1988) Limited	**19,855**	19,660
Total Due to Subsidiaries	**21,022**	21,050

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 12

Investments

All Group Companies have a common balance date of 30 June and all significant intra-group transactions have been eliminated on consolidation.

Name	Relationship	Equity Held	Principal Activity
Central Stevedoring Limited	Subsidiary	(100%)	Stevedoring
Port Wellington 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

	Note	Group		Parent	
		2004	**2003**	**2004**	**2003**
		$000	**$000**	**$000**	**$000**
Investments in Subsidiary Companies					
Investments are stated at the lower of cost and net realisable value and comprise:					
Central Stevedoring Limited				-	1
Port Wellington Limited		-		**633**	633
Port of Wellington *(1988)* Limited		-		**30,719**	30,719
		-		**31,352**	31,353
Investments in Associate Companies					
Carrying Amount at Beginning of Year		**1,049**	762	**742**	**46** 1
Equity Accounted Earnings of Associate Companies	3	**334**	131	-	-
Acquisition of Shares		-	1,035	-	1,035
Disposal of Shares		-	(754)	-	(754)
Dividends from Associate Companies		**(248)**	(125)		-
Carrying Amount at End of Year		**1,135**	1,049	**742**	742
Term Investments					
Interest Bearing Advance		**1,000**	1,000	**1,000**	1,000
Advance to Associate Companies		**150**	350	**150**	350
		1,150	1,350	**1,150**	1,350
Total Investments		**2,285**	2,399	**33,244**	33,445

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

CENTREPORT LIMITED
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For the Year ended 30 June 2004

NOTE 13

Borrowings

	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Bank Borrowing	24,100	23,500	24,100	23,500
Other Borrowing	161	215	161	215
Total Borrowings	24,261	23,715	24,261	23,715

The bank loan facility is unsecured and matures on 14 April 2006. The interest rate charged on this facility as at 30 June 2004 ranged from 5.8% to 6.6% p.a.

Other borrowing is unsecured and is repayable by three equal instalments of $53,750 on 1 May each year with the final payment due on 1 May 2007. There is no interest charged on this borrowing.

NOTE 14

Reconciliation of Surplus for the Year with Cash Flows from Operating Activities

	Group 2004 $000	Group 2003 $000	Parent 2004 $000	Parent 2003 $000
Reported Surplus for the Year	5,199	6,270	2,764	3,969
Add (Less) Non Cash Items:				
Depreciation	4,375	4,399	576	600
Gain on Sale of Fixed Assets	(183)	(6)	-	
Fixed Assets Written Off	634	-		
Equity Accounted Earnings from Associate Companies	(85)	(6)		
Future Taxation Benefit	221	(193)	169	(163)
Add (Less) Movements in Working Capital:				
Accounts Receivable	(658)	(1,490)	(689)	(1,459)
Accounts Payable	839	2,049	1,021	1,865
Inventory	(85)	(7)	(85)	(7)
Taxation	(328)	308	(593)	395
Add (Less) Items Classified as Investing and Financing Activities:				
Writedown in Shares of Subsidiary	-	-	1	
Accounts Payable related to Advances to Subsidiary Companies	-	-	118	408
Accounts Payable related to Fixed Assets	(264)	408	-	
Accounts Receivable related to Fixed Assets	384	-	-	-
Net Cash Inflow **From** Operating Activities	10,049	11,732	3,282	5,608

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 15

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 a surplus of $120,000 (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 that had interest rates ranging from 5.7% to 6.4% p.a. and maturities of:

	Group and Parent	
	2004	**2003**
	$000	**$000**
Less than One Year	**7,500**	7,000
One to Two Years	**2,500**	7,500
Two to Three Years	**8,000**	2,500

Credit **Risk**

Credit risk is the risk that the counter party to a transaction with the Group will fail to 'dischargeits 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:

	Group		Parent	
	2004	**2003**	**2004**	**2003**
	$000	**$000**	**$000**	**$000**
Receivables	**4,062**	3,087	**4,062**	3,056
Term Investments	**1,150**	1,350	**1,150**	1,350

No collateral is held on the above amounts except for those disclosed in Note 12.

Concentrations **of** Credit **Risk**

The Group's major concentration of credit **risk** is in respect to its $1,150,000 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 facility of $1,000,000 (2003: $1,000,000), New Zealand dollar Commercial Bill facilities of $40,000,000 (2003: $40,000,000) and other borrowings of $161,000 (2003: $215,000). Of these $24,261,000 (2003: $23,715,000) had been drawn down by the Group at balance date. Subsequent to balance date the New Zealand dollar Commercial Bill facility of $40,000,000 was increased to $55,000,000.

CENTREPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2004

NOTE 16

Operating Leases

	Group and Parent 2004 $000	2003 $000
Lease commitments for non-cancellable operating leases as at balance date were:		
Less than One Year	**485**	438
One to Two Years	**278**	226
Two to Five Years	**600**	151
	1,363	815

NOTE 17

Related Parties

CentrePort Limited is 76.9% owned by Port Investments Limited, a subsidiary of Greater Wellington Regional Council, and 23.1% owned by Manawatu-Wanganui Regional Council (trading as Horizons. mw). During the year transactions between CentrePort Limited and related parties included:

	2004 $000	2003 $000
Greater Wellington Regional Council and Subsidiaries		
Income received from rent and services performed	**25**	24
Payment for use of navigational facilities and services performed	**(677)**	(550)
CentrePac Limited		
Income received from rent and services performed	**173**	150
Medical Waste (Wellington) Limited		
Income received from interest, rent and services performed	**47**	60
Waste disposal expenditure	**(167)**	(172)
Transport Systems 2000 Limited		
Income received from rent and services performed	**393**	349

During the year Subsidiary Companies charged by way of lease rentals $15,714,000 to the Parent Company (2003: $14,818,000).

Subvention payments were made to Greater Wellington Regional Council and its subsidiaries totalling $2,749,000 (2003: $921,000) (Group) and $1,405,000 (2003: $458,000) (Parent).

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

NOTE 18

Contingent Liabilities

In respect of the Parent and the Group the following contingent liabilities existed at 30 June 2004:

(a) **A** party has commenced litigation disputing the level of the Group's charges and seeking some reimbursement of charges paid. The Group has lodged counter claims against this party 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 6) at balance date. Professional advice indicates that the Group has no significant further exposure to this claim.

NOTE 19

Capital Commitments

At balance date commitments in respect of contracts for capital expenditure are $20,692,000 (2003: $2,141,000) (Group) and $440,000 (2003:$544,000) (Parent).

NOTE 20

Segment Information

	Port Operations **2004** **$000**	Property **2004** **$000**	Group **2004** **$000**
Revenue	36,891	3,305	**40,196**
Net Surplus for the year	3,980	1,219	**5,199**
Total **Assets**	120,144	48,509	**168,653**

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

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AUDIT REPORT

TO THE READERS OF CENTREPORT LIMITED AND GROUP'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of CentrePort Limited (the company) and group. The Auditor-General has appointed me, I C Marshall, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the company and group, on his behalf, for the year ended 30 June 2004.

Unqualified Opinion

In our opinion:

- The financial statements of the company and group on pages 4 to 19:
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of:
    - the company and group's financial position as at 30 June 2004; and
    - the results of operations and cash flows for the year ended on that date.
- Based on our examination the company and group kept proper accounting records.

The audit was completed on 26 August 2004, and is the date at which our opinion is expressed.

The basis of the 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 our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements 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. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

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

Deloitte.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- 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 financial statement disclosures are adequate.

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

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

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must give a true and fair view of the financial position of the company and group as at 30 June 2004. They must also give a true and fair view of the results of operations and cash flows for the year ended on that date. The Board of Directors responsibilities arise from the Port Companies Act 1988 and the Financial Reporting Act 1993.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 19(1) of the Port Companies Act 1988.

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.

In addition to the audit we have carried out assignments in the areas of tax and other consulting engagements, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the company and group.

I C Marshall
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand