

CentrePort Limited

HALF YEAR REPORT

December 1999

DIRECTORY

Directors

Nigel Gould (Chairman)
Ken Harris (Managing Director)
Jim Jefferies
Malcolm Johnson
Bernie Knowles
Jenny Morel
Howard Stone

Management

Ken Harris (Managing Director)
Mark Law (General Manager - Finance & Strategic Developments)

Auditors

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

Bankers

WestpacTrust

CentrePort Limited

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Wellington, New Zealand
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CentrePort Limited
Directors Report to Shareholders
For the six months ended 31 December 1999

The company has maintained its performance of the last fiscal year to produce another satisfactory result for the six month period to 31 December 1999. The profit result is ahead of the corresponding period last year and surpasses budgeted expectations in both cargo volumes and financial performance.

Total cargo tonnage through the port increased by 10% to 4.58M tonnes for the period under review, with significant import contributions from conventional and bulk cargoes. Cargo tonnage's across the board posted increases with, in particular, container traffic up 12%, conventional cargo up 22% and coastal roll on roll off tonnage's up 9%.

The number of ship visits to the port increased by 398 to 2777 calls (up 17%), with increases coming from bulk and conventional cargo vessels, cruise ships, foreign fishing fleets and the additional coastal fast ferry services.

Financial Performance

Revenue for the six months to 31 December 1999 was \$20.01M compared to the corresponding period last year of \$19.16M, up 4% for the period.

Earnings before interest and tax amounted to \$6.81M being 28% up on the corresponding period last year of \$5.32M.

Surplus attributable to the shareholders of the parent for the period is \$4.35M (1998: \$2.94M) - an improvement of 48% reflecting the position of increased cargo volumes handled and the benefit of strong cost controls and port operating efficiencies.

Annualised average return on shareholders funds for the period is 16.1% (1998: 12.3%)

The result represents a satisfactory performance and reflects the company's strategic initiatives to extend its hinterland base and to invest, with selected joint venture partners, in ancillary businesses to leverage significant benefits to port user customers.

The company will pay an interim dividend of 8.0 cents per share fully imputed amounting to \$1.873M.

Additional Joint Venture Business

During the period a new joint venture business between CentrePort Limited and Transport Systems Limited commenced operations as Transport Systems 2000 Limited - a specialist container depot operator with sites at both the port and at Seaview in the Hutt Valley. This joint venture is equity accounted for as an associate company of the Port and has operated profitably during this initial period.

Outlook for the Second Half Year

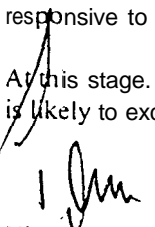
The growing business confidence and strength of the economy, both domestically and internationally, has resulted in increased cargo throughput at most New Zealand ports over recent times.

CentrePort has been able to participate in this volume growth by delivering services more efficiently and more effectively, thereby ensuring the long term sustainability of the business to all stakeholders, including customers, shareholders and staff alike.

Competitive pressures on shipping liner companies will continue to drive the need for higher volume lifting through more efficient port service calls.

The strategies adopted by the company will allow it to meet the competitive challenges ahead and allow it to be more responsive to customer demands and other stakeholder requirements in this increasingly competitive business environment.

At this stage, the financial outlook for the full year would fully recognise the result to date and foreshadows a performance that is likely to exceed last years result.



Nigel J. Gould

Chairman

23 February 2000

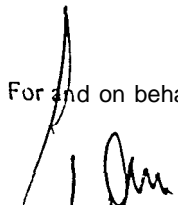
CentrePort Limited
Consolidated Statement of Financial Performance
For the six months ended 31 December 1999 (Unaudited)

Year ended 30 June 1999 \$000	Notes	6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
40,578 REVENUE		20,014	19,164
(28,895) Expenses		(13,202)	(13,845)
11,683 SURPLUS BEFORE INTEREST		6,812	5,319
(1,384) Interest Expense (net)		(463)	(891)
10,299 SURPLUS BEFORE ABNORMAL ITEMS	3	6,349	4,428
(753) Abnormal Items		-	-
9,546 SURPLUS BEFORE TAXATION		6,349	4,428
Taxation Expense			
3,280 Current Year		2,096	1,503
(57) Prior Year Adjustments		-	-
3,213 Total Taxation Expense	4	2,096	1,503
6,323 SURPLUS AFTER TAXATION	15	4,253	2,925
Share of Earnings of Associate Companies after Taxation and			
(30) Dividend	5	97	19
SURPLUS ATTRIBUTABLE TO THE 6,293 SHAREHOLDERS OF THE PARENT COMPANY		4,350	2,944

Consolidated Statement of Movements in Equity
For the six months ended 31 December 1999 (Unaudited)

Year ended 30 June 1999 \$000	Notes	6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
47,311 EQUITY - OPENING BALANCE		52,957	47,311
6,293 Surplus for the Period		4,350	2,944
(10,647) Dividends Paid or Payable	6	(1,873)	(1,500)
10,000 Convertible Notes converted to Ordinary Shares			
52,957 EQUITY - CLOSING BALANCE		55,434	43,755

For and on behalf of the Board of Directors


N J Gould - Chairman
23 February 2000


K D Harris - Managing Director
23 February 2000

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 1999 (Unaudited)

30 June 1999 \$000		Notes	31 December 1999 \$000	31 December 1998 \$000
52,957	EQUITY	7	55,434	48,755
	Represented by:			
	ASSETS			
	Non Current Assets			
69,054	Fixed Assets	8	70,283	69,390
1,356	Future Taxation Benefit	9	1,016	1,235
293	Investments	11	574	342
70,703	Total Non Current Assets		71,873	70,967
	Current Assets			
	Cash and Deposits		58	311
3,645	Receivables and Prepayments	12	4,491	3,633
321	Inventories		420	535
	Taxation Dispute Deposit Refund			1,857
3,966	Total Current Assets		4,969	6,336
74,669	TOTAL ASSETS		76,842	77,303
	Less:			
	LIABILITIES			
13,450	Bank Borrowing	13	13,250	11,100
	Convertible Notes	7		10,000
	Current Liabilities			
28	Bank Overdraft			
4,660	Creditors and Accruals		3,358	4,151
1,647	Provision for Dividend	6	1,873	1,500
1,759	Provision for Employee Entitlements		1,802	1,460
168	Provision for Taxation		1,125	337
8,262	Total Current Liabilities		8,158	7,448
21,712	TOTAL LIABILITIES		21,408	28,548
52,957	NET ASSETS		55,434	48,755

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 1999 (Unaudited)**

Year ended 30 June 1999 \$000		6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was Provided from:</i>			
40,218	Receipts from Customers	19,687	18,893
175	Dividends Received		
472	Interest Received	2	3
2,532	Taxation Dispute Refund		
<i>Cash was Disbursed to:</i>			
(24,792)	Payments to Suppliers and Employees	(12,725)	(12,663)
(697)	Restructuring Costs Paid	(464)	
(3,100)	Income Taxation Paid	(800)	(416)
(1,769)	Interest Paid	(376)	(995)
13,039	NET CASH FLOWS FROM OPERATING ACTIVITIES	14	5,324
		8,324	4,822
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was Provided from:</i>			
7	Proceeds from Sale of Fixed Assets	90	11
3	Proceeds from Sale of Investments		3
<i>Cash was Applied to:</i>			
(3,016)	Purchase of Fixed Assets	(3,183)	(1,423)
(319)	Shareholder Subvention Advance	(213)	
(20)	Advance to Associate Company	(30)	(30)
(2)	Investment in Associate Company	(55)	(2)
(3,347)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,391)	(1,441)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was Applied to:</i>			
(800)	Settlement of Loans and Advances	(200)	(3,150)
(9,000)	Dividends Paid	(1,647)	
(9,800)	NET CASH FLOWS FROM FINANCING ACTIVITIES	(1,847)	(3,150)
(108)	Net Increase / (Decrease) in Cash Held	86	231
80	Add Opening Cash / (Overdraft) Brought Forward	(28)	80
(28)	ENDING CASH / (OVERDRAFT) CARRIED FORWARD	58	311

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 1999 (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.

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 comprise 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 2 1 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.

1.3 Leases

Group entities lease certain land, buildings, vehicles and wharves. 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 1999 (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:

Wharves and Paving	10 to 50 years
Buildings	20 to 50 years
Floating Plant	10 to 50 years
Container Cranes	10 to 35 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 and construction 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 Holding Company and its Subsidiaries, accounted for using the purchase method. The Associate companies are accounted for on an equity accounting basis. All significant inter-company transactions are eliminated on consolidation.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

1.10 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.

1.11 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.

1.12 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 1999 and 31 December 1998 are unaudited.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

NOTE 3

Surplus before Abnormal Items

Year ended 30 June 1999 \$000		6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
10,299	Surplus before Abnormal Items	6,349	4,428
	<i>After Crediting:</i>		
	REVENUE		
175	Dividend Received from Associate	-	50
206	Interest Received	2	3
	<i>After Charging:</i>		
	EXPENSES		
34	Bad Debts Write Off	10	
96	Change in Provision for Doubtful Debts	64	29
3,873	Depreciation	1,650	1,776
153	Directors Fees	78	79
51	Fees paid to Parent Company Auditors	25	25
7	Fees paid to Parent Company Auditors for Other Services		7
(7)	Profit on Sale of Fixed Assets	(56)	(11)
1,590	Interest Expense	466	894
867	Rental and Lease Expenses	383	393

NOTE 4

Taxation

Year ended 30 June 1999 \$000		6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
	Taxation Expense		
	The Income Taxation Expense has been calculated as follows:		
9,546	Surplus for the Period	6,349	4,428
3,150	Income Taxation on the Surplus for the Period at 33%	2,095	1,461
	Taxation Effect of		
82	- Permanent Differences	33	8
134	- Timing Differences not Recognised	(32)	34
(86)	Benefit of Imputation Credits Received		
3,280	Current Period Taxation Expense	2,096	1,503
(57)	Prior Period Adjustments		
3,223	Taxation Expense	2,096	1,503

CentrePort Limited

Notes to the Financial Statements

For the six months ended 31 December 1999 (Unaudited)

NOTE 4

Taxation (continued)

Year ended 30 June 1999 \$000	6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
<i>The Taxation Expense is represented by:</i>		
3,512 Current Period Taxation	1,756	1,507
(289) Future Taxation Benefit	340	(4)
3,223 Taxation Expense	2,096	1,503

NOTE 5

Associate Companies

Year ended 30 June 1999 \$000	6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
231 Share of Surplus of Associate Companies before Taxation	149	105
(86) Taxation	(52)	(36)
(175) Dividend Received		(50)
Share of Earnings of Associate Companies after Taxation and (30) Dividend	97	19

NOTE 6

Dividends

Year ended 30 June 1999 \$000	6 Months to 31 December 1999 \$000	6 Months to 31 December 1998 \$000
9,000 Dividend Paid on Ordinary Shares		
1,647 Proposed Dividend on Ordinary Shares	1,873	1,500
10,647 Total Dividends Paid or Payable	1,873	1,500

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

NOTE 7

Equity

30 June 1999 \$000		31 December 1999 \$000	31 December 1998 \$000
	Equity includes:		
	Issued and Paid Up Capital		
20,000	20,000,000 ordinary shares	20,000	20,000
10,000	Convertibles Notes converted to 3,424,657 ordinary shares	10,000	
30,000		30,000	20,000

NOTE 8

Fixed Assets

Net Book Value 30/6/99 \$000		cost \$000	Accumulated Depreciation \$000	Net Book Value 31/12/99 \$000	Net Book Value 31/12/98 \$000
35,539	Freehold Land	35,539		35,539	35,539
25,117	Buildings, Wharves and Paving	40,671	15,145	25,526	25,234
3,066	Cranes and Floating Plant	6,223	3,231	2,992	3,164
5,332	Plant, Vehicles and Equipment	19,336	13,110	6,226	5,453
69,054	Total Fixed Assets	101,769	3 1,486	70,283	69,390

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

NOTE 9

Future Taxation Benefits

30 June 1999 \$000		31 December 1999 \$000	31 December 1998 \$000
1,231	Opening Balance	1,356	1,231
289	Current Period Movement	(340)	4
(164)	Prior Period Adjustments		
1,356	Closing Balance	1,016	1,235
	Taxation Balances Not Recognised		
	Taxation Effect of the Differences between the Accounting and Taxation		
7,394	Treatment of Depreciation	7,213	7,328

Due to the long term nature of the fixed assets deployed by the Group, future taxation benefits of \$7.2 13 million 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 1999 (Unaudited)

NOTE 10

Imputation Credit Account

30 June 1999 \$000	31 December 1999 \$000	31 December 1998 \$000
5,895 Opening Balance	3,032	5,895
3,682 Imputation Credits Attached to Dividends Received	1,478	3,596
(4,433) Imputation Credits Attached to Dividends Paid	(811)	
(311) Income Taxation Payment / (Refund)	300	
(1,801) Income Taxation Transferred to Subsidiaries		
3,032 Closing Balance	3,999	9,491
Imputation credits available to the shareholders of the Parent Company as at 31 December 1999 are:		
3,032 Through direct shareholding in the Parent Company	3,999	9,491
1,646 Through indirect interests in Subsidiaries	668	(619)

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
Port of Wellington (1988) Limited	Subsidiary	(100%)	Property Owning
Port Wellington Limited	Subsidiary	(100%)	Inactive Company
Container Terminals Limited	Subsidiary	(100%)	Inactive Company
Medical Waste (Wellington) Limited	Associate	(50%)	Incineration of Waste
CentrePac Limited	Associate	(50%)	Container Packing
Transport Systems 2000 Limited	Associate	(50%)	Container Depot

30 June 1999 \$000	31 December 1999 \$000	31 December 1998 \$000
Investment in Associate Companies		
212 Shares in Associate Companies at Cost	396	212
81 Share of Post-Acquisition Retained Earnings	178	130
293 Total Investments	574	342

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

NOTE 12

Receivables and Prepayments

30 June		31 December	31 December
1999		1999	1998
\$000		\$000	\$000
3,012	Trade Receivables	3,362	3,081
100	Non Trade Receivables	138	163
319	Shareholder Subvention Advance	532	
20	Associate Company Receivables	120	80
346	Prepayments	555	394
(152)	Provision for Doubtful Debts	(216)	(85)
3,645	Total Receivables and Prepayments	4,491	3,633

NOTE 13

Bank Borrowing

The Parent Company has a bank loan facility which is unsecured and matures on 16 June 2000. The interest rate charged on the facility as at 31 December 1999 ranged from 5.4% to 6.0% p.a.

NOTE 14

Reconciliation of Surplus after Taxation with Cash Flows from Operating Activities

Year ended		6 Months to	6 Months to
30 June		31 December	31 December
1999		1999	1998
\$000		\$000	\$000
6,323	Reported Surplus after Taxation and before including Share of Retained Surplus of Associate Companies	4,253	2,925
	Add (Less) Non Cash Items:		
3,873	Depreciation	1,650	1,776
(7)	Profit on Sale of Assets	(83)	(11)
(3)	Gain on Sale of Investments		(3)
(125)	Decrease / (Increase) in Future Taxation Benefit	340	(4)
	Add (Less) Movements in Working Capital:		
(792)	Increase in Accounts Receivable	(846)	(750)
685	Increase / (Decrease) in Accounts Payable	(1,259)	(123)
135	(Increase) / Decrease in Inventory	(99)	(79)
1,857	Decrease in Taxation Dispute Deposit		
922	Decrease in Taxation refund - Other		
	Increase in Provision for Taxation	957	1,091
	Add (Less) Items Classified as Investing and Financing Activities:		
319	Shareholder Subvention Advance	213	
	Loan to Associate Company	30	
(16;	Decrease / (Increase) in Accounts Payable related to Fixed Assets	168	
13,039	Net Cash Inflow from Operating Activities	5,324	4,822

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

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 \$159,000 (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

The Group has an exposure to interest rate movements as a result of its term borrowing facilities. To minimise this risk, management monitors the levels of 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 forward interest rate swap agreements with maturities of:

30 June 1999 \$000		31 December 1999 \$000	31 December 1998 \$000
5,000	Less than One Year	5,000	4,000
2,000	One to Two Years	4,000	5,000
9,000	Two to Three Years	7,000	11,000

Credit Risk

Financial instruments which potentially subject the Group to credit risk principally consist of bank balances, money market deposits and accounts receivable. 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 1999 \$000		31 December 1999 \$000	31 December 1998 \$000
-	Cash and Deposits	58	311
3,451	Receivables	4,152	3,324

No collateral is held on the above amounts.

Concentrations of Credit Risk

The Group is not exposed to any concentrations of credit risk.

Credit Facilities

The Group has a total bank overdraft facility of **\$1,000,000** and New Zealand dollar Commercial Bill facilities of **\$25,000,000**. Of these **\$13,250,000** has been drawn down by the Group.

CentrePort Limited
Notes to the Financial Statements
For the six months ended 31 December 1999 (Unaudited)

NOTE 16

Operating Leases

30 June		31 December	31 December
1999		1999	1998
\$000		\$000	\$000
Lease commitments for non-cancellable operating leases as at balance date were:			
348	Less than One Year	419	268
285	One to Two Years	242	129
108	Two to Five Years	6	81
741		667	478

NOTE 17

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		6 Months to	6 Months to
30 June		31 December	31 December
1999		1999	1998
\$000		\$000	\$000
Wellington Regional Council and Subsidiaries			
39	Income Received from Rent and Services Performed	16	25
(550)	Payment for Use of Navigational Facilities	(275)	(275)
(502)	Convertible Note Interest Expenditure		(301)
319	Advances to a subsidiary of Wellington Regional Council in anticipation of a subvention payment	213	
Manawatu-Wanganui Regional Council			
(151)	Convertible Note Interest Expenditure		(90)
Medical Waste (Wellington) Limited			
105	Income Received from Services Performed	40	40
(194)	Waste Disposal Expenditure	(87)	(91)
CentrePac Limited			
130	Income Received from Rent and Services Performed	76	70
Transport Systems 2000 Limited			
-	Income Received from Rent and Services Performed	126	

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 1999 (Unaudited)

NOTE 18

Contingent Liabilities

The following contingent liabilities existed at 31 December 1999:

A contingent asset of \$87,000 in respect to a claim for failure to pay for services provided. The defending party has lodged a counter claim of \$308,000 for damage to vessels. The Group is defending the counter claim. Professional advice indicates that it is unlikely that any significant liability will eventuate.

A guarantee of rental payments to a maximum of **\$2,000,000**.

A claim of \$100,000 for redundancy. The Group is defending the action and has an indemnity from a third party in respect to the claim. Professional advice indicates that it is unlikely that any significant liability will eventuate.

NOTE 19

Capital Commitments

At balance date there were commitments in respect of contracts for capital expenditure of **\$3,527,000** (December 1998: \$157,000 and June 1999: \$887,000).

NOTE 20

Segment Information

CentrePort Limited operates in one industry, the operation of a commercial port. All operations are carried out within New Zealand.

NOTE 21

Comparatives

Certain comparative amounts have been restated due to a change in the layout of the financial statements.