

Statement of Financial Performance

For the year ended 30 June 2005

	Note	2005 \$	2004 \$
Operations			
Revenue		27,130,749	27,384,911
Expenditure		25,583,314	24,229,631
Trading Profit		1,547,435	3,155,280
Other			
Revenue		829,185	694,710
Expenditure		178,809	122,523
Other Profit		650,376	572,187
Net Profit Before Taxation & Subvention Payments	1	2,197,811	3,727,467
Subvention Payment	3	56,000	70,000
Taxation	3	695,025	1,141,240
Net Profit After Taxation		1,446,786	2,516,227

Statement of Movements in Equity

For the year ended 30 June 2005

		2005 \$	2004 \$
Equity as at 1 July		53,233,354	53,317,127
Net profit after tax		1,446,786	2,516,227
Increase in Revaluation Reserve	5	14,800,718	-
Total Recognised Revenues and Expenses for the Year		16,247,504	2,516,227
Dividends Paid			
Interim		1,100,000	1,100,000
Final		1,100,000	1,500,000
		2,200,000	2,600,000
Equity as at 30 June		67,280,858	53,233,354

The accompanying notes form part of these financial statements.

Financial Statements

Statement of Financial Position

As at 30 June 2005

	Note	2005 \$	2004 \$
Equity			
Share capital	4	26,000,000	26,000,000
Capital reserves		14,881	14,881
Asset revaluation reserve	5	24,580,394	9,779,676
Retained earnings		16,685,583	17,438,797
		67,280,858	53,233,354
Term Liabilities			
Debentures (secured)	6	11,000,000	-
Current Liabilities			
Provisions	7	937,963	1,007,646
Payables and accruals	8	3,161,448	1,885,413
Debentures (secured)	6	10,300,000	21,600,000
		14,399,411	24,493,059
		92,680,269	77,726,413
Term Assets			
Loan - Fitzroy Yachts Limited (secured)	9	-	1,498,000
Property, plant and equipment	10	87,022,755	72,202,119
		87,022,755	73,700,119
Future Taxation Benefit			
	3	373,290	330,886
Current Assets			
Cash and deposits	11	176,129	35,187
Receivables and prepayments	12	2,677,284	2,965,055
Loan - Fitzroy Yachts Limited (secured)	9	1,498,000	-
Taxation refundable	3	776,360	540,326
Inventories	13	156,451	154,840
		5,284,224	3,695,408
		92,680,269	77,726,413

The accompanying notes form part of these financial statements.

For and on behalf of the Board

Director



Director



Dated 12 August 2005

Financial Statements

Statement of Cash Flows

For the year ended 30 June 2005

	Note	2005 \$	2004 \$
Cash Flows From Operating Activities			
Cash was provided from:			
Receipts from customers		27,894,791	28,064,119
Interest received		229,245	97,822
		28,124,036	28,161,941
Cash was applied to:			
Payments to suppliers and employees		18,372,711	18,565,207
Interest paid		1,363,149	1,391,984
Income tax paid		973,463	1,269,207
Net cash outflow/(inflow) from GST in operating activities		(3,072)	267,473
		20,706,251	21,493,871
Net cash inflow from operating activities	16	7,417,785	6,668,070
Cash Flows From Investing Activities			
Cash was provided from:			
Sale of property, plant and equipment (net of disposal costs)		52,294	89,552
		52,294	89,552
Cash was applied to:			
Purchase of property, plant and equipment		4,829,137	4,336,460
		4,829,137	4,336,460
Net cash outflow from investing activities		(4,776,843)	(4,246,908)
Cash Flows From Financing Activities			
Cash was applied to:			
Settlement of debt		300,000	200,000
Interim dividend		1,100,000	1,100,000
Final dividend		1,100,000	1,500,000
Net cash outflow from financing activities		(2,500,000)	(2,800,000)
Net Increase/(Decrease) in Cash Held		140,942	(378,838)
Add Cash at the Start of the Period		35,187	414,025
Balance at the End of the Period	11	176,129	35,187

The accompanying notes form part of these financial statements.

Note: all items are shown net of GST.

Statement of Accounting Policies

GENERAL ACCOUNTING POLICIES

These are the financial statements of Westgate Transport Limited presented in accordance with the Port Companies Act 1988 and the Companies Act 1993, and prepared in accordance with the Financial Reporting Act 1993.

The following general accounting policy has been adopted in these financial statements:

- Historical cost apart from revaluation of certain assets.

PARTICULAR ACCOUNTING POLICIES

(a) Foreign Currency Monetary Balances

Transactions in foreign currencies are converted at the exchange rate ruling at the date of the transaction. At balance date all foreign currency monetary assets and liabilities are adjusted using the prevailing spot rate of the day. Any gain or loss is recognised in the reported financial year.

(b) Inventories

Stocks of maintenance materials and supplies are valued at the lower of weighted average cost or net realisable value.

(c) Receivables

Receivables are stated at their estimated realisable value.

(d) Current Loan

The current loan is shown at its fair value, which is established by using a discounted cashflow approach that applies an interest rate currently being offered for loans and advances with similar terms to borrowers of similar credit quality and maturity.

(e) Property, Plant and Equipment

The company has adopted FRS-3 Accounting for Property, Plant & Equipment. Property, plant and equipment is recorded at cost less depreciation unless revalued.

Any increase in value of a class of land or floating plant 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 relating to a class of land or floating plant is recognised in the statement of financial performance where it exceeds the increase previously recognised in equity.

Land is revalued every three years by an independent registered valuer. The basis for valuation is "fair value" in accordance with FRS-3. This results in land being valued at its highest and best use.

Floating Plant is revalued every five years by an independent registered valuer. The basis for valuation is "fair value" in accordance with FRS-3. This results in floating plant being valued at market value.

(f) Property Held for Sale

Property held for sale is held at cost of acquisition or construction.

(g) Depreciation

Fixed assets other than land are depreciated on a straight line basis over their estimated useful lives.

Depreciation periods are:

Buildings	5 to 33 years
Port installations (excluding maintenance dredging)	5 to 66 years
Maintenance dredging	2 years
Plant, equipment and fittings	2.5 to 25 years
Floating plant	3 to 25 years

(h) Maintenance Dredging

The cost of maintenance dredging incurred is expensed over the period of benefit through to the commencement of the next dredging campaign. The value of the unexpired portion of maintenance dredging at balance date is reflected in property, plant and equipment.

(i) Income Tax

The company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future taxation benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

(j) Dividends

Provisions for dividends are recognised in the period in which they are authorised and approved.

(k) Financial Instruments

The company is party to foreign exchange forward contracts with off balance sheet risk to reduce exposure to fluctuation in foreign currency exchange rates. The company enters into foreign currency forward exchange contracts to hedge foreign currency transactions when purchasing major fixed assets and when payment is denominated in foreign currency. Gains and losses on such contracts are recognised in the year in which the transaction is completed.

No instruments were in place at year end.

(l) Statement of Cash Flows

Definitions of terms used in the Statement of Cash Flows:

- Cash means cash on deposit with banks.
- Investing activities comprise the purchase and sale of property, plant and equipment, investment properties and investments.
- Financing activities comprise the change in equity and debt capital structure of the company and the payment of cash dividends.
- Operating activities include all transactions and events that are not investing or financing activities.

CHANGES IN ACCOUNTING POLICIES

- (a) Subvention Payments have been transferred from Operating Expenditure and are disclosed as a separate line item after Net Profit Before Taxation & Subvention Payments. The change in treatment better presents Trading Profit, and discloses Subvention Payments in a more transparent manner.

The effect of the change is to increase Trading Profit by \$56,000 in the current year (2004 \$70,000) and to itemise the subvention deduction separately after the Net Profit Before Taxation & Subvention Payments, with no effect on the Net Profit after Taxation.

- (b) All other policies have been applied on bases consistent with those used in previous years.

For the year ended 30 June 2005

Notes to and forming part of the Financial Statements

	2005	2004
	\$	\$
1 Net Profit Before Taxation		
(a) Items included in revenue		
Interest revenue	214,265	112,802
Profit on disposal of property, plant and equipment	5,984	8,680
Foreign currency gains	-	1,801
(b) Items included in expenditure		
Payments to auditor		
- audit fees	35,000	35,000
- other services	-	-
Bad debts written off	473	-
Change in estimated doubtful debts	(12,000)	(32,000)
Depreciation (including dredging amortisation)	5,524,772	4,620,309
Donations	500	700
Interest	1,482,074	1,392,037
Losses on disposal of property, plant and equipment	4,136	21,842
Directors' Fees		
W J Falconer (Resigned September 2004)	9,134	35,000
J S Auld	22,500	22,500
N D Leuthart	17,500	17,500
J B Matthews (Resigned September 2004)	4,567	17,500
D N MacLeod	17,500	17,500
M C Norgate (Appointed July 2004)	17,500	-
D E Walter	17,500	17,500
E J Young	26,738	17,500
	132,939	145,000

2 Events Subsequent to Balance Date

There have been no material events subsequent to balance date (2004 - nil).

3 Taxation Reconciliation

Profit before taxation and subvention payment	2,197,811	3,727,467
Less subvention payment to Taranaki Regional Council	(56,000)	(70,000)
Profit before taxation	2,141,811	3,657,467
Prima facie taxation at 33%	706,798	1,206,964
Plus/(less) taxation effect of permanent differences	(36,144)	(65,724)
Plus/(less) taxation effect of timing differences	52,986	(481,566)
Current taxation payable	723,640	659,674
Prior year under/(over) provision	24,371	-
Deferred taxation current year movement	(52,986)	481,566
Taxation as per Statement of Financial Performance	695,025	1,141,240
Current taxation payable	(723,640)	(659,674)
Taxation paid	1,500,000	1,200,000
Taxation refundable/(payable)	776,360	540,326

Notes to the Financial Statements

For the year ended 30 June 2005

	2005	2004
	\$	\$
Future Taxation Benefits		
Balance at the start of the period	330,886	778,267
Deferred income tax debit/(credit) resulted from the following:		
Depreciation	76,624	(439,799)
Losses/(profits) on disposal of fixed assets	(1,825)	(6,049)
Provisions and accruals	(21,813)	(35,718)
Prior period adjustments	(10,582)	34,185
Balance at the end of the period	373,290	330,886
There are no income tax losses carried forward		
4 Share Capital		
Issued and fully paid - 52,000,000 ordinary shares	26,000,000	26,000,000
All shares rank equally in terms of voting rights, rights to fixed dividends and rights to share in any surplus on wind up of the company.		
There is no right of redemption attached to these shares.		
5 Asset Revaluation Reserves		
Land		
Opening balance	7,080,219	7,080,219
Revaluation surplus transferred to:		
Statement of Movements in Equity	14,800,718	-
Closing balance	21,880,937	7,080,219
Floating Plant		
Opening balance	2,699,457	2,699,457
Revaluation surplus transferred to:		
Statement of Movements in Equity	-	-
Closing balance	2,699,457	2,699,457
Total Asset Revaluation Reserves	24,580,394	9,779,676
6 Debentures		
Repayable within 1 year		
Westpac Banking Corporation	10,300,000	21,600,000
Weighted average interest rate	7.15	6.28
Repayable 1 to 3 years		
Westpac Banking Corporation	11,000,000	-
Weighted average interest rate	6.93	-
The sole debenture is to Westpac Banking Corporation. This debenture is secured over all assets and undertakings.		
7 Provisions		
Employee Entitlements		
Opening balance	1,007,646	974,319
Current year movement	(69,683)	33,327
Closing balance	937,963	1,007,646

The provision for employee entitlements relates to 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 leave being taken. Most of the liability is expected to be incurred within the next twelve months.

For the year ended 30 June 2005

	2005	2004
	\$	\$
8 Payables and Accruals		
Trade creditors	1,575,151	1,173,488
Interest accrual	162,312	43,387
Property, plant and equipment creditors	1,211,785	359,187
Other creditors and accruals	212,200	309,351
	3,161,448	1,885,413
9 Loan Fitzroy Yachts Limited		
Term Loan	-	1,498,000
Current Loan	1,498,000	-

The loan is secured by a first mortgage over a leasehold interest with a market value of approximately twice the amount of the loan. The loan amount is also guaranteed by Fitzroy Engineering Group Limited.

10 Property, Plant and Equipment

(a)(i) Carrying Values - 2005

	Gross Carrying Amount/Valuation	Current Year Depreciation	Accumulated Depreciation	2005 Carrying Value
Land	31,104,470	-	-	31,104,470
Buildings	14,960,070	605,210	(7,044,396)	7,915,674
Maintenance dredging	1,274,994	1,478,974	-	1,274,994
Resource consents	178,976	6,309	(8,938)	170,038
Port installations	34,212,086	1,185,207	(11,516,405)	22,695,681
Plant, equipment and fittings	24,390,049	1,697,861	(11,202,289)	13,187,760
Floating plant	11,458,647	551,211	(1,694,268)	9,764,379
Capital works in progress	909,759	-	-	909,759
	118,489,051	5,524,772	(31,466,296)	87,022,755

(a)(ii) Carrying Values - 2004

	Gross Carrying Amount/Valuation	Current Year Depreciation	Accumulated Depreciation	2004 Carrying Value
Land	15,833,063	-	-	15,833,063
Buildings	14,312,828	589,746	(6,442,487)	7,870,341
Maintenance dredging	1,690,256	799,250	(211,281)	1,478,975
Resource consents	178,976	2,629	(2,629)	176,347
Port installations	31,944,627	1,101,953	(10,332,104)	21,612,523
Plant, equipment and fittings	23,918,035	1,580,332	(9,561,722)	14,356,313
Floating plant	11,449,843	546,399	(1,144,082)	10,305,761
Capital works in progress	568,796	-	-	568,796
	99,896,424	4,620,309	(27,694,305)	72,202,119

Land assets have been valued on their highest and best use, taking into account the existing zoning, potential for utilisation and localised port market. All land holdings are either used for port operations or held for strategic purposes and as such are valued at fair value (in this instance market value) under the requirements of FRS-3. High demand for vacant sites has resulted in significant increases in value for most New Plymouth industrial locations over the last 2-3 years, with many of these industrial land values more than doubling in the last 3 year period.

(b) Other disclosures

(i) There are no items of property, plant or equipment which are not in current use.

Notes to the Financial Statements

For the year ended 30 June 2005

(ii) There have been no impairment losses recognised or reversed in the current period.

(iii) There have been no borrowing costs capitalised during the current period.

(c) Revaluations

(i) Land was revalued at 30 June 2005 by Mr Ian Baker, a registered valuer with Telfer Young (Taranaki) Ltd, New Plymouth. Mr Baker is a member of the Australia New Zealand Institute of Valuers. The revalued amount of land used in this report amounts to \$31,104,470.

(ii) Floating Plant was revalued at 30 June 2002 by Mr J Freeman, a registered plant and machinery valuer with CB Richard Ellis, Wellington. Mr Freeman is a member of the New Zealand Property Institute. The revalued amount of floating plant used in this report amounts to \$11,200,000.

(iii) The total of all revaluations to date is contained in note 5 above.

(iv) In accordance with the revaluation of floating plant in (ii) above, the useful lives and the residual values were also reassessed as at 30 June 2002. Useful lives have been extended to between 3 and 11 years total for each of the four vessels revalued and the combined residual value now amounts to \$1,790,000 (previously - nil).

	2005	2004
	\$	\$
11 Cash and Deposits		
Cash and deposits	176,129	35,187
12 Receivables and Prepayments		
Trade debtors	2,562,866	2,778,483
Interest receivable	-	14,980
Other debtors	101,297	64,743
Prepayments	19,121	124,849
Provision for doubtful debts	(6,000)	(18,000)
	2,677,284	2,965,055
13 Inventories		
Maintenance consumables	156,451	154,840

14 Contingent Liabilities

Westgate has no known contingent liabilities at balance date.

(2004 - Westgate indemnified Duffill Watts & King Limited for a period of four years with respect to the payment of redundancy and retiring allowances payable to three former Westgate employees who ceased employment with Westgate during the 2001 financial year and concurrently took up employment with Duffill Watts & King Limited. As at 30 June 2004 the quantum of the indemnity amounted to \$129,408).

15 Financial Instruments

Credit Risk

In the normal course of its business the company incurs credit risk from trade debtors and financial institutions. The extent of concentration of credit risk lies in trade debtors where 14% (12) of the number of trade debtors represent 86% of the total carrying amount of trade debtors. Only 6% of the carrying amount of trade debtors exceeded an age of 30 days overdue. Where applicable, loans are supported by an appropriate registered security and/or financial guarantees from related parties. There are no other significant concentrations of credit risk.

The company does not require any collateral or security to support financial instruments due to the quality of the financial institutions with which it deals.

The company has a policy of assessing the credit risk of significant new customers and monitors the credit quality of existing customers.

For the year ended 30 June 2005

Credit Facilities

As at 30 June 2005 the company had a multi-option bank facility with Westpac Banking Corporation totalling \$25,000,000 (2004 - \$25,000,000) of which \$21,300,000 was borrowed.

Interest Rate Risk

The interest rates on the group's debentures are fixed for their term at the date the debentures are issued. The weighted average interest rate on the Westpac Banking Corporation debentures as at 30 June 2005 was 7.04% (2004 - 6.28%).

No interest rate swap or forward rate agreements had been entered into at balance date.

Fair Values

The estimated fair values of financial instruments are as follows:

	2005 Carrying Amount	2005 Fair Value	2004 Carrying Amount	2004 Fair Value
Foreign currency bank balances	110	110	193	193
Receivables and prepayments	2,677,284	2,677,284	2,965,055	1,498,000
Current loans	1,498,000	1,498,000	-	-
Term loans	-	-	1,498,000	1,498,000
Payables and accruals	3,161,448	3,161,448	1,885,413	1,885,413
Debentures - Westpac Banking Corporation	21,300,000	21,310,290	21,600,000	21,583,226
Foreign exchange forward rate agreements to buy	-	-	-	-

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Foreign Currency Balances, Receivables, Prepayments, Payables and Accruals:

The carrying value of these items is equivalent to the fair value.

Current Loans, Term Loans and Debentures

The fair value of the current loans, term loans, and debentures are estimated based upon the market prices available for similar debt securities.

2005
\$

2004
\$

16 Reconciliation of Net Profit After Taxation with Net Cash Flows and Operating Activities

Net profit after taxation	1,446,786	2,516,227
Depreciation	5,524,772	4,620,675
Decrease/(increase) in future taxation benefits	(42,404)	447,381
	5,482,368	5,068,056
Plus/(less) movements in working capital items:		
Increase/(decrease) in provisions	(69,683)	33,327
Increase/(decrease) in payables and accruals	1,276,035	(594,178)
Increase/(decrease) in taxation refundable	(236,034)	(575,348)
Decrease/(increase) in receivables	287,771	(31,926)
Decrease/(increase) in inventories	(1,611)	4,279
	1,256,478	(1,163,846)
Plus/(less) items classified as investment activities:		
Profit on disposal of property, plant and equipment	(5,984)	(8,680)
Loss on disposal of property, plant and equipment	4,136	21,842
Decrease/(increase) in payables from the acquisition of property, plant and equipment	(765,999)	234,471
	(847)	247,633
Net cash inflow/(outflow) from operating activities	7,417,785	6,668,070

Notes to the Financial Statements

For the year ended 30 June 2005

	2005	2004
	\$	\$
17 Imputation Credit Account		
Balance at the start of the period	3,773,215	3,784,605
Imputation credits attached to dividends paid during the year	(1,083,582)	(1,280,597)
Income tax payments (net of refunds) during the year	973,463	1,269,207
Balance at the end of the period	3,663,096	3,773,215

18 Related Party Transactions

The Taranaki Regional Council (TRC) is the company's sole beneficial shareholder.

During the year Westgate and the TRC entered into a taxation grouping arrangement which resulted in the transfer of losses from the TRC to Westgate amounting to \$169,697 (2004 - \$212,121) and the payment of a subvention payment by Westgate to the TRC amounting to \$56,000 (2004 - \$70,000).

All other transactions made between Westgate and the TRC during the year were made in the normal course of business and were of an immaterial amount both individually and collectively.

19 Segmental Reporting

The company operates in one economic and geographic segment, that being the facilitating of export and import activities through Port Taranaki.

20 Commitments

Estimated expenditure contracted for at balance date but not provided for.	22,303,471	644,000
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2005 - Comprising the following contracts:

Capital Dredging	Oct 2005 - Oct 2006	22,047,374
Maintenance Dredging	Completed July 2005	193,417
Reefer Power and Walkway	Completed July 2005	62,680

21 Other Annual Report Disclosures

The shareholder has resolved not to require disclosure of the matters listed in section 211 (1), (e) and (g) of the Companies Act 1993.

22 Implementation of International Financial Reporting Standards

In December 2002, the Accounting Standards Review Board in New Zealand announced that New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) will apply to all New Zealand entities for periods commencing on or after 1 January 2007. In April 2005, the Financial Reporting Standards Board of the Institute of Chartered Accountants of New Zealand issued Financial Reporting Standard 41 (FRS 41) on Disclosing the Impact of Adopting New Zealand Equivalents to International Financial Reporting Standards. This Standard applies to annual, half yearly, and quarterly reporting periods on or after 30 June 2005 and ceases to operate on first-time adoption of NZ IFRSs.

Planning for the transition to IFRS

A fixed term contract position within the finance team was created in May 2005, to commence planning for the adoption of NZ IFRSs. Westgate intends to adopt the NZ IFRS for the year commencing 1 July 2007. The comparative statements will need to be restated and an opening position prepared using NZ IFRS as at 1 July 06.

Key differences in accounting policies expected to arise upon adoption of NZ IFRS and impact on financial reports

Deferred taxation, financial instruments, intangibles, segmental reporting, related parties, and defined benefit plans are areas identified as items of possible change. With the exception of deferred taxation, Westgate does not envisage any material financial impact from changes to NZ IFRS. Due to treatment of land and floating plant revaluations, deferred taxation will change substantially. The financial impacts have not been quantified as the actual impacts on transition may be materially different from any estimates provided now. They will also be subject to any further developments in the international accounting arena.

AUDIT REPORT
TO THE READERS OF
WESTGATE TRANSPORT LIMITED'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of Westgate Transport Limited (the company). The Auditor-General has appointed me, Bruce Taylor using the staff and resources of Deloitte, to carry out the audit of the financial statements of the company, on his behalf, for the year ended 30 June 2005.

Unqualified Opinion

In our opinion:

- The financial statements of the company on pages 10 to 19
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of:
 - the company's financial position as at 30 June 2005; and
 - the results of its operations and cash flows for the year ended on that date.
- Based on our examination the company kept proper accounting records.

The audit was completed on 12 August 2005, and is the date at which our opinion is expressed.

The basis of our 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 the 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 our opinion.

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

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 our 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 as at 30 June 2005. They must also give a true and fair view of the results of its 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.

Other than the audit, we have no relationship with or interests in the company.

Bruce Taylor

Deloitte

On behalf of the Auditor-General
Hamilton, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Westgate Transport Limited for the year ended 30 June 2005 included on Westgate Transport Limited's web-site. The Company's Board of Directors is responsible for the maintenance and integrity of the Westgate Transport Limited web site. We have not been engaged to report on the integrity of the Westgate Transport Limited's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 12 August 2005 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Comparative Review

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Operations										
Trade (millions of freight tonnes)										
Imports	0.77	0.59	0.61	0.59	0.58	0.57	0.51	0.42	0.48	0.50
Exports	2.68	2.89	4.42	5.05	4.81	5.05	4.96	4.23	5.47	4.82
Total	3.45	3.48	5.03	5.64	5.39	5.62	5.47	4.65	5.95	5.32
Vessel arrivals (over 100 GRT)	562	612	688	618	635	807	659	605	729	611
Total gross registered tonnage (GRT)(millions)	6.32	6.98	7.21	6.43	5.05	5.87	5.21	4.78	5.96	5.48
Permanent employees	110	109	107	96	92	100	99	99	99	103
Financial (\$millions)										
Revenue	27.96	28.08	29.89	28.25	24.04	27.33	24.91	21.30	25.89	24.12
Total interest expense	1.48	1.39	1.48	1.31	0.73	0.98	0.80	0.46	0.73	0.61
Earnings before interest, subvention payments and taxation (EBIT)	3.68	5.12	8.39	8.32	7.05	5.97	9.26	7.28	12.26	9.97
Taxation	0.70	1.14	2.16	2.61	1.97	1.60	1.82	1.66	2.39	2.90
Net profit after taxation	1.45	2.52	4.65	4.40	4.34	3.39	6.64	5.15	9.15	6.47
Dividends	2.20	2.60	2.50	3.20	16.10	2.20	2.70	2.10	3.70	5.03
Capital expenditure and acquisitions	5.68	4.10	4.74	10.65	2.30	2.93	13.11	4.38	3.96	9.49
Equity	67.28	53.23	53.32	51.16	44.90	56.66	55.47	50.64	47.58	42.14
Interest bearing debt	21.30	21.60	21.80	25.00	18.20	13.70	14.20	5.90	4.50	6.46
Total tangible assets	92.68	77.73	78.61	79.77	65.62	78.12	75.66	61.47	57.70	61.08
Earnings per share (¢)	2.79	4.84	8.95	8.46	8.35	6.51	12.77	9.91	17.59	12.44
Ordinary dividends per share (¢)	4.23	5.00	4.81	6.15	30.96	4.23	5.19	4.04	7.12	3.75
Net assets per share (¢)	129	102	103	98	86	109	107	97	92	81
Equity (%)	72.59	68.49	67.83	64.14	68.42	72.53	73.31	82.38	82.47	68.98
Return on equity (%)	2.15	4.73	8.73	8.60	9.67	5.98	11.97	10.18	19.22	15.35
Return on assets (%)	1.56	3.24	5.92	5.52	6.62	4.34	8.78	8.38	15.86	10.59
Operating cashflow	7.42	6.67	9.88	9.00	14.73	6.23	6.65	4.94	10.08	7.21
Interest cover (times covered by net profit after taxation)	0.98	1.81	3.15	3.36	5.94	3.47	8.33	11.15	12.57	10.69

