

## Income Statement

For the year ended 30 June 2007

	Note	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Revenue from operations	2	36,917,511	29,621,889
Operating expenses	2	(27,952,648)	(24,706,096)
<b>Operating profit before financing costs</b>		<b>8,964,863</b>	<b>4,915,793</b>
Interest revenue	2	33,386	308,465
Financing costs	2	(1,549,239)	(1,570,521)
<b>Profit Before Taxation</b>		<b>7,449,010</b>	<b>3,653,737</b>
Taxation	3	(2,672,342)	(1,420,756)
<b>Profit for the Year</b>		<b>4,776,668</b>	<b>2,232,981</b>
<b>Earnings per share basic and diluted (cents per share)</b>	6	<b>9.19</b>	<b>4.29</b>

## Statement of Recognised Income and Expense

For the year ended 30 June 2007

	Note	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Profit for the year		4,776,668	2,232,981
<b>Total Recognised Revenues and Expenses for the Year</b>		<b>4,776,668</b>	<b>2,232,981</b>
Attributable to:			
Equity holders of the parent:		4,776,668	2,232,981
		<b>4,776,668</b>	<b>2,232,981</b>

There are no effects of changes in accounting policies to be disclosed in this statement.

The accompanying notes form part of these financial statements.

# Financial Statements

## Balance Sheet

For the year ended 30 June 2007

	Note	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Current Assets</b>			
Cash and cash equivalents	7	216,797	132,675
Trade and other receivables	8	4,751,242	4,539,656
Inventories	9	135,934	173,848
		5,103,973	4,846,179
<b>Non Current Assets</b>			
Loan - Jebsens	10	586,825	-
Other intangible assets	12	201,455	267,406
Property, plant and equipment	11	108,469,731	93,043,594
Deferred tax asset	5	501,923	1,193,918
		109,759,934	94,504,918
<b>Total Assets</b>		<b>114,863,907</b>	<b>99,351,097</b>
<b>Current Liabilities</b>			
Trade and other payables	13	3,946,386	3,640,411
Provisions	14	619,000	342,000
Borrowings	15	33,800,000	3,000,000
Taxation payable	4	467,283	380,116
		38,832,669	7,362,527
<b>Non Current Liabilities</b>			
Borrowings	15	3,500,000	23,000,000
Provisions	14	968,000	1,202,000
		4,468,000	24,202,000
<b>Equity</b>			
Issued capital	16	26,000,000	26,000,000
Asset revaluation reserve	17	21,880,937	21,880,937
Retained earnings	18	23,682,301	19,905,633
		71,563,238	67,786,570
<b>Total Equity and Liabilities</b>		<b>114,863,907</b>	<b>99,351,097</b>

The accompanying notes form part of these financial statements.

For and on behalf of the Board

Director



Director



Dated 6 September 2007

## Statement of Cash Flows

For the year ended 30 June 2007

	Note	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		41,245,477	31,171,101
Interest received		13,410	308,465
Income tax refund		-	752,102
		41,258,887	32,231,668
Payments to suppliers and employees		(27,254,786)	(23,266,402)
Interest paid		(1,545,721)	(1,417,548)
Income tax paid		(1,893,180)	(1,400,000)
		(30,693,687)	(26,083,950)
<b>Net cash provided by operating activities</b>	21	10,565,200	6,147,718
<b>Cash Flows From Investing Activities</b>			
Sale of property, plant and equipment, and software (net of disposal costs)		46,904	-
Loan repayment from Fitzroy Yachts		-	1,498,000
		46,904	1,498,000
Loan to Jepsens		(624,985)	-
Purchase of property, plant and equipment, and software		(19,095,419)	(11,313,158)
Capitalised interest on purchase of property, plant and equipment, and software		(1,107,578)	(236,014)
		(20,827,982)	(11,549,172)
<b>Net cash (used in)/provided by investing activities</b>		(20,781,078)	(10,051,172)
<b>Cash Flows From Financing Activities</b>			
Proceeds from borrowings		11,300,000	4,700,000
Interim dividend		(500,000)	(340,000)
Final dividend		(500,000)	(500,000)
<b>Net cash (used in)/provided by financing activities</b>		10,300,000	3,860,000
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		84,122	(43,454)
<b>Cash and Cash Equivalents at the Beginning of Year</b>		132,675	176,129
<b>Cash and Cash Equivalents at the End of the Year</b>	7	216,797	132,675

The accompanying notes form part of these financial statements.

# Statement of Accounting Policies

## GENERAL ACCOUNTING POLICIES

Port Taranaki Limited (the "Company") is a sea port company incorporated and domiciled in New Zealand.

The Company formerly named Westgate Transport Limited changed its name on 30 September 2005.

The Company's parent and sole shareholder is The Taranaki Regional Council.

The Company and its sole non-trading subsidiary Greypoint Terminal Company Limited form the "Group".

The financial statements for the Group were authorised for issue by the directors on 6 September 2007.

The principal activities of the port are described in Note 1.

### Statement of Compliance

These are the financial statements of the Group presented in accordance with the Port Companies Act 1988 and the Companies Act 1993, prepared in accordance with the Financial Reporting Act 1993, and in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards. The Group is a profit oriented entity.

### Basis of Preparation

The financial statements are presented in New Zealand dollars, which is the Group's functional and reporting currency, rounded to the nearest dollar.

They are prepared on the historical cost basis apart from certain assets which are stated at their fair value.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

## SIGNIFICANT ACCOUNTING POLICIES

### (a) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments. Bank overdrafts are shown within current liabilities in the balance sheet.

### (b) 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 translated to New Zealand dollars using the prevailing spot rate of the day. Any gain or loss is recognised in the income statement in the reported financial period in which they arise.

### (c) Financial Instruments

#### (c) (i) Derivative

A derivative is a financial instrument or contract whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit index or other variable. It requires no or a nominal initial investment and is settled at a later date.

Derivative financial investments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance sheet date. The gain or loss on remeasurement to fair value is recognised immediately in the income statement. The Group

does not undertake hedge accounting in accordance with NZ IAS 39.

The Group may enter 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 income statement each year at balance date or date of completion by restating the liability at the prevailing spot rate.

No derivative financial instruments were in place at year end.

### (c) (ii) Financial Assets and Liabilities

#### Financial Assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, investments in associates are accounted for under the equity method in the financial statements. Other financial assets are classified into the following specified categories: financial assets 'at fair value through the income statement', 'held to maturity investments', 'available for sale', and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

#### Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an impairment account. Changes in the carrying amount of the impairment account are recognised in the income statement.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the income statement to the extent the carrying amount of the investment at the date of impairment is reversed does

not exceed what the amortised cost would have been had the impairment not been recognised.

#### *Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount of the financial liability.

#### *Trade and Other Receivables*

Trade and other receivables are stated at their expected realisable value, after providing for impairment. All known bad debts have been written off during the period under review.

#### *(d) Inventories*

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

#### *(e) Property, Plant and Equipment*

##### *Owned Assets*

All items of property, plant and equipment except land and floating plant are stated at cost less accumulated depreciation and impairment.

Certain items of property, plant and equipment, namely land and floating plant, have been revalued to fair value on or prior to 1 July 2005, the date of transition to NZ IFRS, and are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

After recognition as an asset at date of transition to NZ IFRS an item of land whose fair value can be measured reliably shall be carried at a revalued amount, being its value at the date of the revaluation less any subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance date.

Any revaluation increase arising on the revaluation of land is credited to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land is charged as an expense in the income statement to the extent that it exceeds the balance, if any held in the revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve, is transferred directly to retained earnings.

After recognition as an asset, an item of property, plant and equipment other than land shall be carried at its cost less any

accumulated depreciation and any accumulated impairment losses.

#### *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.

#### *Subsequent Costs*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs are charged to the income statement during the financial period in which they are incurred.

#### *(f) Intangibles*

Intangible assets acquired by the Group comprise computer software and are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

#### *(g) Impairment*

Assets are reviewed for impairment at each reporting date for events or changes in circumstances that indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement and is determined as the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement

# Statement of Accounting Policies

immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## *(h) Employee Benefits*

### *(h) (i) Long Term Benefits*

The Group's net obligation in respect to future benefits that can extend up to the date of retirement for all existing employees are long term benefits. They relate to benefits that employees have earned in return for their service in the current and prior periods, although they may or may not have vested at balance date. The obligation is calculated using an actuarial method and is discounted to its present value. The discount rate the Group uses is the market yield on long term New Zealand Government bonds as at balance sheet date. The probability of the Group's obligation to pay the future benefit is then determined actuarially.

Long term employee benefits for the Group include: ACC residual claims levies, long service leave, and retirement allowances.

#### *Long Service Leave*

The Group has long service milestones of 15, 25, 30 and 35 years of service. Leave entitlement accrued towards milestones not yet achieved are calculated in accordance with the long term benefits policy. No benefit is payable to an employee upon leaving the company for any milestone worked towards but not achieved, however the probability of attaining vested status is determined and applied in calculating the expected liability amount.

#### *Retirement Allowance*

The Group has a retirement policy in place which provides for a retirement allowance. Actuarial calculations are made to assess both the amount projected to be paid (in accordance with the Group's policy) and the probability that the employee will qualify for the allowance.

### *(h) (ii) Post Employment Benefits*

#### *Defined Benefit Plans*

The Group has only two employees on a defined benefit plan. The Scheme is a multi-employer defined benefit scheme. The Scheme's Administrator has advised that insufficient information is available to assess with accuracy the extent of over or under funding. Accordingly the plan is accounted for as if it were a defined contribution plan.

### *(h) (iii) Short Term Benefits*

Short term benefits represent the Group's net obligation with respect to benefits for services performed that are expected to be paid in the ensuing 12 months. These accruals are calculated based on existing remuneration rates expected to be in place when the benefits are paid.

Short term employee benefits for the Group include: Vested Leave, Sick Leave, and ACC residual claims levy current portion.

#### *Vested Leave*

Where an employee has rendered service to the Group and has attained the right to paid leave, the undiscounted amount expected to be paid, is recognised as a current liability as all accumulated leave is expected to be used within 12 months

of balance sheet date. The remuneration rates expected to be in place when the benefits are paid is applied to the time owed for entitlements to holiday pay earned, and alternate days owing where statutory days have been worked, and long service leave where the milestone has been achieved. These amounts are included within Payables and Accruals.

#### *Sick Leave*

The Group measures the amount of additional payments that are expected to arise solely from the fact that the benefit accumulates. The accrual is for the amount estimated it will cost the Group for any employee taking leave in excess of their annual entitlement. It is calculated based on the average expected daily rate of all employees, and the actual number of sick days taken collectively by employees in excess of annual entitlement in the previous twelve months.

#### *ACC*

As a port operator, the Group is liable to pay residual claims levies to the ACC. The ACC actuary advises that the residual claims fund is expected to be fully funded by 2014. A provision is made at balance date reflecting the estimated amount payable through to 2014 based upon current residual levy rates. The assessed figure is discounted at the 10 year government bond rate to determine the final provision.

The current portion of the ACC provision and the Sick leave provision are presented as current Employee Benefit provisions.

### *(i) Provisions*

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### *(j) Trade and Other Payables*

Trade and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Subsequent to initial recognition, trade payables and other accounts payable are recorded at amortised cost. Given the nature of these liabilities amortised cost equals their notional principal.

### *(k) Interest Bearing Borrowings*

All loans and borrowings are initially recognised at fair value, net of transaction costs. Subsequent to the initial recognition, loans and borrowings are carried at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the profit and loss over the period of the borrowing using the effective interest rate method. Borrowing costs are recognised as an expense when incurred, except that they are capitalised in accordance with (r) below.

All interest bearing loans and borrowings are measured at amortised cost using the effective interest rate method which allocates the cost through the expected life of the borrowing.

Amortised cost is calculated taking account of any issue costs.

Borrowings are classified as current liabilities (either advances and deposits or current portion of term debt) unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

*(l) Income Tax*

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the comprehensive balance sheet liability method, for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxation assets attributable to tax losses or deductible temporary differences are recognised when realisation is probable. Deferred taxation liabilities attributable to taxable temporary differences are amounts of income taxes payable in future periods. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Deferred tax assets and liabilities are calculated using the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted at balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised as an expense in the income statement except when it relates to items credited or debited directly in equity. Deferred taxation assets and liabilities can be offset when they relate to income taxes levied by the same taxation authority.

*(m) Dividends*

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

*(n) Goods and Services Tax (GST)*

All items in the balance sheet are stated exclusive of GST with the exception of receivables and payables, which include GST. All items in the income statement are stated exclusive of GST. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to the taxation authority is classified as operating cash flows.

*(o) Revenue Recognition*

Revenue is measured at the fair value of the consideration received or receivable.

*Rendering of services*

The Group recognises revenue for the rendering of services when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the stage of completion of the transaction at balance sheet date can be measured reliably and the costs incurred or to be incurred can be measured reliably.

*Interest revenue*

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

*(p) Associates and Subsidiaries*

*(p) (i) Associates*

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. The financial statements include the Company's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in the associate, the Company's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Under the equity method, the investment in the associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of the profit or loss of the associate after the date of acquisition. The Company's share of profit or loss is included in the Income Statement. Dividends received from the associate company reduce the carrying amount of the investment.

*(p) (ii) Subsidiaries*

Subsidiaries are those entities in which the Company has control over the financial and operating policies. The financial statements are consolidated from the date that control commences until the date that control ceases. Consolidated financial statements are presented as those of a single economic entity, (the "Group").

*(q) Research and Development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement when incurred. Expenditure on developing the application of any research findings will only be capitalised if able to demonstrate all of the following conditions: It is technically feasible to complete so it will be available for sale or use, intended to be completed, able to be used or sold, will generate probable future economic benefits, there are adequate technical, financial and other resources to complete the development to use or sell, and can be measured reliably during its development.

# Statement of Accounting Policies

## (r) Borrowing Costs

The Group recognises as an expense within the income statement all borrowing costs incurred, with the exception of interest costs incurred during construction/assembly of major capital projects, which is capitalised as part of the initial cost of the respective assets.

## (s) Depreciation

Property, plant and equipment 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	5 to 66 years
Plant, equipment and fittings	2.5 to 25 years
Floating plant	3 to 25 years
Maintenance dredging	2 years
Capital dredging	50 years

The residual values, and the useful lives of assets are reviewed at least annually and, if expectations differ from previous estimates, the change shall be accounted for as a change in accounting estimate in accordance with NZ IAS 8.

## (t) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of the intangible assets unless the estimated useful life is indefinite. There are no indefinite life intangible assets held at balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer Software	2 - 4 years
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## (u) Operating Lease Payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## (v) Statement of Cash Flows

Cash flows from operating activities are presented using the direct method.

Definitions of terms used in the Statement of Cash Flows:

- Cash means cash on deposit with banks, net of outstanding bank overdrafts.

- 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.

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects both current and future periods.

Management have made judgements that relate to the estimated useful life of plant property and equipment, its fair value, and the value of receivables. The judgements are disclosed in Statement of Accounting Policies (s), and Notes to the Financial Statements, note 8 provision for impairment and note 11 carrying amount, revaluations and other disclosures.

## ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year the Group has adopted all of the Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the current reporting period.

Adoption of NZ IFRS 7 is required for accounting periods commencing on or after 1 January 2007. The Group have chosen to adopt NZ IFRS 7 one year earlier than required.

The transition to NZ IFRS is accounted for in accordance with NZ IFRS 1. Additional information is contained in note 31 of the financial statements and in the accounting policy below.

At the date of authorisation of the financial report, the following Standards and Interpretations were on issue but not yet effective:

	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
- NZ IFRS 8 - Operating Segments.	1 January 2009	30 June 2010
- NZ IAS 23 - Borrowing Costs - revised.	1 January 2009	30 June 2010
- IFRIC 10 - Interim Financial Reporting and Impairment.	1 November 2006	30 June 2008
- IFRIC 11 - NZ IFRS 2 - Group and Treasury Share Transactions.	1 March 2007	30 June 2008
- IFRIC 12 - Service Concession Arrangements.	1 January 2008	30 June 2009
- IFRIC 13 - Customer Loyalty Programmes.	1 July 2008	30 June 2009
- IFRIC 14 - IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.	1 January 2008	30 June 2009

Application of the Standards, Amendments and Interpretations is not expected to have a material impact on the financial statement account balances of the Company but may require additional financial statement disclosures.

## CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of NZ IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated

Notes to and forming part of the Financial Statements

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>1 Segmental Reporting</b>		
The Group operates in one economic and geographic segment, that being the facilitating of export and import activities through Port Taranaki.		
<b>2 Profit from Operations</b>		
<b>(a) Revenue</b>		
Port operating revenue from sale of services	35,587,811	28,745,029
Rental revenue	1,329,700	876,860
	36,917,511	29,621,889
Interest revenue	33,386	308,465
<b>Total revenue</b>	<b>36,950,897</b>	<b>29,930,354</b>
<b>(b) Profit before taxation</b>		
Profit before tax for the year has been arrived at after charging the following:		
Employee benefits	9,788,845	9,104,097
Cost of services used	3,867,072	2,994,201
General expenses	3,936,919	3,393,034
Interest expense	1,549,239	1,570,521
Maintenance dredging - depreciation	855,894	1,004,342
Maintenance dredging other costs	60,836	56,005
Repairs and maintenance	5,366,278	4,103,915
Depreciation and amortisation (refer notes 11 and 12) (excludes maintenance dredging)	4,033,957	4,050,502
Net loss on disposal of property, plant and equipment	42,847	-
	29,501,887	26,276,617
Included in general expenses were the following expenses:		
Change in estimated doubtful debts	(7,000)	10,000
Donations	568	-
Bad debts written off	-	1,207
Translation adjustments	74,826	9
Payments to auditor		
Audit fees	52,879	35,000
Conversion to NZ IFRS	30,000	16,809
	82,879	51,809

# Notes to the Financial Statements

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Included in employee benefits were the following expenses:		
Payments to directors		
J S Auld	25,625	22,500
N D Leuthart	20,486	17,500
D N MacLeod	20,486	17,500
M C Norgate	20,000	17,500
D E Walter	20,486	17,500
E J Young	33,833	30,000
<b>Total</b>	<b>140,916</b>	<b>122,500</b>
<b>3 Income Tax Expense/(Credit)</b>		
<b>a) Income tax recognised in the Income Statement</b>		
Current tax expense	1,980,347	1,804,374
Deferred tax on temporary differences	691,995	(383,618)
<b>Income tax expense/(income) per Income Statement</b>	<b>2,672,342</b>	<b>1,420,756</b>
Income tax is calculated at an average effective tax rate of 33 percent of the estimated assessable profit for the year.		
<b>b) Reconciliation of accounting profit before tax and income tax expense/(credit)</b>		
Profit before taxation	7,449,010	3,653,737
Income tax expense calculated at 33%	2,458,173	1,205,733
Tax effect of non deductible expenses in profit before tax	241,949	189,792
Tax effect of rate change on future tax benefits	60,318	-
Prior period adjustments impacting income expense under/(over)	(88,098)	23,174
Other	-	2,057
<b>Income tax expense per Income Statement</b>	<b>2,672,342</b>	<b>1,420,756</b>
<b>4 Taxation Refundable/(Payable)</b>		
Opening balance	(380,116)	776,360
Prior year tax paid/(refund)	293,180	(752,102)
Prior period adjustment	86,936	(24,258)
Current taxation payable	(2,067,283)	(1,780,116)
Provisional taxation paid	1,600,000	1,400,000
<b>Taxation refundable/(payable)</b>	<b>(467,283)</b>	<b>(380,116)</b>

**5 Deferred Tax Asset**

	Depreciation/ Amortisation NZ\$	Provisions/ Payables NZ\$	Receivables/ Prepayments NZ\$	Total NZ\$
As at 1 July 2005	46,209	762,111	1,980	810,300
(Charged)/credited to the Income Statement	374,322	57,181	(47,885)	383,618
As at 30 June 2006	420,531	819,292	(45,905)	1,193,918
(Charged)/credited to the Income Statement	(700,004)	6,654	1,355	(691,995)
As at 30 June 2007	(279,473)	825,946	(44,550)	501,923

On 17 May 2007, the New Zealand Government announced in its annual budget that the corporate tax rate of New Zealand will be reduced from 33% to 30% with effect from 1 April 2008. For Port Taranaki Limited the reduction in tax rate will occur from 1 July 2008 which is the start of its financial year. The effect this change has had on Port Taranaki Limited's deferred tax balance is a decrease of \$60,318.

There are no income tax losses carried forward.

**6 Earnings per Share**

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares on issue during the period.

Diluted earnings per share is calculated by adjusting the profit for the period and the weighted average number of ordinary shares on issue during the period, for the effects of all dilutive instruments, of which there were none during the period.

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Profit for the period	4,776,668	2,232,981
Weighted average number of shares on issue	52,000,000	52,000,000
Basic and diluted earnings per share (cents per share)	9.19	4.29

**7 Cash and Cash equivalents**

Cash at bank and on hand	216,797	132,675
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The carrying amount for cash and cash equivalents equals fair value

**8 Trade and Other Receivables****a) Current**

Trade receivables	4,262,379	4,021,154
Provision for impairment	(9,000)	(16,000)
Net trade receivables	4,253,379	4,005,154
Other receivables	165,147	295,971
Prepayments	20,177	90,925
Related party receivables (note 24)	312,539	147,606
	4,751,242	4,539,656

The fair value of trade and other receivables approximates their carrying value.

# Notes to the Financial Statements

For the year ended 30 June 2007

The average credit period on sales of goods is 42 days (2006:53 days). Interest may be charged at commercial rates on overdue trade receivables, where notification precedes the application of the interest charges. The Group has provided in full for any receivables over 90 days old which are considered potentially unrecoverable. All other debtors are provided for based on estimated irrecoverable amounts determined by reference to past default experience.

Included in the Groups's trade receivable balance are debtors with a carrying amount of \$618 thousand (2006:\$553 thousand) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 65 days (2006:85 days).

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Movement in the provision for impairment		
Balance 1 July	16,000	6,000
Increase/(Decrease) in impairment provision recognised in income statement	(7,000)	10,000
Balance 30 June	9,000	16,000

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk lies in trade debtors of which 18%, 18 (2006:17%, 15 ) by number of trade debtors representing 89% (2006:82%) of the total amount of trade debtors. Only 8% (2006:11%) of the carrying amount of trade debtors exceeded an age of 30 days overdue. The directors believe that there is no further credit provision required in excess of the provision for impairment.

## 9 Inventories

Maintenance consumables	135,934	173,848
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## 10 Loan - Jebsens

Balance at 1 July	-	-
Advances during the year	624,985	-
Repayments during the year	-	-
Interest	19,976	-
Translation loss	(58,136)	-
Balance at 30 June	586,825	-

The carrying amount for the loan approximates fair value.

The denominated foreign currency of this liability is US dollars.

## 11 Property, Plant and Equipment

### (a) Carrying amounts

Land		
At valuation	32,244,953	31,104,470
Buildings		
At cost	16,606,937	16,017,939
Accumulated depreciation	(8,198,807)	(7,607,436)
	8,408,130	8,410,503

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Maintenance dredging</b>		
At cost	2,280,054	1,664,229
Accumulated depreciation	(375,279)	(1,019,589)
	1,904,775	644,640
<b>Port installations</b>		
At cost	36,884,538	34,610,696
Accumulated depreciation	(14,235,555)	(12,843,995)
	22,648,983	21,766,701
<b>Plant, equipment and fittings</b>		
At cost	24,040,427	23,161,988
Accumulated depreciation	(12,188,631)	(11,588,128)
	11,851,796	11,573,860
<b>Floating plant</b>		
At cost	11,467,834	11,461,685
Accumulated depreciation	(2,764,082)	(2,246,229)
	8,703,752	9,215,456
<b>Capital dredging</b>		
At cost	21,329,901	21,260
Accumulated depreciation	(71,475)	-
	21,258,426	21,260
<b>Capital works in progress</b>		
At cost	1,448,916	10,306,704
<b>Total plant, property and equipment</b>	<b>108,469,731</b>	<b>93,043,594</b>
<b>(b) Reconciliation</b>		
<b>Land</b>		
Carrying amount at 1 July	31,104,470	31,104,470
Additions	1,140,483	-
Revaluations	-	-
Disposals	-	-
Depreciation	-	-
Carrying amount at 30 June	32,244,953	31,104,470

# Notes to the Financial Statements

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Buildings</b>		
Carrying amount at 1 July	8,410,503	7,915,674
Additions	588,998	1,057,869
Revaluations	-	-
Disposals	-	-
Depreciation	(591,371)	(563,040)
<b>Carrying amount at 30 June</b>	<b>8,408,130</b>	<b>8,410,503</b>
<b>Maintenance dredging</b>		
Carrying amount at 1 July	644,640	1,423,772
Additions	2,122,338	231,519
Revaluations	-	-
Disposals	-	-
Depreciation	(862,203)	(1,010,651)
<b>Carrying amount at 30 June</b>	<b>1,904,775</b>	<b>644,640</b>
<b>Port Installations</b>		
Carrying amount at 1 July	21,766,701	22,695,681
Additions	2,313,479	398,610
Revaluations	-	-
Disposals	(30,686)	-
Depreciation	(1,400,511)	(1,327,590)
<b>Carrying amount at 30 June</b>	<b>22,648,983</b>	<b>21,766,701</b>
<b>Plant, equipment &amp; fittings</b>		
Carrying amount at 1 July	11,573,860	12,743,893
Additions	1,582,706	112,758
Revaluations	-	-
Disposals	(59,065)	-
Depreciation	(1,245,705)	(1,282,791)
<b>Carrying amount at 30 June</b>	<b>11,851,796</b>	<b>11,573,860</b>
<b>Floating plant</b>		
Carrying amount at 1 July	9,215,456	9,764,379
Additions	7,042	3,038
Revaluations	-	-
Disposals	-	-
Depreciation	(518,746)	(551,961)
<b>Carrying amount at 30 June</b>	<b>8,703,752</b>	<b>9,215,456</b>

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Capital dredging</b>		
Carrying amount at 1 July	21,260	21,260
Additions	21,308,641	-
Revaluations	-	-
Disposals	-	-
Depreciation	(71,475)	-
<b>Carrying amount at 30 June</b>	<b>21,258,426</b>	<b>21,260</b>
<b>Capital works in progress</b>		
Carrying amount at 1 July	10,306,704	909,759
Additions	20,339,786	10,020,473
Transferred upon completion	(29,197,574)	(623,528)
<b>Carrying amount at 30 June</b>	<b>1,448,916</b>	<b>10,306,704</b>
<b>Total plant, property and equipment</b>	<b>108,469,731</b>	<b>93,043,594</b>

### Revaluations

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 used or held for port operational requirements and as such are valued under the requirements of NZ IAS 16 using fair value (market value).

Land was revalued at 30 June 2005 by Mr Ian Baker, a registered valuer with Telfer Young (Taranaki) Ltd, New Plymouth. Telfer Young have been contracted by Port Taranaki as independent valuers. The revalued amount of land used in this report amounts to \$31,104,470.

The carrying amount of land had it been recognised under the cost model is as follows:

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
	10,364,016	9,223,533

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 \$11,200,000 has been used as deemed cost upon IFRS adoption.

### Other disclosures

- (i) There are no items of property, plant or equipment which are not in current use.
- (ii) There have been no impairment losses recognised or reversed in the current period.
- (iii) There have been borrowing costs of \$1,107,578 (2006:\$236,014) capitalised during the current period on the capital dredging project of which the 2006 portion was included within capital works in progress at 30 June 2006. The weighted average capitalisation rate on funds borrowed is 7.72% (2006:7.35%).
- (iv) There are no restrictions in titles relating to property, plant and equipment or items pledged as security for liabilities apart from those held by Westpac Banking Corporation. Refer to note 15.

# Notes to the Financial Statements

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>12 Other Intangible Assets</b>		
Carrying amount at 1 July	267,406	443,867
Additions	133,887	142,350
Revaluations	-	-
Disposals	-	-
Amortisation	(199,838)	(318,811)
Carrying amount at 30 June	201,455	267,406
At cost	1,613,165	1,479,278
Accumulated amortisation	(1,411,710)	(1,211,872)
	201,455	267,406
<b>13 Trade and Other Payables</b>		
Related parties payables and accruals	-	-
Employee benefits	1,059,967	861,258
Interest payable	318,806	315,289
Trade payables and accruals	2,567,613	2,463,864
	3,946,386	3,640,411
<p>Terms of credit are payment on the 20th of the month following invoices unless other terms are specified by suppliers. The Group has financial risk management systems in place to ensure that all payables are paid within the credit timeframe.</p>		
<b>14 Provisions - Employee Benefits</b>		
<b>a) Current liabilities</b>		
Sick leave	45,000	39,000
Retiring allowance	225,000	66,000
ACC residual claims	106,000	146,000
Long service leave	1,000	1,000
Other	242,000	90,000
Closing balance	619,000	342,000
<b>b) Non current liabilities</b>		
Retiring allowance	519,000	615,000
ACC residual claims	241,000	403,000
Long service leave	208,000	184,000
Closing balance	968,000	1,202,000
	1,587,000	1,544,000
<p>The provision is affected by a number of estimates including the expected employment period of employees and the timing of employees utilising the benefits.</p>		

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>15 Borrowings</b>		
<b>a) Current liabilities</b>		
Secured Loans - Westpac	33,800,000	3,000,000
Weighted average interest rate	7.80%	7.73%
<b>b) Non current liabilities</b>		
Secured Loans - Westpac	3,500,000	23,000,000
Weighted average interest rate	7.10%	7.29%
<b>Other disclosures</b>		
i) The non current loans are due within 1 to 3 years.		
ii) The carrying amount for current and non current loans is equivalent to fair value.		
iii) The carrying amount for current and non current loans is denominated in New Zealand dollars.		
iv) The secured loans are obtained under a \$45M funding facility provided by Westpac Banking Corporation. As at 30 June \$7.7M (2006: \$19M) was undrawn.		
v) During the year there had not been any defaults or breaches of bank covenants.		
vi) The sole security interest, fixed charge and agreement to mortgage is to Westpac Banking Corporation for a priority amount of \$50M. The security interest is in Port Taranaki's Personal Property (present and after acquired) and the fixed charge and agreement to mortgage is granted over Other Property (present and future rights). Other Property is defined as any other land or assets not deemed Personal Property.		
vii) The weighted average interest rate is based on the applicable fixed rates and floating rates for call accounts as at balance sheet date.		
<b>16 Issued Capital</b>		
Balance 1 July	26,000,000	26,000,000
Movements during the year	-	-
Balance 30 June	26,000,000	26,000,000
The total number of shares authorised issued and fully paid at 30 June 2007 was 52,000,000 (30 June 2006 was 52,000,000). The shares have no par value.		
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.		
<b>17 Asset Revaluation Reserve</b>		
The asset revaluation reserve arises on the revaluation of land. Where revalued land is sold, that portion of the asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly to retained earnings.		
Balance 1 July	21,880,937	21,880,937
Revaluation increments/decrements	-	-
Balance 30 June	21,880,937	21,880,937

# Notes to the Financial Statements

For the year ended 30 June 2007

			PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>18 Retained Earnings</b>				
Balance 1 July			19,905,633	18,512,652
Profit for the period			4,776,668	2,232,981
Dividends (note 19)			(1,000,000)	(840,000)
Balance 30 June			23,682,301	19,905,633
<b>19 Dividends Paid</b>				
	2007	2006	2007	2006
	cents per share		NZ\$	NZ\$
Prior year dividend	0.962	0.654	500,000	340,000
Interim dividend	0.962	0.962	500,000	500,000
			1,000,000	840,000

All dividends were paid in cash and were fully imputed.

## 20 Financial Instruments and Risk Management

### a) Capital risk management

The Group manages its capital to ensure it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 15, and equity attributable to the shareholder, comprising issued capital, reserves and retained earnings as disclosed in notes 16, 17 and 18.

The Groups's board of directors monitors and reviews the capital structure annually through the statement of corporate intent process and treasury policy review. Through these two processes the Group seeks to balance the growth objectives of the Group with the Groups's dividend policy objective. Due to the strength of the Group's balance sheet all new business ventures of the Group can currently be debt funded.

### b) Categories of financial instruments

The estimated fair values of financial instruments are as follows:

	PARENT & GROUP 2007 Carrying Amount NZ\$	PARENT & GROUP 2007 Fair Value NZ\$	PARENT & GROUP 2006 Carrying Amount NZ\$	PARENT & GROUP 2006 Fair Value NZ\$
<b>Financial Assets</b>				
Foreign currency bank balances	8,922	8,922	-	-
Cash and cash equivalents	207,875	207,875	132,675	132,675
Receivables	4,731,065	4,731,065	4,448,731	4,448,731
Loan to Jepsens	586,825	586,825	-	-
<b>Financial Liabilities</b>				
Payables and accruals	3,946,386	3,946,386	3,640,411	3,640,411
Interest bearing loans - Westpac	37,300,000	37,189,263	26,000,000	25,852,866

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

#### Cash and cash equivalents, foreign currency balances, receivables and short term payables and accruals:

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

#### **Interest bearing loans and loan to Jebsens**

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

The fair value of the Loan to Jebsens is considered to be equivalent to the carrying value given that a market interest rate is charged on this loan.

#### **c) Financial risk management objectives**

The finance department of the Group provides treasury services to the Group, monitoring and reviewing financial risk through internal management reporting. These risks include market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effects of these risks by adhering to a treasury policy reviewed annually by the Group's board of directors. The treasury policy provides written guidelines on foreign exchange risk, interest rate risk and credit risk. All surplus funds are applied against Group borrowings minimising surplus liquidity.

The Group does not enter into, or trade financial instruments, including derivative financial instruments for speculative purposes.

#### **d) Market risk**

The Group's activities expose it to interest rate movement risk principally, and occasionally to foreign exchange risk when capital assets are purchased in foreign currency. These risks are minimised by adherence to the Group's treasury risk policy which endeavours to minimise risk by:

- i) Ensuring a minimum of 50% of the Group's interest bearing debt is fixed term or fixed by way of financial derivative.
- ii) Ensuring that any capital asset purchase of \$250,000 or greater sourced in foreign currency is fully hedged within two days of unconditional purchase.

There are no interest rate swaps or forward rate agreements that have been entered into at balance sheet date.

At balance sheet date the foreign currency exposure was limited to Jebsens loan (note 10) and foreign currency bank balances listed in (b) above.

#### **e) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

In the normal course of its business the Group incurs credit risk from trade debtors and financial institutions. The extent of concentration of credit risk lies in trade debtors. Refer to note 8.

Except, as currently provided for, the Group does not expect the non performance in respect of any outstanding obligations at balance date.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses,

# Notes to the Financial Statements

For the year ended 30 June 2007

represents the Group's maximum exposure to credit risk without taking account of any collateral obtained, except as listed below.

	Maximum credit risk	
	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
Trade and other debtors (net of impairment provision)	4,731,065	4,448,731
Loan to Jepsens	586,825	-

No security is held on any of the above amounts.

## f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 15(vi) is a list of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

## Liquidity and interest risk tables - Financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual liabilities including interest that will accrue to those liabilities except where the Group is entitled and intends to repay the liability before its maturity. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the balance sheet.

2007

Interest risk table financial liabilities	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Fixed interest rate instruments	7.251			19,975,401	3,910,862		(886,263)	23,000,000
Variable interest rate instruments	8.504	14,306,663					(6,663)	14,300,000
		14,306,663	-	19,975,401	3,910,862	-	(892,926)	37,300,000

2006

Interest risk table financial liabilities	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Fixed interest rate instruments	7.293				25,772,551		(2,772,551)	23,000,000
Variable interest rate instruments	7.725	3,000,635					(635)	3,000,000
		3,000,635	-	-	25,772,551	-	(2,773,186)	26,000,000

As at 30 June 2007, if interest rates at that date had been 10 basis points lower with all other variables held constant, post-tax profit for the year would have been \$8,650 (2006:\$6,650) higher, arising as a result of lower interest expense on average variable borrowings. If interest rates had been 10 basis points higher, with all other variables held constant post-tax profit would have been \$8,650 (2006:\$6,650) lower, arising as a result of higher interest expense on variable borrowings. Profit is equally sensitive to interest rate decreases as increases. The sensitivity is higher in 2007 than in 2006 because of the increased outstanding borrowings that have occurred over the year.

#### Interest risk tables - Financial assets

The following table details the Group's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the balance sheet.

2007

#### Interest risk table financial assets

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Loan Jebsens	9.7	-	-	-	682,138	-	(95,313)	586,825
		-	-	-	682,138	-	(95,313)	586,825

2006

#### Interest risk table financial assets

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Adjustment	Total
	%	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Loan Jebsens		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

PARENT & GROUP  
2007  
NZ\$

PARENT & GROUP  
2006  
NZ\$

#### 21 Reconciliation of Profit for the Period to Net Cash Flows from Operating Activities

Profit after taxation	4,776,668	2,232,981
Depreciation & amortisation	4,889,849	5,054,844
Decrease/(Increase) in deferred tax balances	691,995	(383,618)
Net loss on disposal of property, plant and equipment	42,847	-
	5,624,691	4,671,226

# Notes to the Financial Statements

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
<b>Changes in net assets and liabilities</b>		
(Increase)/Decrease in assets:		
Trade and other receivables	(211,586)	(1,862,372)
Inventories	37,914	(17,397)
Increase/(Decrease) in liabilities:		
Provisions	43,000	(718,243)
Trade and other payables	305,975	478,963
Taxation payable	87,167	1,156,476
	262,470	(962,573)
<b>Plus/(Less) items classified as investment activities:</b>		
Non cash item in relation to investing/financing activities	(98,629)	206,084
	(98,629)	206,084
<b>Net cash provided by operating activities</b>	<b>10,565,200</b>	<b>6,147,718</b>
<b>22 Non Cancellable Operating Lease Commitments</b>		
Lease commitments expire as follows:		
Within 1 year	116,558	211,816
Between 1-5 years	85,200	175,849
Greater than 5 years	53,250	74,550
<b>Total operating lease commitments</b>	<b>255,008</b>	<b>462,215</b>
Lease payments under operating leases recognised as an expense during the year.	211,816	68,471
<p>Operating lease payments represent rentals payable by Port Taranaki Limited for the lease of land and buildings. One lease has terms of between 1 - 2 years, with an option to extend for a further 4 years, and another lease has a term of greater than 5 years with a right of renewal for a further ten years. Port Taranaki Limited does not have an option to purchase any of the leased assets at the end of the lease periods.</p>		
<b>23 Imputation Credit Account</b>		
Balance 1 July	3,897,261	3,663,096
Imputation credits attached to dividends paid during the year	(492,538)	(413,732)
Income tax payments (net of refunds) during the year	1,893,180	647,897
<b>Balance 30 June</b>	<b>5,297,903</b>	<b>3,897,261</b>
<b>24 Related Party Transactions</b>		
<p>The Group has a related party relationship with its parent, subsidiaries, directors and executive officers.</p>		
<p><b>a) Transactions with parent</b></p>		
<p>Port Taranaki Limited was a 100% owned subsidiary of the Taranaki Regional Council (TRC) at all times during the year. Apart from dividends (see note 19) the following transactions occurred between Port Taranaki Limited and TRC during the year.</p>		

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
i) Sale of goods & services to parent	35,430	64,955
ii) Purchase of goods & services from parent	56,766	38,243
iii) Current payables to parent at balance date	-	-
iv) Current receivables from parent at balance date	-	-
v) There was no taxation grouping arrangement in 2006 or 2007.		
vi) There are no guarantees or bad debts		

**b) Transactions with subsidiary**

Port Taranaki Limited owned 100% of Greyport Terminal Company Limited (GTC) at all times during the year. (note 25).

The transactions that have occurred to date are set up costs of \$625,078, 50% (312,539) of which have been expensed by Port Taranaki Limited and 50% (\$312,539) of which will be recovered from Port Westland Limited. Consequently the recoverable amount has been recorded as a related party receivable (note 8). In the prior year, the full cost to date of \$147,616 was recorded as a related party receivable.

As Port Taranaki has one non-trading subsidiary, the parent and group financial statements are the same.

**c) Transactions with key management personnel**

The compensation of the Directors and executives, being the key management personnel of the Group is set out below:

Short term employee benefits	1,297,356	1,165,609
Other long term benefits	(7,300)	(19,000)
Termination benefits provision	-	-
Post employment benefits	26,800	1,000
	1,316,856	1,147,609

**25 Business Combinations**

On 22 December 2005 West Coast Coal Company Limited (WCCC) was incorporated. Total shares issued for the company are four, one each with equal voting rights held by Port Taranaki Limited, TNL Group Limited, Charterman Marine Services Limited, and Greyport Terminal Company Limited (GTC). This company has not traded and the earliest anticipated trading date is 1 November 2007, dependent upon WCCC signing an unconditional Transport Services Agreement (TSA) with Pike River Coal Company Limited (PRCC). Currently the TSA is conditional upon Port Taranaki Limited and Charterman Marine Services Limited obtaining finance. Due to 100% ownership of GTC at year end, Port Taranaki has a 50% shareholding in WCCC at year end.

On 26 April 2006 GTC was incorporated. Port Taranaki Limited, holds the only issued share. This company has not traded yet and the earliest anticipated trading date is 1 November 2007, conditional upon WCCC signing a TSA with Pike River Coal Company Limited. After the signing of a TSA but before trading commences a shareholder capitalisation will occur which gives rise to a joint venture arrangement with Port of Westland Limited, a fully owned subsidiary of Greymouth District Council. Port Taranaki Limited have incurred costs totalling \$625,078 (2006:\$147,606) on behalf of GTC, which will be fully recovered when the entity begins trading.

# Notes to the Financial Statements

For the year ended 30 June 2007

	PARENT & GROUP 2007 NZ\$	PARENT & GROUP 2006 NZ\$
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## 26 Commitments

Estimated capital expenditure contracted for at balance date but not provided, nil (2006 relates to the capital dredging).	-	17,000,000
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## 27 Events Subsequent to Balance Date

Port Taranaki Limited has entered into a contract with Q-West Boat Builders Limited on 15 August 2007 for the construction of a launch vessel which is expected to cost approximately \$1.75M dependent on final "in water costs." The launch vessel will be leased to Shell Todd Oil Services (STOS) under an operating arrangement for a minimum period of 10 years with STOS having two rights of renewal terms of 5 years each. A contract to this effect was signed by Port Taranaki Ltd on 15 August 2007. There were no material events subsequent to balance date in 2006.

## 28 Contingent Liabilities

Port Taranaki has been notified by Heron Construction of a claim for payment, with respect to dredged volumes that have not been paid within contract terms, amounting to an estimated maximum of \$322,500. Port Taranaki has yet to receive an invoice for the amounts claimed which may yet be offset by a counterclaim for damage done by Heron Construction to wharf piles within the port, in executing the capital dredging contract.

## 29 Defined Benefit Plan

The multi-employer defined benefit plan entitles employees to retirement benefits. No other post retirement plans are provided. The total expenses recognised in the income statement of \$28,860 (2006:\$29,353) represents contributions paid to the plan. The Group has no other known liability in respect to the scheme.

## 30 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.

## 31 Transition to New Zealand equivalents to International Financial Reporting Standards (NZ IFRS)

### a) Application of NZIFRS 1

The Group has applied NZ IFRS 1 in preparing the NZ IFRS opening balance sheet.

The Group's transition date is 1 July 2005 and the opening NZ IFRS balance sheet was prepared at that date. The Group's NZ IFRS adoption date is 1 July 2006. In preparing the opening balance sheet in accordance with NZ IFRS, the Group has applied the mandatory exceptions and certain of the optional exemptions from full retrospective application of NZ IFRS.

The reconciliations in (c), (d) and (e) provide quantification of the effect of the transition to NZ IFRS.

### b) NZ IFRS elections

As permitted under NZ IFRS 1 the Group has elected to treat the revalued amount of Floating Plant as deemed cost at date of transition. Application of the mandatory exceptions to retrospective application of other New Zealand equivalents to IFRS under NZ IFRS 1 paragraph 26 do not result in an impact on the NZ IFRS opening balance sheet of the Group.

**c) Overview of impact on Equity of the transition to NZ IFRS at 1 July 2006**

	notes	Share Capital NZ\$	Retained Earnings NZ\$	Asset Revaluation Reserve NZ\$	Total Equity NZ\$
<b>Closing equity under NZ GAAP as at 30 June 2005</b>		26,000,000	16,685,583	24,595,275	67,280,858
<b>Adjustments resulting in an increase in equity</b>					
Recognition of 2005 NZ IFRS based deferred tax balance	a		810,300		810,300
<b>Adjustments resulting in a decrease in equity</b>					
Provisions for employee benefits	b		(1,324,281)		(1,324,281)
Derecognition of 2005 NZ GAAP based deferred tax balance	c		(373,290)		(373,290)
<b>Adjustments resulting in movement in equity</b>					
Transfer of PPE revaluation reserves	d		2,714,338	(2,714,338)	-
<b>Closing equity under NZ IFRS as at 1 July 2005</b>		26,000,000	18,512,650	21,880,937	66,393,587
<b>Closing equity under NZ GAAP as at 30 June 2006</b>		26,000,000	17,964,035	24,595,275	68,559,310
<b>Adjustments resulting in an increase in equity</b>					
Recognition of 2006 NZ IFRS based deferred tax balance	a		1,193,918		1,193,918
Revenue recognised under NZ IFRS			155,107		155,107
					-
<b>Adjustments resulting in an decrease in equity</b>					
Provisions for employee benefits (net of 2005 adjustments)	b		(1,305,377)		(1,305,377)
Derecognition of 2006 NZ GAAP based deferred tax balance	c		(816,388)		(816,388)
<b>Adjustments resulting in movement in equity</b>					
Transfer of PPE revaluation reserves	d		2,714,338	(2,714,338)	-
<b>Closing equity under NZ IFRS as at 1 July 2006</b>		26,000,000	19,905,633	21,880,937	67,786,570

# Notes to the Financial Statements

For the year ended 30 June 2007

## d) (i) Reconciliation of Equity as at 1 July 2005

	notes	Previous NZ GAAP NZ\$	Effect of transition to NZ IFRS NZ\$	NZ IRFS NZ\$
<b>Equity</b>				
Issued capital		26,000,000	-	26,000,000
Capital reserves	d	14,881	(14,881)	-
Asset revaluation reserve	d	24,580,394	(2,699,457)	21,880,937
Retained earnings	a,b,c	16,685,583	1,827,068	18,512,651
		67,280,858	(887,270)	66,393,588
<b>Non Current Liabilities</b>				
Borrowings		11,000,000	-	11,000,000
Provisions	b	-	1,354,895	1,354,895
Deferred tax liability		-	-	-
		11,000,000	1,354,895	12,354,895
<b>Current Liabilities</b>				
Provisions	b	937,963	(30,615)	907,348
Trade and other payables		3,161,448	-	3,161,448
Borrowings		10,300,000	-	10,300,000
Taxation payable		-	-	-
		14,399,411	(30,615)	14,368,796
<b>Equity and Liabilities</b>		<b>92,680,269</b>	<b>437,010</b>	<b>93,117,279</b>
<b>Non Current Assets</b>				
Property, plant and equipment	e	87,022,755	(443,867)	86,578,888
Other intangible assets	e	-	443,867	443,867
Deferred tax asset	a,c	373,290	437,010	810,300
		87,396,045	437,010	87,833,055
<b>Current Assets</b>				
Cash and cash equivalents		176,129	-	176,129
Trade and other receivables		2,677,284	-	2,677,284
Other current assets		1,498,000	-	1,498,000
Current taxation		776,360	-	776,360
Inventories		156,451	-	156,451
		5,284,224	-	5,284,224
<b>Total Assets</b>		<b>92,680,269</b>	<b>437,010</b>	<b>93,117,279</b>

**d) (ii) Reconciliation of Equity as at 1 July 2006**

	notes	Previous NZ GAAP NZ\$	Effect of transition to NZ IFRS NZ\$	NZ IFRS NZ\$
<b>Equity</b>				
Issued capital		26,000,000	-	26,000,000
Capital reserves	d	14,881	(14,881)	-
Asset revaluation reserve	d	24,580,394	(2,699,457)	21,880,937
Retained earnings	a,b,c	17,964,035	1,941,598	19,905,633
		<b>68,559,310</b>	<b>(772,740)</b>	<b>67,786,570</b>
<b>Non Current Liabilities</b>				
Borrowings		23,000,000	-	23,000,000
Provisions	b	-	1,269,000	1,269,000
		<b>23,000,000</b>	<b>1,269,000</b>	<b>24,269,000</b>
<b>Current Liabilities</b>				
Provisions	b	1,009,881	(734,881)	275,000
Trade and other payables	b	2,869,152	771,259	3,640,411
Borrowings		3,000,000	-	3,000,000
Taxation payable		380,116	-	380,116
		<b>7,259,149</b>	<b>36,378</b>	<b>7,295,527</b>
<b>Equity and Liabilities</b>		<b>98,818,459</b>	<b>532,638</b>	<b>99,351,097</b>
<b>Non Current Assets</b>				
Property, plant and equipment	e	93,311,000	(267,406)	93,043,594
Other intangible assets	e	-	267,406	267,406
Deferred tax asset	a,c	816,388	377,530	1,193,918
		<b>94,127,388</b>	<b>377,530</b>	<b>94,504,918</b>
<b>Current Assets</b>				
Cash and cash equivalents		132,675	-	132,675
Trade and other receivables	f	4,384,548	155,108	4,539,656
Inventories		173,848	-	173,848
		<b>4,691,071</b>	<b>155,108</b>	<b>4,846,179</b>
<b>Total Assets</b>		<b>98,818,459</b>	<b>532,638</b>	<b>99,351,097</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

	notes	Previous NZ GAAP NZ\$	Effect of transition to NZ IFRS NZ\$	NZ IFRS NZ\$
Revenue from operations	f	29,466,782	155,107	29,621,889
Operating expenses	b	(24,724,999)	18,903	(24,706,096)
<b>Profit before financing costs</b>		<b>4,741,783</b>	<b>174,010</b>	<b>4,915,793</b>
Interest revenue		308,465	-	308,465
Financing costs		(1,570,521)	-	(1,570,521)
<b>Net financing costs</b>		<b>(1,262,056)</b>	<b>-</b>	<b>(1,262,056)</b>
<b>Profit before taxation</b>		<b>3,479,727</b>	<b>174,010</b>	<b>3,653,737</b>
Taxation	g	(1,361,275)	(59,481)	(1,420,756)
<b>Profit for the year</b>		<b>2,118,452</b>	<b>114,529</b>	<b>2,232,981</b>

## Notes

### a,c Deferred Tax

Under NZ IFRS, deferred tax is recognised on all temporary differences between accounting and tax values for each asset and liability (known as the balance sheet approach) rather than accounting for the effect of timing differences between accounting and tax profits.

As at 30 June 2006 a total deferred tax asset has been calculated under NZ IFRS amounting to \$1,193,918 (2005:\$810,300) which consists of the tax effect on the temporary differences on provisions (including the revised provisions described in (b) below), receivables (see note (f) below) and property, plant and equipment.

The deferred tax asset calculated under NZ GAAP as at 30 June 2006 amounting to \$816,388 (2005:\$373,290) was de-established at balance date.

### b Provisions, Trade and Other Payables

The employee benefits figure consists of the Group's assessed non vested liability as at balance date for employee benefits both long and short term.

Short term employee benefits include sick leave and the current portion of the assessed liability for ACC residual claims levy.

A small increase in short term employee benefits was calculated at 30 June 2006.

Long term employee benefits include a provision for retiring allowance, unvested long service leave provision and the long term portion of the assessed liability for ACC residual claims levies.

The long term employee benefits with the exception of ACC residual claims levies are calculated by an external actuary and amount to \$866,000 as at 30 June 2006 (2005:\$839,000) whilst ACC residual claims levies provision has been assessed internally at \$403,000 as at 30 June 2006 (2005:\$515,895).

The vested portion of holiday pay and long service leave as at 30 June 2006 amounted to \$861,258 and has been reclassified from the provisions line in the balance sheet to the trade and other payables line.

**d Asset Revaluation Reserve**

The Group has elected to use a previous NZ GAAP revaluation of floating plant before the date of transition to NZ IFRS as deemed cost at the date of revaluation, and that this deemed cost represents fair value of those assets. In future floating plant will be carried at cost or deemed cost less future impairments and depreciation.

Additionally a small miscellaneous capital reserve of \$14,881 was taken to retained earnings at balance date.

The effect is to reduce the value of the asset revaluation reserve at 30 June 2005 by \$2,714,338 to \$21,880,937. The adjustment is taken to retained earnings.

**e Other Intangible Assets**

Computer software not integral to the running of a particular asset or machine is required under NZ IFRS to be classified as an intangible asset. Accordingly seven major software programs in use by the Group have been reclassified from plant, property and equipment to intangibles.

**f Trade Receivables/Revenue Recognition**

In accordance with NZ IAS 18 the Group recognises revenue for the rendering of services when the amount:

- can be reliably measured,
- it is probable that the economic benefits associated with the transaction will flow to the entity,
- the stage of completion of the transaction at balance date can be reliably measured and the costs incurred can be reliably measured.

Certain take or pay storage contracts fall under this policy and accordingly revenue and an associated receivable has been recognised at 30 June 2006 amounting to \$155,108.

**g Income Tax Expense**

As a consequence of increased revenue in note (f) above and decreased net employee benefits in note (b) above income tax expense has increased overall in 2006 under NZ IFRS in comparison with NZ GAAP.

**h Effect of NZ IFRS on the Cash Flow Statement**

There are no material differences between the cash flow statement presented under NZ IFRS and the cash flow statement presented under superceded policies.



## To the readers of Port Taranaki Limited and Group's financial statements for the year ended 30 June 2007

The Auditor-General is the auditor of Port Taranaki (the company) and group. The Auditor-General has appointed me, Graham Naylor, 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 2007.

### Unqualified Opinion

In our opinion:

- The financial statements of the company and group on pages 10 to 38:
  - 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 2007; 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 6 September 2007, 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 and group as at 30 June 2007. 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 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 advisory service in relation to NZ IFRS opening balance sheet and comparatives, which is compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the company.

Graham Naylor  
Deloitte  
On behalf of the Auditor-General  
Hamilton, New Zealand

This audit report relates to the financial statements of Port Taranaki and Group for the year ended 30 June 2007 included on Port Taranaki's website. The Board of Directors is responsible for the maintenance and integrity of Port Taranaki's website. We have not been engaged to report on the integrity of Port Taranaki's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. 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 6 September 2007 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

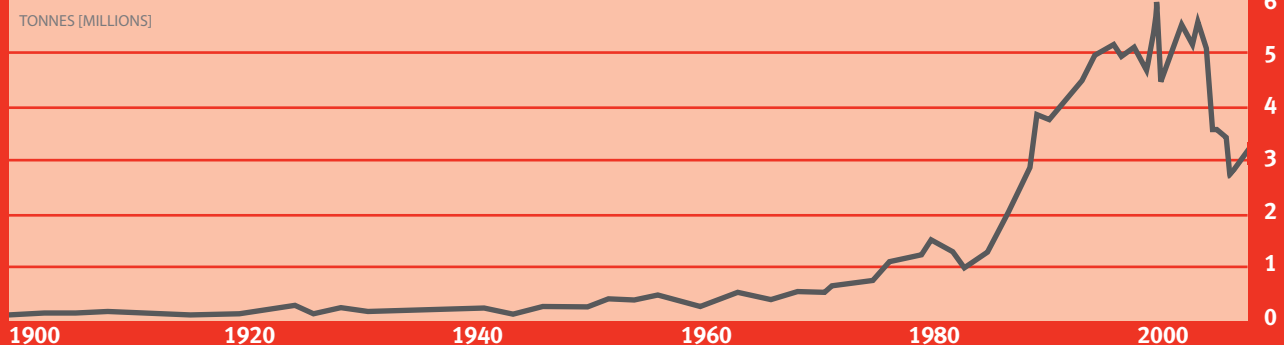


# Comparative Review

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Operations</b>										
Trade (millions of freight tonnes)										
Imports	0.77	0.61	0.77	0.59	0.61	0.59	0.58	0.57	0.51	0.42
Exports	2.51	2.04	2.68	2.89	4.42	5.05	4.81	5.05	4.96	4.23
Total	3.28	2.65	3.45	3.48	5.03	5.64	5.39	5.62	5.47	4.65
Vessel arrivals (over 100 GRT)	897	677	562	612	688	618	635	807	659	605
Total gross registered tonnage (GRT)(millions)	7.06	6.29	6.32	6.98	7.21	6.43	5.05	5.87	5.21	4.78
Permanent employees	116	113	110	109	107	96	92	100	99	99
<b>Financial (\$millions)</b>										
Revenue	36.95	29.93	27.96	28.08	29.89	28.25	24.04	27.33	24.91	21.30
Total interest expense	1.55	1.57	1.48	1.39	1.48	1.31	0.73	0.98	0.80	0.46
Earnings before interest, subvention payments and taxation (EBIT)	8.96	3.65	3.68	5.12	8.39	8.32	7.05	5.97	9.26	7.28
Taxation	2.67	1.42	0.70	1.14	2.16	2.61	1.97	1.60	1.82	1.66
Net profit after taxation	4.78	2.23	1.45	2.52	4.65	4.40	4.34	3.39	6.64	5.15
Dividends	1.00	0.84	2.20	2.60	2.50	3.20	16.10	2.20	2.70	2.10
Capital expenditure and acquisitions	20.34	11.34	5.68	4.10	4.74	10.65	2.30	2.93	13.11	4.38
Equity	71.56	67.79	67.28	53.23	53.32	51.16	44.90	56.66	55.47	50.64
Interest bearing debt	37.30	26.00	21.30	21.60	21.80	25.00	18.20	13.70	14.20	5.90
Total tangible assets	114.66	99.08	92.68	77.73	78.61	79.77	65.62	78.12	75.66	61.47
Earnings per share (c)	9.19	4.29	2.79	4.84	8.95	8.46	8.35	6.51	12.77	9.91
Ordinary dividends per share (c)	1.92	1.62	4.23	5.00	4.81	6.15	30.96	4.23	5.19	4.04
Net assets per share (c)	138.00	130.00	129	102	103	98	86	109	107	97
Equity (%)	62.30	68.23	72.59	68.49	67.83	64.14	68.42	72.53	73.31	82.38
Return on equity (%)	6.67	3.29	2.15	4.73	8.73	8.60	9.67	5.98	11.97	10.18
Return on assets (%)	4.16	2.25	1.56	3.24	5.92	5.52	6.62	4.34	8.78	8.38
Operating cashflow	10.57	6.15	7.42	6.67	9.88	9.00	14.73	6.23	6.65	4.94
Interest cover (times covered by net profit after taxation)	1.80	1.24	0.98	1.81	3.15	3.36	5.94	3.47	8.33	11.15

Port Taranaki adopted NZ IFRS for the year commencing 1 July 2006. The earliest year that has been restated under NZ IFRS for the comparatives above is 2006.

## TRADE HISTORY



# RE:PORT TARANAKI

Design: TNL Print & Graphics  
Photography: Rowan and Pip Guthrie

