

Northland Port Corporation (NZ) Ltd

Annual Report 2004



Financial Highlights

For the Year Ended 30 June 2004

	Notes	30-Jun-04 (12 months) \$ M	30-Jun-03 (15 months) \$ M
Total Revenue	1	6.83	15.46
Net Surplus After Tax		3.36	7.36
Total Assets		86.98	44.09
Shareholders' Funds		83.66	43.30
Shareholders' Equity		96.19%	98.22%
Ordinary Dividend Per Share (cents)	2	8.00	10.50
Ordinary Dividends	2	3.32	4.35
Special Dividend Per Share (cents)	3	10.00	15.00
Special Dividends	3	4.15	6.22
Net Asset Backing Per Share (cents)		201.72	104.41
Earnings Per Share (cents)		8.10	17.75

Notes:

- 1 In accordance with FRS-38, the Group's share of Associate Companies' Retained Surplus is now incorporated in Total Revenue. The prior year comparative has been restated to reflect this change.
- 2 These values include the declared final dividend of 5 cents per share (2003 - 6.5 cents per share)
- 3 This includes declared special dividend of 10 cents per share to be paid 24 September 2004.

Financial Calendar

Annual General Meeting

The Annual General Meeting of Shareholders of Northland Port Corporation (NZ) Ltd will be held at the A'Fare Restaurant & Reception Lounge 197 Lower Dent Street, Whangarei at 3.00pm on Friday 29 October 2004.

2005 Interim Profit Announcement

February 2005

Interim Dividend Payment

March 2005

Contents

Chairman's Review	1
Board of Directors	4
Corporate Governance Statement	4
Financial Statements	5
Analysis of Shareholdings	35
Directory	36

Cover Photograph

This clearly depicts some of the 180 hectare land bank the Company has available for future development in the Marsden Point area.

Chairman's Report

The after tax surplus for the 12 months was \$3.36 million which compares with the previous 15 month period surplus (including a \$2.2million "accounting" profit) of \$7.36 million.



Dividends for the year total 18 cents per share inclusive of a special dividend of 10 cents per share.

Included in the reported surplus are realised gains of \$1.6 million from the sale of a farm property for the Marsden Cove Canal development, the sale of our remaining 50% interest in Sea-Tow Ltd and the sale of various items of plant and machinery no longer required.

Since balance date, settlement of the sale of the Port Whangarei land has been effected. This transaction resulted in a surplus over book value of approximately \$8.7 million which will be accounted for in the 2005 year, less adjustment to reflect the deferred settlement of the sale.

The reported sales signal the substantial conclusion to the asset rationalisation programme embarked upon nearly five years ago.

Associate Companies and Joint Ventures

Northport Ltd

(50:50 joint venture with Port of Tauranga)

Northport's fortunes were adversely affected by two major events.

Firstly the decision by the company's major customer Carter Holt Harvey Ltd to increase the age profile of the forests owned and managed by them resulted in a sharp reduction in log exports through Northport during the year.

Secondly, accounting advice has led to the postponement of the revenue benefits from the "underwriting agreement" set in place with Carter Holt to cushion the Company's earnings from the exact type of downturn now being experienced.

Instead of the shortfall payments (amounting to \$1.7 million for the year) being treated as revenue, accounting advice is to treat the shortfall payments as prepayments. Profit will therefore be recognised in future years as the logs are exported.

Revenues from other trades were acceptable while contributions from Northport Services (unincorporated joint venture with Carter Holt Harvey and Port of Tauranga) and North Tugz (joint venture between Northport and Ports of Auckland) were most encouraging.

The consent process for the construction of up to two new berths is nearly complete.

Preliminary engineering and costing work is currently being carried out and while there is a good business case for expansion of the facilities at Marsden Point, Directors consider it prudent to delay any decision to proceed until there is more certainty surrounding title issues raised in the Foreshore and Seabed Bill.

Sea-Tow Ltd

(50:50 ownership with Adsteam Logistics Ltd)

The large contract in North Queensland was completed satisfactorily during the year and as a result earnings were better than previous years.

While Adsteam held an option to purchase Northland Port Corporation's 50% share, it indicated it did not wish to pay the price previously agreed.

Late in the year under review an opportunity was taken for both Adsteam and NPC to sell the business in a management buyout arrangement.

NPC's exit price realised a surplus and was better than the original option price written with Adsteam at the time of the sale of 50% in 2000.

North Port Coolstores (1989) Ltd

(50% owned by NPC)

Another satisfactory year for this company with butter and meat storage being the main revenue earners.

Northland Stevedoring Services

(unincorporated joint venture)

Continued busy trades such as triboard, veneer and other non log ship visits ensured another good year. It also operated for the first time at Marsden Point dealing with pulp log exports.

Marsden Cove Ltd

(50:50 joint venture with Hopper Developments Ltd)

The extended consent process is very near a successful conclusion. Construction of the waterways development should commence in the new year as will pre-marketing of the sites.

Demand for the type of property Marsden Cove will offer has lifted strongly over the past eighteen months and Directors are now expecting returns in excess of those envisaged when first entering into the investment.

Asset Valuation

The Company's remaining land holdings at Marsden Point have been valued by independent valuers.

Your Directors considered it prudent to adopt the valuation and this has been reflected through an increase of \$45.09 million in shareholders funds.

The revaluation has been done in terms of Accounting Standard FRS 3 and only includes land not held for resale. It does not include any assessment of the enterprise value of the various associate companies and joint ventures.

Outlook

Northland Port Corporation's remaining assets portfolio can now be clearly defined into three main categories:

Port related operations

Northport (50%); Northport Services (33.3%); North Tugz (25%); Northland Stevedoring Services (50%); and North Port Coolstores (50%).

Port related Land Bank

180 hectares of Industrial Zoned Land adjacent to the expanding Deepwater Port at Marsden Point (100%).

Coastal Marina and Waterways Development

Marsden Cove Ltd (50%).

Port related operations will fluctuate with trade volumes however it is predicted the medium term trend will be upwards as the log and other export trades grow. Your Directors will therefore maintain their support for the expansion of Northport to meet the expected long term increases in demand.

Your Company will endeavour to continue to enhance the value of the land bank through continued timely development, subdivision and leasing to meet demand.

The Marsden Cove canal and marina development is likely to see strong pre-sale interest during the forthcoming year with the commencement of construction. The first surpluses from the development are expected to be realised in the 2006/07 year.

As in the past, Directors will keep under review the returns on these assets and distribute cash surpluses to shareholders where appropriate.

Directors

Michael Gross and I retire by rotation and offer ourselves for re election at the Annual General Meeting.

Thanks

To my fellow Directors, thank you for your support and counsel during the year and to Jim Smellie, NPC's General Manager, and all management and staff of our various investments, thank you for your efforts and positive results.



Mike Daniel
CHAIRMAN

Board of Directors



Mike W Daniel B.Com. Ec

Chairman Northland Port Corporation (NZ) Ltd
Director Northport Ltd
Director NPC Corporate Services Ltd
Director North Port Coolstores (1989) Ltd
Director Sea-Tow Ltd
Chairman Marsden Cove Ltd
Member Audit and Corporate Governance Committee

Mr Daniel joined the Board in 1995. He was appointed Deputy Chairman in July 1998 and Chairman in January 1999. A former stockbroker and merchant banker, he presently farms at Helena Bay.



Jim W B Hardie CA, ACIS

Deputy Chairman Northland Port Corporation (NZ) Ltd
Member Audit and Corporate Governance Committee

Mr Hardie was appointed to the Board of Directors in December 1991. His experience includes over thirty years in the civil engineering construction industry. Mr Hardie's previous posts include membership of the Northland Regional Development Council, and membership for 14 years of the NZ Contractors Federation National Council (National President 1986 - 1988). Mr Hardie was Chairman of the Northland Port Corporation (NZ) Ltd from 1996 to 1999 and now holds the position of Deputy Chairman.



Robert Cooper FCIT, MNZM

Director Northland Port Corporation (NZ) Ltd
Director Northport Ltd

Mr Cooper was appointed to the Board in April 1999. A qualified Master Mariner, he has an extensive business background and has held senior positions in ports, shipping and transport sectors. Mr Cooper recently retired after a six and a half year term as Chairman of the Maritime Safety Authority, was a former President of the International Association of Ports and Harbours, a Director of Through Transport Mutual Insurance and a Trustee of the Melanesian Mission Trust Board.



Peter R Hill CA, B. Com

Director Northland Port Corporation (NZ) Ltd
Director Northland Stevedoring Services Ltd
Chairman Audit and Corporate Governance Committee.

Mr Hill is a Whangarei Chartered Accountant in private practice, specialising in tax and business advice. He became a Director of the Company at its inception in 1988 and is also a Director of Northland Stevedoring Services Ltd. Mr Hill has had extensive commercial experience working overseas for international accountancy firms servicing large corporations. Mr Hill is Secretary of the Northland Branch of the Institute of Chartered Accountants of New Zealand.



Michael R Gross QSO, JP, FCIT

Director Northland Port Corporation (NZ) Ltd
Director North Port Coolstores (1989) Ltd

Mr Gross joined the Board in 1997. He is past Chairman of the national road funding agency Transfund New Zealand and was Chairman of the Northland Regional Council from 1989 to 1995.



Rod J McKay B.Ag.Sc

Director Northland Port Corporation (NZ) Ltd
Chairman Northland Stevedoring Services Ltd
Director Northport Ltd

Mr McKay was elected as a Director in December 1992. A successful Northland dairy farmer, he served as Chairman of the Northland Harbour Board prior to the establishment of the Northland Port Corporation (NZ) Ltd in 1988 under the Port Companies Act. Mr McKay is also a member of the Northland Regional Council and a former Director of AFFCO Holdings Ltd.

Corporate Governance Statement

Role of the Board

The Board of Directors of Northland Port Corporation (NZ) Ltd is elected by the shareholders to supervise the management of the Company and its subsidiaries in the best interests of shareholders. The Board currently has six members and has several key functions which are:

- The establishment of business objectives, strategies and policies.
- The approval of annual capital and operating budgets.
- The appointment of a General Manager to manage the day to day operations of the Company within the established framework.
- The ongoing monitoring of management performance in relation to the goals established for that purpose.

Board Operation and Membership

The policies and procedures for the operation of the Board are set out in the Company's constitution which also details how Directors are appointed and removed from office.

The Board normally meets every second month and has met six times between 1 July 2003 and 30 June 2004. Special purpose meetings are held as required.

The Board has one committee, the Audit and Corporate Governance Committee which has three members, Messrs M W Daniel, J W B Hardie and P R Hill (Chairman). The Committee met on one occasion during the year and has the following objectives:

- The primary objective of the Audit and Corporate Governance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities. The Committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations.

In addition, the Committee:

- oversees and appraises the quality of the audits conducted by the Company's external auditors.

- maintains open lines of communications among the Board, any internal auditors and the external auditors to exchange views and information. The Committee also confirms their respective authorities and responsibilities.
- serves as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public and also assists in the development of the future format and content of external reporting.
- determines the adequacy of the organisation's administrative, operating and accounting controls.

Compliance

The above principles do not materially differ from the Corporate Governance Best Practice Code as recommended in the NZX Listing Rules.

Financial Statements

For the Year Ended 30 June 2004

Auditor's Report	6
Statutory Information	8
Consolidated Statement of Financial Performance	10
Consolidated Statement of Movements in Equity	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Cash Flows	12
Consolidated Operating Cash Flow Reconciliation	13
Parent Company Statement of Financial Performance	14
Parent Company Statement of Movements in Equity	14
Parent Company Statement of Financial Position	15
Parent Company Statement of Cash Flows	16
Parent Company Operating Cash Flow Reconciliation	17
Notes to the Financial Statements	18

Auditor's Report



■ Chartered Accountants

To the Readers of the Northland Port Corporation (NZ) Ltd and Group's Financial Statements for the Year Ended 30 June 2004

The Auditor-General is the auditor of Northland Port Corporation (NZ) Ltd (the Company) and Group. The Auditor-General has appointed me, Simon Brotherton, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the Company and Group, on his behalf, for the year ended 30 June 2004.

Unqualified Opinion

In our opinion:

- The financial statements of the Company and Group on pages 10 to 34:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of:
 - the Company and Group's financial position as at 30 June 2004; and
 - the results of operations and cash flows for the year ended on that date.
- Based on our examination the Company and Group kept proper accounting records.

The audit was completed on 20 August 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

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

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

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

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

Responsibilities of the Board of Directors and the Auditor

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

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

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out assignments in the areas of taxation advice, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Company or Group.



Simon G. Brotherton
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

Statutory Information

Auditors

Under Section 19 of the Port Companies Act, 1988, the Auditor-General is the Auditor of the Company. The Audit Office has appointed, pursuant to Section 29 of the Public Finance Act, 1977, Simon G. Brotherton of the Firm Ernst & Young to undertake the Audit on its behalf.

Directors' Interests

Particulars of general disclosures of interest given by directors of the Company pursuant to Section 211(1)(e) of Companies Act 1993 are listed below. (Refer also to page 4)

Directors' Shareholdings

Pursuant to section 148(1) of the Companies Act 1993 the following are the relevant interests in the Company's shares as advised by the Directors.

	Shares in which the Director has a beneficial interest solely or as a joint holder		Shares in which the Director has a non-beneficial interest		Shares held by associated persons of the Director	
	30-Jun-04	30-Jun-03	30-Jun-04	30-Jun-03	30-Jun-04	30-Jun-03
R Cooper	10,000	10,000	–	–	15,650	15,650
M W Daniel	1,216,000	1,216,000	–	–	25,000	25,000
M R Gross	15,004	15,004	–	–	–	–
J W B Hardie	215,000	215,000	–	–	10,000	10,000
P R Hill	64,002	64,002	–	–	13,800	13,800
R J McKay	32,004	32,004	–	–	16,500	16,500

Share Transactions

There were no share transactions during the period 1 July 2003 to 30 June 2004.

Statutory Information

Directors' Remuneration and Benefits

Fees paid to Directors of the Company during the 12 month period were as follows:

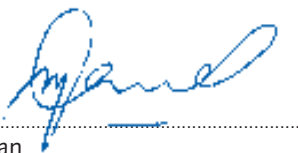
	Parent/Group \$
M W Daniel	37,000
R Cooper	21,000
M R Gross	21,000
J W B Hardie	26,000
P R Hill	24,000
R J McKay	21,000
	<u>150,000</u>

Employee Remuneration

In accordance with Section 211(1)(g) of the Companies Act 1993 reported below are the number of employees or former employees of the Company, not being Directors of the Company, who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the value of which was or exceeded \$100,000 per annum during the period. Remuneration is calculated to include the cost to the Company of salary plus any benefits and related tax.

Remuneration \$NZ	Number of Employees Parent/Group
190,000 - 200,000	1

Signed:



Chairman



Director

Dated 20 August 2004

Consolidated Statement of Financial Performance

For the Year Ended 30 June 2004

	Note		30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Revenue		6,126,420		12,194,913
Share of Associate Companies' Retained Surplus	6	706,299		3,270,085
Total Revenue	3		6,832,719	15,464,998
Expenditure				
Depreciation	4	326,747		480,147
Interest		204,645		5,432
Lease Costs		159,182		451,686
Severance Payments		–		92,727
Operating Expenses	2	4,201,596		7,280,142
Total Expenditure			4,892,170	8,310,134
Trading Surplus			1,940,549	7,154,864
Gain on Sale of Plant, Property & Equipment			1,184,517	1,576,168
Gain on Sale of Associate Investment			461,041	–
Operating Surplus Before Taxation			3,586,107	8,731,032
Taxation Expense	5		228,249	1,371,161
NET SURPLUS			\$3,357,858	\$7,359,871

Consolidated Statement of Movements in Equity

For the Year Ended 30 June 2004

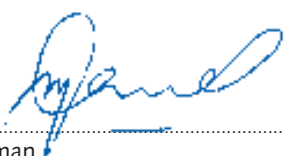
	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Equity at Beginning of Period	43,301,348	42,784,747
Net Surplus	3,357,858	7,359,871
Revaluation of Land Holdings	45,090,171	–
Distributions to Owners:		
Ordinary Dividends	(3,940,065)	(4,769,552)
Special Dividends	(4,147,438)	(2,073,718)
Supplementary Dividends	(24,148)	(21,057)
Foreign Investor Tax Credits	24,148	21,057
Net Distribution to Owners	(8,087,503)	(6,843,270)
EQUITY AT END OF PERIOD	\$83,661,874	\$43,301,348

Consolidated Statement of Financial Position

As at 30 June 2004

	Note	30-Jun-04 \$	30-Jun-03 \$
Equity			
Subscribed Equity	7	10,461,204	10,461,204
Revaluation Reserve		45,090,171	–
Accumulated Surplus		28,110,499	32,840,144
		83,661,874	43,301,348
Current Liabilities			
Creditors & Accrued Expenses	11	713,594	784,661
Provision for Taxation		54,332	–
		767,926	784,661
Non-Current Liabilities			
Term Debt	19	2,550,000	–
TOTAL LIABILITIES AND EQUITY		\$86,979,800	\$44,086,009
Non-Current Assets			
Plant, Property & Equipment	18	46,157,015	12,757,238
Investments in Associate Companies	16	26,215,398	21,940,066
Other Investments & Receivables	23	4,686,787	607,303
Advances	17	4,115,564	2,357,960
Deferred Taxation Asset	12	179,012	224,559
		81,353,776	37,887,126
Current Assets			
Cash & Deposits	8	427,074	5,187,998
Debtors & Prepayments	9	620,866	872,404
Taxation Refundable		–	108,025
Plant, Property & Equipment (held for resale)	20	4,459,994	–
Other Investments (held for resale)	21	113,645	–
Stores & Materials	10	4,445	30,456
		5,626,024	6,198,883
TOTAL ASSETS		\$86,979,800	\$44,086,009

For and on behalf of the Board of Directors who authorised the issue of this Financial Report on 20 August 2004



Chairman



Director

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2004

	Note	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Cash from Customers		5,450,750	12,032,874
Dividends Received		886,276	500,156
Interest Received		197,984	1,312,927
		<u>6,535,010</u>	<u>13,845,957</u>
Cash was applied to:			
Cash paid to Suppliers & Employees		(4,657,570)	(8,224,428)
Interest Paid		(142,076)	(5,432)
Income Tax Paid		(27,744)	(974,859)
		<u>(4,827,390)</u>	<u>(9,204,719)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,707,620</u>	<u>4,641,238</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Plant, Property & Equipment		1,167,966	4,326,914
Share Capital of Associate Repaid		–	5,000
Sale of Investment in Associate		6,240,758	–
Other Advances Repaid		1,524,000	232,000
		<u>8,932,724</u>	<u>4,563,914</u>
Cash was applied to:			
Purchase of Plant, Property & Equipment		(3,375,675)	(1,663,499)
Purchase of Shares/Equity Contributions		(450,050)	(13,678,075)
Purchase of Capital Notes		(5,525,000)	–
Advances to Associate Companies		(513,040)	(833,960)
		<u>(9,863,765)</u>	<u>(16,175,534)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(931,041)</u>	<u>(11,611,620)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
ASB Facility		2,550,000	–
Cash was applied to:			
Dividends Paid		(8,087,503)	(6,843,270)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(5,537,503)</u>	<u>(6,843,270)</u>
NET DECREASE IN CASH HELD		<u>(4,760,924)</u>	<u>(13,813,652)</u>
ADD OPENING CASH BALANCE		5,187,998	19,001,650
CLOSING CASH BALANCE	8	<u>\$427,074</u>	<u>\$5,187,998</u>

Consolidated Operating Cash Flow Reconciliation

For the Year Ended 30 June 2004

	Note	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Net Surplus		3,357,858	7,359,871
Add (Subtract) Non-Cash Items:			
Depreciation	4	326,747	480,147
Doubtful/Bad Debts		7,402	434
Deferred Taxation		38,150	84,086
Share of Associate Companies' Retained Surplus	6	(706,299)	(3,270,085)
Other Non-Cash Items		(42,115)	(50,417)
		(376,115)	(2,755,835)
Deferred Tax Asset Sold		7,396	–
Add (Subtract) Working Capital Items:			
Movement in Debtors & Prepayments		244,136	1,700,172
Movement in Stores & Materials		26,011	75,906
Movement in Taxation Refundable		162,357	312,218
Movement in Creditors & Accrued Expenses		(71,067)	(2,500,361)
		361,437	(412,065)
Non-Operating items included in working capital movements above		2,602	2,025,435
Less Items classified as investing activities:			
Gain on Sale of Plant, Property & Equipment		(1,184,517)	(1,576,168)
Gain on Sale of Investment in Associate Company		(461,041)	–
		(1,645,558)	(1,576,168)
Net Cash Flow from Operating Activities		\$1,707,620	\$4,641,238

Parent Company Statement of Financial Performance

For the Year Ended 30 June 2004

	Note		30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Total Revenue	3		1,777,903	7,162,514
Expenditure				
Depreciation	4	209,252		395,268
Interest		204,645		5,432
Lease Costs		159,182		451,686
Severance Payments		–		92,727
Operating Expenses	2	<u>1,127,981</u>		<u>3,335,867</u>
Total Expenditure			1,701,060	<u>4,280,980</u>
Trading Surplus			76,843	2,881,534
Gain on Sale of Plant, Property & Equipment			2,159,293	2,485,589
Gain on Sale of Associate Investment			796,260	–
Operating Surplus Before Taxation			3,032,396	<u>5,367,123</u>
Taxation Expense (Credit)	5		(140,975)	1,104,475
NET SURPLUS			3,173,371	<u>4,262,648</u>

Parent Company Statement of Movements in Equity

For the Year Ended 30 June 2004

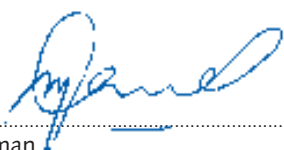
	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Equity at Beginning of Period	41,205,971	44,306,863
Change in Accounting Policy re. Associates	–	(520,270)
Net Surplus	3,173,371	4,262,648
Revaluation of Land Holdings	37,140,171	–
Distributions to Owners:		
Ordinary Dividends	(3,940,065)	(4,769,552)
Special Dividends	(4,147,438)	(2,073,718)
Supplementary Dividends	(24,148)	(21,057)
Foreign Investor Tax Credits	24,148	21,057
Net Distribution to Owners	<u>(8,087,503)</u>	<u>(6,843,270)</u>
EQUITY AT END OF PERIOD	\$73,432,010	<u>\$41,205,971</u>

Parent Company Statement of Financial Position

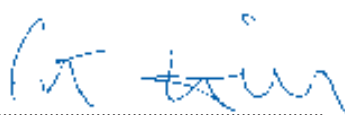
As at 30 June 2004

	Note	30-Jun-04 \$	30-Jun-03 \$
Equity			
Subscribed Equity	7	10,461,204	10,461,204
Revaluation Reserve		37,140,171	–
Accumulated Surplus		25,830,635	30,744,767
		73,432,010	41,205,971
Current Liabilities			
Bank Overdraft	8	1,020	–
Creditors & Accrued Expenses	11	497,960	614,658
		498,980	614,658
Non-Current Liabilities			
Term Debt	19	2,550,000	–
Advance from Subsidiary		–	50,950
		2,550,000	50,950
TOTAL LIABILITIES AND EQUITY		\$76,480,990	\$41,871,579
Non-Current Assets			
Plant, Property & Equipment	18	44,236,134	12,352,068
Investment in Subsidiary Company	13	10,000	10,000
Investments in Associate Companies	16	17,255,000	20,875,512
Other Investments & Receivables	23	4,686,787	607,303
Advance to Subsidiary Company	15	337,096	–
Other Advances	17	4,676,084	2,357,960
Deferred Taxation Asset	12	87,151	114,572
		71,288,252	36,317,415
Current Assets			
Cash & Deposits	8	200	4,953,553
Debtors & Prepayments	9	345,700	487,842
Taxation Refundable		268,754	82,313
Plant, Property & Equipment (held for resale)	20	4,459,994	–
Other Investments (held for resale)	21	113,645	–
Stores & Materials	10	4,445	30,456
		5,192,738	5,554,164
TOTAL ASSETS		\$76,480,990	\$41,871,579

For and on behalf of the Board of Directors who authorised the issue of this Financial Report on 20 August 2004



Chairman



Director

Parent Company Statement of Cash Flows

For the Year Ended 30 June 2004

	Note	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Cash from Customers		1,112,563	7,189,361
Dividends Received		886,276	500,156
Interest Received		84,867	1,307,080
		<u>2,083,706</u>	<u>8,996,597</u>
Cash was applied to:			
Cash paid to Suppliers & Employees		(1,636,197)	(4,208,372)
Interest Paid		(142,076)	(5,432)
Income Taxes Paid		(25,442)	(358,987)
		<u>(1,803,715)</u>	<u>(4,572,791)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>279,991</u>	<u>4,423,806</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Sale of Plant, Property & Equipment		1,145,093	4,325,192
Sale of Shares		6,240,758	–
Share Capital of Associate Repaid		–	5,000
Other Advances Repaid		1,524,000	232,000
		<u>8,909,851</u>	<u>4,562,192</u>
Cash was applied to:			
Purchase of Plant, Property & Equipment		(1,730,626)	(1,493,222)
Purchase of Shares/Equity Contributions		(450,000)	(13,678,025)
Purchase of Capital Notes		(5,525,000)	–
Advances to Subsidiary Company		(337,096)	–
Advances to Associate Company		(513,040)	(833,960)
		<u>(8,555,762)</u>	<u>(16,005,207)</u>
NET CASH INFLOW (OUTFLOW) FROM INVESTING ACTIVITIES		<u>354,089</u>	<u>(11,443,015)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
ASB Facility		2,550,000	–
Advance from Subsidiary Company		–	50,950
		<u>2,550,000</u>	<u>50,950</u>
Cash was applied to:			
Repayment of Advance from Subsidiary Company		(50,950)	–
Dividends Paid		(8,087,503)	(6,843,270)
		<u>(8,138,453)</u>	<u>(6,843,270)</u>
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		<u>(5,588,453)</u>	<u>(6,792,320)</u>
NET DECREASE IN CASH HELD		<u>(4,954,373)</u>	<u>(13,811,529)</u>
ADD OPENING CASH BALANCE		<u>4,953,553</u>	<u>18,765,082</u>
CLOSING CASH BALANCE	8	<u>(\$820)</u>	<u>\$4,953,553</u>

Parent Company Operating Cash Flow Reconciliation

For the Year Ended 30 June 2004

	Note	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$
Net Surplus		3,173,371	4,262,648
Add (Subtract) Non-Cash items:			
Depreciation	4	209,252	395,268
Doubtful/Bad Debts		–	434
Deferred Taxation		20,024	166,847
Other Non-Cash items		(42,115)	(50,417)
		187,161	512,132
Deferred Tax Asset Sold		7,396	–
Add (Subtract) Working Capital Items:			
Movement in Debtors		142,142	1,882,497
Movement in Stores and Materials		26,011	75,906
Movement in Taxation Refundable		(186,441)	578,642
Movement in Creditors & Accrued Expenses		(116,698)	(613,157)
		(134,986)	1,923,888
Non-Operating items included in working capital movements above		2,602	210,727
Less Items classified as investing activities:			
Gain on Sale of Plant, Property & Equipment		(2,159,293)	(2,485,589)
Gain on Sale of Investment in Associate Company		(796,260)	–
		(2,955,553)	(2,485,589)
Net Cash Flow from Operating Activities		\$279,991	\$4,423,806

Notes to the Financial Statements

NOTE 1

STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Northland Port Corporation (NZ) Ltd is a publicly listed company registered under the Companies Act 1993. The Group consists of Northland Port Corporation (NZ) Ltd, its Subsidiary, Associates and Joint Ventures.

Northland Port Corporation (NZ) Ltd is an issuer for the purposes of the Financial Reporting Act 1993. The Financial Statements and Group Financial Statements of Northland Port Corporation (NZ) Ltd have been prepared in accordance with the Companies Act 1993, and the Financial Reporting Act 1993. The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by Northland Port Corporation (NZ) Ltd with the exception that certain assets as specified below have been revalued. (Refer Changes in Accounting Policies.)

Consolidation

The Group Financial Statements include the Financial Statements of all subsidiaries, being companies which Northland Port Corporation (NZ) Ltd controls. The Financial Statements of subsidiaries are consolidated with those of Northland Port Corporation (NZ) Ltd using the Purchase Method of Accounting. The results of subsidiaries are included from the date of acquisition until date of disposal. Inter-group balances and transactions have been eliminated upon consolidation.

Associate Companies

Associates are investees (but not subsidiaries or joint ventures) in which Northland Port Corporation (NZ) Ltd has the capacity to affect substantially, but not unilaterally determine, the operating and financial policy decisions. Associates have been reflected in the Consolidated Financial Statements on an equity accounting basis which recognises the Group's share of retained surpluses in the Consolidated Statement of Financial Performance and its share of post acquisition increases or decreases in net assets in the Consolidated Statement of Financial Position. The effects of the Group's share of all significant inter-company transactions with and between Associate entities have been eliminated. In the Company's Financial Statements, investments in Associates are recognised at cost.

Joint Ventures

Joint ventures are joint arrangements with other parties in which the Group has several liability in respect of costs and liabilities, and shares in any resulting output. The Group's share of the assets, liabilities, revenues and expenses of the joint ventures have been incorporated into the financial statements using the proportional consolidation method.

Plant, Property, & Equipment

Plant, Property and Equipment are initially recorded at cost less depreciation (where applicable). The cost of Plant, Property, and Equipment constructed by the Company includes materials used in construction, direct labour, associated borrowing costs and relevant costs involved in obtaining the necessary resource consents. Freehold Land (excluding that held for resale) is subject to annual revaluation at fair value on the basis of independent valuation. (Refer Changes in Accounting Policies).

Revaluations are transferred to the asset revaluation reserve for that class of assets. If any revaluation reserve has a deficit, that deficit is recognised in the Statement of Financial Performance in the period it arises. In subsequent periods, any revaluation surplus that reverses previous revaluation deficits is recognised as revenue in the Statement of Financial Performance.

When an item of Plant, Property and Equipment is disposed of, the difference between net disposal proceeds and the carrying amount is recognised as a gain or loss in the Statement of Financial Performance.

Plant, Property and Equipment held with the intention of resale is recorded separately in the Statement of Financial Position at the lower of cost and net realisable value.

Depreciation

Plant, Property and Equipment, with the exception of Land and Capital Work in Progress, is depreciated. The charge for depreciation has been calculated using the straight line method based on the estimated economic lives of the assets.

Buildings & Port Facilities	5-100 years
Vessels & Dredging Equipment	10-25 years
Vehicles	4-5 years
Plant & Equipment	2-12 years

Stores & Materials

Stores and materials are valued at the lower of cost (using a first-in first-out basis after allowing for obsolescence) and net realisable value.

Notes to the Financial Statements

Debtors & Prepayments

Significant items of expenditure having a benefit to more than one period are written off over the period to which they relate. Trade Debtors are stated at expected realisable value after allowance for doubtful debts.

Investments

Long Term investments are stated at cost. Investments held for resale are stated at the lower of cost and net realisable value.

Taxation

The income tax expense charged to the Statement of Financial Performance includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible expenditure. Tax losses carried forward are only recognised if there is virtual certainty of realisation.

Deferred Taxation

Deferred taxation, calculated using the liability method on a comprehensive basis, is accounted for in respect of all timing differences. Debit balances in the deferred tax account are only recognised if there is virtual certainty of recovery.

Foreign Currencies

Transactions in foreign currencies are converted at the exchange rate ruling on the date of the transactions. Foreign monetary assets and liabilities outstanding at balance date are converted at the rate ruling on that date. Gains and losses from overseas currency conversion are included in the Statement of Financial Performance.

Leases

Operating lease payments where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are included in the determination of the operating surplus in equal instalments over the lease term.

Operating lease receipts where the lessor effectively retains all the risks and benefits of ownership of the leased items are included in the determination of the operating surplus in equal instalments over the lease term. The Group is not party to any finance leases.

Financial Instruments

Financial instruments recognised in the Statement of Financial Position include cash balances, bank overdrafts, receivables, payables, investments, loans to others and term borrowings.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense or interest revenue over the period of the agreement. Premiums paid on interest rate options, and net settlements on forward rate agreements are amortised to the Statement of Financial Performance over the life of the hedged item or the period hedged. Any financial instruments that do not qualify as hedges are stated at market value and any gain or loss is recognised in the Statement of Financial Performance.

Changes in Accounting Policies

During the year, the Board obtained an independent valuation of the Company's land holdings to better reflect their underlying value, excluding land specifically held for re-sale as at balance date. Previously all land was held at historic cost.

The resultant revaluation stemming from this change in accounting policy has increased Shareholders' Funds for the Parent Company and Group by \$37,140,171 and \$45,090,171 respectively (refer to Statements of Movements in Equity). Similarly, Plant, Property and Equipment for both the Parent Company and Group has increased by \$37,140,171 whilst the Group's Investment in Associate Companies has risen by \$7,950,000 to reflect the Group's share of the land revaluation attributable to Northport Ltd's land holdings, which has not been recognised in the Financial Statements of that Company at 30 June 2004.

In future, the Group's land holdings will be subject to an independent annual valuation.

There have been no other material changes in accounting policies. All policies have been applied on a consistent basis with previous years other than as noted above.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$	30-Jun-04 (12 months) \$	30-June-03 (15 months) \$
NOTE 2				
ITEMS INCLUDED IN OPERATING EXPENSES				
Directors' Fees	150,000	187,500	150,000	187,500
Auditor Remuneration - Audit Fees *	31,722	30,188	30,389	30,188
- Other Fees	9,030	27,680	9,030	27,680
Fees Paid to Other Auditors	3,150	3,000	–	–
Bad Debts Expense	6,923	11,014	–	11,014
Movement in Doubtful Debts Provision	480	(10,580)	–	(10,580)
Donations	700	528	700	528
Share of Joint Venture Operating Expenses	3,061,703	3,944,275	–	–
* including disbursements				

NOTE 3

COMPOSITION OF TOTAL REVENUE				
Operating Revenues	556,826	5,102,269	556,826	5,102,269
Rents and Leases	172,383	454,241	172,383	454,241
Interest Income	196,189	1,004,422	83,072	998,575
Dividends	886,276	500,156	886,276	500,156
Share of Joint Venture Revenues	4,235,400	5,026,553	–	–
Share of Assoc. Companies' Retained Surplus	706,299	3,270,085	–	–
Other Income	79,346	107,272	79,346	107,273
	<u>6,832,719</u>	<u>15,464,998</u>	<u>1,777,903</u>	<u>7,162,514</u>

In accordance with FRS-38, the Group's share of Associate Companies' Retained Surplus is now incorporated in Total Revenue. In previous periods this has been shown as a separate line item in the Statement of Financial Performance after arriving at the Trading Surplus. The above prior year comparative has been restated to reflect this change.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 (12 months) \$	30-Jun-03 (15 months) \$	30-Jun-04 (12 months) \$	30-June-03 (15 months) \$
NOTE 4				
DEPRECIATION EXPENSE				
Vessels & Dredging Equipment	29,412	106,359	29,412	106,359
Buildings & Port Facilities	141,079	214,914	133,952	205,983
Plant & Equipment	153,440	154,541	45,888	82,926
Vehicles	2,816	4,333	–	–
	<u>326,747</u>	<u>480,147</u>	<u>209,252</u>	<u>395,268</u>

The Consolidated figures shown above for the year ended 30 June 2004 include \$117,495 in respect of the Group's joint venture interests (2003, 15 Months - \$84,879).

NOTE 5

TAXATION EXPENSE (CREDIT)				
Net Surplus Before Taxation	<u>3,586,107</u>	<u>8,731,032</u>	<u>3,032,396</u>	<u>5,367,123</u>
Prima Facie Tax at 33% (2003 - 33%)	1,183,415	2,881,240	1,000,691	1,771,150
Adjusted for the Tax Effect of:				
Tax Paid Associate Earnings	(176,750)	(1,008,102)	–	–
Non-Assessable Income	(1,046,358)	(608,726)	(1,409,608)	(777,341)
Non-Deductible Expenses	267,942	82,466	267,942	82,466
Prior Year Adjustment	–	24,283	–	28,200
	<u>228,249</u>	<u>1,371,161</u>	<u>(140,975)</u>	<u>1,104,475</u>
Represented by:				
Current Taxation	190,099	1,287,075	(160,999)	937,628
Deferred Taxation	38,150	84,086	20,024	166,847
	<u>228,249</u>	<u>1,371,161</u>	<u>(140,975)</u>	<u>1,104,475</u>

Notes to the Financial Statements

NOTE 6

ASSOCIATE COMPANIES' RETAINED NET SURPLUS

North Port Coolstores (1989) Ltd (50% interest)

	Consolidated 30-Jun-04 (12 months) \$	30-June-03 (15 months) \$
Net Surplus before Taxation	396,273	616,968
Less Taxation	(158,061)	(176,481)
Less Dividend	(250,000)	(500,000)
	<u>(11,788)</u>	<u>(59,513)</u>

Marsden Cove Ltd (50% interest)

Net Surplus before Taxation	(4,502)	(47,246)
Less Taxation	–	–
	<u>(4,502)</u>	<u>(47,246)</u>

Northport Ltd (50% interest)

Net Surplus Before Taxation *	812,683	3,761,202
Less Taxation	(177,645)	(567,591)
Less Dividend	(351,900)	–
	<u>283,138</u>	<u>3,193,611</u>
Current period write back of depreciation & amortisation on inter-entity asset sales	170,693	215,231
	<u>453,831</u>	<u>3,408,842</u>

* 2003 comparative figure is inclusive of gains arising from asset sales of \$2,215,391

Sea-Tow Ltd (50% interest) - sold effective 30 June 2004

Net Surplus before Taxation	897,500	33,968
Less Taxation	(344,500)	(65,966)
Less Dividend	(284,242)	–
	<u>268,758</u>	<u>(31,998)</u>
	<u>706,299</u>	<u>3,270,085</u>

The above figures reflect the Group's relevant share of earnings based on its respective stakeholding in each entity.

NOTE 7

SUBSCRIBED EQUITY

41,474,369 Fully Paid Ordinary Shares

(June 2003 - 41,474,369 Shares)

	Consolidated & Parent 30-Jun-04 \$	30-June-03 \$
	<u>10,461,204</u>	<u>10,461,204</u>

All shares carry equal voting rights.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 8				
CASH & DEPOSITS				
Bank Deposits – ASB Facility	197,834	195,121	–	103,198
Bank Deposits - Other	230,060	142,522	–	–
Call Deposits	–	4,850,155	–	4,850,155
	<u>427,894</u>	<u>5,187,798</u>	<u>–</u>	<u>4,953,353</u>
Bank Overdraft	(1,020)	–	(1,020)	–
Net Bank Deposits (Overdraft)	<u>426,874</u>	<u>5,187,798</u>	<u>(1,020)</u>	<u>4,953,353</u>
Cash	200	200	200	200
	<u>427,074</u>	<u>5,187,998</u>	<u>(820)</u>	<u>4,953,553</u>

At Balance Date, the interest rate on the overdraft facility was 9.45% (June 2003 - 9.20%).

Funds held on bank deposit with the ASB Bank form part of the Group's overall offset facility and are non-interest bearing.

The ASB Bank has registered a Composite Debenture over the assets of Northland Port Corporation (NZ) Ltd.

NOTE 9

DEBTORS & PREPAYMENTS

Trade Debtors	246,073	342,365	36,205	91,929
Provision for Doubtful Debts	(480)	–	–	–
Related Parties (Note 25)	292,584	215,310	232,400	85,987
Sundry Debtors	76,018	307,229	71,215	302,426
Prepayments	6,671	7,500	5,880	7,500
	<u>620,866</u>	<u>872,404</u>	<u>345,700</u>	<u>487,842</u>

NOTE 10

STORES & MATERIALS

General Stores	–	20,142	–	20,142
Fuel Stocks	4,445	10,314	4,445	10,314
	<u>4,445</u>	<u>30,456</u>	<u>4,445</u>	<u>30,456</u>

NOTE 11

CREDITORS & ACCRUED EXPENSES

Trade Creditors	247,265	426,105	168,758	363,201
Related Parties (Note 25)	31,080	10,373	6,509	10,373
Sundry Creditors & Accruals	271,957	213,531	224,761	182,610
Retentions	86,886	–	86,886	–
Employee Entitlements	76,406	134,652	11,046	58,474
	<u>713,594</u>	<u>784,661</u>	<u>497,960</u>	<u>614,658</u>

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 12				
DEFERRED TAXATION ASSET				
Opening Balance Deferred Taxation Asset	224,559	319,372	114,572	292,147
Adjusted for Tax Effect of:				
Prior Year Adjustment	(9,265)	3,918	–	–
Movement in Provision for Doubtful Debts	158	(3,491)	–	(3,491)
Gain on Sale of Plant, Property & Equipment	6,663	34,470	(15,717)	(24,094)
Differences between Current Year Accounting and Taxation Depreciation	(17,265)	47,825	6,980	39,465
Movement in Provision for Payroll and Related Expenses	(22,825)	(39,457)	(15,671)	(50,943)
Associate Earnings	–	434	–	–
Movement in Other Provisions	(3,013)	(138,512)	(3,013)	(138,512)
Closing Balance Deferred Taxation Asset	<u>179,012</u>	<u>224,559</u>	<u>87,151</u>	<u>114,572</u>
NOTE 13				
INVESTMENT IN SUBSIDIARY COMPANY				
NPC Corporate Services Ltd	<u>–</u>	<u>–</u>	<u>10,000</u>	<u>10,000</u>
100% Holding				
Balance Date - 30 June				
Main Activity - Holding Company for joint venture interests				
NOTE 14				
ADVANCE FROM SUBSIDIARY				
NPC Corporate Services Ltd	<u>–</u>	<u>–</u>	<u>–</u>	<u>50,950</u>
NOTE 15				
ADVANCE TO SUBSIDIARY				
NPC Corporate Services Ltd	<u>–</u>	<u>–</u>	<u>337,096</u>	<u>–</u>

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 16				
INVESTMENTS IN ASSOCIATE COMPANIES				
North Port Coolstores (1989) Ltd				
Shares Subscribed For	250,000	250,000	250,000	250,000
Share of Accumulated Surplus to 30 June 2004	424,526	436,314	–	–
Carrying Value	<u>674,526</u>	<u>686,314</u>	<u>250,000</u>	<u>250,000</u>
Northport Ltd				
Shares Subscribed For	17,000,000	15,000,000	17,000,000	15,000,000
Equity Funding Advance	–	1,550,000	–	1,550,000
Share of Accumulated Surplus to 30 June 2004	3,402,733	3,119,595	–	–
Land Revaluation not recognised by Associate *	7,950,000	–	–	–
Elimination re. inter-entity asset sales	(2,811,961)	(2,510,620)	–	–
Carrying Value	<u>25,540,772</u>	<u>17,158,975</u>	<u>17,000,000</u>	<u>16,550,000</u>
Sea-Tow Ltd (sold effective 30 June 2004)				
Shares Subscribed For	–	4,070,512	–	4,070,512
Share of Accumulated Surplus to 30 June 2004	–	66,461	–	–
Carrying Value	<u>–</u>	<u>4,136,973</u>	<u>–</u>	<u>4,070,512</u>
Northland Stevedoring Services Ltd				
Shares Subscribed For	50	50	–	–
Share of Accumulated Surplus to 30 June 2004	–	–	–	–
Carrying Value	<u>50</u>	<u>50</u>	<u>–</u>	<u>–</u>
Marsden Point Stevedoring Services Ltd				
Shares Subscribed For	50	–	–	–
Share of Accumulated Surplus to 30 June 2004	–	–	–	–
Carrying Value	<u>50</u>	<u>–</u>	<u>–</u>	<u>–</u>
Marsden Cove Ltd				
Shares Subscribed For	5,000	5,000	5,000	5,000
Share of Accumulated Deficit to 30 June 2004	(51,748)	(47,246)	–	–
Elimination re. inter-entity asset sales	(513,772)	–	–	–
	<u>(560,520)</u>	<u>(42,246)</u>	<u>5,000</u>	<u>5,000</u>
Offset with Advance to Marsden Cove Ltd (refer Note 17)	560,520	–	–	–
Carrying Value	<u>–</u>	<u>(42,246)</u>	<u>5,000</u>	<u>5,000</u>
	<u>26,215,398</u>	<u>21,940,066</u>	<u>17,255,000</u>	<u>20,875,512</u>

* The valuation of Northport Ltd's land includes reclaimed land for which title or another long term usage right has yet to be established. The valuation assumes that a long term usage right of some form will be granted but has allowed a discount for uncertainty related to this process.

Notes to the Financial Statements

NOTE 16 continued

INVESTMENTS IN ASSOCIATE COMPANIES

North Port Coolstores (1989) Ltd	250,000 shares (50% holding) Balance Date - 31 March Main Activity: Cold & Coolstore Operators
Northport Ltd	150 shares (50% holding), (June 2003 - 100 shares, 50% holding) Balance Date - 30 June Main Activity: Port Operators
Sea-Tow Ltd (sold effective 30 June 2004)	Balance Date - 30 June Main Activity: Tug and Barge Operators
Northport Operating Ltd (non-trading)	500 shares (50% holding - uncalled) Balance Date - 30 June Main Activity: Holding Company
Northport Services Ltd (non-trading)	333 shares (33.3% effective holding - uncalled) Balance Date - 30 June Main Activity: Holding Company
Northland Stevedoring Services Ltd (non-trading)	50 shares (50% holding) Balance Date - 31 January Main Activity: Holding Company
Marsden Point Stevedoring Services Ltd (non-trading) (established 6 August 2003)	50 shares (50% holding) Balance Date - 31 January Main Activity: Holding Company
Marsden Cove Ltd	50 shares (50% holding) Balance Date - 31 March Main Activity: Proposed Marina & Property Development

NOTE 17

OTHER ADVANCES

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
Marsden Cove Ltd - Advance No.1	1,347,000	833,960	1,347,000	833,960
Marsden Cove Ltd - Advance No.2	3,329,084	–	3,329,084	–
New Zealand Crane Hire Ltd	–	1,524,000	–	1,524,000
	<u>4,676,084</u>	<u>2,357,960</u>	<u>4,676,084</u>	<u>2,357,960</u>
Offset with Investment in Marsden Cove Ltd (refer Note 16)	<u>(560,520)</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>4,115,564</u>	<u>2,357,960</u>	<u>4,676,084</u>	<u>2,357,960</u>

As at 30 June 2004, unsecured funding advances totalling \$1,347,000 have been provided to Marsden Cove Ltd. This sum is non-interest bearing with repayment scheduled to occur as the future cashflow of Marsden Cove Ltd allows. The other shareholder in that Company, Hopper Developments Ltd has provided an equivalent funding advance on the same basis.

An additional funding advance of \$4,044,662 has been provided to Marsden Cove Ltd in respect of a property sold by the Company during the period. The advance is non-interest bearing and is repayable in 3 annual instalments commencing 15 January 2006. As at 30 June 2004, this advance is recorded in these Financial Statements at assessed fair value being \$3,329,084.

During the period the balance of the advance previously provided to New Zealand Crane Hire Ltd was repaid in full.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 18				
PLANT, PROPERTY & EQUIPMENT				
Freehold Land				
At Valuation	41,200,000	-	41,200,000	-
At Cost	-	8,781,210	-	8,781,210
Accumulated Depreciation	-	-	-	-
Carrying Value	41,200,000	8,781,210	41,200,000	8,781,210
Vessels & Dredging Equipment				
At Cost	53,650	1,426,262	53,650	1,426,262
Accumulated Depreciation	(50,699)	(1,328,019)	(50,699)	(1,328,019)
Carrying Value	2,951	98,243	2,951	98,243
Buildings & Port Facilities				
At Cost	818,095	3,755,852	771,837	3,709,594
Accumulated Depreciation	(270,078)	(1,020,135)	(246,391)	(1,003,575)
Carrying Value	548,017	2,735,717	525,446	2,706,019
Plant & Equipment				
At Cost	2,843,765	1,961,538	805,383	1,623,392
Accumulated Depreciation	(954,270)	(1,614,363)	(713,730)	(1,468,717)
Carrying Value	1,889,495	347,175	91,653	154,675
Vehicles				
At Cost	21,232	11,031	-	-
Accumulated Depreciation	(6,783)	(8,868)	-	-
Carrying Value	14,449	2,163	-	-
Capital Work in Progress	2,502,103	792,730	2,416,084	611,921
Total Carrying Value	46,157,015	12,757,238	44,236,134	12,352,068

As at 30 June 2004 Freehold Land (excluding that held for resale) has been revalued and stated at "fair value" being \$41,200,000. (Refer Note 1 - Change in Accounting Policy). The valuation was undertaken by Telfer Young (Northland) Ltd. The valuer is an Associate Member of the New Zealand Institute of Valuers. The valuation was conducted in accordance with FRS-3 which defines "fair value" as being the amount which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms length transaction.

Buildings are still recorded in the Financial Statements at cost which in the opinion of Directors approximates "fair value".

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 18 continued				
PLANT, PROPERTY & EQUIPMENT				
Share of Unincorporated Joint Ventures' Plant, Property & Equipment included above:				
Buildings & Port Facilities				
At Cost	46,258	46,258	–	–
Accumulated Depreciation	(23,687)	(16,560)	–	–
Carrying Value	<u>22,571</u>	<u>29,698</u>	<u>–</u>	<u>–</u>
Plant & Equipment				
At Cost	2,038,381	338,146	–	–
Accumulated Depreciation	(240,540)	(145,646)	–	–
Carrying Value	<u>1,797,841</u>	<u>192,500</u>	<u>–</u>	<u>–</u>
Vehicles				
At Cost	21,232	11,030	–	–
Accumulated Depreciation	(6,783)	(8,867)	–	–
Carrying Value	<u>14,449</u>	<u>2,163</u>	<u>–</u>	<u>–</u>
Capital Work in Progress	<u>86,020</u>	<u>180,809</u>	<u>–</u>	<u>–</u>
Total Carrying Value (re Joint Ventures)	<u>1,920,881</u>	<u>405,170</u>	<u>–</u>	<u>–</u>
NOTE 19				
TERM DEBT				
ASB Bank Facility	<u>2,550,000</u>	<u>–</u>	<u>2,550,000</u>	<u>–</u>

As at 30 June 2004 a total sum of \$2,550,000 was outstanding under the ASB Bank funding facility at an interest rate of 6.00%.

The present funding facility is for a term of 5 years expiring 19 September 2008 with a current funding limit of \$7,500,000.

As security for this funding facility, the ASB Bank has registered a floating charge debenture over the assets and undertakings of the Company.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 20				
PLANT, PROPERTY & EQUIPMENT HELD FOR RESALE				
Freehold Land				
At Cost	2,496,033	–	2,496,033	–
Accumulated Depreciation	–	–	–	–
Carrying Value	2,496,033	–	2,496,033	–
Vessels & Dredging Equipment				
At Cost	1,212,351	–	1,212,351	–
Accumulated Depreciation	(1,189,301)	–	(1,189,301)	–
Carrying Value	23,050	–	23,050	–
Buildings & Port Facilities				
At Cost	2,782,172	–	2,782,172	–
Accumulated Depreciation	(841,882)	–	(841,882)	–
Carrying Value	1,940,290	–	1,940,290	–
Plant & Equipment				
At Cost	147,424	–	147,424	–
Accumulated Depreciation	(146,803)	–	(146,803)	–
Carrying Value	621	–	621	–
Total Carrying Value	4,459,994	–	4,459,994	–

Plant, Property and Equipment held for resale comprises the Company's property holdings at Port Whangarei including associated buildings and wharves together with a variety of surplus maritime plant. (Refer Note 31)

NOTE 21

OTHER INVESTMENTS HELD FOR RESALE

Fonterra Co-operative Group Ltd				
- Perpetual Capital Notes	113,645	–	113,645	–

The Perpetual Capital Notes held in Fonterra Cooperative Group Ltd are a readily tradeable financial instrument with a coupon interest rate at 30 June 2004 of 6.55% . Interest is received on a quarterly basis. As at Balance Date the market value of these Capital Notes was \$116,051 inclusive of accrued interest (refer Note 31).

Notes to the Financial Statements

NOTE 22

JOINT VENTURE INTERESTS

NPC Corporate Services Ltd (a 100% owned subsidiary of Northland Port Corporation (NZ) Ltd) and SSA JV Holdings Ltd together operate an unincorporated joint venture, Northland Stevedoring Services (UJV) to undertake stevedoring and other cargo related operations. Each participant has an equal stakeholding in the joint venture.

NPC Corporate Services Ltd (a 100% owned subsidiary of Northland Port Corporation (NZ) Ltd), Marsden Port Services Ltd (a 100% owned subsidiary of Port of Tauranga Ltd) and Carter Holt Harvey Northland Port Ltd together operate an unincorporated joint venture, Northport Services (UJV). This entity provides various on-wharf cargo services at Northport Ltd's newly constructed port facility. Each of the three participants has an equal stakeholding in the joint venture.

The Group's share of revenues and expenses from its Joint Venture Interests have been included in the Consolidated Statement of Financial Performance (Refer Note 2 and Note 3) whilst the Group's share of assets and liabilities from its Joint Venture Interests as set below have been incorporated in the Consolidated Statement of Financial Position.

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
Cash & Deposits (refer Note 8)	230,060	142,522	–	–
Debtors & Prepayments (refer Note 9)	275,166	381,093	–	–
Plant, Property & Equipment (refer Note 18)	1,920,881	405,170	–	–
Creditors & Accrued Expenses (refer Note 11)	215,635	166,534	–	–

NOTE 23

OTHER INVESTMENTS & RECEIVABLES

Sea-Tow Ltd - Redeemable Capital Notes	4,151,014	–	4,151,014	–
Fonterra Co-operative Group Ltd				
- Shares	523,775	541,222	523,775	541,222
- Perpetual Capital Notes	–	55,955	–	55,955
Dairy Meats NZ Ltd	534	624	534	624
Ballance Agri-Nutrients Ltd	11,464	9,502	11,464	9,502
	<u>4,686,787</u>	<u>607,303</u>	<u>4,686,787</u>	<u>607,303</u>

A statement of shareholding issued by Fonterra Cooperative Group Ltd on 5 July 2004 placed the fair value of the Group's shareholding in that Company at \$1,150,013 as at 1 June 2004.

As at 30 June 2004, the Group's effective interest in 109,482 perpetual notes in Fonterra Cooperative Group was held with the intention of resale and has thus been included in current assets in the Statement of Financial Position (refer Note 21).

The Capital Notes held in Sea-Tow Ltd have a face value of \$5,525,000 and are redeemable on 30 June 2007. No interest accrues on this debt instrument which has been recorded in the Financial Statements at 30 June 2004 at an assessed fair value of \$4,151,014.

Notes to the Financial Statements

	Consolidated		Parent	
	30-Jun-04 \$	30-Jun-03 \$	30-Jun-04 \$	30-Jun-03 \$
NOTE 24				
OPERATING LEASE COMMITMENTS				
The following lease commitments existed at year end:				
Less than 1 year	36,497	10,897	36,497	10,897
Between 1 - 2 years	16,724	10,245	16,724	10,245
Between 2 - 5 years	6,250	7,694	6,250	7,694
Over 5 years	–	8,000	–	8,000
	<u>59,471</u>	<u>36,836</u>	<u>59,471</u>	<u>36,836</u>

As part of the joint venture agreement entered into with Port of Tauranga Ltd in respect of Northport Ltd, Northland Port Corporation (NZ) has leased the existing Port Whangarei facilities and equipment to Northport Ltd for a period of up to 5 years as from the effective commencement of operations at Northport on 1 July 2002 (refer also Note 31).

NOTE 25

RELATED PARTY DISCLOSURE

North Port Coolstores (1989) Ltd

This company is 50% owned by the Northland Port Corporation (NZ) Ltd. Transactions during the period which were not of a material nature, involved the provision of transiting services. As at 30 June 2004 there were no material amounts owing between the parties.

Northland Stevedoring Services (UJV)

This is an unincorporated joint venture in which NPC Corporate Services Ltd (a 100% owned subsidiary company of Northland Port Corporation (NZ) Ltd) has a 50% interest. Transactions during the period which were not of a material nature, related to plant hire and various port related charges. As at 30 June 2004 there were no material amounts owing between the parties.

Northport Ltd

This company is jointly owned by the Northland Port Corporation (NZ) Ltd and Port of Tauranga Ltd. It was established to build a new port facility at Marsden Point which commenced operations in June 2002.

During the period, Northland Port Corporation (NZ) Ltd on-charged various items of expenditure to Northport Ltd relating to operations undertaken at Port Whangarei. Effective 1 July 2002, the Port Whangarei wharves and associated facilities have been leased to Northport Ltd for a period of up to 5 years in exchange for a nominal rental. A right of renewal on normal commercial terms exists beyond July 2007.

During the period, Northport Ltd purchased additional navigational equipment together with various other port related assets from the Company at market value being \$1,188,000. As at 30 June 2004 a receivable from Northport Ltd of \$232,400 existed principally relating to the sale of certain port-related assets.

During the period an equity funding advance amounting to \$2,000,000 was converted to subscribed share capital in Northport Ltd.

North Tugz Ltd

This company is jointly owned by Northport Ltd and Ports of Auckland Ltd. It was established to operate various marine services previously undertaken by the respective shareholders. During the period rental charges and certain management fees were charged to North Tugz Ltd that were not of a material nature. As at 30 June 2004 there were no material amounts outstanding between the parties.

Sea-Tow Ltd

Effective 30 June 2004, Northland Port Corporation (NZ) Ltd sold its remaining 50% shareholding in this Company to a group of senior managers in that entity. The Company was previously jointly owned by Northland Port Corporation (NZ) Ltd and Adsteam Logistics Ltd.

As part of the sale settlement, Northland Port Corporation (NZ) Ltd has been issued with \$5,525,000 of Capital Notes which have a redemption date of 30 June 2007 (refer Note 23).

Notes to the Financial Statements

NOTE 25 continued

Marsden Cove Ltd

This Company is jointly owned by Northland Port Corporation (NZ) Ltd and Hopper Developments Ltd and was established to develop a residential waterway development adjacent to the Whangarei Harbour at Marsden Bay. During the period the Company provided advances to Marsden Cove Ltd as its share of the required funding to finance the pre-construction phase of the marina development. To facilitate this development, the Company during the year sold approximately 100 hectares of farmland to Marsden Cove Ltd for \$4,094,662. A \$50,000 deposit has been received with settlement of the outstanding balance scheduled to occur in 3 annual instalments commencing 15 January 2006 (refer Note 17). The Company will continue to farm this property until such time that this area is required for the proposed marina and waterway development.

Northland Regional Council

The Northland Regional Council is the major shareholder of Northland Port Corporation (NZ) Ltd. During the year the Northland Regional Council made charges to the Company for a variety of resource management related fees. None of these transactions between the parties were of a material nature.

As the major shareholder of the Company, declared dividend payments were made to the Council during the year.

Directors

During the period certain transactions that were not material in nature took place between Northland Port Corporation (NZ) Ltd and companies in which some directors have an interest or association. For these transactions the particular directors involved abstained from voting at the time in accordance with the Company's Constitution. (Also refer Directors' Interests on pages 8 and 9 together with Directors' information listed on Page 4).

NOTE 26

SEGMENTAL REPORTING

During the reporting period, the principal business segments of the Group were Port Related Activities and Other Activities. Effective 30 June 2004 the Group's remaining 50% stakeholding in the barge operating company, Sea-Tow Ltd was sold. The prior year note separately disclosed Marine Engineering. This has now been included within Other Activities given its immateriality. The significant reduction in reported Net Revenue from the previous period reflects the changed nature of the Group whereby the majority of its earnings are now derived from its Associate Interests. It should also be noted that the comparative figures cover a 15 month reporting period.

Included in the assets of Other Activities are the Group's significant land holdings in the Marsden Point area.

There are no significant operations outside New Zealand. The undernoted information is provided in respect of the major segments.

	Port Related Activities		Barging Operations		Other Activities		Total	
	2004 (12mths) \$m	2003 (15mths) \$m	2004 (12mths) \$m	2003 (15mths) \$m	2004 (12mths) \$m	2003 (15mths) \$m	2004 (12mths) \$m	2003 (15mths) \$m
Gross Revenue	5.26	13.05	0.55	(0.03)	1.02	2.44	6.83	15.46
Less Inter Segment Sales	-	-	-	-	-	-	-	-
Net Revenue	5.26	13.05	0.55	(0.03)	1.02	2.44	6.83	15.46
Trading Surplus ex. Interest	1.93	6.89	0.55	(0.03)	(0.34)	0.30	2.14	7.16
Interest Expense	-	-	-	-	(0.20)	(0.01)	(0.20)	(0.01)
Gain on Sale of Assets & Associate Interests	0.66	1.28	0.46	-	0.53	0.30	1.65	1.58
Operating Surplus Before Interest and Taxation	2.59	8.17	1.01	(0.03)	(0.01)	0.59	3.59	8.73
Assets Employed	31.92	23.55	-	4.14	55.06	16.40	86.98	44.09

Any inter segment sales are conducted at arms length and at market prices.

In accordance with FRS-38, the Group's share of Associate Companies' Retained Surplus is now incorporated in Gross Revenue. The prior year comparative has been restated to reflect this change.

Notes to the Financial Statements

NOTE 27

FINANCIAL INSTRUMENTS

The values attached to each financial asset in the Group and Parent Company Statement of Financial Position, represents the maximum credit risk. The Group performs credit evaluations on all customers requiring significant credit. Collateral is generally not required, apart from significant signed contracts where letters of credit are used.

Interest rate trends are regularly monitored and cover taken where appropriate to ensure that the Group's interest rate risk is minimised. Forward interest rate swaps have been entered into to reduce these risks. The interest rate applicable to these financial instruments is incorporated into the effective interest rate of the underlying hedged item.

At Balance Date the following fixed rate swap agreements existed:

Principal	Rate (%)	Effective	Maturity
2,500,000	5.81	15/04/2004	15/01/2007
1,500,000	5.88	15/11/2004	15/01/2007
1,000,000	5.78	15/02/2005	15/01/2007

The Group monitors exchange rate movements and obtains partial or full forward cover to hedge its exposure when deemed appropriate. At Balance Date there were no outstanding forward exchange contracts. (2003 - Nil)

The Group monitors the credit quality of major financial institutions that are counterparties to its financial instruments, and does not anticipate non-performance by the counterparties. The Group further minimises its credit exposure by limiting the amount of funds placed with any one financial institution at any one time.

The Group has a bank overdraft facility of \$400,000 with the ASB Bank Ltd. (2003 - \$400,000). At Balance date no sum was drawn on this facility by the Group (2003 - Nil).

Other than the Group's shareholding and investment in Fonterra Cooperative Group Ltd (refer Note 21 and Note 23) and hedged interest rate swaps as shown above, all Financial Instruments have been recorded in the Financial Statements at fair value.

NOTE 28

IMPUTATION & DIVIDEND WITHHOLDING PAYMENT CREDITS

	Consolidated	
	30-Jun-04 \$	30-June-03 \$
Opening Balance	9,845,591	12,531,869
Credits Distributed/Lost	(3,960,294)	(3,765,567)
Credits Received	428,827	1,079,289
Closing Balance	<u>6,314,124</u>	<u>9,845,591</u>
Credits available to Shareholders of the Company at balance date:		
- through their shareholding	5,601,056	9,179,571
- through indirect interests in subsidiaries and associates	713,068	666,020
	<u>6,314,124</u>	<u>9,845,591</u>

Notes to the Financial Statements

NOTE 29

CONTINGENT LIABILITIES

At Balance Date the Group was aware of the following Contingent Liabilities: (June 2003 - \$28,650,000)

- To the Bank of New Zealand for a \$75,000 Bond given by them to the New Zealand Stock Exchange.
- To Westpac Banking Corporation for a joint and several Guarantee given to them in respect of loans provided to North Port Coolstores (1989) Ltd - \$875,000.
- To the ASB Bank in respect a joint Guarantee given to them (in conjunction with SSA JV Holdings Ltd) to secure the overdraft of Northland Stevedoring Services unincorporated joint venture - \$100,000.
- The Group's share of Associate Companies' Contingent Liabilities - \$425,000.

Previous guarantees related to the borrowings of Northport Ltd and Sea-Tow Ltd were discharged during the period.

NOTE 30

CAPITAL COMMITMENTS

Commitments for capital expenditure at 30 June 2004 amount to \$60,722. (June 2003 - Nil). In addition, the Group's share of committed capital expenditure in respect of its Associate Company interests amounted to \$1,450,000 as at 30 June 2004.

As part of a joint venture agreement entered into with Hopper Developments Ltd in respect of Marsden Cove Ltd, the partners have agreed to provide cash funding advances of up to \$1,500,000 each. As at Balance Date the Company had provided cash advances totalling \$1,347,000, leaving a balance of up to \$153,000 still to be contributed.

NOTE 31

SUBSEQUENT EVENTS

On 16 July 2004, the Company entered into an unconditional agreement for the sale of its property holdings at Port Whangarei principally comprising land, buildings and wharves for \$13,149,089. As at balance date this property is included in Plant, Property & Equipment Held For Resale in the Statement of Financial Position of both the Group and Parent Entity with a carrying value of \$4,435,144 (refer Note 20). Post balance date, this has resulted in a gross gain of \$8,713,945.

Under the terms of settlement, interest free vendor finance of \$7,649,089, secured by a 2nd mortgage over land sold has been provided which is repayable in full on 30 June 2007. To reflect the fair value of this deferred sum, the gross gain on sale referred to above of \$8,713,945 will be reduced by \$1,724,459 in the 2005 Financial Statements.

A lease agreement has been entered into with the purchaser to fulfill the Company's existing obligations to Northport Ltd for continued access to Port Whangarei through until 30 June 2007. A separate agreement exists for continued access beyond that date.

Effective 23 July 2004, the Company's Capital Note investment in Fonterra Cooperative Group Ltd was redeemed, with net proceeds received amounting to \$115,230 inclusive of accrued interest.

Subsequent to balance date, an ordinary dividend of 5 cents per share together with a special dividend of 10 cents per share were declared with payment to be made 24 September 2004.

Analysis of Shareholdings

Top 20 Shareholders as at 31 July 2004	No. Of Shares	Percentage
1. Northland Regional Council	30,000,000	72.334%
2. Michael Walter Daniel and Nigel Geoffrey Ledgard Burton and Michael Murray Benjamin	1,216,000	2.932%
3. National Nominees New Zealand Limited - a/c NZCSD	302,300	0.729%
4. Peter Hanbury Masfen and Joanna Alison Masfen	283,906	0.685%
5. Michael Murray Benjamin	250,000	0.603%
6. Citibank Nominees (New Zealand) Limited - a/c NZCSD	219,997	0.530%
7. William Ainslie Reece and Fraser Bloomfield Hardie and James William Bloomfield Hardie	205,000	0.494%
8. Custodial Services Limited	126,230	0.304%
9. Lloyd James Christie	124,400	0.300%
10. Morris West Limited	120,000	0.289%
11. Forbar Custodians Limited	82,025	0.198%
12. Wayne Kenneth Bishop and Vivienne Gail Bishop	80,000	0.193%
13. Leveraged Equities Custodians Limited	74,074	0.179%
14. Janette Mary Henry	70,583	0.170%
15. John Adam McNamara	66,854	0.161%
16. Craig Edwin Oswald	64,874	0.156%
17. Peter Ralph Hill	64,002	0.154%
18. Tyrannus Holdings Limited	60,382	0.146%
19. Andrew Sheppard Carter	55,000	0.133%
20. ASB Nominees Limited	50,700	0.122%

Substantial Security Holder

The Company has 41,474,369 issued voting securities. Northland Regional Council is the only substantial security holder having a relevant interest which is the same as its registered shareholding.

Holding Size	Number of Shareholders		Shares Held	
1 - 999	400	20.21%	182,158	0.44%
1,000 - 4,999	1,038	52.45%	2,196,319	5.29%
5,000 - 9,999	284	14.35%	1,723,464	4.16%
10,000 - 100,000	247	12.48%	4,524,595	10.91%
Over 100,000	10	0.51%	32,847,833	79.20%
	1,979	100.00%	41,474,369	100.00%

Domicile	Number of Shareholders		Shares Held	
Northland	638	32.24%	34,004,943	81.99%
Auckland	405	20.47%	3,262,106	7.87%
Balance of N.Z	912	46.08%	4,115,255	9.92%
Overseas	24	1.21%	92,065	0.22%
	1,979	100.00%	41,474,369	100.00%

Directory

Registered Office

Northland Port Corporation (NZ) Ltd
113 Bank Street
P O Box 848
Whangarei
New Zealand
Telephone 09 438 1279
Facsimile 09 438 7067
www.northlandportcorp.co.nz

Share Registrar

Computershare Investor Services Ltd
Private Bag 92119
Auckland 1030
New Zealand

Auditors

Controller and Auditor General
Under contract by Ernst & Young

Bankers

ASB Bank

Solicitors

Jones Young
Webb Ross Johnson

Directors

Mike Daniel, Chairman
Jim Hardie, Deputy Chairman
Robert Cooper
Michael Gross
Peter Hill
Rod McKay

Management

Jim Smellie, General Manager
Telephone 09 438 1278 (Direct)

Subsidiary Company

NPC Corporate Services Ltd
P O Box 848
Whangarei
New Zealand
Telephone 09 438 1279
Facsimile 09 438 7067

Associate Companies

Marsden Cove Ltd
P O Box 110
Orewa
New Zealand
Telephone 09 426 5079
Facsimile 09 426 8871

Northland Stevedoring Services Ltd
P O Box 1646
Whangarei
New Zealand
Telephone 09 438 8209
Facsimile 09 430 1289

North Port Coolstores (1989) Ltd
P O Box 10131
Te Mai
Whangarei
New Zealand
Telephone 09 438 2683
Facsimile 09 438 6812

Northport Ltd
P O Box 44
Ruakaka
New Zealand
Telephone 09 432 8740
Facsimile 09 432 8749

Northport Operating Ltd
P O Box 848
Whangarei
New Zealand
Telephone 09 438 1279
Facsimile 09 438 7067

Northport Services Ltd
P O Box 44
Ruakaka
New Zealand
Telephone 09 432 8740
Facsimile 09 432 8749

Northland Port Corporation (NZ) Ltd

113 Bank Street, P O Box 848, Whangarei, New Zealand.

Telephone 0-9-438 1279 Facsimile 0-9-438 7067