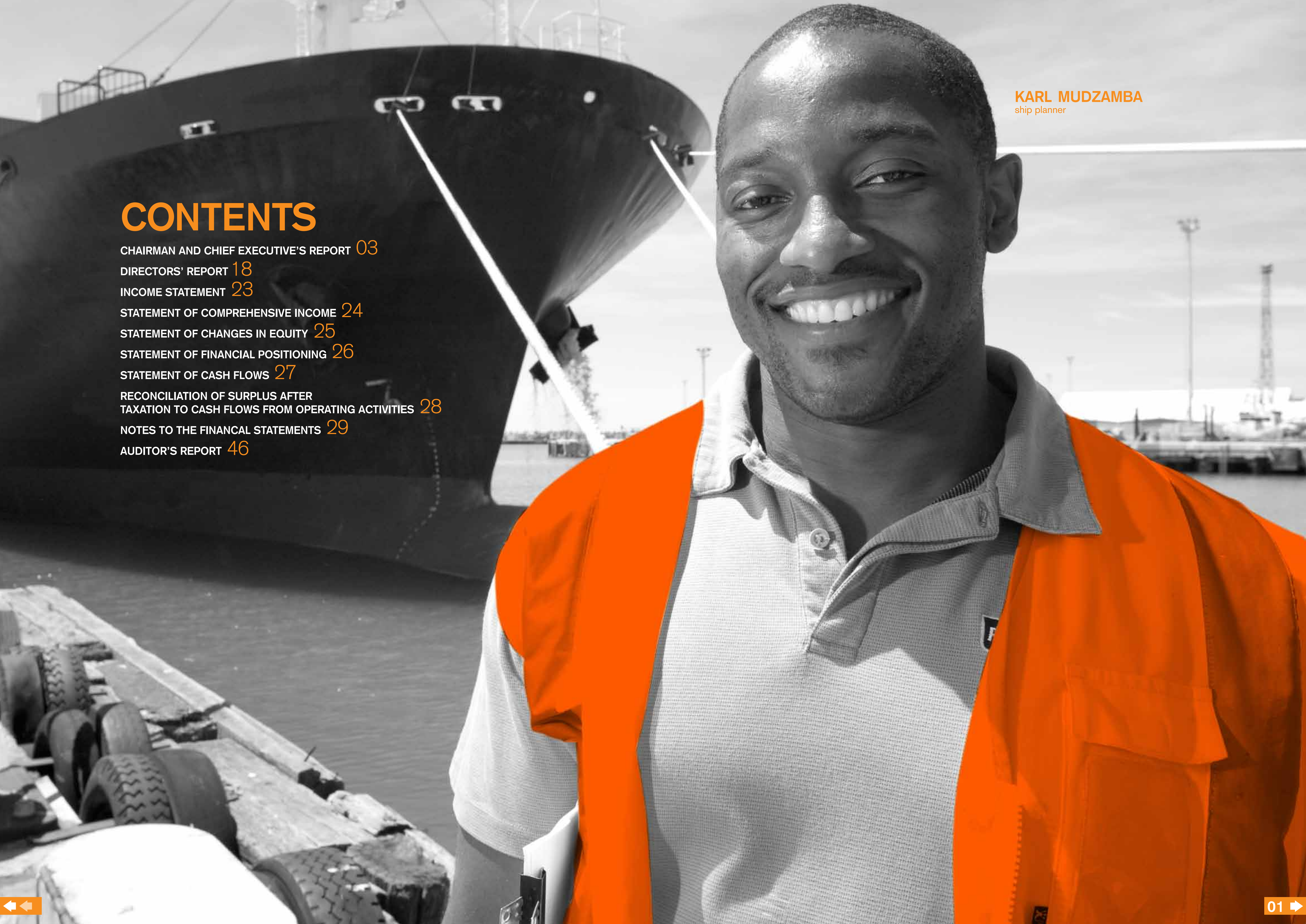
IT'S BEEN A HIGH VIS YEAR

PORT OF NAPIER ANNUAL REPORT 2010

PORT OF NAPIER

www.portofnapier.biz



KARL MUDZAMBA
ship planner

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ANNUAL REPORT FROM THE CHAIRMAN AND CHIEF EXECUTIVE

WE CAN LOOK BACK AT THE YEAR JUST COMPLETED WITH A GOOD DEAL OF SATISFACTION AND CONFIDENCE. COMBINED ACTIVITY EXCEEDED BUDGET AND THAT OF THE PRIOR PERIOD, SETTING NEW RECORDS IN THE PROCESS. IT HAS BEEN A HIGH IMPACT YEAR FOR ALL CONCERNED.

More than any other factors, the combined efforts of our staff and the continued support of shipping lines and cargo owners have made the biggest contribution to the final result. Achieving success in tough economic times is no mean feat and is often the culmination of many years' hard work and a determination to deliver and succeed across our whole business, despite the obstacles. The results this year have not been achieved by accident and reflect the continuing efforts of the Company to be regarded as one of New Zealand's top tier ports now, and for the foreseeable future.

Cargo

We are pleased to report that total Port throughput in the 2010 year increased by 18.0% over last year's downturn affected result. Combined cargo tonnage lifted to 3.416 million tonnes, led by a strong export rebound. In surpassing 3.4 million tonnes for the first time, total volume set a new record, exceeding the 3.2 million tonne previous record of 2003 by 6.4%. This earlier period was graced by a considerably more favorable trading environment than 2010, without the many negative factors faced today such as foreign exchange, employment, climatic factors, availability of credit, bank margins and the general state of the economy.

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In examining the makeup of export gains, a broad range of trade groups improved, with some reaching new levels. Exports improved overall to 2.618 million tonnes, an increase of 370,000 tonnes over 2009. Log exports continued the prior year's growth trend, adding a further 21.8% to 889,000 tonnes per annum. Wine, timber, woodchips and dairy all experienced large gains, with many other commodities growing at a more modest but nonetheless satisfactory pace. Collectively these gains absorbed the impact of reduced volumes of apples, fresh and frozen produce which experienced a trading year influenced by weather events. Apples still exceeded their medium term average and meat performed well with the best numbers since 2005 in spite of a third sequential year of drought conditions.

Imports grew by 23.3% during the period as a consequence of improving fertiliser activity and a leap in containerised consumer goods. The total improvement accounted for a cumulative import lift of 150,700 tonnes during the 12 months, reaching 797,905 tonnes. This is a reasonable outcome given that volumes of some imported trade groups remain subdued awaiting a consumption-led upturn as New Zealand's domestic economy slowly improves.

The long term trend in container volumes continued in 2010 with an increase in tonnage of 12.2%. As a consequence of suppressed supplies of empty containers (a global issue with the advent of vessel slow steaming) and the ratio of full to empty containers being handled in the post downturn economy, the annualised container terminal throughput increased by 8.3% to 180,871 TEUs at 30 September 2010.

The year was marked by a number of business development initiatives which have further increased Napier's portfolio of cargo handling capability. Taupo-based Nature's Flame - part of Solid Energy - has leased on-port storage to handle its bulk export product. Wood pellets are used as fuel by European utility companies to reduce emissions from their thermal electricity plants. A bulk liquid storage terminal operated by new tenant Liqueo - to store edible and inedible tallow, oils and other liquid products - was commissioned at year end.

Shipping

580 vessels were handled during the year, a small increase on the 567 vessels recorded in 2009. Liner shipping contracted in line with the general downturn to the point where the 327 vessels handled consist of scheduled container vessels and little else (342 previously). The number of container vessels handled is only a rough guide as it does not accurately reflect the increase in both container slot capacity and average container exchange that occurred in 2010. Charter shipping grew from 225 to 253 vessels during the period as a consequence of the continued lift in log exports and improving fertiliser imports.

Cruise Activity

Cruise vessel activity has become an important aspect of our business portfolio over the last 2 years and it is set for more growth in the next 2 years. The Port enjoys serving the cruise sector and has invested heavily in recent years to ensure ever larger vessels can continue to call into Napier. We recognise our responsibility as literally the region's cruise gateway.

Without the Port's ability to handle these larger cruise vessels, Hawke's Bay would receive only a fraction of the projected $15.9 million in 2010/11 of Regional Total Direct Expenditure from cruise vessels. This is predicted to rise to $26.9 million in 2011/12. (Source: New Zealand Cruise Industry Study, 2010). This growth will likely not continue unabated unless the regional tourism sector regards cruise with the respect it now deserves. Appropriate investment is needed to ensure the Hawke's Bay cruise passenger experience remains unique and of the highest quality.

The recession curbed the level of cruise activity compared to the previous year. In context this was a mere blip in the cruise trend with a very strong rebound forecast in the next two years. The challenge for handling cruise vessels is two-fold, with increasing vessel size surpassed by a greater surge in passenger numbers. This places extra demand on shore services, as the Port gears up to simultaneously handle two large cruise vessels on occasions in 2012 and beyond. This may entail more than 5,000 passengers and crew coming ashore in the course of an eight hour day.

Season	Vessels	Passengers	Crew
2006/2007	26	14,985	7,445
2007/2008	27	31,306	10,804
2008/2009	42	49,627	22,410
2009/2010	36	44,899	19,015
2010/2011 est	49	72,241	30,696
2011/2012 est	63	102,848	43,697

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Financial

As a result of the increased trading activity, revenues of $48.761 million were achieved representing a pleasing 7.2% increase.

Earnings before interest and tax (EBIT) were $15.095 million - an improvement of nearly 10% on the previous year. Operating costs were contained despite the increase in cargo throughput. Similarly, earnings before depreciation and amortisation (EBITDA) at $20.453 million were nearly 10% ahead of last year.

Normalized net profit after tax was $8.691 million being $267,000 down on the previous year's result. Net financing costs of $2.911 million were significantly higher than last year following the completion of the inner harbour development in November 2009. The increased interest expense also caused operating cash flow to be down $639,000 to just over $14 million on the prior year.

Following the recent Budget and tax changes in legislation (reducing tax depreciation on buildings to zero), a non-cash deferred tax expense of $1.644 million was recorded. In addition, the reduction in the company tax rate from 30% to 28%, also had only a minor positive impact on the Port's deferred tax liability. Also impacting on profitability was the reduction in the Port's investment property value by $439,000 which resulted in a final net profit after tax of $7.047 million.

As a consequence the operating surplus after tax to shareholders' funds was 7.1%.

Financial Position

The Company's financial position remains strong with net debt to net debt plus equity ratio of 35% following payment of $5.84 million in dividends and capital expenditure of $15.6 million during the year.

The Port renewed its credit facilities with Westpac Banking Corporation of $81 million for a further two years. At balance date, less than $54 million of this facility had been drawn down. With the current forecast for capital projects this debt level is forecast to increase in the year ahead, mainly as a consequence of the Port's new tug build.

Infrastructure Capabilities

The new tug build project, vessel name "Te Mata," has progressed throughout the year. Whilst the launch and delivery have slipped in the timetable, the quality of the build has been extremely pleasing. Two Port of Napier staff have been onsite in Vung Tau, Vietnam, since June working closely with the shipyard, >>

"I WOULD LIKE TO PASS ON OUR THANKS AND APPRECIATION FOR THE HELP AND SUPPORT YOU AND YOUR STAFF PROVIDED."
TROY TANE, BRANCH MANAGER, C3 LTD

Strategic Marine, to ensure that the highest quality standards are maintained throughout. The delivery voyage to New Zealand will be undertaken in the New Year with a composite crew comprised of Port colleagues and contractors.

Our Infrastructure Master Plan (IMP), which was completed last year, has enabled management to focus more clearly on the utilisation of the Port's key assets which in turn has influenced and guided our approach to future capital development. The first iteration in 2009 arose after management undertook a full review of resources and capabilities. The IMP provides a structured view of port-wide development needs, and has also enabled management to challenge existing operational practices in an endeavour to better utilise infrastructure and seek continuous improvement. Long-term growth opportunities are projected (and reviewed annually), and it is these factors which influence development rather than reacting to shorter term business trends. With limited land we have to think creatively about how to obtain the best outcome for the resources available to the Port.

Future proofing is a key IMP theme; work is underway on an application for resource consent for a further small reclamation adjacent to the container terminal. During the next 12 months work will also commence on an application for resource consent to undertake capital dredging to increase the Port's overall draft. All classes of shipping calling into New Zealand and Napier are experiencing an increase in vessel size. Improving draft is important to our future positioning such that larger bulk and container vessels will be able to enter or depart the Port without disruption.

We are progressing through a range of projects that flow from the IMP. Current focus is upon renewal of Container Terminal hardstand and working closely with suppliers regarding the design of heavy duty plant to better match our future needs.

An overseas consultancy has also been engaged to assist with a long term plan for developing the container terminal. Providing additional hardstand in the log terminal has also commenced and is likely to be a feature for some time.

The Port is prominent in representing the needs of shippers to ensure their import and export pathways are unimpeded.

A flow on impact of the IMP is a facilitation role with KiwiRail and the New Zealand Transport Agency (NZTA) to keep them abreast of future rail and road demand such that aggregated Port growth is incorporated into their infrastructure development plans.

Central New Zealand is relatively well served by existing transport infrastructure, however, anticipated growth will require continued investment.

Close working relationships with KiwiRail and NZTA are proving vital to realising the Port's growth objectives. Both organisations are notably constructive. On a number of infrastructure issues there are strong interdependencies. We wish to record our appreciation of the efforts of NZTA and KiwiRail. >>

IAN RAKURAKU
forklift driver

Sustainability

There has been a continued focus and emphasis placed on sustainability issues throughout the year. Successes include completion of the Port's Carbon Footprint Report, the introduction of a port-wide recycling programme, the purchase and installation of noise monitoring equipment enabling the Port to measure our noise profile 24 hours a day, 7 days a week. These initiatives and other measures put in place are the building blocks for the development of a comprehensive Sustainability Plan targeted to measure our performance against best practice in the sustainability arena.

We continue to work closely with the Seascape environmental group. In addition to discussing and seeking improvements in current operations and utilities - for example improved pedestrian access to Hardinge Road beach, the relocation and placement of sand material onto the beach and various noise reduction initiatives - we have openly discussed the Port's longer term development plans.

On a broader scale the Port continues to play an active role in various regional and national initiatives. These include Lifelines, covering the Port's role during and after significant events such as earthquake or tsunami, and exercises testing our response to such events. Other potential isolated incidences such as oil spills are also covered. These exercises include input from a broad range of government agencies and local bodies.

Health & Safety

The focus on continuous improvement within health and safety remains a key priority for management and staff alike. Early in the year we engaged Impac Services to undertake a further audit of our health and safety systems. This was a comprehensive exercise involving a full review of documentation and interviews with staff across the business. Impac's report highlighted the considerable improvement in company-wide health and safety culture in comparison to their previous audit in 2006. In consultation with Impac we identified further areas for ongoing development which were documented in a gap analysis action plan, which have all since been completed.

A significant development for the forthcoming year will be the introduction of a "Just Safety Culture". As part of this exercise the Company expanded the staff incentive scheme to include performance measures which are aligned to positive safety outcomes. These include attendance by all colleagues at safety meetings, work environment (housekeeping) inspections and participation of colleagues in investigation training and subsequent participation in incident investigation to determine root causes.

There was a decrease in the accident frequency rate from 1.77 accidents per 100,000 man-hours worked, year ending 30 September 2009 to 1.39 accidents, for the current year. Of greater significance was the decrease in the accident severity rate from 35.80 lost time days per 100,000 man-hours worked to 9.01 lost time days per 100,000 man-hours worked. All staff who have suffered an injury, (and these are virtually all associated with non-work activities such as sporting endeavours), undertake a comprehensive return to work programme which has had considerable success in rehabilitating colleagues.

During the year the Department of Labour established a Business Leaders' Forum focusing on Zero Harm in the Workplace. The Port joined this forum at inception and has played an active role in the development of the forum throughout New Zealand. This forum will enable the Port to further improve our safety performance by sharing and learning from other businesses. It will also enable the Port to more accurately benchmark our performance against our peers.

The Wellness Programme initially launched in 2009 has flourished throughout 2010. Various initiatives included melanoma and medical checks for all staff, dietary advice and flu injections. The onsite gym continues to be utilised by a large percentage of staff on a regular basis. Of special mention was the Pedometer Challenge based on a walk of seven legs starting in Wellington and ending at Cape Reinga. Eleven teams of five colleagues per team (a third of the workforce) entered with the makeup of each team made of colleagues from across the business. In addition to the health benefits (numerous colleagues reported weight loss and improved wellbeing) and the sparking of the competitive spirit in many, it has generated a common topic of interest and discussion which had a significant influence in building morale across the business.

"PLEASE PASS ON MY THANKS TO YOUR TEAM AND STAFF AT THE PORT FOR THE HELP DURING BOTH THE LOADING AND UNLOADING OF THE HMNZS CANTERBURY."

CAPT. BARRIE DUNBAR, RNZALR

Staff & Management

The staff and management are to be congratulated for their contributions during the past twelve months. Despite the uncertainties flowing from the global economic recession and the difficult economic and financial position facing New Zealand, the results achieved could not have happened without the support and co-operation of all involved. This also reflects positively on achieving our strategic goals and the focus of all colleagues and the teams they work with, as being committed and passionate about the Port and its future as a top tier port.

Outlook

Annual reports for several years have commented on the debate surrounding the desire by some parties to create a super hub port to serve international container lines calling into New Zealand. The Port of Napier believes, in contrast, that there is a range of alternative service and port arrangements which will prevail. To this end the Company has been active in making its views known in 2010 in number of different forums.

We reiterate that Napier is not trying to position itself to handle 7000+ TEU vessels. To make these mega vessels work, many lines would have to group together in expanded consortia. Shippers would be faced with significantly reduced port and service options.

The alternative approach supported by Napier still leads to an efficient supply chain, however, it takes into account New Zealand's unique logistical challenges. These include overcoming problems with coastal feedering to accommodate New Zealand's seasonal trades, the import/export regional trade imbalance, container equipment mismatches, high reefer requirements and cool chain integrity concerns.

While a hub port service option may gain some traction in the future, we believe that it will not dominate the container handling industry because international shipping lines will look to fill whatever void appears in other ports as a consequence of a possible hub service.

Competition between shipping lines for customers will probably result in an evolution of the current mix of shipping services. Perhaps one large-vessel option augmented by coastal feeders as well as a range of mid-sized services using vessels in the 4,000-5,000 TEU range that will continue to call at four or five top tier container ports, including Napier. Beneath that level, lines with smaller vessels will continue to support other regional ports. The level of international freight rates will also impact on the final outcomes.

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Operationally there is a cascade effect happening, with larger vessels being displaced out of other trade lanes into New Zealand. So far this has reached only 4,500 TEU that can be accommodated at Napier. The physical dimensions of these vessels as well as the technology and design improvements in new ship builds will also see different challenges for Napier and other ports operating capabilities.

Due to draft usually only being an issue at first and last port call, the immediate demands on Napier are far less than required to develop a super hub port.

Some incremental investment will be necessary and Napier will continue to position itself to service a wide range of vessels both bulk and container alike.

The current debate also overshadows reality as shipment in containerised form accounts for only 40% of New Zealand's total import/export freight task. Put another way, efficient (regional) ports throughout New Zealand will continue to serve the majority of non-containerised or bulk freight whose shipping needs are not suited by a super hub port model.

Napier's track record reflects support for a balance of cargo activity. Expansion of space to cater for log exports and new bulk storage facilities catering for wood pellets and bulk liquids is testimony to the need for ports to have a portfolio of handling capabilities as befits the requirements of a port catering for cargo from its hinterland.

Directors

In conclusion, it would be remiss not to record the contribution and dedication of the Directors in creating the governance structures and environment which have allowed the Company to grow and develop as it has. The specialist skills and knowledge of each individual Director has positioned the Board to work collectively as a team with the senior executive, in not only achieving a positive outcome this year, but more importantly positioning the Company for continuing growth in the future.

The terms of Jon Nichols and John Loughlin expire by rotation at the forthcoming AGMA and, being eligible, both offer themselves for re-election.

Jim Scotland Chairman

Garth Cowie Chief Executive

PAUL JENSSEN
tugmaster

TOM LOVATT
tugmaster

MANAGEMENT TEAM

Garth Cowie

Garth Cowie has been the CEO at the Port of Napier since June 1999. Prior to that he had 20 years' experience at the Port of Bluff, the last five years as CEO of South Port NZ when listed on the NZ Stock Exchange. Garth shares with his executive team and port colleagues an absolute belief in the Hawke's Bay region and the Port's role in continuing its growth and strategic advantages.

Garth is a qualified Chartered Accountant and a Member of the Chartered Institute of Logistics and Transport and has been a representative for the last 15 years on the International Association of Ports & Harbors, with its head office in Tokyo, and is currently Chairman of its Finance Committee. He has also held directorships in Invercargill Wool Dumpers, Clifton Wool Scours, Southland Farmers Co-op, Allied Farmers and Godfrey Hirst NZ.

Bruce Lochhead

Bruce Lochhead joined the Port of Napier in May 2006. As Port Services Manager, Bruce has senior management responsibility for Health & Safety and Security, Port Infrastructure Engineering, Development and Maintenance, and Marine Operations. Prior to joining the Port Bruce worked for P&O Nedlloyd (formerly P&O Containers) in various operational and trade management roles in both New Zealand and London.

Bruce holds a Batchelor of Arts (Econ) from Massey University.

John Matheson

John Matheson is a recent addition to the senior management team having joined the Port of Napier in June 2009. As CFO John has responsibility for Finance, IT and Human Resources at the Port. John is a qualified Chartered Accountant and a registered valuer. John's prior role was CFO at the Treasury in Wellington and he also has held various roles in auditing and the agriculture sector.

Chris Bain

Chris Bain has worked for the Port of Napier since mid-1997 with his current role being Chief Operating Officer. He is responsible for customer and shipper relationships as well all landside operations – incorporating the Container Terminal, General Cargo, Port Pack and Empty Depot. Chris has also been pivotal over the past few years in encouraging cruise lines to call at Napier.

Chris holds a Bachelor of Business Studies from Massey University. He is also an alumni of Darden School of Business/ Ernst & Young Executive Programme.

GARTH COWIE
chief executive officer

BRUCE LOCHHEAD
port services manager

JOHN MATHESON
chief financial officer

CHRIS BAIN
chief operating officer

DICK KELLY
project manager I.T.

BOARD OF DIRECTORS

Jim Scotland

Jim Scotland has been Chairman of the Port of Napier since October 2005.

He has had considerable experience in both management and governance in agribusiness and horticulture. Previous directorships include LandCorp, Eastern Equities Corporation and AgriQuality. His background and widespread interests provide an excellent fit with the vision of the Port of Napier. Current directorships include Plant and Food Research, Hawke's Bay Airport, Seeka Kiwifruit and the 3R Group. Jim is a Fellow of the Institute of Directors.

Bruce Beaton

Bruce Beaton has a background in supermarket retailing and apple growing. As Managing Director of Apollo Pac, the second largest vertically integrated apple business in New Zealand, he has a broad range of experiences in exporting and logistics. Bruce has been involved in a number of overseas trade initiatives and has a thorough understanding of the shipping industry. He currently holds directorships of Foodstuffs (Wgtn) and Port of Napier to which he was appointed in 2006.

Paul Harper

Paul Harper has a background in the shipping and logistics sector and originally trained as a marine engineer. He has previously held senior executive roles, including Chief Executive of CHH Lodestar - Carter Holt Harvey subsidiary charter shipping and logistics business; and General Manager of Interisland Line, the Cook Strait ferry operator. His current directorships include Health Benefits as well as three private companies, two of which operate in the shipping and logistics sector. His previous directorships include Adams Steelguard, CHH Northport, Cyberlynx and Clifford Bay. Paul also served as a trustee of North Harbour Stadium in Auckland.

Paul is a member of the Institute of Directors.

John Loughlin

John Loughlin is a professional company director. He is an accredited fellow of the Institute of Directors. John is Chairman of Zespri Group, Tru-Test Corporation and Firstlight Foods NZ. John is also a director of Metlifecare, Kermadec Property Fund, Centralines, Taupo Motorsport Park and AgResearch. He is the Independent Chairman of Fonterra's Candidate Assessment Panel.

John is also a former member of the New Zealand Markets Disciplinary Tribunal. In his executive career John was Chief Executive Officer of Richmond and prior to that Finance Manager of that company. Before joining the meat industry John was an institutional fund manager with Westpac and AMP.

John and his wife Kathryn established and own Askerne Estate Winery.

Jon Nichols

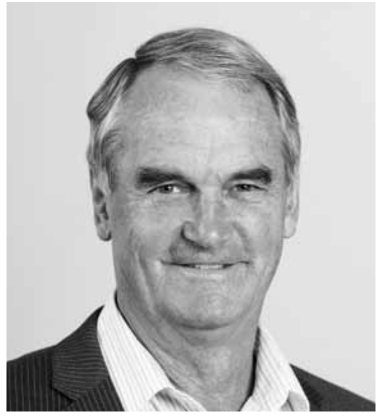
Jon Nichols was appointed to the Port of Napier Board in December 2007 and is a Business Consultant specialising in transaction delivery and project development. He has extensive experience in the electricity industry including as General Manager at Unison Networks, where he was involved in major acquisitions, significant project developments and sustainable pricing strategies for long term assets. More recently Jon has led a number of growth, regulatory and performance based initiatives for infrastructure businesses in New Zealand and the Pacific Islands.

He is a Director of Nichols Consulting, the mid central zone of Rugby League New Zealand and is a member of the Institute of Chartered Accountants.

Steve Reindler

Steve Reindler is an engineer who brings to the Board a wealth of experience through his previous engineering leadership roles in New Zealand Steel and Auckland International Airport, and through his industry position as inaugural Chairman of the Chartered Professional Engineers Council.

Steve was a Director of Waste Resource, is currently a Director of Meridian Energy and the Stevenson Group, is on the Advisory Board of Glidepath, on the Board of Meridian and is an independent advisor to Transfield Services (NZ). He is also Deputy President of the Institution of Professional Engineers New Zealand.



JIM SCOTLAND
chairman

BRUCE BEATON
director

PAUL HARPER
director

JOHN LOUGHLIN
director

JON NICHOLS
director

STEVE REINDLER
director

DIRECTORS' REPORT

To the shareholders, on the business of the Port of Napier Limited for the year ended 30 September 2010.

Principal Activities

The Company's principal activities remain the commercial operation of the Port of Napier. There has been no significant change in the nature of the Company's business during the year.

Financial Results

The Financial Statements attached to this report form part of and should be read in conjunction with this report. The Directors consider there are no unusual or other matters, which warrant their comment other than those discussed, and the Company's situation is clearly stated by the Financial Statements.

The surplus of Port of Napier Limited for the year, after deduction of taxation, was $7,047,000.

Dividends

During the year the 2009 final dividend of $3,709,000 and the 2010 interim dividend of $2,131,000 were paid totalling $5,840,000.

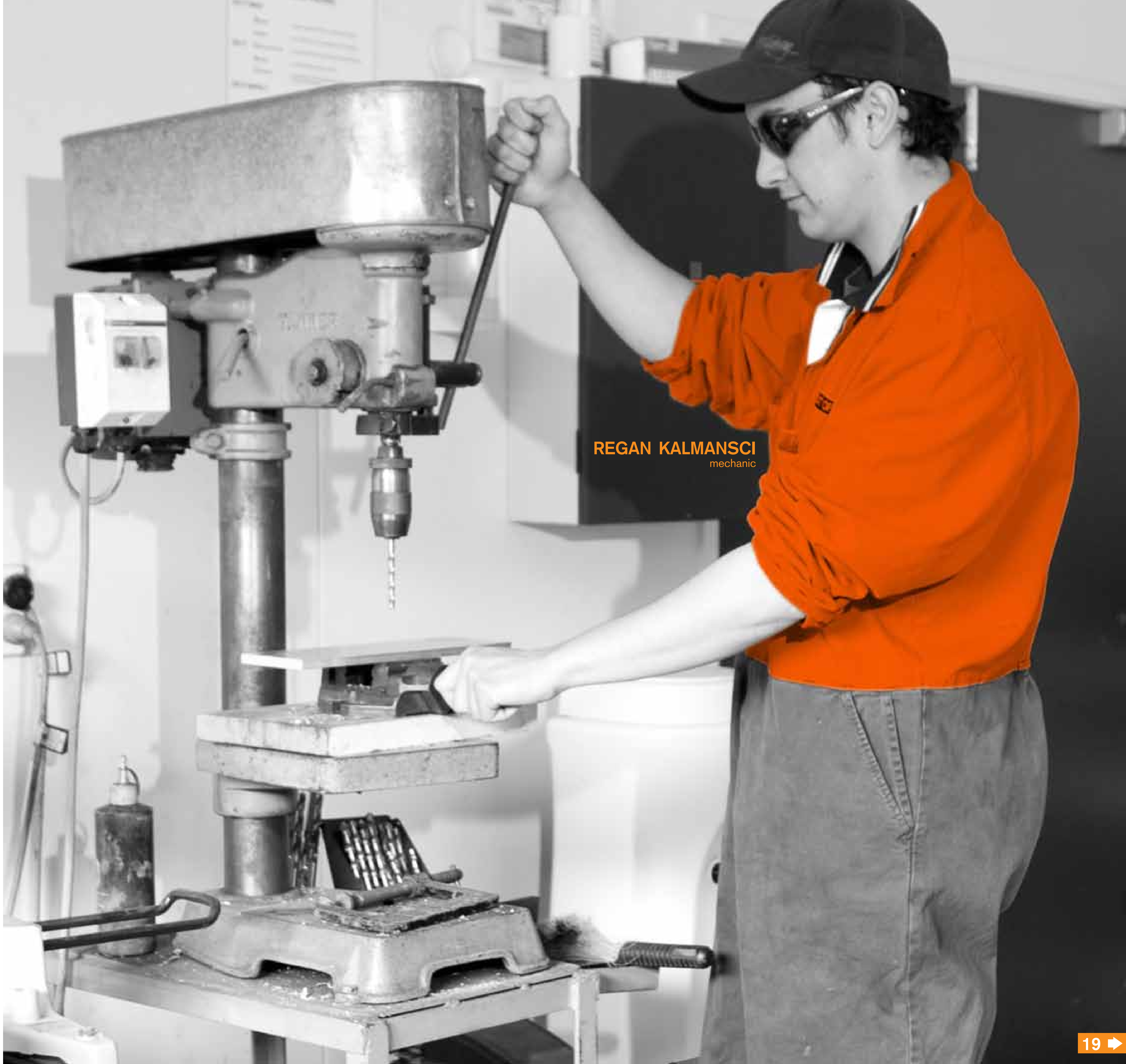
Directors

In accordance with the Company's Constitution, Messrs J Loughlin and J Nichols retire by rotation and being eligible, offer themselves for re-election.

Remuneration of Directors

Remuneration paid to Directors during the year was as follows:

J Scotland (Chairman)	$64,000
S Robinson	$8,375
S Reindler	$34,500
P Harper	$43,500
B Beaton	$33,750
J Nichols	$37,000
J Loughlin	$34,500



REGAN KALMANSCI
mechanic

Remuneration of Employees

The number of employees, whose total annual remuneration was in the specified bands, is as follows:

$100,000 - 109,999	19
$110,000 - 119,999	2
$120,000 - 129,999	1
$130,000 - 139,999	3
$150,000 - 159,999	1
$160,000 - 169,999	1
$170,000 - 179,999	2
$180,000 - 189,999	2
$200,000 - 209,999	1
$260,000 - 269,999	1
$390,000 - 399,999	1

Directors' Insurance

The Company has arranged policies of Directors' Liability Insurance, which together with a Deed of Indemnity, ensures that, as far as possible, Directors will not personally incur any monetary loss as a result of actions undertaken by them as Directors. The insurance does not cover liabilities arising from criminal actions.

Directors' Interests

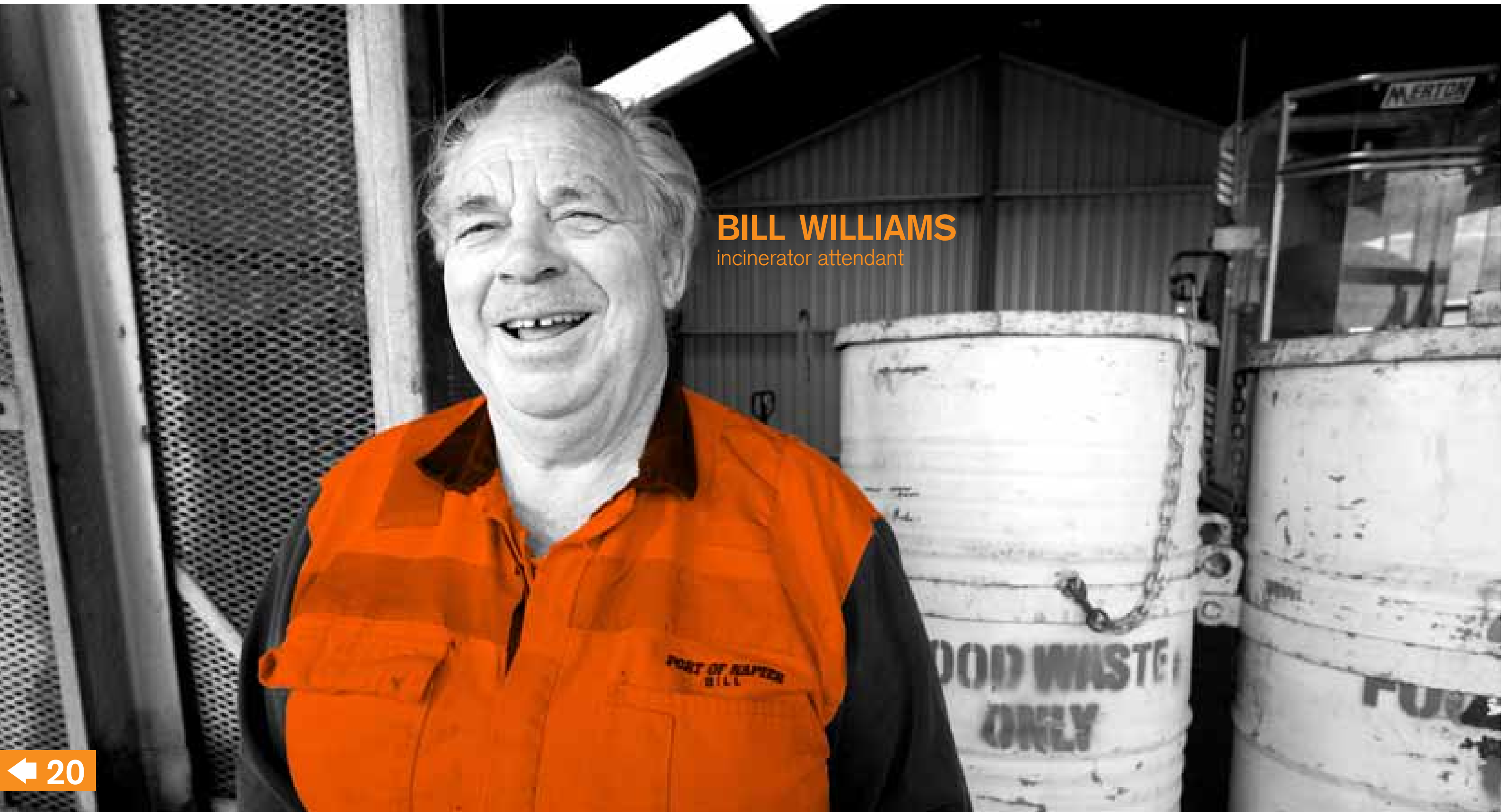
The following notices have been received from Directors disclosing their interests in other companies.

JA Scotland

Seeka Kiwifruit Industries Ltd	Director
Scotland Services Ltd	Director/Shareholder
Ahuriri Properties Ltd	Director
3 R Group Ltd	Chairman
Landmac Holdings Ltd	Director
The Crown Hotel (2006) Ltd	Director
Hawke's Bay Airport Ltd	Director
The NZ Institute for Plant & Food Research Ltd	Director

S Reindler

Transfield Services NZ Ltd	Independent Advisor
Glidepath Ltd	Director (Advisory Board)
Meridian Energy Ltd	Director
Institution of Professional Engineers New Zealand	Deputy President
Stevenson Group Ltd	Director



BILL WILLIAMS
incinerator attendant

P Harper

Lodestar Enterprises Ltd	Director
Pacific Link Ltd	Director
Health Benefits Ltd	Director
Northgate Holdings Ltd	Director

BM Beaton

Beaton Group Ltd and Subsidiaries	Director
Foodstuffs (Wgtn) Co-operative Society Ltd	Director
Greenfields Horticulture Ltd	Director
Kiwi Crunch Marketing Ltd and Subsidiaries	Director
Apollo Pac Holdings Ltd and Subsidiaries	Director
Tannery Road Investments Ltd	Director
BIR Investments Ltd	Director

JE Nichols

Nichols Consulting Ltd	Director / Shareholder
Mid Central Zone Rugby League	Director
Unison Networks Ltd	Contractor

JJ Loughlin

Zespri Group Ltd	Chairman
Allied Farmers Ltd (resigned 20 Aug 2010)	Chairman / Shareholder
Allied Nationwide Finance Ltd (resigned 20 Aug 2010)	Chairman
Metlifecare Ltd	Director
Centralines Ltd	Director
Kermadec Property Fund Ltd	Director
Taupo Motorsport Park Ltd	Director
Tru-Test Corporation Ltd	Director
Askerne Estate Winery Ltd	Chairman
Loughlin Viticulture and Consulting Ltd	Chairman / Shareholder
Firstlight Foods NZ Ltd	Chairman / Shareholder
Ag Research	Director

Use of Company Information

During the year the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as Directors, which would not otherwise have been available to them.

Committees of the Board

The Board has established a Remuneration Committee and an Audit & Risk Management Committee to assist the Board in carrying out its responsibilities under the Companies Act 1993.

Audit Fees and Other Services

Under Section 19 of the Port Companies Act 1988, the Auditor-General is the Auditor of the Company.
The Auditor-General has appointed Ernst & Young to undertake the audit on its behalf, pursuant to Section 15 of the Public Audit Act 2001.

Fees paid to the Auditors are disclosed in the Financial Statements.

Performance Indicators

As required under Section 16 of the Port Companies Act 1988, performance indicators in the Statement of Corporate Intent are given below:

Comparison with Statement of Corporate Intent	Target	Actual 2010
Net Debt to Net Debt plus Equity	20-40%	**35.0%**
Earnings before Interest and Tax to Interest Expense	>3 Times	**3.8 Times**
Earnings before Depreciation, Interest and Tax to Total Non-Current Assets	12.0%	**13.2%**
Operating Surplus after Tax to Shareholders' Funds	8.0%	**7.1%**

Earnings and Operating Surplus exclude the net surplus on the sale of assets.

Total Non-Current Assets and Shareholders Funds are the average of the opening and closing amounts and interest expense includes interest capitalised.

Jim Scotland Chairman

Jon Nichols Director

TREVOR MORRISON
pilot

INCOME STATEMENT
PORT OF NAPIER LIMITED
For the year ended 30 September 2010

	Notes	2010 $000	2009 $000
Revenue from Port Operations		48,654	45,379
Revenue Other		107	106
Operating Income	4	**48,761**	**45,485**
Employee Benefit Expenses		13,160	12,832
Maintenance Expenses		5,860	5,421
Depreciation & Amortisation Expenses	14,15	5,357	4,921
Other Operating Expenses	5	9,289	8,583
Operating Expenses		33,666	31,757
Operating Profit Before Net Financing Costs		**15,095**	**13,728**
Finance Income	6	(22)	(29)
Finance Expenses	6	2,933	791
Net Finance Costs		2,911	762
Profit Before Taxation		**12,184**	**12,966**
Income Tax Expense	7	3,493	4,008
Tax on change in building deductibility rules		1,644	-
Total Tax Expense		5,137	4,008
Profit for the Period Attributable to the Shareholder of the Company		**7,047**	**8,958**

Supplementary (Non Statutory) Disclosure

Underlying Profit after Tax	**8,691**	**8,958**

Underlying profit after tax is presented to allow readers to make an assessment of the one-off tax change on building depreciation deductibility, which amounted to $1,644,000.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

	Notes	2010 $000	2009 $000
Profit after Tax attributable to Shareholder of the Company		7,047	8,958
Other Comprehensive Income			
Net change in fair value of cash flow hedges transferred to the income statement		129	-
Net effective portion of changes in fair value of cash flow hedges		(1,703)	(454)
Total Comprehensive Income		**5,473**	**8,504**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

	Notes	$000 Share Capital	Hedging Reserve	Retained Earnings	Total Equity
Balance as at 1 October 2009		21,000	(197)	79,051	99,854
Profit after Tax attributable to Shareholder of the Company		-	-	7,047	7,047
Net change in fair value of cash flow hedges transferred to the income statement		-	129	-	129
Net effective portion of changes in fair value of cash flow hedges		-	(1,703)	-	(1,703)
Total Comprehensive Income		**-**	**(1,574)**	**7,047**	**5,473**
Dividends		-	-	(5,840)	(5,840)
Total transactions with owners in their capacity as owners		-	-	(5,840)	(5,840)
Total movement in equity		-	(1,574)	1,207	(367)
Balance as at 30 September 2010	10	**21,000**	**(1,771)**	**80,258**	**99,487**

	Notes	$000 Share Capital	Hedging Reserve	Retained Earnings	Total Equity
Balance as at 1 October 2008		21,000	257	77,191	98,448
Profit after Tax attributable to Shareholders of the Company		-	-	8,958	8,958
Net change in fair value of cash flow hedges transferred to the income statement		-	-	-	-
Net effective portion of changes in fair value of cash flow hedges		-	(454)	-	(454)
Total Comprehensive Income		**-**	**(454)**	**8,958**	**8,504**
Dividends		-	-	(7,098)	(7,098)
Total transactions with owners in their capacity as owners		-	-	(7,098)	(7,098)
Total movement in equity		-	(454)	1,860	1,406
Balance as at 30 September 2009		**21,000**	**(197)**	**79,051**	**99,854**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

PORT OF NAPIER LIMITED

As at 30 September 2010

	Notes	2010 $000	2009 $000
Equity			
Share Capital	10	21,000	21,000
Reserves	10	(1,771)	(197)
Retained Earnings		80,258	79,051
		99,487	**99,854**
Non Current Liabilities			
Loan - Westpac Banking Corporation	20	53,600	45,500
Deferred Tax Liability	7	6,015	4,582
Derivative Financial Instruments	20	1,550	1,022
Provisions	13	293	274
		61,458	**51,378**
Current Liabilities			
Cash and Cash Equivalents	17,20	72	-
Taxation Payable		1,277	1,393
Derivative Financial Instruments	20	1,073	891
Trade and Other Payables	12	5,254	5,857
		7,676	**8,141**
		168,621	**159,373**
Non Current Assets			
Property, Plant & Equipment	15	156,313	145,438
Intangible Assets	14	811	697
Derivative Financial Instruments	20	-	1,533
Investment Properties	16	6,741	7,180
		163,865	**154,848**
Current Assets			
Cash and Cash Equivalents	17,20	1	20
Trade and Other Receivables	11	4,265	3,783
Inventories		490	623
Derivative Financial Instruments	20	-	99
		4,756	**4,525**
		168,621	**159,373**

On behalf of the Board of Directors, who authorised the issue of these Financial Statements on 17 November 2010

Jim Scotland Chairman

Jon Nichols Director

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

	Notes	2010 $000	2009 $000
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from Customers		51,726	49,360
GST Received (Net)		869	-
Interest Received		22	29
		52,617	**49,389**
Cash was applied to:			
Payments to Suppliers & Employees		(33,273)	(30,327)
Interest Paid		(2,161)	(1,025)
GST Paid (Net)		-	(528)
Taxes Paid		(3,143)	(2,830)
		(38,577)	**(34,710)**
Net Cash Flows from Operating Activities		**14,040**	**14,679**
Cash Flows from Investing Activities			
Cash was provided from:			
Sale of Assets		237	330
		237	**330**
Cash was applied to:			
Capitalised Interest		(1,074)	(1,326)
Purchase of Assets		(15,554)	(36,621)
		(16,628)	**(37,947)**
Net Cash Flows Used in Investing Activities		**(16,391)**	**(37,617)**
Cash Flows From Financing Activities			
Cash was provided from:			
Proceeds from Loan		8,100	29,900
		8,100	**29,900**
Cash was applied to:			
Dividends Paid		(5,840)	(7,098)
		(5,840)	**(7,098)**
Net Cash Flows Used in Financing Activities		**2,260**	**22,802**
Total Movements in Cash Balances		**(91)**	**(136)**
Cash and Cash Equivalents at Beginning of Year			
Cash Balances		1	1
Bank Balance		19	155
		20	**156**
Cash and Cash Equivalents at End of Year			
Cash Balances		1	1
Bank Balance		(72)	19
	17	**(71)**	**20**

The accompanying notes form an integral part of these financial statements.

RECONCILIATION OF SURPLUS AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

	Notes	2010 $000	2009 $000
Reconciliation of Surplus after Taxation to Cash Flows from Operating Activities			
Surplus after Taxation		**7,047**	8,958
Add non-cash items:			
Fair Value (Gains)/Losses		1,207	376
Depreciation and Amortisation		5,358	4,921
Deferred Tax		1,434	348
		7,999	**5,645**
(Deduct)/Add Other Adjustments:			
Net Loss/(Profit) on Sale of Property, Plant & Equipment		44	41
(Decrease)/Increase in Non-Current Provisions		19	(16)
		63	**25**
Movements in Working Capital:			
Increase/(Decrease) in Accounts Payable		(719)	(620)
(Increase)/Decrease in Receivables		(482)	525
(Increase)/Decrease in Inventories		132	146
		(1,069)	**51**
Net Cash Inflow from Operating Activities		**14,040**	**14,679**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

1. Reporting Entity

Port of Napier Limited ("the Company" or "the Port") was incorporated in accordance with the Port Companies Act 1988 and is domiciled in New Zealand.

Port of Napier Limited is involved in providing and managing port services and cargo handling facilities.

2. Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with 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, as appropriate for profit-oriented entities. These financial statements comply with International Financial Reporting Standards.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for investment properties and derivative financial instruments, which are measured at fair value.

Functional and Presentation Currency

The financial statements are presented in New Zealand Dollars (NZD) and all values are rounded to the nearest thousand dollars ($000).

Use of Judgements and Estimates

In the application of NZ IFRS management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have a significant effect on the amount recognised in the financial statements are as follows:

- Valuation of investment property (Note 16)
- Valuation of financial instruments (Note 20)
- Provisions (Note 13)
- Estimation of useful lives (policy on depreciation)

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Property, Plant and Equipment

Tugs, cranes and cargo and administration buildings are stated at deemed cost based on valuations performed as at 30 September 2005, less subsequent accumulated depreciation. All other assets are accounted for at the historical cost of purchased Property, Plant and Equipment less accumulated depreciation. This is the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Company includes the cost of all materials used in construction, associated borrowing costs, direct labour on the project and an appropriate amount of directly attributable costs. Costs cease to be capitalised as soon as the asset is ready for productive use.

The Company has ten classes of Property, Plant and Equipment:

- Port Land
- Hard Dredging
- Site Improvements
- Other Buildings
- Tugs
- Vehicles, Plant & Equipment
- Soft Dredging
- Wharves & Jetties
- Cranes
- Cargo & Administration Buildings

Subsequent Costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company. All other costs are recognised in the Income Statement as an expense as incurred.

Depreciation
Depreciation is provided on a straight line basis on all tangible property, plant and equipment other than freehold land and hard dredging, at rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives.

Major useful lives are:	Years
Site Improvements	10-40
Vehicles, Plant & Equipment	3-25
Other Buildings	10-25
Soft Dredging	8
Wharves & Jetties	10-80
Cargo & Administration Buildings	10-60
Tugs	30
Cranes	20

Land and Hard Dredging are not depreciated as they are considered to have indefinite useful lives.

Impairment of Assets
Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds the 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.

Impairment losses directly reduce the carrying amount of assets and would be recognised in the income statement.

Leased Assets
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement conveys a right to use the asset.

Company as a lessee: Lease payments made under an operating lease are charged to the Income Statement on a straight line basis over the period of the lease.

Company as a lessor: Leases in which the Company retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease revenue received under an operating lease is recognised in the Income Statement on a straight line basis over the period of the lease.

Investment Properties
Investment properties comprise industrial land and buildings owned outside the Port. The properties are valued at fair value without any deduction for transaction costs that may be incurred on sale or other disposal and are re-valued annually by an independent registered valuer. Depreciation is not charged on the buildings. Any gain or loss arising from a change in the fair value of the investment properties is recognised in the Income Statement as part of other income for the period in which it arises.

Intangible Assets
Computer Software
Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and it is probable they will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Major useful lives are:	Years
Computer Software	3-10

Receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, after providing against debts where collection is no longer probable. Bad debts are written off when identified.

Inventories
Inventories are stated at the lower of cost or net realisable value. The cost of maintenance spares is determined on a weighted average basis. The carrying amount of inventory includes an appropriate allowance for obsolescence and deterioration.

NOTES TO THE FINANCIAL STATEMENTS
PORT OF NAPIER LIMITED
For the year ended 30 September 2010

Payables
Payables are initially recorded at fair value and subsequently at amortised cost. However, due to their short term nature they are not discounted. The balance represents liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid.

Term Debt
On initial recognition all borrowings are recognised at the fair value of consideration received less directly attributed transaction costs. Borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of the loan facility are amortised over the term of the loan.

Income Tax and Other Taxes
The income tax expense charged to the Income Statement includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible costs.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or payable to the IRD based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for where the initial recognition of assets or liabilities does not affect either accounting or taxable profit. The amount of deferred tax provided is based on using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Other taxes
Revenue, expenses, assets and liabilities are recognised net of the amount of GST, except receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the IRD is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the IRD.

Employee Entitlements
Employee entitlements consist of salaries and wages, annual leave, long service leave and other benefits. Liabilities for wages and salaries, including annual leave, expected to be settled within 12 months of the reporting date are recognised in respect of employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised and measured at the present value of the expected future entitlements to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash at bank and in hand. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Cash Flow Statement.

Cash Flow Statement
The following definitions have been used for the preparation of the Cash Flow Statement:

- Cash means cash on deposit with banks, on call borrowing and bank overdraft;
- 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 dividends; and
- Operating activities include all transactions and events that are not investing or financing activities.

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Rental revenue is accounted for on a straight line basis over the period of the lease term.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required. Provisions are measured at the present value or management's best estimate of the amount required to settle the obligation.

Long Term Incentive Scheme

The Board of Directors have approved the establishment of a Long Term Incentive Scheme for its senior executives. The issues and risks around the forward capital expenditure programme and its magnitude, the succession and retention of the management resource, as well as the need to focus on business growth and improved target earnings, were the major considerations in implementing the scheme. Senior executives will be potentially eligible for one-off performance payments if specific non-financial and EBIT targets are achieved.

No payments are applicable unless the non-financial and EBIT targets are achieved. The Scheme was ultimately developed to create additional shareholder wealth and is in their long term interests.

Dividends

Provision is made for dividends only where they have been approved by the Board of Directors, but are unpaid at balance date.

Derivative Financial Instruments and Hedging

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

Where the Company determines it will hedge a transaction the Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity through the Hedging Reserve. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecasted transaction occurs. The gain or loss relating to the ineffective portion of the hedge is recognised immediately in the Income Statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting and changes in the fair value of these instruments are recognised immediately in the Income Statement.

Foreign Currencies

Transactions in foreign currencies are translated at the New Zealand rate of exchange ruling at the date of transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these are included in the Income Statement.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including foreign currency risk, liquidity risk, credit risk and cash flow interest rate risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain exposures.

The Company enters into foreign currency forward exchange contracts to hedge foreign currency transactions, when purchasing major property, plant, and equipment and when payment is denominated in foreign currency.

Interest rate swaps are entered into to manage interest rate exposure.

The Company has no significant concentrations of credit risk. It has policies in place to ensure that services are provided to customers with an appropriate credit history.

Collateral or other security is not required for financial instruments subject to credit risk.

Refer also to Note 20 *Financial Instruments.*

New Standards Adopted and Pronouncements Not Yet Adopted

The following new standards and amendments to standards have been adopted for the financial year commencing 1 October 2009.

NZ IAS 1 Presentation of Financial Statements (Revised).

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in the new statement of comprehensive income.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Company has elected to present two statements, an income statement and a statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements.

NZ IAS 23 Borrowing Costs.

This standard requires the capitalisation of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. As this is consistent with the Company's existing accounting policies, the adoption of this standard does not have a material impact on the Company's financial statements.

NZ IFRS 7 Financial Instruments – Disclosures (Amendment).

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy.

A number of new standards and interpretations have been issued but are not yet effective for the year ended 30 September 2010, and have not been applied in preparing these consolidated financial statements.

NZ IFRS 9 Financial Instruments: Classification and Measurement

Will supersede NZ IAS 39 and specifies how an entity should classify and measure financial assets. The standard is effective for the year ended 30 September 2014. The Company has not yet determined the potential impact of this standard.

There are a number of other standards which are issued but not yet effective, and are not considered to have any significant effect on the company.

Changes in Accounting Policies

All policies have been applied on a consistent basis with the previous year except for newly adopted standards as discussed above.

	Notes	2010 $000	2009 $000
4. Revenue			
Port Operations		48,654	45,379
Property Operations	16	107	106
Operating Income		**48,761**	**45,485**
5. Other Expenses			
Items included within Other Operating Expenses			
Auditors' Fees		92	105
Directors' Fees		256	264
Operating Leases		300	254
Bad Debts		2	1
Fair Value Loss on Investment Property	16	439	156
Net Loss/(Profit) on Sale of Property, Plant and Equipment		44	41
6. Financial Income and Expenses			
Interest Income		(22)	(29)
Finance Income		**(22)**	**(29)**
Interest Expense on borrowings		3,822	2,108
Less: Interest capitalised to property, plant and equipment	15	(1,074)	(1,326)
		2,748	**782**
Fair Value Loss on Interest Rate Swaps		185	9
Finance Expenses		**2,933**	**791**
Net Finance Costs		**2,911**	**762**

NOTES TO THE FINANCIAL STATEMENTS
PORT OF NAPIER LIMITED
For the year ended 30 September 2010

	2010 $000	2009 $000
7. Taxation		
Income Tax on the Surplus for the Year at 30.0 cents (2009: 30.0 cents)	3,655	3,890
Adjustment to Prior Year Taxation	3	52
Deferred Tax Adjustment Relating to Tax Rate Changes from 30 cents to 28 cents	(312)	-
Deferred Tax Adjustment for Removal of Building Tax Depreciation	1,644	-
Taxation Effect of Non-deductible Items	147	66
Income Tax Expense	**5,137**	**4,008**
The Taxation charge is represented by:		
Current Taxation	3,415	3,482
Deferred Taxation	390	526
Deferred Tax Adjustment for Removal of Building Tax Depreciation	1,644	-
Deferred Tax Adjustment Relating to Tax Rate Changes from 30 cents to 28 cents	(312)	-
Income Tax Expense Reported in the Income Statement	**5,137**	**4,008**
Deferred Tax Liability		
Balance 1 October	(4,582)	(4,233)
Adjustment to Prior Year Provision	(386)	41
Deferred Portion of Current Year Tax Expense	(390)	(474)
Amounts Charged or Credited Direct to Equity	675	84
Deferred Tax Adjustment for Removal of Building Tax Depreciation	(1,644)	-
Deferred Tax Relating to Changes in Tax Rates from 30 cents to 28 cents	312	-
Balance 30 September	**(6,015)**	**(4,582)**
Deferred Taxation is represented by:		
Accelerated Tax Depreciation	(7,267)	(5,181)
Fair Value Gains/(Losses) on Derivatives	708	84
Other	544	515
	(6,015)	**(4,582)**
Imputation Credit Account		
Balance 1 October	12,741	13,453
Imputation Credits Attaching to Dividends	(2,503)	(3,332)
Income Tax Payments	3,143	2,620
Balance 30 September	**13,381**	**12,741**

	2010 $000	2009 $000

8. Operating Leases

Leases as a lessee

	2010 $000	2009 $000
At balance date the Company had the following Operating Lease Commitments		
Payable within one year	106	159
Between one and two years	72	66
Between two and five years	29	42
Over five years	-	-
	207	**267**

9. Dividends

	2010 $000	2009 $000
2010 Interim Dividend Paid - 10.5 cents per share (2009: 12.2 cps)	2,131	2,562
2009 Final Dividend Paid - 17.66 cents per share (2008: 21.6 cps)	3,709	4,536
	5,840	**7,098**

10. Capital and Reserves

Share Capital

	2010 $000	2009 $000
Issued and Paid Up		
21,000,000 ordinary shares (2009 21,000,000 shares)	21,000	21,000

All Ordinary Shares have equal voting rights and share equally in dividends and surplus on winding up.

Hedge Reserve

	2010 $000	2009 $000
The hedging reserve comprises the effective portion of the cumulative net change in fair value of cash flow hedging instruments, related to hedged transactions that have not yet occurred.	(1,771)	(197)

11. Trade and Other Receivables

	2010 $000	2009 $000
Trade Receivables	3,717	3,247
Accruals and Prepayments	548	536
	4,265	**3,783**

	2010 $000	2009 $000
The ageing of trade receivables at reporting dates is set out below:		
Not past due	3,501	2,948
Past due 0 - 30 days	164	289
Past due 30 - 60 days	25	10
Past due > 60 days	27	-
	3,717	**3,247**

The receivables carrying value is equivalent to the current fair value.

No receivables past due are considered impaired.

12. Trade and Other Payables

	2010 $000	2009 $000
Trade Accounts	1,345	501
Trade Accruals	1,429	3,197
Employee Entitlement Accruals	2,480	2,159
	5,254	**5,857**

The Accounts Payable carrying value is equivalent to the current fair value.

13. Provisions

Non-Current

	2010 $000	2009 $000
Provision for Employee Entitlements	293	274
	293	**274**

	2010 $000	2009 $000
Provision for Non-Current Employee Entitlements		
Balance at beginning of year	274	290
Additional provision made	42	52
Amount utilised	(23)	(68)
Balance at end of year:		
Current	**-**	**-**
Non-current	**293**	**274**

The provision for employee entitlements relates to employee benefits such as gratuities and long service leave. The provision is affected by a number of estimates, including the expected length of service of employees, the timing of benefits being taken and also the expected increase in remuneration and inflation effects. Most of the liability is expected to be incurred over the next 2-3 years.

The senior executive long term incentive scheme commences from 1 October 2010. Therefore, no provision was made as at 30 September 2010.

14. Intangible Assets

2010	Opening Cost $000	Additions $000	Transfer/ Disposals $000	Closing Cost $000	Opening Accum Amortisation $000	Current Year Amortisation $000	Transfer/ Disposals $000	Closing Accum Amortisation $000	Book Value $000
Computer Software	**2,897**	**387**	**(144)**	**3,140**	**2,200**	**273**	**(144)**	**2,329**	**811**

2009	Opening Cost $000	Additions $000	Transfer/ Disposals $000	Closing Cost $000	Opening Accum Amortisation $000	Current Year Amortisation $000	Transfer/ Disposals $000	Closing Accum Amortisation $000	Book Value $000
Computer Software	**2,924**	**70**	**(97)**	**2,897**	**2,052**	**245**	**(97)**	**2,200**	**697**

NOTES TO THE FINANCIAL STATEMENTS

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

15. Property, Plant and Equipment

2010	Opening Cost $000	Additions $000	Transfer/ Disposals $000	Closing Cost $000	Opening Accum Depreciation $000	Current Year Depreciation $000	Transfer/ Disposals $000	Closing Accum Depreciation $000	Book Value $000
Port Land	29,943	-	-	29,943	-	-	-	-	29,943
Cargo & Administration Buildings	12,531	1,098	-	13,629	3,155	612	-	3,767	9,862
Tugs	9,973	-	-	9,973	981	155	-	1,136	8,837
Site Improvements	22,718	18,972	(8)	41,682	9,914	1,059	(8)	10,965	30,717
Hard Dredging	1,805	795	-	2,600	-	-	-	-	2,600
Soft Dredging	2,897	716	(1,261)	2,352	2,172	255	(1,261)	1,166	1,186
Other Buildings	3,575	43	(128)	3,490	1,347	119	(94)	1,372	2,118
Wharves & Jetties	16,269	26,234	(165)	42,338	4,412	469	(144)	4,737	37,601
Cranes	12,903	-	-	12,903	3,993	757	-	4,750	8,153
Vehicles, Plant & Equipment	22,638	2,916	(746)	24,808	10,948	1,658	(519)	12,087	12,721
Work in Progress	47,108	13,936	(48,469)	12,575	-	-	-	-	12,575
	182,360	**64,710**	**(50,777)**	**196,293**	**36,922**	**5,084**	**(2,026)**	**39,980**	**156,313**

2009	Opening Cost $000	Additions $000	Transfer/ Disposals $000	Closing Cost $000	Opening Accum Depreciation $000	Current Year Depreciation $000	Transfer/ Disposals $000	Closing Accum Depreciation $000	Book Value $000
Port Land	29,943	-	-	29,943	-	-	-	-	29,943
Cargo & Administration Buildings	12,481	50	-	12,531	2,519	636	-	3,155	9,376
Tugs	9,973	-	-	9,973	826	155	-	981	8,992
Site Improvements	22,031	687	-	22,718	8,949	965	-	9,914	12,804
Hard Dredging	1,805	-	-	1,805	-	-	-	-	1,805
Soft Dredging	3,099	-	(202)	2,897	2,094	280	(202)	2,172	725
Other Buildings	3,541	37	(3)	3,575	1,229	121	(3)	1,347	2,228
Wharves & Jetties	16,269	-	-	16,269	4,198	214	-	4,412	11,857
Cranes	12,903	-	-	12,903	3,236	757	-	3,993	8,910
Vehicles, Plant & Equipment	23,374	1,775	(2,511)	22,638	11,540	1,548	(2,140)	10,948	11,690
Work in Progress	11,848	37,951	(2,691)	47,108	-	-	-	-	47,108
	147,267	**40,500**	**(5,407)**	**182,360**	**34,591**	**4,676**	**(2,345)**	**36,922**	**145,438**

During the year the Company borrowed funds for the acquisition of new Property, Plant & Equipment. Interest incurred during the acquisition period of $1,073,797 at rates of 3.63% to 6.18% (2009: $1,326,350 at 8.13% to 3.63%) has been capitalised.

The substantial reduction in Work in Progress has arisen from the transfer of the completed inner harbour berth and supporting services to the appropriate asset classification. The Company is also embarking on the building of a new tug and the progress payments to date on this project account for $11.9 million.

NOTES TO THE FINANCIAL STATEMENTS

PORT OF NAPIER LIMITED

For the year ended 30 September 2010

16. Investment Properties

	2010 $000	2009 $000
Land and Building	**6,741**	**7,180**
Balance at beginning of year	7,180	7,268
Additions	-	68
Net Loss From Fair Value Adjustments	(439)	(156)
Balance at end of year	**6,741**	**7,180**

As at 30 September 2010 the Port's interest in investment properties was valued at $ 6,741,000, resulting in a net decrease of $439,000. This valuation was undertaken by Frank Spencer a registered valuer with Crighton Stone Limited using the fair value basis under the highest and best use scenario. Mr Spencer is a member of the New Zealand Institute of Valuers.

The following amounts have been recognised in the income statement:	2010 $000	2009 $000
Rental Income	107	106
Direct operating expenses arising from investment properties that generate rental income	(90)	(114)

17. Cash and Cash Equivalents

	2010 $000	2009 $000
Cash	1	1
Bank overdraft	(72)	19
Reconciled to Cash Flow Statement	**(71)**	**20**

		2010 $000	2009 $000

18. Related Party Transactions

Transactions

During the year the Company paid amounts to a related party.

The Directors believe these transactions were on normal commercial terms.

Related Party	Nature of Transactions	Value of Transactions 2010	2009
Hawke's Bay Regional Council	Dividends	5,531	6,507
	Rates & Resource Consents	13	7
	Subvention Payment	113	-

Hawke's Bay Regional Council has a controlling interest in the Company. The amounts owing to the related party are paid in accordance with the Company's normal commercial terms of trade. No related party debts have been written off or forgiven during the year.

Certain directors of the Company are also directors of other companies with whom the Company transacts. All such transactions are on normal commercial terms.

Key Management Compensation

Compensation of the Directors and executives, being the key management personnel is as follows:	2010	2009
Short term employee benefits	1,286	1,219
	1,286	**1,219**

19. Capital Expenditure Commitments & Contingencies

Capital Expenditure Commitments:

At balance date there were commitments in respect of contracts for capital expenditure of $2,807,000 (2009 $12,550,000).

Contingent Liabilities:

There were no material contingent liabilities at balance date (2009 Nil).

NOTES TO THE FINANCIAL STATEMENTS
PORT OF NAPIER LIMITED
For the year ended 30 September 2010

20. Financial Instruments

Credit Risk

In the normal course of its business the Company incurs credit risk from accounts receivable, bank balances and interest rate swap agreements. There is no significant concentration of credit risk and the Company has a policy of assessing the credit risk of significant new customers and monitors the credit quality of existing customers. Counterparties to cash and derivative financial assets are major banks, approved by the Directors. The Company's maximum credit risk exposure are as disclosed elsewhere in the Statement of Financial Position and there is no collateral held.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and borrowing facilities available to meet its liabilities when due, under both normal and adverse conditions. The Company's cash flow requirements and the utilisation of borrowing facilities are continuously monitored.

The following table sets out the contractual cash flows for all financial liabilities and derivatives:

Contractual Maturity Analysis

2010	Carrying Amount $000	Contractual Carrying Amount $000	Less than 1 Year $000	1-2 Years $000	2-5 Years $000	More than 5 Years $000
Trade and Other Payables	5,254	5,254	5,254	-	-	-
Bank Borrowings	53,600	56,948	2,232	54,716	-	-
Interest Rate Swaps	2,561	2,650	1,514	764	433	(61)
Forward Exchange Contracts	62	954	954	-	-	-
	61,477	**65,806**	**9,954**	**55,480**	**433**	**(61)**

2009	Carrying Amount $000	Contractual Carrying Amount $000	Less than 1 Year $000	1-2 Years $000	2-5 Years $000	More than 5 Years $000
Trade and Other Payables	5,857	5,857	5,857	-	-	-
Bank Borrowings	45,500	47,718	1,479	46,239	-	-
Interest Rate Swaps	1,720	2,643	1,141	1,129	373	-
Forward Exchange Contracts	193	7,626	3,435	4,191	-	-
	53,270	**63,844**	**11,912**	**51,559**	**373**	**-**

20. Financial Instruments Continued

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest Rate Risk

The interest rates on the loans as at 30 September 2010 with the Westpac Banking Corporation ranged from 4.0% to 4.23% (2009 2.98% to 8.13%). The interest rate on the bank overdraft with the Westpac Banking Corporation as at 30 September 2010 was set at 8.95%.

The Company from time to time utilises interest rate caps and swaps to manage interest rate exposures for future periods and as at 30 September 2010 the notional principal amounts and periods of expiry of the contracts are as follows:

	2010 $000	2009 $000
Less than 1 Year	0	2,500
1-2 Years	30,000	0
2-3 Years	0	35,000
Greater than 3 Years	35,500	35,000
	65,500	**73,000**

Interest Rate Swaps are recognised in the balance sheet at their fair value, which includes any accrued interest at that date. The effective portion of the changes in the fair value of an interest rate swap is initially recognised in the Hedging Reserve, and subsequently transferred to the Income Statement at the point at which time the swap is settled. Any ineffective portion of an interest rate swap is recognised immediately in the Income Statement.

Interest Rate Sensitivity Analysis

At reporting date, if bank interest rates had been 100 basis points higher/lower with all other variables held constant, it would increase/(decrease) post tax profit or loss by the amounts shown below.

	Profit or Loss		Equity	
Interest Rate	100bp Increase $000	100bp Decrease $000	100bp Increase $000	100bp Decrease $000
Interest Rate Swaps	190	(199)	1,908	(2,035)
30 September 2010	**190**	**(199)**	**(1,908)**	**(2,035)**
Interest Rate Swaps	0	0	3,100	(3,100)
30 September 2009	**0**	**0**	**3,100**	**(3,100)**

NOTES TO THE FINANCIAL STATEMENTS
PORT OF NAPIER LIMITED
For the year ended 30 September 2010

20. Financial Instruments Continued

Currency Risk

The Company undertakes transactions denominated in foreign currencies from time to time and exposure in foreign currencies arise resulting from these activities. It is the Company's policy to hedge foreign currency risks as they arise. The Company uses forward and spot foreign exchange contracts to manage their exposures.

Foreign exchange contracts are recognised in the balance sheet at their fair value. The effective portion of the changes in the fair value of foreign exchange contracts is initially recognised in the Hedging Reserve, and subsequently transferred to the Income Statement at the point at which the purchase and associated creditor are recorded. Any ineffective portion of foreign exchange contracts is recognised immediately in the Income Statement.

The summary of foreign exchange instruments outstanding at balance date and the contracted terms are as follows:

Foreign Exchange Contracts Maturity Analysis

2010	NZD Amount $000	Currency Amount $000	Less than1 Year $000	1-2 Years $000	2-5 Years $000
USD	954	650	650	-	-
EUR	-	-	-	-	-
AUD	-	-	-	-	-
SGD	-	-	-	-	
	954				

2009	NZD Amount $000	Currency Amount $000	Less than1 Year $000	1-2 Years $000	2-5 Years $000
USD	2,908	2,000	1,025	975	-
EUR	4,025	1,843	611	1,232	-
AUD	484	395	395	-	-
SGD	210	211	211	-	-
	7,627				

Foreign Exchange Sensitivity Analysis

At reporting date, a 10% strengthening or weakening of the New Zealand dollar against the USD with all other variables held constant, would increase/(decrease) equity by the amounts shown below. There would be no material changes to profit and loss values.

	Profit or Loss		Equity	
Foreign Currency	10% NZD Increase $000	10% NZD Decrease $000	10% NZD Increase $000	10% NZD Decrease $000
30 September 2010	**-**	**-**	**(81)**	**99**
30 September 2009	**-**	**-**	**(676)**	**826**

20. Financial Instruments Continued

Credit Facilities

	2010 $000	2009 $000
At balance date the Company had total bank facilities of:		
Overdraft	1,000	1,000
Multi Option Credit Facilities	80,000	80,000
Total	**81,000**	**81,000**
At balance date the Company usage of the bank facilities was:		
Overdraft	72	20
Multi Option Credit Facilities	53,600	45,500
Total	**53,672**	**45,520**

The Company has two Multi Option Credit facilities with Westpac, one for $20 million and the other for $60 million to raise money on the money market, through wholesale advances or a fixed rate advance for all or any part of the commitment expiring on a date no later than the termination date. Security is by way of a negative pledge over the assets of the Company in respect of both sale of such assets and other security interests.

Financial Assets and Liabilities

	2010 $000	2009 $000
Financial Assets		
Financial Assets at Fair Value - Cash flow Hedges		
Interest Rate Swaps	-	1,629
Forward Foreign Exchange Contracts	-	3
	-	**1,632**
Loans and Receivables		
Cash	1	20
Receivables	3,717	3,247
	3,718	**3,267**
Total Financial Assets	**3,718**	**4,899**
Financial Liabilities		
Financial Liabilities at Fair Value - Cash flow Hedges		
Forward Foreign Exchange Contracts	62	193
Interest Rate Swaps	2,561	1,720
	2,623	**1,913**
Financial Liabilities at Amortised Cost		
Overdraft	72	-
Trade Payables	5,254	5,857
Loan	53,600	45,500
	58,926	**51,357**
Total Financial Liabilities	**61,549**	**53,270**

The fair value of all derivatives are based on indicative market valuations provided by the Company's bankers.
The carrying value of all Financial Assets and Liabilities is equal to the Fair Value.

20. Financial Instruments Continued

Estimation of fair value of financial instruments

The fair value of financial instruments is determined on a hierarchical basis that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements recognised in the Statement of Financial Position

All financial instruments recognised on the Company's Statement of Financial Position at fair value sit within Level 2.

Capital Management

The Board's policy is to maintain a strong capital base, which the Company defines as total shareholders' equity, so as to maintain shareholder and banker confidence, and to sustain the future business development of the Company. The Company has established policies in capital management, including the specific requirements that interest cover is to be maintained at a minimum of three times, that the debt to debt plus equity ratio is to be maintained within a range of 20% to 40% and total committed funding to maximum debt over the next 12 months should not fall below a minimum of 110 percent.

The Company is required to comply with certain financial covenants in respect of external borrowings namely that interest cover is to be maintained at a minimum of three times shareholders' funds as a percentage of total tangible assets must exceed 45% at all times and debt must not exceed 3.5 times Earnings before interest, tax, depreciation and amortisation (EBITDA). The Company has met all the covenants throughout the current reporting period.

21. Events Subsequent to Balance Date

There have been no other events subsequent to 30 September 2010 which materially affect these financial statements.

ERNST & YOUNG

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF
PORT OF NAPIER LIMITED'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

The Auditor-General is the auditor of Port of Napier Limited (the Company). The Auditor-General has appointed me, Stuart Mutch, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements of the company on her behalf.

We have audited the financial statements of the company on pages 23 to 45, that comprise the statement of financial position as at 30 September 2010, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Opinion on the Financial Statements

In our opinion:

- The financial statements of the company on pages 23 to 45:
  - comply with generally accepted accounting practice in New Zealand;
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of the company's:
    - financial position as at 30 September 2010; and
    - financial performance and cash flows for the year ended on that date.

Opinion on Other Legal Requirements

In our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 17 November 2010, 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 our responsibilities, and we explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards and the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risks assessments, we consider Internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating:

- the appropriateness of accounting polices used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing the financial statements:

- in accordance with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the company's financial position, financial performance and cash flows.

The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Port Companies Act 1988, and include the design, implementation, and maintenance of internal controls relevant to the preparation of the financial statements so that those statements are free from material misstatement, whether due to fraud or error.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on the audit. 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 New Zealand Institute of Chartered Accountants.

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

Stuart Mutch
Ernst & Young
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Port of Napier Limited for the year ended 30 September 2010 included on the Port of Napier's web site. The Port of Napier Limited Board of Directors is responsible for the maintenance and integrity of the Port of Napier's web site.We have not been engaged to report on the integrity of the Port of Napier's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 17 November 2010 to confirm the information included in the audited financial statements presented on this web site on in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DEBBIE MOORE
reefer monitor

"WITH THE INCREASE IN WORKLOADS AND SEASONAL DEMANDS AND CONSTANT PRESSURE TO RELEASE CARGO EFFICIENTLY AND EFFECTIVELY, I THOUGHT IT APPROPRIATE TO LET YOU KNOW THAT YOUR STAFF HAVE BEEN AMAZING IN HELPING US OUT IN THE CONTAINER CLEARANCE PROCESS."
GREG SORENSON,
SPECIALIST QUARANTINE INSPECTOR,
MAF

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AUDITORS
Ernst & Young
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on behalf of the Auditor-General

PORT OF NAPIER
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