TrustPower

INTERIM REPORT
30 JUNE 2007

TRUSTPOWER LIMITED FIRST QUARTER RESULT FOR THE THREE MONTHS ENDING 30 JUNE 2007

TrustPower's unaudited after tax profit for the three months to 30 June 2007 was $32.0 million, compared with $26.2 million for the same period last year. It should be noted that the result for the period includes a reduction in tax expense of $7.4 million attributable to a reduction to deferred tax liability arising from the change in the corporate tax rate from 33 per cent to 30 per cent effective from 1 April 2008. This adjustment to tax expense should be considered as one-off in nature. Earnings before Interest, Tax, Depreciation, Amortisation, and Fair value movements of financial instruments ("EBITDAF") were $51.3 million versus $53.4 million for the prior period, a decrease of 4.0 per cent.

The reporting of the first quarter's results to 30 June 2007 represents the Company's first reporting period in its transition to New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). As part of this process TrustPower is required to restate its opening balance sheet as at 1 April 2006 and provide comparative balances calculated under NZ IFRS.

As part of the transition to NZ IFRS, the Company has reviewed the lives of its generation assets. It has been determined that the economic lives of a number of the Company's civil structures should be extended. As a result, depreciation charges on these assets will be lower than in prior years.

More financial detail in relation to the NZ IFRS transition is provided in note 17.

The first quarter trading environment was characterised by weak hydro inflows but also lower than average electricity spot prices. This was in contrast to the favourable trading conditions experienced by the Company during the first quarter of the previous year when there were very good hydro inflows as well as above average wholesale spot prices for a prolonged period.

TrustPower's own generation assets produced 483 GWh for the quarter versus 520 GWh in the prior period (a decrease of 7.0 per cent). While wind production was higher than the first quarter of the previous year, hydro generation was well down on long term average. TrustPower's hydro generation storage catchments have improved significantly during July which together with purchase contracts the Company has in place, leaves it well positioned to meet customer demand over the remainder of the winter.

Customer numbers have remained steady at around 219,000. Total electricity sold to customers in the quarter totalled 1,147 GWh compared with 1,196 GWh sold in the prior period.

The Company's balance sheet remains strong. The ratio of debt to debt plus equity was 31.5 per cent as at 30 June 2007 up slightly from 30 per cent at the same time the previous year.

The 93 MW expansion of the Tararua Wind Farm is close to commissioning with all turbines now operational. Final project cost is expected to be around $174 million (including capitalised interest) which is well under budget.

Construction on the 5 MW Waipori hydro enhancement has ceased over winter but remains on schedule for completion in December 2007.

Provisional resource consent has been received for the 72 MW Wairau hydro generation scheme, in Marlborough. However, a further process is required to determine the specific conditions of the consent which are expected to be advised by the end of 2007. Once conditions have been finalised, subject to appeal, the Company will be in a better position to assess project economics and the next steps to be taken in the development process.

A resource consent hearing for up to 46 MW of hydro generation at Arnold, on the West Coast, has been delayed a couple of months and is scheduled to commence in November 2007.

The resource consent hearing for the 200 MW Lake Mahinerangi wind project was completed in May and a decision is expected to be received shortly.

Civil construction on the 88 MW Snowtown wind project in South Australia is progressing well and the project remains on schedule for commissioning by November 2008.

The New Zealand Government has indicated that its National Energy Strategy will be released in around two to three months time and that the introduction of an emissions trading scheme is likely to feature.

The Australian Government has recently reported that it plans to announce a long-term emissions reduction goal in 2008 after further analysis is completed. It has also announced the likely introduction of an emissions trading scheme based on a "cap and trade" model beginning 2011.

At this stage it appears that both the New Zealand and Australian Governments are heading towards pricing carbon into their respective economies which should be positive for the development of renewable generation. However, until legislation is enacted there will remain a high degree of market uncertainty with respect to generation investment.

The result for the first quarter to 30 June 2007 was satisfactory given the lower than average level of hydro generation produced and lower spot electricity prices. While at this early stage of the financial year it is not possible to predict year end results, the Directors are confident that the business fundamentals are sound, which augurs well for a satisfactory annual result.

HM TITTER
CHAIRMAN

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2007

	NOTE	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
OPERATING REVENUE				
Electricity sales		166,964	177,766	617,707
Meter rental revenue		922	835	3,523
Other customer fees and charges		872	946	3,891
Telecommunications sales		2,878	277	675
Other revenue		121	129	521
TOTAL REVENUE		171,757	179,953	626,317
OPERATING EXPENSES				
Energy costs		46,573	54,580	160,391
Generation production costs		6,366	5,143	20,787
Line costs		48,241	50,372	186,552
Market fees and costs		3,978	4,417	14,282
Meter rental costs		642	609	2,408
Other customer connection costs		257	259	1,075
Salary and wage costs		6,492	5,240	20,819
Telecommunications cost of sales		2,028	255	598
Other operating expenses		5,908	5,692	22,974
		120,485	126,567	429,886
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION AND FAIR VALUE MOVEMENTS OF FINANCIAL INSTRUMENTS (EBITDAF)		51,272	53,386	196,431
Interest paid	8	9,237	7,560	28,940
Interest received	8	(495)	(339)	(1,584)
Net finance costs		8,742	7,221	27,356
Fair value gains on financial instruments		(810)	(1,533)	(1,975)
Amortisation of intangible assets		1,228	1,093	4,227
Depreciation		5,957	5,950	23,826
PROFIT BEFORE INCOME TAX		36,155	40,655	142,997
Income tax expense	11	4,197	14,487	44,470
PROFIT AFTER TAX ATTRIBUTABLE TO THE SHAREHOLDERS		31,958	26,168	98,527
Earnings per share (cents per share)		10.1 cents	8.3 cents	31.3 cents

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE PERIOD ENDED 30 JUNE 2007

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Net fair value gains/(losses):			
- Generation assets	-	-	455,514
- Cash flow hedges	(2,260)	(47,547)	(80,728)
Effect of change in corporate tax rate on:			
- Revaluation reserve	12,155	-	-
- Cash flow hedge reserve	206	-	-
Currency translation differences	(389)	-	-
Movements in employee share option reserve	-	197	63
Tax on items taken directly to or transferred from equity	(678)	18,208	(72,086)
NET INCOME RECOGNISED DIRECTLY IN EQUITY	9,034	(29,142)	302,763
Profit for the period	31,958	26,168	98,527
TOTAL RECOGNISED INCOME FOR THE PERIOD	40,992	(2,974)	401,290

The Board of TrustPower Limited authorised these Interim Financial Statements for issue on 26 July 2007.

The accompanying notes form part of these financial statements

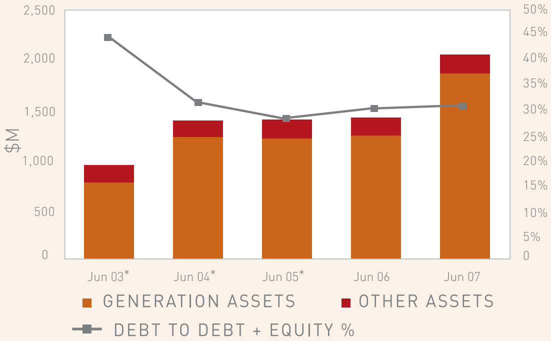
CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2007

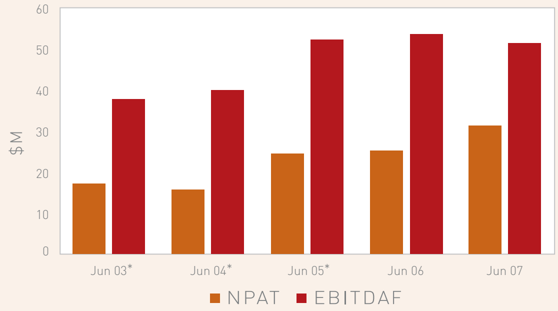
	NOTE	UNAUDITED JUNE 2007 $000'S	UNAUDITED JUNE 2006 $000'S	UNAUDITED MARCH 2007 $000'S
SHAREHOLDERS' EQUITY				
Share capital	10	175,370	173,504	174,658
Revaluation reserve		810,451	440,294	798,294
Retained earnings		233,039	213,726	245,213
Cash flow hedge reserve		(10,217)	18,553	(7,485)
Other reserves		(110)	413	279
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		1,208,533	846,490	1,210,959
Represented by:				
CURRENT ASSETS				
Cash and cash equivalents		8,126	707	44,256
Bond deposits on trust		3,100	3,100	3,100
Electricity market security deposits		-	-	3,000
Accounts receivable and prepayments		85,646	98,050	63,277
Derivative financial instruments	6	3,155	21,146	2,653
Taxation receivable		-	-	3,314
		100,027	123,003	119,600
NON CURRENT ASSETS				
Derivative financial instruments	6	868	8,600	670
Investments in other companies		-	30	-
Property, plant and equipment		1,909,502	1,278,431	1,902,496
Intangible assets		41,515	40,844	42,549
		1,951,885	1,327,905	1,945,715
TOTAL ASSETS		2,051,912	1,450,908	2,065,315
CURRENT LIABILITIES				
Accounts payable and accruals		96,315	99,496	120,494
Current portion of unsecured subordinated bonds		86,182	-	86,182
Derivative financial instruments	6	8,393	130	4,174
Taxation payable		6,644	10,488	-
		197,534	110,114	210,850
NON CURRENT LIABILITIES				
Unsecured bank loans		233,477	81,313	211,612
Unsecured subordinated bonds		211,560	296,931	211,357
Derivative financial instruments	6	4,974	920	7,456
Deferred tax liability	12	195,834	115,140	213,081
		645,845	494,304	643,506
TOTAL LIABILITIES		843,379	604,418	854,356
NET ASSETS		1,208,533	846,490	1,210,959
Net Tangible Assets Per Share		$3.70	$2.56	$3.71

The accompanying notes form part of these financial statements

GEARING



FINANCIAL PERFORMANCE



* Information for years prior to the Group's transition date of 1 April 2006 to NZ IFRS have been prepared under existing NZ FRS and have not been translated to equivalent NZ IFRS amounts.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2007

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Receipts from customers	149,387	191,242	674,437
Interest received	495	339	1,584
Payments to suppliers and employees	(111,023)	(150,393)	(472,915)
Interest paid	(9,273)	(8,499)	(27,221)
Taxation paid	(213)	(7,259)	(40,363)
NET CASH FLOW FROM OPERATING ACTIVITIES	29,373	25,430	135,522
Sale of property, plant & equipment	2,138	62	194
Sale of investments	-	-	360
Capitalised interest in construction of fixed assets	(1,768)	(466)	(5,274)
Net movement in bond deposits on trust	-	(100)	(100)
Net movement in electricity market security deposits	3,000	16,000	13,000
Purchase of fixed assets	(46,649)	(24,254)	(171,258)
Purchase of intangible customer base assets	(501)	-	(2,495)
NET CASH FLOW FROM INVESTING ACTIVITIES	(43,780)	(8,758)	(165,573)
Bank loan proceeds	59,070	66,800	186,300
Issue of shares	712	-	1,021
Bank loan repayments	(37,375)	(48,800)	(38,100)
Dividends paid	(44,130)	(37,770)	(78,719)
NET CASH FLOW FROM FINANCING ACTIVITIES	(21,723)	(19,770)	70,502
NET INCREASE IN CASH HELD	(36,130)	(3,098)	40,451
CASH AT BEGINNING OF THE PERIOD	44,256	3,805	3,805
CASH AT END OF THE PERIOD	8,126	707	44,256
RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES WITH PROFIT AFTER TAX ATTRIBUTABLE TO THE SHAREHOLDERS			
Profit after tax attributable to the shareholders	31,958	26,168	98,527
Amortisation of debt issue costs	372	267	976
Fixed, intangible and investment asset charges	7,140	7,316	28,925
Movements in financial instruments taken to the income statement	(810)	(1,533)	(1,975)
Option expense	-	-	133
Increase/(decrease) in deferred tax liability excluding transfers to reserves	(5,976)	297	10,890
(Increase)/decrease in working capital	(3,311)	(7,085)	(1,954)
NET CASH FLOW FROM OPERATING ACTIVITIES	29,373	25,430	135,522

The accompanying notes form part of these financial statements

	3 MONTHS JUNE 2007	3 MONTHS JUNE 2006	12 MONTHS MARCH 2007
OPERATING STATISTICS			
Electricity customer numbers (000's)	219	220	219
Telecommunications customers (000's)	16	-	16
Customer sales (GWh)	1,147	1,196	4,575
Weighted average spot price of electricity purchased ($/MWh)	64	96	63
Hydro generation production (GWh)	371	472	1,667
Wind generation production (GWh)	113	48	274
Weighted average spot price of electricity generated ($/MWh)	63	91	62

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General Information

Reporting Entity
The principal activities of TrustPower Limited (the Company or Parent) and its subsidiaries (together the Group) are the development, ownership and operation of electricity generation facilities from renewable energy sources and the retail sale of electricity to its customers. All significant operations take place within New Zealand.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Truman Road, Te Maunga, Mount Maunganui. The Company is listed on the New Zealand Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 26 July 2007.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these unaudited interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These unaudited interim financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable New Zealand Financial Reporting Standards, as appropriate for profit-orientated entities. The interim financial statements have been prepared in accordance with, and comply with all aspects of, NZ IAS 34 *Interim Financial Reporting*.

Entities reporting
The consolidated financial statements of the Group are for the economic entity comprising TrustPower and its subsidiaries. The consolidated entity is designated as a profit-orientated entity for financial reporting purposes.

Statutory base
TrustPower is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. The interim financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Application of NZ IFRS 1 First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards
These financial statements are the first TrustPower financial statements to be prepared in accordance with NZ IFRS. NZ IFRS 1 *First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards* has been applied in preparing these financial statements. Financial statements of TrustPower until 31 March 2007 had been prepared in accordance with previous New Zealand Financial Reporting Standards (NZ FRS). NZ FRS differs in certain respects from NZ IFRS. When preparing the Company and Group financial statements for the three months ended 30 June 2007, the Company has amended certain accounting and valuation methods applied in the NZ FRS financial statements to comply with NZ IFRS. The comparative figures were restated to reflect these adjustments. The comparative period to 31 March 2007 was audited under NZ FRS. The adjustments to comply with NZ IFRS have not been audited.

Reconciliations and descriptions of the effect of transition from previous NZ FRS to NZ IFRS on the Company's equity and its net income are provided in note 17.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of generation assets and derivative financial instruments which are stated at fair value.

Estimates
The preparation of interim financial statements in conformity with NZ IAS 34 *Interim Financial Reporting* requires the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Basis of Preparation
The functional and reporting currency used in the preparation of these financial statements is New Zealand dollars, rounded to the nearest thousand.

2.2 Principles of Consolidation

Subsidiaries
Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but are considered as an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

Associates
Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 Trade Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the income statement.

2.5 Investments

TrustPower classifies all of its investments as either financial assets at fair value through the income statement, held to maturity financial assets or at cost. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through the income statement
Financial assets at fair value through the income statement are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Held to maturity financial assets
Held to maturity financial assets are stated at amortised cost less impairment losses.

Investments in subsidiaries
Investments in subsidiaries are recorded at the lower of cost or estimated net realisable value.

2.6 Property, plant and equipment

Generation assets are shown at fair value, based on three-yearly valuations by independent external valuers, less subsequent depreciation. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of fixed assets.

The cost of assets constructed by the Group, including capital work in progress, includes the cost of all materials used in construction, direct labour specifically associated, resource management consent costs, and an appropriate proportion of variable and fixed overheads. Financing costs on uncompleted capital work in progress are capitalised at the specific project finance interest rate, where these meet certain time and monetary materiality limits. Costs cease to be capitalised as soon as the asset is ready for productive use and do not include any inefficiency costs.

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

Increases in the carrying amount arising on revaluation of generation assets are credited to the revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve directly in equity. All other decreases are charged to the income statement.

Land is not depreciated. Depreciation on all other fixed assets is calculated using the straight-line method at rates calculated to allocate each asset's cost over its estimated useful life. Depreciation is charged on a straight line basis as follows:

Freehold buildings	2%	Generation assets	0.5%-5%
Metering equipment	5%	Plant and equipment	10%-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other fixed and investment asset charges/(credits), in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

2.7 Emission Rights

The Group receives tradable emission rights from specific energy production levels of certain renewable generation facilities. The future revenue arising from the sale of these emission rights is a key matter in deciding whether to proceed with construction of the generation facility and is considered to be part of the value of the generation assets recorded in the balance sheet. Proceeds received on the sale of emission rights are recorded as deferred income in the balance sheet until the committed energy production level pertaining to the emission right sold has been generated.

Emission rights produced are recognised in the balance sheet if the right has been verified, it is probable that expected future economic benefits will flow to the Group, and the rights can be measured reliably. Emission rights are initially measured at cost. After initial recognition, the emission rights are carried at fair value. Fair value is determined by reference to an active market. If the emission rights cannot be revalued because there is no active market, the emission rights are carried at cost less any subsequent accumulated impairment losses.

2.8 Intangible assets

Customer base assets
Costs incurred in acquiring customers from other electricity supply companies and telecommunications companies are recorded as a customer base intangible asset. The customer bases are amortised on a straight line basis over the period of expected benefit. This period has been assessed as 20 years for electricity customer bases and 5 years for telecommunications customer bases. The carrying value of the customer bases is reviewed annually by the Directors and adjusted where it is considered necessary.

Computer software
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 three years.

Costs associated with developing or maintaining computer programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs for more than one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

2.9 Revenue Recognition

Revenue comprises the fair value of consideration received or receivable for the sale of electricity, telecommunications and related services in the ordinary course of the Group's activities.

Customer consumption of electricity is measured and billed by calendar month for half hourly metered customers and in line with meter reading schedules for non half hourly metered customers. Accordingly revenues from electricity sales include an estimated accrual for units sold but not billed at balance date for non half hourly metered customers.

Customer consumption of telecommunications services is measured and billed according to monthly billing cycles. Accordingly revenues from telecommunication services provided include an estimated accrual for services provided but not billed at balance date.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

2.10 Employee Entitlements

Employee entitlements to salaries and wages, non monetary benefits, annual leave and other benefits are recognised when they accrue to employees. This includes the estimated liability for salaries and wages and annual leave as a result of services rendered by employees up to balance date.

Share-based compensation
The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

2.11 Foreign Currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These financial statements are presented in New Zealand dollars, which is the parent's functional and presentation currency.

Transactions denominated in a foreign currency are converted to New Zealand dollars at the exchange rate on the date of the transaction, except where forward currency contracts are taken out to cover the commitment in which case the transaction is translated at the rate contained in the

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

contract. Monetary assets and liabilities arising from foreign currency transactions are translated at closing rates at balance date. Gains or losses from currency translation on these items are included in the income statement.

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at balance date
- income and expenses for each income statement are translated at average exchange rates
- all resulting exchange rates are recognised as a separate component of equity

On consolidation, foreign exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve. When a foreign operation is partially disposed of or sold, such foreign exchange differences are recognised in the income statement as part of the gain or loss on sale.

2.12 Generation Development

The Group incurs costs in the exploration, evaluation, consenting and construction of generation assets. Costs incurred are expensed in the income statement unless such costs are highly likely to be recouped through successful development of and generation of electricity from a particular project. Where costs meet this criteria and are capitalised they will ultimately be amortised over the estimated useful life of a project once it is completed. The Directors review the status of capitalised development expenditure on a regular basis and in the event that a project is abandoned, or if the Directors consider the expenditure to be impaired, a write off or provision is made in the year in which that assessment is made.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Insurance

TrustPower has fixed assets which are predominately concentrated at power station locations that have the potential to sustain major losses through damage to plant with resultant consequential costs.

To minimise the financial impact of such exposures, the major portion of the risk is insured by taking out appropriate insurance policies with appropriate counterparties. Any uninsured loss is recognised in the income statement at the time the loss is incurred.

2.15 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffer an impairment are reviewed for possible reversal of the impairment at each balance date.

2.16 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.17 Cash Flow Statement

The following are the definitions used in the cash flow statement:

- cash is considered to be cash on hand and deposits held at call with banks, net of bank overdrafts
- operating activities include all activities that are not investing or financing activities
- investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and investments
- financing activities are those activities, which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

2.18 Goods and Services Tax (GST)

The income statement and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the balance sheet are stated exclusive of GST, with the exception of billed receivables and payables which include GST invoiced.

2.19 Income Tax

The income tax expense comprises both current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in shareholders' equity, in which case the income tax is recognised directly in shareholders' equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The following temporary differences are not provided for: the initial recognition of assets

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

or liabilities in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by balance date and are expected to apply when the related deferred tax liability (asset) is settled (realised).

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.20 Earnings Per Share

Earnings per share is calculated by dividing the operating surplus attributable to the shareholders by the weighted average number of ordinary shares on issue during the quarter.

2.21 Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered in to and are periodically remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The Group designates certain derivatives as one of the following:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge)
- hedges of highly probable forecast transactions (cash flow hedges)
- hedges of net investments in foreign operations

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge 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 or cash flows of hedged items. The fair values of various derivative instruments used for hedging purposes are disclosed in Note 6. Movements on the hedging reserve in shareholders' equity are shown in the statement of recognised income and expense. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair Value Hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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 shareholders' equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in shareholders' equity are transferred from shareholders' equity and included in the measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in shareholders' equity at that time remains in shareholders' equity and is recognised in accordance with the above policy when the transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in shareholders' equity is immediately transferred to the income statement.

Net Investment Hedge
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in shareholders' equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Derivatives that do not qualify for hedge accounting
Certain derivatives do not qualify for hedge accounting. Changes in the fair value of these derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.23 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

2.25 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board.

3. Seasonality

The retail sale of electricity is subject to seasonal fluctuations, with peak demand in the second quarter, and to a lesser extent the first quarter, of each financial year. This is due to higher demand for electricity in colder weather. For the three months ended 30 June 2006, the level of retail electricity sales represented 28% of the annual level of retail electricity sales in the year ended 31 March 2007.

4. Segment Information

Primary Reporting Format - Business Segments
At 30 June 2007, the Group is organised into two main business segments:

- development, ownership and operation of electricity generation facilities from renewable energy sources ("Generation")
- retail sale of electricity to customers ("Retail")

As the Generation segment derives substantially all of its revenue from internal transfers, it is not a separable reporting segment. Accordingly, there is only one reportable segment in accordance with the requirements of NZ IAS 14 *Segment Reporting* being Retail.

Secondary Reporting Format - Geographical Segments
The Group's two business segments operate predominantly in New Zealand.

5. Financial Risk Management

TrustPower's activities expose it to a variety of financial risks: electricity price risk, interest rate risk, exchange rate risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies approved by the Board.

Electricity Price Risk
The Group has entered into a number of electricity hedge contracts to reduce the risk from price fluctuations on the electricity spot market. These hedge contracts establish the price at which future specified quantities of electricity are purchased. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments it deems material and which qualify as cash flow hedges while immaterial contracts will not be hedge accounted.

Interest Rate Risk
The Group has various interest rate financial instruments to manage exposure to fluctuations in interest rates. Any resulting differential to be paid or received on the instruments is recognised as a component of interest paid. The Group has elected not to hedge account for these instruments.

Exchange Rate Risk
The Group has entered into a number of forward exchange contracts to reduce the risk from price fluctuations of foreign currency costs associated with the construction of generation assets. Any resulting differential to be paid or received is recognised as a component of the cost of the project. The Group has elected to apply cash flow hedge accounting to these instruments.

Credit Risk
The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. Where a potential customer does not have a suitable credit history a bond is required before the customer is accepted. Derivative counterparties and cash transactions are limited to high credit quality financial institutions and other large electricity market participants. The Group has policies that limit the amount of credit exposure to any counterparty.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

6. Derivative financial instruments

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
CURRENT			
Interest rate derivative assets	2,428	364	1,776
Electricity price derivative assets	727	771	864
Exchange rate derivative assets	-	20,011	13
	3,155	21,146	2,653
Electricity price derivative liabilities	896	130	1,297
Exchange rate derivative liabilities	7,497	-	2,876
	8,393	130	4,173
NON-CURRENT			
Electricity price derivative assets	868	8,600	670
	868	8,600	670
Electricity price derivative liabilities	4,974	920	7,456
	4,974	920	7,456

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

7. Commitments

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Capital Commitments	191,680	165,537	200,662

The Group has announced that it is expanding the Tararua wind farm, progressing with the Deep Stream hydro development and constructing a wind farm near Snowtown in South Australia. Contractual agreements for the supply of the significant components of these expansions have been entered into and the total cost of the projects is expected to be $412,285,000. At balance date $220,605,000 has been spent on the developments.

Electricity Purchase Commitments

TrustPower has a long term contract with Mighty River Power Limited to purchase the output from the Rotokawa geothermal power station until 31 March 2013.

TrustPower has a long term contract with Mighty River Power Limited to purchase through the market the output from the Atiamuri Power Station until 31 December 2022.

TrustPower has a contract with Pioneer Generation Limited to purchase all of the output from its various generation sites.

8. Interest Paid and Interest Received

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Amortisation of debt issue costs	372	267	976
Interest paid on unsecured bank loans	4,281	1,469	6,999
Interest paid on unsecured subordinated bonds	6,289	6,290	25,226
Other interest costs and fees	63	-	1,013
Interest capitalised in construction of fixed assets	(1,768)	(466)	(5,274)
TOTAL INTEREST PAID	9,237	7,560	28,940
Interest received on cash at bank	495	339	1,584
TOTAL INTEREST RECEIVED	495	339	1,584

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

9. Dividends on ordinary shares

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Dividends (forfeited)/reinstated	-	-	(11)
Final dividend prior period	44,130	37,770	37,770
Interim dividend paid current period	-	-	40,960
Supplementary dividend paid	167	3,758	3,879
Foreign investor tax credit	(167)	(3,758)	(3,879)
	44,130	37,770	78,719

10. Share Capital

Authorised and issued ordinary share capital at beginning of the period	174,658	173,504	173,504
Issue of share capital pursuant to the employee share option scheme	712	-	1,154
	175,370	173,504	174,658

	000'S OF SHARES	000'S OF SHARES	000'S OF SHARES
Authorised and issued ordinary shares at beginning of the period	315,075	314,752	314,752
Issue of shares pursuant to the employee share option scheme	197	-	323
	315,272	314,752	315,075

11. Income Tax Expense

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Operating surplus before income tax	36,155	40,655	142,997
Tax on operating surplus @ 33%	11,931	13,416	47,189
Tax effect of permanent differences	(215)	1,071	(687)
Tax effect of change in corporate tax rate on deferred tax liability	(7,422)	-	-
Income tax over provided in prior period	(97)	-	(2,032)
	4,197	14,487	44,470
Represented by:			
Current tax	2,749	15,075	34,398
Deferred tax	1,448	(588)	10,072
	4,197	14,487	44,470

12. Deferred Tax Liability

Balance at beginning of period	213,081	128,876	128,876
Current period changes in temporary differences affecting tax expense	1,448	(588)	10,072
Current period changes in temporary differences affecting reserves	678	(13,496)	74,133
Effect of announced change in corporate tax rate on:			
Income tax expense	(7,422)	-	-
Revaluation reserve	(12,157)	-	-
Cash flow hedge reserve	206	-	-
	195,834	114,792	213,081
Consisting of temporary differences on:			
Property, plant and equipment	186,507	94,364	203,636
Employee benefits	(975)	(948)	(1,272)
Provisions	(518)	(532)	(496)
Customer base assets	11,619	12,624	13,095
Financial Instruments	(708)	9,470	(1,791)
Other	(91)	(186)	(91)
	195,834	114,792	213,081

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. Property, Plant and Equipment

	UNAUDITED 3 MONTHS JUNE 2007 $000'S	UNAUDITED 3 MONTHS JUNE 2006 $000'S	UNAUDITED 12 MONTHS MARCH 2007 $000'S
Assets acquired at cost	13,814	24,579	212,054
Net book value of assets disposed	2,051	335	1,721
Gain/(loss) on disposal	87	(273)	(1,527)

14. Subsequent Events

There have been no material events subsequent to 30 June 2007.

15. Interest Bearing Borrowings

During the three month period ended 30 June 2007, interest bearing borrowings of $59,070,000 were drawn down and repayments of $37,375,000 were made.

16. Contingent Gains and Losses

There are no contingent gains or losses for the group as at 30 June 2007 (30 June 2006: NIL, 31 March 2007: NIL).

17. Explanation of Transition to New Zealand Equivalents to International Financial Reporting Standards

As described in Note 2.1, these are the first consolidated interim financial statements prepared in accordance with NZ IFRS. The accounting policies set out in Note 2 have been applied in preparing the consolidated interim financial statements for the three months ended 30 June 2007, the comparative information presented in these interim financial statements for the three months ended 30 June 2006 and for the year ended 31 March 2007 and in the preparation of the opening NZ IFRS balance sheet at 1 April 2006 (the Group's date of transition). In preparing its opening NZ IFRS balance sheet, comparative information for the three months ended 30 June 2006 and for the year ended 31 March 2007, the Group has adjusted amounts reported previously in accordance with New Zealand Financial Reporting Standards (NZ FRS). An explanation of how the transition from NZ FRS has affected the Group's equity and income statement is set out in the following tables and notes that accompany the tables.

		PREVIOUS NZ FRS $000'S	EFFECT OF TRANSITION TO NZ IFRS $000'S	NZ IFRS $000'S
AT THE DATE OF TRANSITION TO NZ IFRS: 1 APRIL 2006				
SHAREHOLDERS' EQUITY				
Share capital		173,504	-	173,504
Revaluation reserve	A	475,541	(34,879)	440,662
Retained earnings	A,B,C	247,423	(22,123)	225,300
Cash flow hedge reserve	B	-	47,552	47,552
Other reserves		-	216	216
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		896,468	(9,234)	887,234
ASSETS				
Accounts receivable and prepayments	C	110,697	700	111,397
Derivative financial instruments	B	-	70,686	70,686
Property, plant and equipment	D	1,262,910	(2,466)	1,260,444
Intangible assets	D	39,022	2,466	41,488
Other assets		22,835	-	22,835
TOTAL ASSETS		1,435,464	71,386	1,506,850
LIABILITIES				
Derivative financial instruments	B	-	240	240
Deferred tax liability	A	48,280	80,596	128,876
Other liabilities		490,716	(216)	490,500
TOTAL LIABILITIES		538,996	80,620	619,616
NET ASSETS		896,468	(9,234)	887,234

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

		PREVIOUS NZ FRS $000'S	EFFECT OF TRANSITION TO NZ IFRS $000'S	NZ IFRS $000'S
AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS NZ FRS: 31 MARCH 2007				
SHAREHOLDERS' EQUITY				
Share capital		174,658	-	174,658
Revaluation reserve	A	930,950	(132,656)	798,294
Retained earnings	A,B,C	266,179	(20,966)	245,213
Cash flow hedge reserve	B	-	(7,485)	(7,485)
Other reserves		-	279	279
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		1,371,787	(160,828)	1,210,959
ASSETS				
Accounts receivable and prepayments	C	62,577	700	63,277
Derivative financial instruments	B	-	1,789	1,789
Property, plant and equipment	D	1,905,363	(2,867)	1,902,496
Intangible assets	D	38,453	4,096	42,549
Other assets		53,670	-	53,670
TOTAL ASSETS		2,060,063	3,718	2,063,781
LIABILITIES				
Derivative financial instruments	B	-	10,096	10,096
Deferred tax liability	A	58,352	154,729	213,081
Other liabilities		629,924	(279)	629,645
TOTAL LIABILITIES		688,276	164,546	852,822
NET ASSETS		1,371,787	(160,828)	1,210,959
AT THE END OF THE COMPARATIVE PERIOD REPORTED UNDER PREVIOUS NZ FRS: 30 JUNE 2006				
SHAREHOLDERS' EQUITY				
Share capital		173,504	-	173,504
Revaluation reserve	A	475,513	(35,219)	440,294
Retained earnings	A,B,C	234,852	(21,126)	213,726
Cash flow hedge reserve	B	-	18,553	18,553
Other reserves		-	413	413
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		883,869	(37,379)	846,490
ASSETS				
Accounts receivable and prepayments	C	97,350	700	98,050
Derivative financial instruments	B	-	28,696	28,696
Property, plant and equipment	D	1,281,019	(2,588)	1,278,431
Intangible assets	D	38,256	2,588	40,844
Other assets		3,837	-	3,837
TOTAL ASSETS		1,420,462	29,396	1,449,858
LIABILITIES				
Deferred tax liability	A	47,952	67,188	115,140
Other liabilities		488,641	(413)	488,228
TOTAL LIABILITIES		536,593	66,775	603,368
NET ASSETS		883,869	(37,379)	846,490

NOTES TO THE INTERIM FINANCIAL STATEMENTS (CONTINUED)

		PREVIOUS NZ FRS $000'S	EFFECT OF TRANSITION TO NZ IFRS $000'S	NZ IFRS $000'S
RECONCILIATION OF PROFIT FOR THE YEAR ENDED 31 MARCH 2007				
EBITDAF		196,431	-	196,431
(Gain)/Loss on movement of financial instruments	B	-	(1,975)	(1,975)
Amortisation of intangible assets	D	3,063	1,164	4,227
Depreciation	D	24,990	(1,164)	23,826
Net interest paid		27,356	-	27,356
PROFIT BEFORE INCOME TAX		141,022	1,975	142,997
Income tax expense	A	43,652	818	44,470
PROFIT AFTER TAX ATTRIBUTABLE TO THE SHAREHOLDERS		97,370	1,157	98,527
RECONCILIATION OF PROFIT FOR THE COMPARATIVE PERIOD ENDED 30 JUNE 2006				
EBITDAF		53,386	-	53,386
(Gain)/Loss on movement of financial instruments	B	-	(1,533)	(1,533)
Amortisation of intangible assets	D	766	327	1,093
Depreciation	D	6,277	(327)	5,950
Net interest paid		7,221	-	7,221
PROFIT BEFORE INCOME TAX		39,122	1,533	40,655
Income tax expense	A	13,950	537	14,487
PROFIT AFTER TAX ATTRIBUTABLE TO THE SHAREHOLDERS		25,172	996	26,168

A Deferred Tax Liability

Under NZ IFRS TrustPower is required to recognise a deferred tax liability in respect of all differences between the Group book values and the taxation authority book values with the exception of differences in relation to non depreciating assets. This "balance sheet" approach effectively creates an additional deferred tax liability on the revaluation amounts and other historic base differences of the generation assets. NZ FRS uses a "profit and loss account" approach to deferred tax recognition where a partial recognition of these differences is made through assessing historic timing differences that have occurred.

B Derivative Financial Instruments

Under NZ IFRS derivative financial instrument contracts need to be valued and recognised "on balance sheet". Resulting movements in the fair value of the financial instruments will be reported in the income statement each reporting period unless the Group can prove that a financial instrument qualifies for hedge accounting where it will be recorded as a movement in equity in the case of a cash flow hedge. NZ FRS allows for note disclosure of quantities and values of financial instruments rather than recognition on the face of the primary financial statements.

As the financial instrument contracts of the Group are transacted to protect the Group's risk position and not for speculative purposes, the majority of instruments qualify for hedge accounting.

C Provision for impairment of receivables

Under NZ IFRS provisions may only be recognised where it can be proved that an actual loss event has occurred. The effect of this is a reduction in the provision for impairment of receivables recognised under NZ IFRS compared with that recognised under NZ FRS.

D Intangible Assets

Under NZ IFRS computer software is considered an intangible asset, where as previously it was considered part of property, plant and equipment under NZ FRS. Consequently, depreciation relating to computer software is now considered to be amortisation and computer software is included in intangible assets.

TrustPower