



# New Zealand Gazette

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## POWER COMPANIES

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

**INDEX**

	Page
Bay of Plenty Electricity Limited.....	2683
Powerco Limited.....	2699
Power New Zealand Limited.....	2727
Top Energy Limited.....	2747
TrustPower Limited.....	2775

**BAY OF PLENTY  
ELECTRICITY LIMITED**

**BAY OF PLENTY ELECTRICITY  
LIMITED**

**Electricity (Information Disclosure)  
Regulations 1994**

**Business Unit Statements of Financial  
Performance for the 12 Months ended  
31 March 1995**

**Network Business Unit**

	<i>Notes</i>	<i>1995 12 Months \$000</i>
Revenue	3	20,282
Operating Expenses Before Depreciation	4	(15,810)
Operating Profit Before Depreciation		<u>4,472</u>
Depreciation		<u>(1,449)</u>
Net Operating Profit		3,023
Net Interest Expense		(671)
Net Profit Before Abnormal Items		<u>2,352</u>
Abnormal Items	5	(1,017)
Net Profit Before Taxation		<u>1,335</u>
Taxation Expense	6	(546)
Net Profit after Taxation		<u><u>789</u></u>

The notes form an integral part of these financial statements.

**Generation Business Unit**

	<i>Notes</i>	<i>1995 12 Months \$000</i>
Revenue	3	9,944
Operating Expenses Before Depreciation	4	(2,847)
Operating Profit Before Depreciation		<u>7,097</u>
Depreciation		<u>(903)</u>
Net Operating Profit		6,194
Net Interest Expense		(144)
Net Profit Before Abnormal Items		<u>6,050</u>
Abnormal Items	5	(215)
Net Profit Before Taxation		<u>5,832</u>
Taxation Expense	6	(2,386)
Net Profit after Taxation		<u><u>3,446</u></u>

The notes form an integral part of these financial statements.

**Energy Trading Business Unit****Business Unit Statements of Financial  
Position as at 31 March 1995**

	<i>Notes</i>	<i>1995 12 Months \$000</i>	<b>Network Business Unit</b>	<b>\$000</b>
Revenue	3	21,996	<b>Shareholders' Funds</b>	
Operating Expenses Before Depreciation	4	(23,659)	Paid up Capital	7      8,196
Operating Profit Before Depreciation		<hr style="width: 100%; border: 0.5px solid black;"/>	Reserves	8      4,613
Depreciation		(28)	Retained Earnings	9      555
Net Operating Profit		(1,691)	Total Shareholders' Funds	<hr style="width: 100%; border: 0.5px solid black;"/> 13,364
Net Interest Expense		(143)	<b>Non Current Liabilities</b>	
Net Profit Before Abnormal Items		(1,834)	Term Liabilities	10      3,500
Abnormal Items	5	(218)	Deferred Taxation	11      167
Net Profit Before Taxation		(2,052)	Total Non Current Liabilities	<hr style="width: 100%; border: 0.5px solid black;"/> 3,667
Taxation Benefit	6	839	<b>Current Liabilities</b>	
Net Profit after Taxation		<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/>	Accounts payable and Accruals	2,538
			Terms Liabilities repayable within 12 months	10      3,500
			Dividends Payable	338
			Total Current Liabilities	<hr style="width: 100%; border: 0.5px solid black;"/> 6,376
			Total Shareholders' Funds and Liabilities	<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> 23,407
			<b>Non Current Assets</b>	
			Fixed Assets	12      19,182
			Total Non Current Assets	<hr style="width: 100%; border: 0.5px solid black;"/> 19,182
			<b>Current Assets</b>	
			Cash at Bank	96
			Short Term Deposits	140
			Taxation Receivable	13      66
			Accounts Receivable	2,956
			Inventory	967
			Total Current Assets	<hr style="width: 100%; border: 0.5px solid black;"/> 4,225
			<b>Total Assets</b>	<hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> <hr style="width: 100%; border: 0.5px solid black;"/> 23,407

The notes form an integral part of these financial statements.

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Generation Business Unit		\$000	Energy Trading Business Unit		\$000
<b>Shareholders' Funds</b>			<b>Shareholders' Funds</b>		
Paid up Capital	7	11,395	Paid up Capital	7	400
Reserves	8	6,414	Reserves	8	225
Retained Earnings	9	999	Retained Deficit	9	(585)
<b>Total Shareholders' Funds</b>		<b>18,808</b>	<b>Total Shareholders' Funds</b>		<b>40</b>
<b>Non Current Liabilities</b>			<b>Non Current Liabilities</b>		
Term Liabilities	10	750	Term Liabilities	10	750
Deferred Taxation	11	734	Deferred Taxation	11	(257)
<b>Total Non Current Liabilities</b>		<b>1,484</b>	<b>Total Non Current Liabilities</b>		<b>493</b>
<b>Current Liabilities</b>			<b>Current Liabilities</b>		
Accounts payable and Accruals		353	Accounts payable and Accruals		1,607
Terms Liabilities repayable within 12 months	10	750	Terms Liabilities repayable within 12 months	10	750
Dividends Payable		1,481	Dividends Payable		(520)
<b>Total Current Liabilities</b>		<b>3,584</b>	<b>Total Current Liabilities</b>		<b>1,939</b>
<b>Total Shareholders' Funds and Liabilities</b>		<b>23,876</b>	<b>Total Shareholders' Funds and Liabilities</b>		<b>2,472</b>
<b>Non Current Assets</b>			<b>Non Current Assets</b>		
Fixed Assets	12	23,497	Fixed Assets	12	364
<b>Total Non Current Assets</b>		<b>23,497</b>	Investments		26
<b>Current Assets</b>			<b>Current Assets</b>		
Cash at Bank		20	Cash at Bank		20
Short Term Deposits		30	Short Term Deposits		30
Taxation Receivable	13	293	Accounts Receivable		2,032
Accounts Receivable		36	<b>Total Current Assets</b>		<b>2,082</b>
<b>Total Current Assets</b>		<b>379</b>	<b>Total Current Assets</b>		<b>2,082</b>
<b>Total Assets</b>		<b>23,876</b>	<b>Total Assets</b>		<b>2,472</b>

The notes form an integral part of these financial statements

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## Notes to the Financial Statements for the 12 months ended 31 March 1995

### Statement of Accounting Policies

#### 1. Special Purpose Financial Statements

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994, and are intended for no other purpose. As this is the first year the Regulations have been in effect, comparative information is not required and therefore none has been presented.

##### A. General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of results and financial position have been followed in the preparation of these financial statements.

The historical cost method has been followed. Reliance has been placed on the fact that the business and undertakings of Bay of Plenty Electricity are a going concern.

##### B. Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of profit and/or financial position have been applied:

###### (i) REVENUE

Revenue shown in the statements of financial performance comprises amounts received and receivable for electricity, goods and services supplied to customers in the ordinary course of business. Energy Trading and Network revenues are based on actual and assessed readings plus an allowance for unread meters at balance date. Generation revenues are based on a calculation of the avoided cost of purchasing the same number of units from external suppliers. Revenue is stated exclusive of Good and Services Tax collected from customers.

###### (ii) CAPITAL CONTRIBUTIONS

Capital contributions received are recognised in the statements of financial performance as soon as any obligations attaching to the contributions have been fulfilled.

###### (iii) INVESTMENTS

Investments are stated at the lower of cost or net realisable value.

Interest income is accounted for as earned.

###### (iv) FIXED ASSETS

The cost of purchased fixed assets is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of assets constructed by the Group includes the cost of all materials used in construction, direct labour on the project, financing costs that are directly attributable to the project and an appropriate proportion of variable and fixed overheads. Costs cease to be capitalised as soon as the asset is ready for productive use and do not include any inefficiency costs.

###### (v) DEPRECIATION

Depreciation is charged so as to write off the cost of the fixed assets to their estimated residual value over their expected useful lives. Depreciation has been charged at the following rates:

Buildings	1.0% - 2.5% straight line
Distribution System	5% straight line and 5%-10% diminishing value
Generation Plant	5% straight line and 10% diminishing value
Other Plant & Equipment	10%-50% diminishing value
Motor Vehicles	20% diminishing value
Furniture and Fittings	20% diminishing value

###### (vi) INVENTORIES

Inventories are stated at the lower of average cost and net realisable value, with obsolete stock written off.

###### (vii) ACCOUNTS RECEIVABLE

Accounts receivable are stated at estimated realisable value after providing for debts where collection is considered doubtful.

###### (viii) TAXATION

The liability method of accounting for deferred taxation has been applied.

The taxation charge against the profit for the twelve months is the estimated liability in respect of that profit after allowance for all permanent differences for the legal entity of Bay of Plenty Electricity Limited.

Taxation expense, provision for deferred taxation and current tax liability have all been apportioned to each business unit on the basis of each business units' notional profit, after accounting for internal transactions.

Future taxation benefits attributable to timing differences or losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the timing differences or losses will be utilised.

#### (ix) FINANCIAL INSTRUMENTS

Financial instruments entered into as hedges of an underlying exposure are accounted for on the same basis as the underlying exposure. Financial instruments entered into with no underlying exposure are accounted for on a mark to market basis.

#### (x) RESEARCH AND DEVELOPMENT

Costs incurred on all research and development project are written off as incurred, except that Development Costs are capitalised to the extent that such costs are expected, beyond any reasonable doubt, to be recoverable.

#### C. Changes in Accounting Policies

There have been no material changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

## 2. ELECTRICITY DISCLOSURE GUIDELINES

The Ministry of Commerce (the Ministry) has produced guidelines to assist electricity distributors in complying with the various requirements of the Regulations. In particular, the Ministry provided guidelines for the methodologies to be used to separate and allocate revenues, costs, assets and liabilities of the company into separate business units and resulting financial statements required by regulation 6 of the Regulations.

The company has followed the guidelines in all instances except as follows.

#### Assumptions for Direct Allocations:

##### *Transmission charges*

Transmission charges, although completely absorbed by the Network business, as the guidelines recommend, have not been passed on to the Energy business.

##### *Line Losses*

Line Losses are not settled between the energy business and the generators, as the guidelines recommend. The cost of line losses have instead been charged to the Network business by the Energy business.

##### *Transmission Assets*

Generation does not own transmission assets. The company defines the point of injection as the point of exit from the Generation facilities.

All transmission assets are owned by the Network business.

##### *Interface with Electricity Customers*

The guidelines assume that the Energy business is the only interface with electricity consumers. The company assumes that both the Network and Energy businesses interface directly with all consumers. Accordingly, line fees and energy sales are charged to customers as separate components and have been allocated directly to the respective business units.

The above assumptions have affected the following allocations.

##### *Revenue*

Connection fees for new customers have been allocated directly to the Network business.

Line fees charged to customers have been allocated directly to the Network business rather than the Energy business. The Network business has not charged the Energy business for services provided to it in respect of transmission charges incurred or the maintenance of the transmission facilities.

Line losses have been charged to the Network business by the Energy business.

##### *Expenses*

The costs of meter reading have been charged directly to the Network business as a cost necessarily related to the ownership of the meters. As Line fees are allocated directly to the Network business, no charge for meter reading is made by it to the Energy business.

All marketing costs have been allocated in the same manner as other indirect costs and not to Energy business as recommended in the guidelines.

Bad and Doubtful debt expenses have been allocated on to the Network and Energy businesses in the proportion that Line fees and Energy sales represent of the sum of those two items.

##### *Assets and Liabilities*

Cash and Bank, Term Liabilities, and accrued interest, where not directly allocated have been allocated on the basis described under the heading "Assumptions for Indirect Allocations". These assumptions have also been applied to the related profit and loss statement items.

##### *Assumptions for Indirect Allocations*

Where direct allocations of revenues, costs, assets and liabilities is not possible the company has used as its basis of allocation the relative effort required to maintain the service each business unit provides to the consumer. The relative effort has been calculated on the basis of the number of staff directly employed by each business unit. This methodology is not considered a divergence from the guidelines.

**3. REVENUE**

	Network	Generation	Energy Trading
External Income	20,282	583	21,305
Internal Notional Income	-	9,361	691
<b>Total Revenue</b>	<b>20,282</b>	<b>9,944</b>	<b>21,996</b>

**4. OPERATING EXPENSES**

	Network	Generation	Energy Trading
Transmission Charges			
- External	5,964	-	-
- Avoided	2,202	-	-
Energy Charges			
- External	-	-	15,145
- Internal	-	-	7,159
Distribution Maintenance	2,894	-	-
Line Losses			
- Internal	691	-	-
Personnel	1,789	529	540
Plant Equipment and Property	440	745	71
Audit Costs	31	6	7
Directors Costs	73	15	16
Research & Investigations	-	315	-
Other Operating Costs	1,726	1,237	721
	<b>15,810</b>	<b>2,847</b>	<b>23,659</b>

**5. ABNORMAL ITEMS**

Abnormal Expenses comprise:

	Network	Generation	Energy Trading
Company Incorporation	49	11	11
Merger Proposal Costs	797	170	170
Restructuring Costs	107	23	23
Listing Costs	64	14	14
	<b>1,017</b>	<b>218</b>	<b>218</b>

**6. TAXATION EXPENSE**

Taxation expense has been calculated as follows:

	Network	Generation	Energy Trading
Profit before taxation	<u>1,335</u>	<u>5,833</u>	<u>(2,052)</u>
Income tax on profit at 33%	440	1,925	(677)
Plus/(Less):			
Permanent Differences	115	504	(177)
Prior Period Adjustments	(9)	(43)	15
Taxation as per statement of financial performance	<u>546</u>	<u>2,386</u>	<u>(839)</u>

Taxation expense comprises:

Current Taxation	518	2,269	(796)
Deferred Taxation	28	117	(43)
	<u>546</u>	<u>2,386</u>	<u>(839)</u>

**7. PAID UP CAPITAL**

	Network	Generation	Energy Trading
Balance as at 1 April 1994	-	-	-
Transferred from Appropriation Reserve 1/9/94 upon incorporation	8,196	11,395	400
Balance as at 31 March 1995	<u>8,196</u>	<u>11,395</u>	<u>400</u>

Bay of Plenty Electricity Limited has 19,991,507 Ordinary Shares @ \$1.00 issued and fully paid as at 31 March 1995.

The company has an authorised capital of \$50 million.

**8. RESERVES**

## Share Premium Reserve

	Network	Generation	Energy
Balance as at 1 April 1994	-	-	-
Arising from capitalisation of appropriation reserve	4,717	5,448	333
Transfer from retained earnings representing capitalisation of pre-incorporation profits	(104)	966	(108)
Balance as at 31 March 1995	4,613	6,414	225

**9. RETAINED EARNINGS**

## Movement in Appropriation and Retained Earnings Descents

	Network	Generation	Energy
Balance of Appropriation account of BOP Electric Power Board 1/4/94	12,909	16,837	733
Transferred from Loan Redemption Reserve	4	6	-
Transferred to Issued and Paid up Capital	(8,196)	(11,395)	(400)
Transfer to Share Premium Account	(4,717)	(5,448)	(333)
Net Profit for the period	789	3,447	(1,213)
Transfer to Share Premium Account	104	(966)	108
Transfer to Dividends Payable	(338)	(1,481)	520
Retained Earnings as at 31/3/95	555	999	(585)

**10. TERM LIABILITIES**

Term liabilities fall due for repayment in the following periods:

	Network	Generation	Energy Trading
Within one year	3,500	1,750	750
Within one to two years	3,500	750	750
	7,000	2,500	1,500

Disclosed in Balance Sheet as:

Current Portion of Term Debt	3,500	1,750	750
Term Liabilities	3,500	750	750
	7,000	2,500	1,500

All term liabilities are unsecured and are subject to a negative pledge agreement. The weighted average interest rate on term liabilities is 7.02 %.

**11. DEFERRED TAXATION**

	Network	Generation	Energy Trading
Comprises:			
Opening Balance	96	427	(147)
Movement for Year	28	117	(43)
Prior Year Adjustment	43	190	(67)
Balance as at 31/3/95	167	734	(257)

**12. FIXED ASSETS**

	Network	Generation	Energy Trading
Land	223	241	12
Generating Structures			
Cost	-	4,230	-
Accumulated Depreciation	-	(922)	-
Book Value	-	3,308	-
Other Buildings			
Cost	1,314	86	154
Accumulated Depreciation	(287)	(20)	(36)
Book Value	1,027	66	118
Distribution System			
Cost	25,088	-	-
Accumulated Depreciation	(9,589)	-	-
Book Value	16,399	-	-

## Network Generation Energy Trading

<b>Generation Plant</b>			
Cost	-	31,707	-
Accumulated Depreciation	-	(12,110)	-
Book Value	-	19,597	-
<b>Plant and Equipment</b>			
Cost	2,978	402	310
Accumulated Depreciation	(1,735)	(211)	(156)
Book Value	1,243	191	154
<b>Motor Vehicles</b>			
Cost	471	193	91
Accumulated Depreciation	(263)	(122)	(36)
Book Value	208	71	55
<b>Furniture and Fittings</b>			
Cost	273	78	82
Accumulated Depreciation	(191)	(55)	(57)
Book Value	82	23	25
	19,182	23,497	364

An ODV valuation was completed in November 1994 as at April 1994 as per the ODV handbook. The value of distribution assets was calculated at \$53.6 million and other fixed assets at \$1.4 million (based on an NPV basis).

The above assets have not been revalued.

**13. TAXATION RECEIVABLE**

	Network Generation	Energy Trading	
Comprises:			
Opening Balance	17	75	(26)
Charge on result for the future	(518)	(2,269)	796
Taxation paid	524	2,297	(806)
Prior Year Adjustment	43	190	(66)
Balance as at 31/3/95	66	293	(102)

**14. FINANCIAL INSTRUMENTS**

a) The nature of activities and management policies with respect to financial instruments is described as follows:

## i) Interest Rates

The interest rate risk is limited to the effective interest rate described in Note 10

## ii) Credit

In the normal course of its business the company incurs credit risk from trade debtors and financial institutions. There are no significant concentrations of credit risk. The company has a credit policy which is used to manage this exposure to credit risk. As part of this policy limits on exposures have been set and are monitored on a regular basis. The bank risk is reduced by spreading short term investments over high credit quality financial institutions.

## iii) Foreign Exchange

The company had no currency risk during the reporting period. All financial instruments are dealt with in New Zealand dollars.

## b) Fair Values

Financial instruments in the current section of the Balance Sheet are shown at values equivalent to their fair values. Investments are shown at cost, and the fair value of term liabilities is not significantly different from the carrying amount. The Company anticipates that investments will be held to maturity.

**15. CONTINGENT LIABILITIES**

There are no contingent liabilities at balance date other than a claim before the Waitangi Tribunal relating to the Rangitaiki River and, in particular, the Aniwhenua dam.

**Disclosure of Financial Performance Measures and Efficiency Performance Measures Pursuant to Part II of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.**

**1. Financial Performance Measures:**

(a) Accounting return on total assets, being earnings before interest and tax divided by average total funds employed:

**Accounting return on total assets = 5.60%**

(b) Accounting return on equity, being net profit after tax, divided by average total shareholders funds:

**Accounting return on equity = 3.75%**

(c) Accounting rate of profit, which shall be calculated in accordance with the formula:

$$\frac{a - b - c + d}{e}$$

where -

- a earnings before interest and tax; and
- b cash tax; and
- c interest tax shield; and
- d revaluations; and
- e average shareholders funds employed, minus half the amount of revaluations.

**Accounting rate of profit = 4.25%**

As this is the first year for the calculation of performance measures it has not been required to calculate the opening balances required to ascertain the average balances for average total funds employed and average shareholders' funds. Therefore closing balances have been used.

## 2. Efficiency Performance Measures:

(a) Direct line costs per kilometre, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

where -

- a is direct expenditure (in dollars); and
- b is system length (in kilometres):

**Direct line costs = \$2,142 per kilometre**

(b) Indirect line costs per customer, which shall be calculated in accordance with the following formula:

$$\frac{a}{b}$$

where -

- a is indirect expenditure (in dollars); and
- b is total customers:

**Indirect line costs = \$199 per customer**

## Disclosure of Energy Delivery Efficiency Performance Measures and Statistics Pursuant to Regulation 15 and Part III of the First Schedule of the Electricity (Information Disclosure) Regulations 1994.

### 1. Energy Delivery Efficiency Performance Measures

(a) Load factor, which shall be calculated in accordance with the following formula:

$$\frac{a}{b \times c} \times \frac{100}{1}$$

where -

- a is the amount of electricity (in kilowatt hours) entering the system during the financial year; and
- b is the maximum demand; and
- c is the total number of hours in the financial year

**Load Factor = 72%**

(b) Loss ratio, which shall be calculated in accordance with the following formula:

$$\frac{a \times 100}{b \quad 1}$$

where -

- a is the losses of electricity (expressed in kilowatt hours); and
- b is the amount of electricity (in kilowatt hours) entering the system during the financial year:

**Loss Ratio = 2.3%**

(c) Capacity utilisation, which shall be calculated in accordance with the following formula:

$$\frac{a \times 100}{b \quad 1}$$

where -

- a is the maximum demand; and
- b is transformer capacity (in kilovolt amperes).

**Capacity utilisation = 54%**

### 2. Statistics

(a) System length, together with a breakdown of that length according to different nominal line voltages.

110kV	21.8km
33kV	137.8km
11kV	1,518.6km
400Volt	396.9km

**System Length 2,075.1km**

(b) The total circuit length (in kilometres) of the overhead electric lines that form part of the system (which length shall be calculated on the same basis as system

length is calculated), together with a breakdown of that length according to different nominal line voltages;

110kV	21.8km
33kV	137.4km
11kV	1,432.3km
400Volt	207.8km

**Total Circuit Length  
Overhead:**

**1,799.3km**

(c) The total circuit length (in kilometres) of the underground electric lines that form part of the system (which length shall be calculated on the same basis as system length is calculated), together with a breakdown of that length according to different nominal line voltages:

110kV	0.0km
33kV	0.4km
11kV	86.3km
400Volt	189.1km

**Total circuit length  
Underground:**

**275.8km**

(d) Transformer capacity, in kilovolt amperes:  
**169,215 kVA**

(e) Maximum demand, in kilowatts:  
**90,940 kW**

(f) Total electricity supplied from the system, in kilowatt hours:  
**563,345,430 kWh**

(g) The total amount of electricity (in kilowatt hours) conveyed through the system during the relevant financial year on behalf of other persons that are electricity generators or electricity retailers, or both, not being persons that in a prescribed business relationship with the line owner:

**89,832,173 kWh**

(h) Total customers:  
**21,677**

**Disclosure of Reliability Performance  
Measures Pursuant to Regulation 16 and  
Part IV of the First Schedule of the Electricity  
(Information Disclosure) Regulations 1994.**

1. Total number of interruptions, together with a breakdown of that total according to interruption class.

Class A	4
Class B	213
Class C	150

Class D	5
Class E	0
Class F	0
Class G	2

**Total number of interruptions: 374**

2. The total number of faults per 100 circuit kilometres of prescribed voltage electric line.  
**9**

3. The total number of faults per 100 circuit kilometres of underground prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

110 kV	0
33 kV	0
11 kV	3

**Total Underground faults 3**

4. The total number of faults per 100 circuit kilometres of overhead prescribed voltage electric line, together with a breakdown of that total according to different nominal line voltages.

110kV	5
33 kV	9
11 kV	9

**Total Overhead Faults 9**

5. The SAIDI for the total of interruptions, which shall be calculated in accordance with the following formula:

$\frac{a}{b}$

where -

a is the sum obtained by adding together the interruption duration factors for all interruptions; and

b is the total customers

**SAIDI total interruptions = 372**

6. The SAIDI for the total number of interruptions within each interruption class, which shall be calculated in accordance with the following formula:

$\frac{a}{b}$

where -

a is the sum obtained by adding together the interruption duration factors for all interruptions within the particular interruption class; and

b is the total customers

Class A	33
Class B	143
Class C	178

Class D	17
Class E	0
Class F	0
Class G	0

10. The CAIDI for the total number of interruptions within each interruption class, which shall be calculated in accordance with the following formula:

a  
b

7. The SAIFI for the total number of interruptions, which shall be calculated in accordance with the following formula:

a  
b

where -

- a is the sum obtained by adding together the number of electricity customers affected by each of those interruptions; and
- b is the total customers

**SAIFI total interruptions = 4.9**

8. The SAIFI for the total number of interruptions within each interruption class, which shall be calculated in accordance with the following formula:

a  
b

where -

- a is the sum obtained by adding together the number of electricity customers affected by each of those interruptions within that interruption class; and
- b is the total customers

Class A	0.1
Class B	1.1
Class C	3.3
Class D	0.4
Class E	0.0
Class F	0.0
Class G	0.0

9. The CAIDI for the total of all interruptions, which shall be calculated in accordance with the following formula:

a  
b

- a is the sum obtained by adding together the interruption duration factors for all interruptions; and
- b is the sum obtained by adding together the number of electricity customers affected by each of those interruptions.

**CAIDI total interruptions = 76**

Class A	288
Class B	126
Class C	54
Class D	46
Class E	0
Class F	0
Class G	54

where -

- a is the sum obtained by adding together the interruption duration factors for all interruptions within the particular interruption class; and
- b is the sum obtained by adding together the number of electricity customers affected by each of those interruptions.

**Definitions of Classes:**

- Class A: Planned Trans Power Interruption
- Class B: Planned interruption by any Line Operator (other than Trans Power)
- Class C: Unplanned interruption originating within the principal Line Owner's works.
- Class D: Unplanned Trans Power interruption
- Class E: Unplanned ECNZ interruption
- Class F: Unplanned interruption originating from a generator other than ECNZ
- Class G: Other.

Coopers  
& Lybrand

Chartered accountants

telephone 0-7-578 7133  
fax 0-7-578 0701

PO Box 86  
143 Durham Street  
Tauranga  
New Zealand

Whangarei Auckland Manukau City  
Hamilton Tauranga New Plymouth  
Napier Hastings Palmerston North  
Feilding Wellington Johnsonville  
Christchurch Dunedin Invercargill

A Member Firm of  
Coopers & Lybrand International

## CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

### BAY OF PLENTY ELECTRICITY LIMITED

We have examined the attached financial statements prepared by Bay of Plenty Electricity Limited and dated 24 August 1995 for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

*Coopers & Lybrand*

Coopers & Lybrand

24 August 1995

**Coopers  
& Lybrand**

chartered accountants

telephone 0-7-578 7133  
fax 0-7-578 0701PO Box 86  
143 Durham Street  
Tauranga  
New ZealandWhangarei Auckland Manukau City  
Hamilton Tauranga New Plymouth  
Napier Hastings Palmerston North  
Feilding Wellington Johnsonville  
Christchurch Dunedin InvercargillA Member Firm of  
Coopers & Lybrand International

## **CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS**

### **BAY OF PLENTY ELECTRICITY LIMITED**

We have examined the attached information, being :-

- (a) Financial performance measures specified in Clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in Clause 2 of Part II of that Schedule;

and having been prepared by Bay of Plenty Electricity Limited and dated 24 August 1995 for the purposes of Regulation 13 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

*Coopers & Lybrand*

Coopers & Lybrand

24 August 1995

Coopers  
& Lybrand

Chartered accountants

telephone 0-7-578 7133  
fax 0-7-578 0701

PO Box 86  
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Feilding Wellington Johnsonville  
Christchurch Dunedin Invercargill

A Member Firm of  
Coopers & Lybrand International

7 July 1995

The Directors  
Bay of Plenty Electricity Limited  
P O Box 404  
WHAKATANE

**CERTIFICATE BY AUDITOR IN RELATION TO  
ODV VALUATION OF**

**BAY OF PLENTY ELECTRICITY LIMITED**

I have examined the valuation report prepared by Coopers & Lybrand, Auckland and dated 23 November 1994, which report contains valuations as at 1 April 1994.

I hereby certify that, having made all reasonable enquiry, to the best of my knowledge, the valuations contained in the report have been made in accordance with the ODV Handbook.

*Asway*

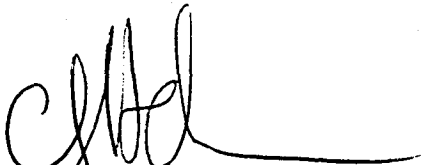
.....  
JOHN STEWART GRAY

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER.**

We, Colin George Houston Holmes, and John Gordon Forsythe, directors of Bay of Plenty Electricity Limited certify that, having made all reasonable inquiry, to the best of our knowledge, -

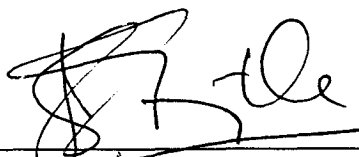
- (a) The attached audited financial statements of Bay of Plenty Electricity Limited prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Bay of Plenty Electricity Limited, and having been prepared for the purposes of regulations 13, 14, 15, and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performance measures are based are as at 31 March 1995.



---

C G H Holmes (Director)



---

J G Forsythe (Director)

# POWERCO LIMITED

# **POWERCO LIMITED**

**Financial Statements as required by  
The Electricity (Information Disclosure)  
Regulations 1994**

**for the year ended 31 March 1995**

**Deloitte Touche  
Tohmatsu**

---



**CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by Powerco Limited and dated 11 August 1995 for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

*Deloitte Touche Tohmatsu.*

DELOITTE TOUCHE TOHMATSU

11 August 1995

**Deloitte Touche  
Tohmatsu**



**CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS**

We have examined the attached information, being

- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule,

and having been prepared by Powerco Limited and dated 11 August 1995 for the purposes of regulation 13 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

*Deloitte Touche Tohmatsu.*

DELOITTE TOUCHE TOHMATSU

11 August 1995



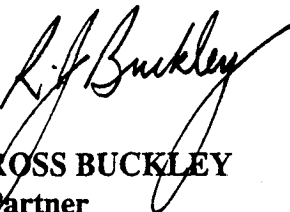
Chartered Accountants

**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**

**POWERCO LIMITED**

I have examined the valuation report prepared by KPMG Peat Marwick and dated 31 March 1995, which report contains valuations as at 31 March 1995.

I hereby certify that, having made all reasonable enquiry, to the best of my knowledge, the ODV valuations contained in the report have been made in accordance with the ODV Handbook.

  
**ROSS BUCKLEY**  
Partner


16 June 1995

**POWERCO LIMITED****CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

We, Peter Roy Warnock and Richard Innes Gilbert, directors of Powerco Limited certify that, having made all reasonable enquiry, to the best of our knowledge, -

- (a) The attached audited financial statements of Powerco Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performances measures in relation to Powerco Limited, and having been prepared for the purposes of regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performances measures are based are as at 31 March 1995.

  
\_\_\_\_\_  
P R Warnock                      DIRECTOR

  
\_\_\_\_\_  
R I Gilbert                      Director

11 August 1995

**POWERCO LIMITED - LINE BUSINESS****STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 31 March 1995

	NOTE	1995 \$
<b>REVENUE</b>		
Electricity revenue		19,792,664
Other income		2,560,183
<b>TOTAL REVENUE</b>		<b>22,352,847</b>
<b>EXPENSES</b>		
Electricity business and other costs		17,993,599
<b>TOTAL EXPENSES</b>		<b>17,993,599</b>
<b>NET PROFIT BEFORE TAXATION</b>		<b>4,359,248</b>
Taxation	2	1,280,439
<b>NET PROFIT AFTER TAXATION</b>	1	<b>3,078,809</b>
Reserves and retained earnings at beginning of year		23,823,458
Dividends paid and proposed		(1,358,609)
<b>RESERVES AND RETAINED EARNINGS AT END OF YEAR</b>		<b>25,543,658</b>

The accompanying accounting policies and notes form an integral part of the financial statements.

## POWERCO LIMITED - LINE BUSINESS

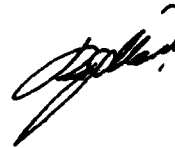
STATEMENT OF FINANCIAL POSITION  
as at 31 March 1995

	NOTE	1995 \$
<b>SHAREHOLDERS' FUNDS</b>		
Share capital	5	13,871,451
Reserves and retained earnings		25,543,658
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>39,415,109</b>
<b>CURRENT LIABILITIES</b>		
DEFERRED TAXATION	3	322,284
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>43,158,329</b>
<b>CURRENT ASSETS</b>		
INVESTMENTS	7	10,371,219
FIXED ASSETS	8,11	8,522,254
<b>TOTAL ASSETS</b>	12	<b>24,264,856</b>
<b>TOTAL ASSETS</b>		<b>43,158,329</b>

On behalf of the Board



Chairman



Director

11 August 1995

The accompanying accounting policies and notes form an integral part of the financial statements.

**POWERCO LIMITED - LINE BUSINESS****STATEMENT OF MOVEMENTS IN EQUITY**

for the year ended 31 March 1995

	NOTE	1995 \$
Shareholders' funds at start of year		36,454,190
Net profit after taxation for the year		3,078,809
Decrease in reserves		(392,184)
<b>Total recognised revenues and expenses for the year</b>		<b>2,686,625</b>
Dividends paid and provided for	4	(1,358,609)
Movements in share capital during the year	5	1,632,903
<b>SHAREHOLDERS' FUNDS AT END OF YEAR</b>		<b>39,415,109</b>

The accompanying accounting policies and notes form an integral part of the financial statements.

## POWERCO LIMITED - LINE BUSINESS

### NOTES TO THE ACCOUNTS

#### STATEMENT OF ACCOUNTING POLICIES

##### REPORTING ENTITY

Powerco Limited is a public company registered under the *Companies Act 1955*.

The financial statements of Powerco Limited have been prepared in accordance with the *Companies Act 1955* as amended and the *Financial Reporting Act 1993*, they have also been prepared to comply with the *Electricity (Information Disclosure) Regulations 1994*.

##### MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed.

##### BASIS OF ALLOCATIONS TO BUSINESS UNITS

###### Expense Allocation

Meter reading, billing and all associated costs are charged to Powerco's energy business on a per account basis, this is a variation to the guidelines which state these costs are fully chargeable to the energy business.

###### Electricity Sales and Cost of Sales Allocation

Electricity sales for the energy business is the energy component of the total sales while the line business sales are the total of fixed distribution and transmission charges.

The cost of sales for each business unit is on the same basis.

##### SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

##### VALUATION OF FIXED ASSETS

All fixed assets are valued at cost less accumulated depreciation with the exception of land which is valued at cost.

##### DEPRECIATION

Depreciation has been calculated to allocate the cost of the assets over their estimated useful lives at the following rates:

Buildings	1% to 2.5%	SL
Plant and equipment	10% to 12.5%	DV
Motor vehicles	20% to 25%	DV
Office furniture and equipment	20% to 50%	DV
Globo distribution system	5% to 6.3%	SL
Distribution system	5% to 6.3%	DV
Transformers	7.5% to 9.4%	DV

##### RENEWALS

The renewal of a component (poles or wire of a similar capacity) is treated as capital expenditure where the renewal of major components of a line increases the life and value of that asset.

##### DEBTORS

Debtors are stated at their estimated net realisable value after making a general provision for doubtful debts.

All known bad debts have been written off during the year.

##### STOCKS

All stock is valued at the lower of the average cost price and the net realisable value as at 31 March 1995. Allowance has been made for obsolete and damaged inventory.

##### INVESTMENTS

As it is the company's policy to be holders to maturity and not traders of interest bearing investments, these investments are valued at cost amortised by the yield to maturity method.

Long term share investments in other companies are stated at cost.

##### ACCRUED ELECTRICITY REVENUE

Electricity revenue includes an estimate for electricity used but not billed as at year end.

##### INCOME TAX

The income tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences. The company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised where there is virtual certainty of realisation.

##### CHANGES IN ACCOUNTING POLICIES

There have been no changes of accounting policies. All policies have been applied on bases consistent with those used in previous years.

**POWERCO LIMITED - LINE BUSINESS**

	<b>1995</b>
	<b>\$</b>
<b>1 NET PROFIT AFTER TAXATION</b>	3,078,809
After charging:	
Audit fees and expenses	27,305
Depreciation	2,131,604
Enhanced exit payments	
- electricity business and related staff	208,344
Directors fees	131,500
Rental and lease costs	40,626
Loss on sale of assets	107,426
After crediting:	
Interest received	814,884
Dividends received	8,208
Gain on sale of assets	439,929
<b>2 TAXATION</b>	
Profit before taxation	4,359,248
Prima facie taxation @ 33%	1,438,551
Plus (Less) taxation effect of:	
Permanent differences	(158,112)
Prior period adjustments	
<hr/>	
Taxation expense	1,280,439
The taxation charge is represented by:	
Current taxation	1,101,357
Deferred taxation	179,082
<hr/>	
<b>TOTAL TAXATION EXPENSE</b>	<b>1,280,439</b>
<hr/>	
<b>IMPUTATION CREDIT ACCOUNT</b>	
Balance as at 1 April 1994	1,014,894
Imputation credits attaching to dividends paid in the year	(364,792)
Income tax payments during the year	1,402,217
<hr/>	
<b>IMPUTATION CREDITS AVAILABLE AS AT 31 MARCH 1995</b>	<b>2,052,319</b>
<hr/>	
<b>3 DEFERRED TAXATION</b>	
Balance as at 31 March 1994	143,202
Current year movements	179,082
Prior period adjustment	
<hr/>	
<b>BALANCE AS AT 31 MARCH 1995</b>	<b>322,284</b>
<hr/>	

**POWERCO LIMITED - LINE BUSINESS**

		<b>1995</b>		
		<b>\$</b>		
<b>4</b>	<b>DIVIDENDS</b>			
	Dividends paid			
	5 cents per Founder share	319,499		
	2.5 cents per Cumulative Preference share (Interim)	41,550		
	<hr/>			
	Total dividends paid	361,049		
	Proposed final dividend			
	15 cents per Ordinary share	872,910		
	7.5 cents per Cumulative Preference share	124,650		
	<hr/>			
	Total proposed dividend	997,560		
	<hr/>			
	<b>TOTAL DIVIDENDS PAID</b>	<b>1,358,609</b>		
	<hr/>			
<b>5</b>	<b>SHARE CAPITAL</b>			
	The allocation of Share capital and reserves between the Energy business and the Line business is as follows:			
	Authorised Capital:			
	- 34,000,000 Ordinary \$1 shares			
	- 2,000,000 Cumulative Participating Preference \$1 shares	<b>36,000,000</b>		
	<hr/>			
		Allocation		
	Total	Line	Energy	
	Issued and fully paid	14,685,704	11,863,973	2,821,731
	Issued and partly paid	2,007,478	2,007,478	-
	<hr/>			
		16,693,182	13,871,451	2,821,731
	<hr/>			
<b>6</b>	<b>CURRENT LIABILITIES</b>			
	Trade creditors			1,573,583
	Other creditors			254,261
	Provision for leave entitlements			426,896
	Provision for dividends	4		997,511
	Customer deposits			168,685
	<hr/>			
	<b>TOTAL CURRENT LIABILITIES</b>			<b>3,420,936</b>
	<hr/>			

**POWERCO LIMITED - LINE BUSINESS**

		1995 \$
<b>7</b>	<b>CURRENT ASSETS</b>	
	Cash and bank	412,753
	Bank deposits	5,348,426
	Debtors	2,850,677
	Construction stock	1,220,914
	Commercial stock	154,220
	Taxation refund due	384,229
<hr/>		
	<b>TOTAL CURRENT ASSETS</b>	<b>10,371,219</b>
<hr/>		
<b>8</b>	<b>INVESTMENTS</b>	
	Employee share scheme loans	88,998
	SOE Bonds	2,110,917
	NZ Government Stock	3,653,357
	Countrywide Bonds	986,902
	Publicly listed company shares	1,682,080
<hr/>		
	<b>TOTAL INVESTMENTS</b>	<b>8,522,254</b>
<hr/>		
<b>9</b>	<b>PUBLICLY LISTED COMPANY SHARES</b>	
	The company holds 1,549,600 shares in TrustPower Limited and the investment in these shares is shown at cost. The market value of these shares as at 31 March 1995 was \$1,704,560.	
<b>10</b>	<b>EMPLOYEE SHARE SCHEME LOANS</b>	
	The employee share scheme loans represent loans made to employees to purchase shares in the company under the Powerco Employee share purchase scheme. The shares are held by Powerco Trustee Limited until full payment is made and the other conditions of the scheme have been satisfied.	
<b>11</b>	<b>GOVERNMENT STOCK AND CORPORATE BONDS</b>	
	The valuation of Powerco's investment in Government stock and Corporate bonds is shown in the financial statement at cost amortised by the yield to maturity method.	
	The book value and the market values as at 31 March 1995 were as follows:	
		Book Value                      Market
		\$                                      \$
	NZGS 8% 15-11-95	1,010,737                      992,117
	NZGS 9% 15-11-96	1,034,262                      1,012,619
	NZGS 8% 15-07-98	1,608,358                      1,490,777
<hr/>		
	Corporate Bonds	3,653,357                      3,495,513
	SOE ECNZ 10% 15-06-96	2,110,917                      2,021,897
	Countrywide Bonds 7% 15-05-97	986,902                      963,249
<hr/>		
	<b>TOTAL STOCK AND BONDS</b>	<b>6,751,176                      6,480,669</b>
<hr/>		

**POWERCO LIMITED - LINE BUSINESS****12 FIXED ASSETS**

	1995 \$
Distribution system	
Cost	30,916,057
Accumulated depreciation	13,315,536
<hr/>	
Book value	17,600,522
Land	
Cost	509,138
<hr/>	
Buildings	
Cost	4,105,279
Accumulated depreciation	702,226
<hr/>	
Book value	3,403,053
Motor vehicles	
Cost	3,209,497
Accumulated depreciation	1,959,332
<hr/>	
Book value	1,250,165
Plant and equipment	
Cost	3,979,765
Accumulated depreciation	2,477,787
<hr/>	
Book value	1,501,978
<hr/>	
TOTAL NET BOOK VALUE	24,264,856

**13 FINANCIAL INSTRUMENTS****a Credit Risk**

Financial instruments which potentially subject the company to credit risk principally consist of bank balances, bank deposits, debtors and investments.

Generally the company does not require collateral from customers.

Maximum exposures to credit risk is the amount stated in the financial statements and are net of any recognised provision for losses in these financial instruments.

The company invests funds with financial institutions with satisfactory credit ratings and in NZ Government Stock.

**b Concentrations of Credit Risk**

The company is not exposed to any concentrations of credit risk.

**c Credit Facilities**

The company has no arranged bank overdraft facility.

**d Fair Values**

There was no difference between the fair value and the carrying amounts of cash and bank, bank deposits and debtors. The fair values for other investments are as disclosed in notes 9 and 11.

**14 CAPITAL EXPENDITURE COMMITMENTS**

The Company has a capital commitment of \$239,700 for the refurbishment of the St Hill Street Building.

**15 SALE OF POWERCO HOUSES**

Powerco sold nine houses during the year which were no longer required for its core business. These were sold for a total of \$483,869 and resulted in a capital gain of \$391,392.

**16 TRANSACTIONS WITH RELATED PARTIES**

Powerco Limited paid fees and disbursements including Goods and Services Tax to a firm in which D H Brown a Director has an interest and also to R I Gilbert of Doyle Gilbert and Company. These were charged at normal terms.

**POWERCO LIMITED - LINE BUSINESS**

During the year Powerco Limited also purchased motor vehicles from a company in which Mr I J Cunningham a Director has an interest. The purchase price was the most competitive of the prices obtained.

No related party debts have been written off or forgiven during the year.

**17 SIGNIFICANT EVENTS AFTER BALANCE DATE****a Taranaki Energy Proposal**

An announcement was made on 26 April 1995 that the Directors of Powerco Limited and Taranaki Energy Limited were discussing forming a closer relationship, possibly involving an amalgamation. The Heads of Agreement for a possible amalgamation have been signed but the amalgamation proposal is subject to shareholder approval.

**b Bonus Issue**

The Board at a meeting on 16 May 1995 declared a dividend by way of a bonus share issue of 1 share for every 5 fully paid shares. Partly paid shares also receive the issue in proportion to the amount paid up on the shares on 16 June 1995. The bonus issue is to be made on the 8 July 1995.

**c Reregistration**

Powerco Limited was reregistered under the 1993 Companies Act effective from 15 June 1995. There were no other significant events after balance date.

**POWERCO LIMITED - ENERGY BUSINESS****STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 1995**

	NOTE	1995 \$
<b>REVENUE</b>		
Electricity revenue		18,608,550
Appliance sales and servicing		8,052,822
Other income		427,179
<b>TOTAL REVENUE</b>		<b>27,088,551</b>
<b>EXPENSES</b>		
Electricity business and other costs		18,421,934
Appliance sales and servicing costs		8,553,195
<b>TOTAL EXPENSES</b>		<b>26,975,129</b>
<b>NET PROFIT BEFORE TAXATION</b>		<b>113,422</b>
Taxation	2	33,315
<b>NET PROFIT AFTER TAXATION</b>	<b>1</b>	<b>80,107</b>
Reserves at beginning of year		4,497,504
Dividends paid and proposed		(276,299)
<b>RESERVES AT END OF YEAR</b>		<b>4,301,312</b>

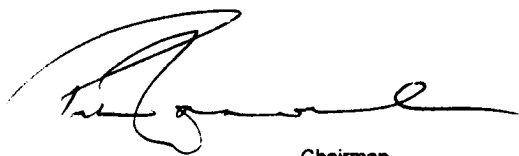
The accompanying accounting policies and notes form an integral part of the financial statements.

**POWERCO LIMITED - ENERGY BUSINESS****STATEMENT OF FINANCIAL POSITION**

as at 31 March 1995

	NOTE	1995 \$
<b>SHAREHOLDERS' FUNDS</b>		
Share capital		2,821,731
Reserves		4,301,312
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>7,123,043</b>
<b>CURRENT LIABILITIES</b>		
	5	2,802,288
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>9,925,331</b>
<b>CURRENT ASSETS</b>		
	6	9,327,094
INVESTMENTS	7	585,000
FIXED ASSETS	9	13,237
<b>TOTAL ASSETS</b>		<b>9,925,331</b>

On behalf of the Board



Chairman



Director

11 August 1995

The accompanying accounting policies and notes form an integral part of the financial statements.

**POWERCO LIMITED - ENERGY BUSINESS****STATEMENT OF MOVEMENTS IN EQUITY**

for the year ended 31 March 1995

	NOTE	1995 \$
Shareholders' funds at start of year		7,319,235
Net profit after taxation for the year		80,107
Decrease in reserves		-
Total recognised revenues and expenses for the year		7,399,342
Dividends paid and provided for	3	(276,299)
Movements in share capital during the year	4	-
<b>SHAREHOLDERS' FUNDS AT END OF YEAR</b>		<b>7,123,043</b>

The accompanying accounting policies and notes form an integral part of the financial statements.

**POWERCO LIMITED - ENERGY BUSINESS****NOTES TO THE ACCOUNTS****STATEMENT OF ACCOUNTING POLICIES****REPORTING ENTITY**

Powerco Limited is a public company registered under the *Companies Act 1955*.

The financial statements of Powerco Limited have been prepared in accordance with the *Companies Act 1955* as amended and the *Financial Reporting Act 1993*, they have also been prepared to comply with the *Electricity (Information Disclosure) Regulations 1994*.

**MEASUREMENT BASE**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed.

**BASIS OF ALLOCATIONS TO BUSINESS UNITS****Expense Allocation**

Meter reading, billing and all associated costs are charged to Powerco's energy business on a per account basis, this is a variation to the guidelines which state these costs are fully chargeable to the energy business.

**Electricity Sales and Cost of Sales Allocation**

Electricity sales for the energy business is the energy component of the total sales while the line business sales are the total of fixed distribution and transmission charges.

The cost of sales for each business unit is on the same basis.

**SPECIFIC ACCOUNTING POLICIES**

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

**HIRE PURCHASE INTEREST**

Hire purchase interest is apportioned monthly as earned.

**VALUATION OF FIXED ASSETS**

All fixed assets are valued at cost less accumulated depreciation with the exception of land which is valued at cost.

**DEPRECIATION**

Depreciation has been calculated to allocate the cost of the assets over their estimated useful lives at the following rates:

Generating plant	10% to 12.5%	DV
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**DEBTORS**

Debtors are stated at their estimated net realisable value after making a general provision for doubtful debts.

All known bad debts have been written off during the year.

Hire Purchase debtors are debited with the full finance charge at the time of the sale.

**INVESTMENTS**

Although Powerco participates in the commercial and financial policy decisions of Energy Brokers, it cannot exercise significant influence. The long term investment is therefore stated at cost.

Effective from the 1 April 1995, Powerco Appliances Limited is an associate company. The financial results of Powerco Appliances Limited will be reflected in Powerco's financial statements on an equity accounting basis commencing in the 1995/1996 year.

**ACCRUED ELECTRICITY REVENUE**

Electricity revenue includes an estimate for electricity used but not billed as at year end.

**INCOME TAX**

The income tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences. The company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised where there is virtual certainty of realisation.

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes of accounting policies. All policies have been applied on bases consistent with those used in previous years.

**POWERCO LIMITED - ENERGY BUSINESS**

	1995 \$
<b>1 NET PROFIT AFTER TAXATION</b>	<b>80,107</b>
After charging:	
Depreciation	228
Enhanced exit payments	
- Appliance sales and servicing	339,872
After crediting:	
Interest received	203,720
Goodwill	200,000
<b>2 TAXATION</b>	
Profit before taxation	113,422
Prima facie taxation @ 33%	37,429
Plus (Less) taxation effect of:	
Permanent differences	(4,114)
<hr/> Taxation expense	<hr/> 33,315
The taxation charge is represented by:	
Current taxation	33,315
Deferred taxation	-
<hr/> TOTAL TAXATION EXPENSE	<hr/> 33,315
 <b>IMPUTATION CREDIT ACCOUNT</b>	
Balance as at 1 April 1994	26,405
Imputation credits attaching to dividends paid in the year	(74,188)
Income tax payments during the year	47,783
<hr/> IMPUTATION CREDITS AVAILABLE AS AT 31 MARCH 1995	<hr/> Nil
 <b>3 DIVIDENDS</b>	
Dividends paid	
5 cents per Founder share	64,976
2.5 cents per Cumulative Preference Share (Iterim)	8,450
<hr/> Total dividends paid	<hr/> 73,426
Proposed final dividend	
15 cents per Ordinary share	177,523
7.5 cents per Cumulative Preference share	25,350
<hr/> Total proposed dividend	<hr/> 202,873
<hr/> TOTAL DIVIDENDS PAID	<hr/> 276,299

**POWERCO LIMITED - ENERGY BUSINESS****4 SHARE CAPITAL**

The allocation of Share capital and reserves between the Energy business and the Line business is as follows:

Authorised Capital:	- 34,000,000 Ordinary \$1 shares	
	- 2,000,000 Cumulative Participating Preference \$1 shares	36,000,000

	Total	Allocation Line	Energy
Issued and fully paid	14,685,704	11,863,973	2,821,731
Issued and partly paid	2,007,478	2,007,478	-
	16,693,182	13,871,451	2,821,731

1995  
\$

**5 CURRENT LIABILITIES**

Trade creditors	2,119,664
Other creditors	311,066
Customer deposits	168,685
Provision for dividends	202,873

<b>TOTAL CURRENT LIABILITIES</b>	<b>2,802,288</b>
----------------------------------	------------------

**6 CURRENT ASSETS**

Bank Deposits	2,926,574
Powerco Appliances Limited	1,396,523
Debtors	4,994,000
Tax Refund Due	9,997

<b>TOTAL CURRENT ASSETS</b>	<b>9,327,094</b>
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**7 INVESTMENTS**

Energy Brokers	60,000
Powerco Appliances Limited Shares	525,000

<b>TOTAL INVESTMENTS</b>	<b>585,000</b>
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## POWERCO LIMITED - ENERGY BUSINESS

### 8 ENERGY BROKERS

Energy Brokers New Zealand Limited was incorporated under the *Companies Act 1955* as a Private Company (limited by shares) on 23 June 1993. It was formed to undertake energy trading activities. Powerco holds 60,000 \$1 Ordinary shares, being 20% of the total shares on issue. At 31 March 1995 Energy Brokers have accumulated losses of \$260,758.

### 9 FIXED ASSETS

	1995
	\$
Generating Plant	
Cost	25,953
Accumulated depreciation	12,716
Book value	13,237

### 10 FINANCIAL INSTRUMENTS

#### a Credit Risk

Financial instruments which potentially subject the company to credit risk principally consist of bank deposits, debtors and investments.

Generally the company does not require collateral from customers.

Maximum exposures to credit risk is the amount stated in the financial statements and are net of any recognised provision for losses in these financial instruments.

The company invests funds with financial institutions with satisfactory credit ratings.

#### b Concentrations of Credit Risk

The company is not exposed to any concentrations of credit risk.

#### c Credit Facilities

The company has no arranged bank overdraft facility.

#### d Fair Values

There was no difference between the fair value and the carrying amounts of cash and bank, bank deposits and debtors. The fair values for other investments are as disclosed in note 8.

### 11 POWERCO APPLIANCES LIMITED

Powerco sold off as a going concern its Appliance Sales and Servicing operation on 31 March 1995. Settlement of the sale price, net of Powerco's shareholding in Powerco Appliances Limited of \$525,000, took place in April 1995.

The net value of the transaction to Powerco is shown as follows:

	\$
Trading Stock	1,492,800
Office Furniture and Equipment	80,000
Motor Vehicles	148,723
Goodwill	200,000
Sale value	1,921,523
Powerco's 50% shareholding in Powerco Appliances Limited (Note 7)	(525,000)
NET SETTLEMENT (Note 6)	1,396,523

### 12 TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties for the energy business.

### 13 CONTINGENT LIABILITIES

#### a Powerco Appliances Limited

Powerco Limited has entered into agreement with two providers of financial facilities to Powerco Appliances Limited, guaranteeing compliance with the terms of those facilities. In each case, the guarantee is limited to one half of the liability of Powerco Appliances Limited to the financial providers who hold security over the assets of Powerco Appliances Limited. It is expected that the maximum contingent liability of Powerco Limited under the two guarantees will not exceed \$600,000 in total.

**POWERCO LIMITED - ENERGY BUSINESS**

- b Energy Brokers New Zealand Limited  
Powerco as a shareholder in Energy Brokers has entered an agreement with the National Bank of NZ Limited to guarantee an arranged overdraft facility. Powerco's potential liability is limited to a maximum of \$40,000 based on its shareholding of 20%. Powerco also has an agreement with the Electricity Corporation of New Zealand Limited (ECNZ) for Energy Brokers Energy Supply Contract 1994/95. Powerco has guaranteed that all Energy Brokers purchase obligations will be met. The four shareholding customers of Energy Brokers have all entered into similar agreements, with Powerco's liability being 22.7% of the total of any unfulfilled purchase obligation.

**14 SIGNIFICANT EVENTS AFTER BALANCE DATE**

- a Taranaki Energy Proposal  
An announcement was made on 26 April 1995 that the Directors of Powerco Limited and Taranaki Energy Limited were discussing forming a closer relationship, possibly involving an amalgamation. The Heads of Agreement for a possible amalgamation have been signed but the amalgamation proposal is subject to shareholder approval.
- b Reregistration  
Powerco Limited was reregistered under the 1993 Companies Act effective from 15 June 1995.

There were no other significant events after balance date.

**MINISTRY OF COMMERCE PERFORMANCE MEASURES 1994/95****Part II**

1a	Accounting return on total assets	=	6.32
b	Accounting return on equity	=	4.46
c	Accounting rate of profit	=	4.23
2	Efficiency performance measures		
a	<u>direct expenditure</u> system length	=	\$862.69
b	<u>indirect expenditure</u> total customers	=	\$210.01

## Part III

1a Load Factor

$$\frac{367,737,968}{\text{MD } 72,162 \times 8,760 \text{ hrs}} = \frac{367,737,968}{632,139,120} \times \frac{100}{1} = 58.173$$

b Loss Ratio

$$\frac{22,772,785}{369,822,076} \times \frac{100}{1} = 6.1577$$

c  $\frac{\text{MD}}{\text{Trans Power capacity}} = \frac{72162}{265,080} \times \frac{100}{1} = 27.22$

2	(a) Total System Length (km)	(b) Overhead	(c) Underground
<u>Nominal Voltage</u>			
110 kV	-		
66/50 kV	1		
33 kV	1789	176	2
22 kV	61	61	
11 kV	2,426	2,386	40
6.6 kV	97	97	
3.3 kV	-		
230/400 V	<u>724</u>	<u>605</u>	<u>724</u>
Totals	3,486	2,720	766

d Transformer capacity 265,080 (kVA)

e Maximum Demand 72,162 (kW)

f Total electricity supplied (kWh) 347,049,291

g Nil

h 33,161 customers

**PART IV****1 Number of Interruptions by Class**

	Description	Interruptions
CLASS A	Transpower planned	5
CLASS B	Powerco planned	100
CLASS C	Powerco unplanned	360
CLASS D	Transpower unplanned	12
CLASS E	ECNZ unplanned	0
CLASS F	Other generation unplanned	0
CLASS G	Other	0
Total		477

**2 Total number of faults per 100 km of Line over 3.3 kV = 13.24**

Faults	360.00
Total line length	2718.61 km

**3 Total number of Faults per 100 km of Line**

kV	Faults	Faults/100 km
33 kV	Nil	Nil
11 kV	Nil	Nil

**4 The total number of faults of overhead line per 100 km over 3.3 kV = 13.24**

Voltage	Faults	Cct km	Faults /100 km
33 kV	19	175.60	10.82
22 kV	48	60.53	79.30
11 kV	289	2385.72	12.11
6.6 kV	4	96.76	4.13

**5 SAIDI - Total Interruptions**

Total SAIDI = 366.76

**6 SAIDI per Interruption Class**

	SAIDI
CLASS A Transpower planned	68.79
CLASS B Powerco planned	65.62
CLASS C Powerco unplanned	209.28
CLASS D Transpower unplanned	23.07
CLASS E ECNZ unplanned	0.00
CLASS F Other generation unplanned	0.00
CLASS G Other	0.00
(Total)	366.76

## 7 Total SAIFI for the Total Interruptions

Total SAIFI = 5.51

## 8 SAIFI per Interruption Class SAIFI

CLASS A	Transpower unplanned	0.41
CLASS B	Powerco planned	0.38
CLASS C	Powerco unplanned	3.24
CLASS D	Transpower unplanned	1.48
CLASS E	ECNZ unplanned	0.00
CLASS F	Other generation unplanned	0.00
CLASS G	Other	0.00
(Total)		5.51

## 9 Total CAIDI for the Total Interruptions

Total CAIDI = 66.60

## 10 CAIDI per Interruption Class CAIDI

CLASS A	Transpower planned	169.52
CLASS B	Powerco planned	173.05
CLASS C	Powerco unplanned	64.65
CLASS D	Transpower unplanned	15.54
CLASS E	ECNZ unplanned	N/A
CLASS F	Other generation unplanned	N/A
CLASS G	Other	N/A
(Total)		66.60



**POWER NEW ZEALAND  
LIMITED**

**POWER NEW ZEALAND LIMITED****DISCLOSURE OF INFORMATION PURSUANT TO ELECTRICITY  
(INFORMATION DISCLOSURE) REGULATIONS 1994****CONTENTS**

1. Introduction and Interpretation
2. Financial Statements for the year ending 31 March 1995
3. Performance Measures and Statistics for the year ending 31 March 1995

## POWER NEW ZEALAND LIMITED

1. **INTRODUCTION AND INTERPRETATION**

- 1.1 This document contains certain material required to be disclosed by Power NZ under Regulations 6, 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994. There are no changes to any material previously disclosed.
- 1.2 The information in this document was prepared by Power NZ after making all reasonable enquiry and to the best of its knowledge, the information complies with all relevant requirements of the Regulations.
- 1.3 The information in this document is not intended by Power NZ to constitute an offer of services to the public.
- 1.4 The information is available on request at the company's following principal offices:

44 Taharoto Road  
Takapuna  
Auckland

Rewi Street  
Te Aroha

- 1.5 In this document, words and expressions have the meaning given to them in the Regulations or the Act, unless otherwise specified.
- 1.6 For the purpose of this disclosure:
- “**Power NZ**” means Power New Zealand Limited.
- “**Pacific Energy**” means Pacific Energy Limited.
- “**Network Business Unit**” or “**NBU**” means the entity which forms part of Power NZ and which is responsible for the operation of the company's line business activities;
- “**Energy Business Unit**” or “**EBU**” means the entity which forms part of Power NZ and which is responsible for the company's electricity retailing business;
- “**Disclosure Date**” means 31 March 1995;
- “**Last financial year**” means the year ending on Disclosure Date.

**POWER NEW ZEALAND****2. FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 1995****2.1 CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS**

We, Alasdair Thompson and Don Stanley, Directors of Power New Zealand Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of Power New Zealand Limited prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Power New Zealand Limited, and having been prepared for the purposes of regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performance measures are based are as at 31 March 1995.

Alasdair Thompson, Director  
23 August 1995

Don Stanley, Director  
23 August 1995

***POWER NEW ZEALAND LIMITED*****2.2 REPORT BY AUDITOR ON FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by Power New Zealand Limited and dated 23 August 1995 for the purpose of regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

We hereby report that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they related and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

Deloitte Touche Tohmatsu  
Chartered Accountants  
Auckland, New Zealand  
25 August 1995

**2.3 REPORT ON PERFORMANCE MEASURES BY AUDITOR**

We have examined the attached information, being:

- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule, and having been prepared by Power New Zealand Limited and dated 23 August 1995 for the purposes of regulation 13 of those regulations.

We report that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

Deloitte Touche Tohmatsu  
Chartered Accountants  
Auckland, New Zealand  
25 August 1995

**2.4 REPORT BY AUDITOR ON ODV VALUATION**

We have examined the valuation report prepared by Coopers and Lybrand and dated 17 August 1995 which report contains valuations as at 31 March 1995.

We hereby report that, having made all reasonable enquiry, to the best of our knowledge, the ODV valuations contained in the report have been made in accordance with the ODV Handbook.

Deloitte Touche Tohmatsu  
Chartered Accountants  
Auckland, New Zealand  
25 August 1995

*POWER NEW ZEALAND LIMITED*

## 2.5 STATEMENT OF FINANCIAL PERFORMANCE

<i>For the year ended 31 March 1995</i>	Notes	1995	
		BUSINESS UNIT(S) NETWORK (\$000)	OTHER (\$000)
Total Revenue		126,955	261,508
Less Cost of Sales		53,139	208,991
Gross Margin		73,816	52,517
Other Trading Income	2	12,159	1,358
Total Income		85,975	53,875
Non-recurring Expenses	3	7,147	(1,995)
Other Expenses	3	51,049	42,516
Operating Surplus Before Taxation		27,779	13,354
Taxation	4	12,111	3,863
Operating Surplus After Taxation		15,668	9,491
Share of Associate's Surplus	10	317	0
<b>NET SURPLUS FOR YEAR</b>		<b>15,985</b>	<b>9,491</b>

*POWER NEW ZEALAND LIMITED*

## 2.6 STATEMENT OF FINANCIAL POSITION

<i>As At 31 March 1995</i>	Notes	1995	
		BUSINESS UNIT(S) NETWORK (\$000)	OTHER (\$000)
Issued and Paid Up Capital	6	75,735	0
Revaluation Reserves	7	334,456	0
Share Premium Reserve	7	40,724	0
Other Reserves	7	66,678	23,537
Retained Earnings	7	21,055	40,000
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>538,648</b>	<b>63,537</b>
<b>CURRENT ASSETS</b>			
Inter- Business Unit Receivable		7,983	5,299
Cash at Bank		51,031	17,822
Accounts Receivable	8	7,296	32,552
Inventory		0	4,065
<b>TOTAL CURRENT ASSETS</b>		<b>66,310</b>	<b>59,738</b>
<b>LESS CURRENT LIABILITIES</b>			
Inter- Business Unit Payable		5,299	7,983
Accounts Payable		10,883	16,927
Bank Loan	9	7	0
Provision for Dividend		11,211	3,956
Provision for Taxation		1,307	461
Sundry Payables		2,103	2,332
Total Current Liabilities		30,810	31,659
Working Capital		35,500	28,079
Investments	10	22,326	0
Goodwill Arising on Consolidation		25	0
Reticulation Assets	11	486,469	0
Non-Reticulation Assets	11	17,197	14,211
		<b>561,517</b>	<b>42,290</b>
Non-Current Liabilities	12	1,622	0
Long Term Inter-Business Unit Funding		21,247	(21,247)
<b>NET ASSETS</b>		<b>538,648</b>	<b>63,537</b>

*POWER NEW ZEALAND LIMITED***2.7 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS*****For the Year Ended 31 March 1995*****1. STATEMENT OF ACCOUNTING POLICIES*****Special Purpose Financial Statements***

These financial statements are made pursuant to Power New Zealand Limited's obligations under the Regulations to report separate financial results in respect of its line business activities and other business activities. They are in addition to the company's financial statements published pursuant to the company's obligations under the Companies Act 1955.

These are the first financial statements made by Power New Zealand Limited pursuant to Regulations 13, 15 and 16.

The Network Business Unit is treated as the core business activity and corporate activity is accounted for through the Network Business Unit financial statements. Other Business Units comprise the Energy and Contracting Business Units.

In these statements Power New Zealand Limited has adopted the costs and revenue allocation methodology stipulated in the Guidelines to the Regulations in most respects. All departures from the Guidelines are described in Power New Zealand Limited's Disclosure No. 5.

***General Accounting Policies***

The general accounting principles as recommended by the New Zealand Society of Accountants for the measurement and reporting of operating surplus on a historical cost basis have been followed by the group with the exception of Distribution Network System Assets which have been revalued to their Optimised Deprival Value (ODV) in accordance with the treatment outlined in the Electricity Disclosure Guidelines. This is more fully explained within the particular accounting policy for Fixed Assets.

Accrual accounting is used to match revenues and expenses. Reliance is placed on the fact that the company is a going concern.

***Particular Accounting Policies***

The following particular accounting policies which materially affect the measurement of the financial performance and position have been applied:

***(a) Financial Statements***

The financial statements include those of the parent company and its subsidiaries.

Inter-business unit transactions are included in the reported figures for each business unit under their respective categories.

***(b) Associate Company***

The associate company, Pacific Energy Limited, is a company in which Power New Zealand Limited has a 50% shareholding and in whose commercial and financial policy decisions it participates.

The results of the associate company have been reflected in the Network Business Unit financial statements on an equity accounting basis which recognises the group's share of surpluses in the statement of financial performance, and its share of post acquisition increases or decreases in net assets, in the statement of financial position.

***(c) Investments***

Long-term investments are stated at cost, except when a permanent change in value has occurred, where market value is adopted.

**POWER NEW ZEALAND LIMITED****(d) Income Tax**

The group adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the operating surplus before tax adjusted for any permanent differences.

Deferred taxation, using the liability method, is accounted for on the comprehensive basis.

Future tax benefits attributable to tax losses or timing differences are recognised only when there is virtual certainty of realisation. The major timing differences relate to depreciation.

**(e) Fixed Assets****Fixed Assets Other Than Distribution Network System Assets**

All fixed assets are initially recorded at cost.

**Distribution Network System Assets**

The Regulations provide a choice between either revaluing the Distribution Network System Assets or leaving them at their book value. Power New Zealand Limited has elected to revalue them to their ODV valuation as at 31 March 1995.

This valuation method allows for assets to be restated at their replacement cost less an appropriate provision for depreciation. Comparison is then made between their depreciated value and their Economic Value being the sum of future cash flows.

Should this result in a lower figure then the Economic Value is substituted.

Power New Zealand Limited engaged independent consultants, Coopers and Lybrand, to undertake the ODV valuation which appears in the Statement of Financial Position and notes thereto.

**(f) Depreciation**

Depreciation of fixed assets, other than freehold land, has been charged at rates calculated to allocate on a straight-line basis either the cost of the asset, or the valuation, less estimated residual value, over their estimated useful lives as follows:

(a)	Freehold Buildings	1 - 2%
(b)	Reticulation System	2.5% - 10%
(c)	Plant, Vehicles and Equipment	10% - 50%

**(g) Accounts Receivable.**

Accounts Receivable are stated at their estimated net realisable value.

Receivables include an assessment for unbilled sales of electricity at balance date.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value.

In arriving at net realisable value an allowance is made for deterioration and obsolescence.

Construction contracts are stated at cost plus attributable profit to date (based on percentage of completion of each contract), less progress billings.

**(i) Research and Development Expenditure**

Research and development expenditure is charged to expense as incurred.

**(j) Revenue Recognition**

Income from electricity sales includes an estimated amount for accrued electricity sales from meters unread at balance date.

**Changes in Accounting Policies**

There have been no changes in accounting policies from those previously applied.

**POWER NEW ZEALAND LIMITED**

	1995	
	Business Unit(s) Network (\$000)	Other (\$000)
<b>2 OTHER TRADING INCOME INCLUDES:</b>		
Interest Received	3,869	1,363
Dividend Received	1,627	0
<b>3 OPERATING SURPLUS BEFORE TAXATION AFTER CHARGING (CREDITING):</b>		
<b>NON-RECURRING ITEMS</b>		
Take-over Response Expenses	3,985	0
Energy Sector Reform Expenses	469	0
Merger and Acquisition Expenses	1,597	0
Prior Period Sales Adjustment	0	(1,995)
Share Issue Expenses	1,096	0
	<hr/>	
	7,147	(1,995)
<b>OTHER EXPENSES INCLUDE:</b>		
Audit Fees	164	0
Other Fees Paid to Auditors	512	0
Depreciation	13,891	1,313
Directors' Fees	157	0
Interest on loans	909	321
Other Payments to Directors	299	0
Research and Development	1,728	11
Lease and Rental	11	40
	<hr/>	
	17,671	1,685

**POWER NEW ZEALAND LIMITED**

<b>4 TAXATION</b>	<b>1995</b>	
	<b>Business Unit(s) Network (\$000)</b>	<b>Other (\$000)</b>
<b>CURRENT YEAR TAXATION CHARGE</b>		
Operating Surplus Before Taxation	27,779	13,354
	<hr/>	
Taxation at 33%	9,167	4,407
Permanent Differences	3,300	(369)
Adjustment Relating to Prior Years	(356)	(175)
	<hr/>	
	12,111	3,863
	<hr/>	
<b>THE TAXATION CHARGE IS REPRESENTED BY:</b>		
Current Taxation	10,966	3,863
Deferred Taxation	1,145	0
	<hr/>	
	12,111	3,863
	<hr/>	
<b>DEFERRED TAXATION RECONCILIATION</b>		
Opening Balance 1 April 1994	0	0
Transferred in upon Vesting	1,586	0
Current Year Tax Charge Movement	(1,145)	0
	<hr/>	
Closing Balance (see note 12)	441	0
	<hr/>	
<b>IMPUTATION CREDIT ACCOUNT</b>		
Opening Balance 1 April	0	0
Taxation Paid	7,935	2,800
Imputation Credits Attached to Dividends	(3,033)	(1,070)
	<hr/>	
Imputation Credits Available to Shareholders	4,902	1,730
	<hr/>	
<b>5 DIVIDEND</b>		
Dividend Paid	6,143	2,168
Dividend Proposed	11,212	3,955
	<hr/>	
	17,355	6,123
	<hr/>	

**POWER NEW ZEALAND LIMITED**

<b>6 ISSUED AND PAID UP CAPITAL</b>	<b>1995</b>	
	<b>Business Unit(s) Network (\$000)</b>	<b>Other (\$000)</b>
Authorised Capital: 1 Redeemable Preference Share of \$1.00 plus 399,999,998 Ordinary Shares of \$0.50 each	200,000	0
Issued and Paid Up Capital 151,470,220 Issued Shares Fully Paid	75,735	0
Movement in Share Capital:		
1 Redeemable Preference Share issued @ \$1.00	0	0
135,000,000 50c Par Issued @ \$0.50	67,500	0
13,500,000 50c Par Issued @ \$3.03	6,750	0
2,610,300 50c Par Issued @ \$2.73	1,305	0
359,700 50c Par Issued @ \$2.58	180	0
	<hr/>	
	75,735	0
	<hr/>	
<b>7 RESERVES</b>		
	<b>1995</b>	
	<b>Business Unit(s)</b>	
<b>REVALUATION RESERVE</b>	<b>Network</b>	<b>Other</b>
	<b>(\$000)</b>	<b>(\$000)</b>
Opening balance 1 April	0	0
Transfer upon Vesting	135,718	0
Surplus on ODV valuation	198,738	0
	<hr/>	
Closing Balance 31 March	334,456	0
	<hr/>	
<b>SHARE PREMIUM RESERVE</b>		
Opening Balance 1 April	0	0
Premium on Issue of Shares	40,724	0
	<hr/>	
Closing Balance 31 March	40,724	0
	<hr/>	
<b>OTHER RESERVES</b>		
Opening Balance 1 April	0	0
Transfer upon Vesting	116,567	41,148
Issue of 135,000,000 Shares at \$0.50	(49,889)	(17,611)
	<hr/>	
Closing Balance 31 March	66,678	23,537

**POWER NEW ZEALAND LIMITED**

	1995	
	Business Unit(s) Network	Other
<b>RETAINED EARNINGS</b>		
Opening Balance 1 April	(18)	0
Transfer upon Vesting	22,443	36,632
Dividends	(17,355)	(6,123)
Transferred from Statement of Financial Performance	15,985	9,491
	<u>21,055</u>	<u>40,000</u>

8	<b>ACCOUNTS RECEIVABLE</b>	1995	
		Business Unit(s) Network (\$000)	Other (\$000)
	Accounts Receivable - Trade	0	28,209
	Other Receivables and Prepayments	<u>7,296</u>	<u>4,343</u>
		<u>7,296</u>	<u>32,552</u>

9	<b>BANK LOAN</b>		
	The loan is the current portion of bank loans (refer note 12).	7	0

10	<b>INVESTMENTS</b>	1995	
		Business Unit(s) Network (\$000)	Other (\$000)
	Listed Shares	21,438	0
	Associate Company	<u>888</u>	<u>0</u>
		<u>22,326</u>	<u>0</u>

The investment in listed shares had a market value at balance date of \$23,171,000

The Movement in the Associate Company Balance is:

Opening Balance 1 April	571	0
Share of Surplus of Pacific Energy	<u>317</u>	<u>0</u>
Closing Balance 31 March	<u>888</u>	<u>0</u>

The principal activity of the associate company, Pacific Energy Limited, is the purchase and resale of bulk electricity in the wholesale electricity market.

**POWER NEW ZEALAND LIMITED**

The major wholly-owned subsidiaries and principal activities are:

<b>Subsidiary</b>	<b>Principal Activity</b>
Cardomon Limited	Investment
Salamanca Holdings Limited	Investment
Power Services Limited	Research and Development (Generation)

The company has provided a guarantee of Pacific Energy Limited's liabilities to ECNZ in respect of purchases made by Power New Zealand Limited.

**11 FIXED ASSETS**

	1995			Net Carrying Value (\$000)
	At Cost (\$000)	At Valuation (\$000)	Accum. Dep'n (\$000)	
<b><u>Network Business Unit</u></b>				
Freehold Land	1,829	0	0	1,829
Freehold Buildings	4,972	0	618	4,354
Distribution System	0	486,469	0	486,469
Plant, Vehicles and Equipment	11,459	0	4,012	7,447
Capital Work in Progress	3,567	0	0	3,567
<b>FIXED ASSETS</b>	<b>21,827</b>	<b>486,469</b>	<b>4,630</b>	<b>503,666</b>

	1995			Net Carrying Value (\$000)
	At Cost (\$000)	At Valuation (\$000)	Accum. Dep'n (\$000)	
<b><u>Other Business Units</u></b>				
Freehold Land	1,361	0	0	1,361
Freehold Buildings	8,594	0	1,918	6,676
Plant, Vehicles and Equipment	15,346	0	9,258	6,088
Capital Work in Progress	86	0	0	86
<b>FIXED ASSETS</b>	<b>25,387</b>	<b>0</b>	<b>11,176</b>	<b>14,211</b>

**POWER NEW ZEALAND LIMITED**

<b>12 NON-CURRENT LIABILITIES</b>	<b>1995</b>	
	<b>Business Unit(s) Network (\$000)</b>	<b>Other (\$000)</b>
Bank Loan	1,181	0
Deferred Taxation (see Note 4)	441	0
	<hr/>	<hr/>
	1,622	0
The Bank Loan Maturity Dates are:		
Payable Between 1 and 2 Years	21	0
Payable Between 2 and 3 Years	1,160	0
	<hr/>	<hr/>
	1,181	0

**13 FINANCIAL INSTRUMENTS**

The estimated fair value of Financial Instruments at 31 March:

	<b>1995</b>			
	<b>Business Unit(s)</b>			
	<b>Network</b>	<b>Other</b>	<b>Network</b>	<b>Other</b>
	<b>Carrying Amount (\$000)</b>	<b>Fair Value (\$000)</b>	<b>Carrying Amount (\$000)</b>	<b>Fair Value (\$000)</b>
<b>ASSETS</b>				
Cash and Liquid Deposits	51,031	51,031	17,822	17,822
Investments	22,326	23,171	0	0
<b>LIABILITIES</b>				
Non-current Liabilities	1,181	1,181	0	0

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practical to estimate that value:

**Cash and Short Term Deposits, Short Term Loans**

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

**Investments**

The fair value of the listed investment is based on quoted market prices for those shares at balance date.

**Term Liabilities**

The fair value of the long term debt is estimated based on current market interest rates (including margin) available to the company for debt of similar maturities.

**CREDIT RISK**

Cash and short term deposits are placed with high credit quality financial institutions (A1/A1+) limiting the amount of credit exposure to any one institution, as set forth by the board of directors. While the company may be subject to credit losses up to the contract amounts in the event of non-performance by its counterparties, it does not expect such losses to occur.

**POWER NEW ZEALAND LIMITED****14 CAPITAL COMMITMENTS**

At balance date a subsidiary of Power New Zealand Limited, Cardomon Limited had a put and call option agreement with Todd Electricity Securities Limited (Todd) in respect of 25,591,582 shares in EnergyDirect Corporation Limited. Cardomon had a call option and Todd a put option for the shares at a price of \$1.65 per share plus holding costs less the after-tax amount of dividends received. The company exercised the option on 28 June 1995 at which time the price of the shares was \$1.73 each or \$44,273,437 in total (compared with the market price on 28 June 1995 of \$1.95 each or \$49,903,585 in total). The market price of the shares on 17 August 1995 was \$2.20 each or \$56,301,480 in total.

**15 CONTINGENT LIABILITIES**

Performance Bonds totalling \$151,174 have been issued on behalf of Power New Zealand Limited to:

- i) ensure completion of contract works, and,
- ii) meet board obligations under the Stock Exchange listing requirements.

Contingent liabilities exist in relation to on-going disputes which are being defended.

**16 EVENTS OCCURRING AFTER BALANCE DATE**

The Directors are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment of the amount attributable to an item in the financial statements.

## POWER NEW ZEALAND LIMITED

**3. PERFORMANCE MEASURES AND STATISTICS FOR THE YEAR ENDING 31 MARCH 1995****Part II Financial Performance Measures and Efficiency Performance Issues****1. Financial Performance Measures**

(a) Accounting Return on Total Assets	=	3.30%
(b) Accounting Return on Equity	=	2.05%
(c) Accounting Rate of Profit	=	1.15%

NB.

The following adjustments to figures included in the financial statements have been made in accordance with the Regulations. The effect of these adjustments is to charge a full year's depreciation based on the ODV valuation against profits.

The Average Total Funds Employed and the Average Total Shareholders Funds are based on year-end figures in the absence of comparative figures.

	\$000's
Depreciation	(6,571)
Loss on disposal of Reticulation Assets	(440)
Net Profit after Tax	(4,697)
Shareholders Funds	(4,697)

**2. Efficiency Performance Measures**

(a) Direct Line Costs per kilometre	=	\$1,266.57
(b) Indirect Line Costs per Electricity Customer	=	\$ 136.25

**Part III Energy Delivery Efficiency Performance Measures and Statistics****1. Energy Delivery Efficiency Performance Measures**

(a)	Load Factor	45.10%
(b)	Loss Ratio	6.00%
(c)	Capacity Utilisation	41.40%

## POWER NEW ZEALAND LIMITED

**3. PERFORMANCE MEASURES AND STATISTICS FOR THE YEAR ENDING 31 MARCH 1995****Part III Energy Delivery Efficiency Performance Measures and Statistics****2. Statistics**

See table below for the following statistics:

- (a) System Length (kms) and breakdown by nominal line voltage  
 (b) Underground circuit length (kms) and breakdown by nominal line voltage  
 (c) Overhead circuit length (kms) and breakdown by nominal line voltage

	KILOMETERS		
	(c) Overhead Circuit	(b) Underground Circuit	(a) Total System
110kV	18	-	18
66kV	137	-	137
33kV	586	68	654
11kV	5,372	942	6,314
400V	3,765	1,804	5,569
<b>TOTAL</b>	<b>9,878</b>	<b>2,814</b>	<b>12,692</b>

- (d) Transformer Capacity (kVA) = 1,492,920 kVA  
 (e) Maximum Demand (kW) = 650,477 kW  
 (f) Total Electricity supplied by system (kWh) = 2,569,370,797 kWh  
 (g) Total Electricity conveyed by System for other persons (kWh) = 936,449,427 kWh  
 (h) Total Customers (average for year) = 212,772

**Part IV. Reliability Performance Measures**

1. Total number of interruptions and breakdowns by interruption class - see following table.

CLASS	TYPE OF INTERRUPTION	NO.
A	Planned - Transpower	7
B	Planned - Line Owner	802
C	Unplanned - Line Owner	1,608
D	Unplanned - Transpower	8
E	Unplanned - ECNZ	0
F	Unplanned - Other	0
G	Any Other Interruption	0
<b>TOTAL</b>	<b>All Interruptions</b>	<b>2,425</b>

## POWER NEW ZEALAND LIMITED

**Part IV. Reliability Performance Measures (continued)**

Refer table below for the following performance measures:

- 2 Total faults per 100 kms electric line  
 3 Total faults per 100 kms electric line - underground  
 4 Total faults per 100 kms electric line - overhead

Line Voltage	No. of faults per 100 circuit kms		
	(2) Total	(3) Underground	(4) Overhead
100kV	0.000	0.000	0.000
66kV	0.044	0.000	0.044
33kV	0.090	0.029	0.097
11kV	0.244	0.084	0.273
<b>Total</b>	<b>0.226</b>	<b>0.080</b>	<b>0.250</b>

Refer table below for the following performance measures:

- 5 System Average Interruption Duration Index (SAIDI) - total interruptions  
 6 " " - by interruption class  
 7 System Average Interruption Frequency Index (SAIFI) - total interruptions  
 8 " " - by interruption class  
 9 Customer Average Interruption Duration Index (CAIDI) - total interruptions  
 10 " " - by interruption class

**Breakdown of Statistics by Interruption Class**

Class	Type of Interruption	(6) SAIDI (Minutes)	(8) SAIFI (Interruptions)	(10) CAIDI (Minutes)
A	Planned - Transpower	62	0.17	354
B	Planned - Line Owner	44	0.30	150
C	Unplanned - Line Owner	154	4.25	36
D	Unplanned - Transpower	49	0.34	143
E	Unplanned - ECNZ	0	0.00	0
F	Unplanned - Other	0	0.00	0
G	Any Other Interruption	0	0.00	0
<b>Total</b>	<b>All Interruptions</b>	<b>309</b>	<b>5.06</b>	<b>60</b>
	Reference	(5)	(7)	(9)




# TOP ENERGY LIMITED

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower.**

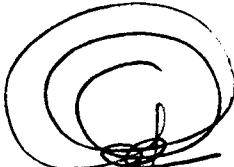
We, Douglas Blaikie and Victor Green, directors of Top Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

- a) The attached audited financial statements of Top Energy Limited prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations: and
- b) The attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics and reliability performance measures in relation to Top Energy Limited and having been prepared for the purposes of regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performance measures are based are as at 31 March 1993.



Douglas James Blaikie  
25 August 1995



Victor Green  
25 August 1995

**IMPORTANT NOTE**

Information disclosed in this 1995 Information Disclosure package issued by Top Energy Limited has been prepared solely for the purposes of the Electricity (Information Disclosure) Regulations 1994.

The regulations require the information to be disclosed in the manner it is presented.

The information should not be used for any other purpose than that intended under the regulations.

The information contained in this package may change at any time. Pricing and terms are as at the date of disclosure indicated and are not a quote or estimate of rates or terms that will apply in the future.

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

		<b>Lines Business</b>	<b>Energy Trading</b>
Income	Notes 1	15,947,287	13,308,122
Less expenses, excluding finance costs		13,526,371	12,925,681
Profit before finance, abnormals and taxation	2	2,420,916	382,441
Less net finance costs	3	1,456,895	
Profit before debt restructuring and taxation		964,021	382,441
Plus reassessed debt restructuring provision	21	1,272,827	
Profit after debt restructuring and before taxation		2,236,848	382,441
Less taxation	4	(19,285)	126,205
Profit after taxation		2,256,133	256,236
Less dividends	5	17,960	2,040
Retained earnings for the period		2,238,173	254,196
Less transfer to capital contributions reserve	Policy 3	386,420	
Unappropriated profits for the period		1,851,753	254,196
Unappropriated profits brought forward		3,030,478	344,181
Unappropriated profits carried forward		4,882,231	598,377

This statement is to be read in conjunction with the notes and accounting policies on pages 4 to 19 and the audit report on page 24. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 1995**

		<b>Lines Business</b>	<b>Energy Trading</b>
<b>SHAREHOLDERS' FUNDS</b>	<b>Notes</b>		
Issued and paid up capital	6	25,000,000	
Share premium reserve	7	267,146	
Capital contributions reserve	Policy 3	386,420	
Retained earnings		4,882,231	598,377
		<b>30,535,797</b>	<b>598,377</b>
<b>Represented by:</b>			
<b>TERM LIABILITIES</b>	10	6,300,000	
Debt restructuring provision	21	934,199	
		<b>7,234,199</b>	
<b>CURRENT LIABILITIES</b>			
Creditors and accruals	11	3,486,790	1,099,307
Term liabilities	10	502,000	
		<b>3,988,790</b>	<b>1,099,307</b>
<b>DEFERRED TAXATION</b>	4	(160,776)	
<b>INTER DIVISIONAL CURRENT ACCOUNT</b>		(11,219)	11,219
<b>FIXED ASSETS</b>	12	37,754,312	2,183
<b>INVESTMENTS</b>	9		26,868
<b>CURRENT ASSETS</b>			
Cash and bank balances	13	221,044	
Accounts receivable	14	2,012,212	1,657,414
Inventories	15	1,235,704	
Income Tax Refund		707,509	
		<b>4,176,469</b>	<b>1,657,414</b>
		<b>30,535,797</b>	<b>598,377</b>

This statement is to be read in conjunction with the notes and accounting policies on pages 4 to 19 and the audit report on page 24. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995  
STATEMENT OF ACCOUNTING POLICIES**

The financial statements are those of the Line and Energy Trading businesses of Top Energy Limited. Top Energy Limited is owned 100% by the Bay of Islands Electric Power Trust and are in a "Prescribed Business Relationship" as defined by Regulation 3(1)(a)(ii) of the Electricity (Information Disclosure) Regulations 1994.

The period reported is 1 April 1994 to 31 March 1995.

These financial statements are prepared in accordance with Regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994. The financial statements have not been prepared for the purpose of the Financial Reporting Act 1993, or the Energy Companies Act 1992.

As this is the first year that the Regulations have been in effect, comparative information is not available and therefore no comparative information has been provided.

**Principal Activities**

The Line Business operates a line business activity, as defined by Regulation 2 of the Electricity (Information Disclosure) Regulations 1994, in and around the mid and far North.

The Energy Trading Business operates an energy business activity as defined by Regulation 2 of the Electricity (Information Disclosure) Regulations 1994, in and around the mid and far North.

**GENERAL ACCOUNTING POLICIES**

The general accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historical cost method have been followed in the preparation of these financial statements.

Reliance is placed on the fact that the Company is a going concern.

Accrual accounting is used to match revenues and expenses.

**Methodology of Separation of Business**

Top Energy Limited has generally followed the Electricity Disclosure Guidelines dated 23 June 1994, as issued by the Ministry of Commerce, with the exceptions in the Allocation Methodologies Disclosure which is available on request in accordance with Regulation 19.

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 12 MONTHS ENDED 31 MARCH 1995  
STATEMENT OF ACCOUNTING POLICIES

The guidelines were issued by the Energy Policy Group of the Ministry of Commerce as guidance to assist electricity companies to comply with the Electricity (Information Disclosure) Regulations 1994.

Except for specific instances, the assets and liabilities of the Company, are owned by the Line Business. The Line Business bears the cost of all transmission costs, including line losses from its own system. These costs are recovered directly from the customers connected to its network.

**PARTICULAR ACCOUNTING POLICIES**

The following particular accounting policies which significantly affect the measurement of financial performance, and financial position have been applied.

**1. Sales**

Sales shown in the Statement of Financial Performance comprise the amounts received and receivable by the Company for electricity and goods and services supplied to customers in the ordinary course of business. Sales are stated exclusive of Goods and Services Tax collected from customers.

**2. Joint Venture Accounting**

The Company's interest in joint venture activities where material is recognised in the respective classification categories at the amount of:

- a) The Company's share in each of the individual assets employed in the joint venture;
- b) Liabilities incurred in relation to the joint venture, including the Company's share of liabilities for which it is severally liable: and
- c) The Company's share of net expenses incurred in relation to the joint venture.

**Continued...**

**TOP ENERGY LIMITED****STATEMENT OF ACCOUNTING POLICIES  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****3. Capital Contributions**

Funds received from customers, as a contribution towards the cost of uneconomic supply facilities, are recognised in the statement of financial performance as soon as any obligations attaching to the contributions have been met.

Where within 10 years of receipt, the electricity consumption exceeds that originally forecast, part or all of the contribution is refunded to the customer, from a separately established reserve set up for this purpose.

**4. Taxation**

The taxation charged against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to timing differences or to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised by the Company.

**5. Accounts Receivable**

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful.

**6. Inventories**

Stocks are stated at the lower of cost and net realisable value. Cost is principally determined on a weighted average cost basis and in the case of manufactured goods, includes direct materials, labour and production overheads.

**Continued...**

**TOP ENERGY LIMITED****STATEMENT OF ACCOUNTING POLICIES  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****7. Fixed Assets**

Fixed assets held by the former Bay of Islands Electric Power Board were vested in the Company, Top Energy Limited, on 1 May 1993 under the Energy Companies Act 1992.

Fixed assets were vested at book value as at 1 May 1993, and represent "cost" to the Company.

The cost of fixed assets purchased after 1 May 1993 is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Capital work-in-progress includes materials, and a portion of direct labour and production overhead appropriate to the state of completion attained.

The Energy Trading Business uses a portion of fixed assets owned by the Line Business. The cost for these is charged to the Energy Trading Business on a rental basis.

**8. Renewal Accounting - Distribution Network**

Assets comprising the distribution network system are reported using the renewal accounting method and are stated at the vested "cost". These infrastructural assets include all items directly involved in the delivery of electricity, but exclude substation land, buildings, transformers, circuit breakers and load management control equipment. All expenditure which extends or enhances the infrastructure is capitalised. Expenditure incurred in maintaining the infrastructure's capacity is treated as an expense in the period in which it is incurred.

**TOP ENERGY LIMITED****STATEMENT OF ACCOUNTING POLICES  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****9. Depreciation**

Land, infrastructure distribution system and work-in-progress assets are not depreciated. As noted below, other fixed assets are depreciated on a straight line or diminishing value (DV) basis that has regard to their historical cost, estimated useful life and expected residual value:

Non-infrastructure Distribution Assets	2.50% Cost
Buildings	2.00% Cost
Plant, Equipment and Furniture	10.00% Cost
Plant and Equipment - Electronic	10.00-20.00% Cost
Chainsaws	33.33% Cost
Computer Software	33.33% Cost
Motor Vehicles	20.00% DV

**10. Long Term Debt**

A debt restructuring provision, created by the Bay of Islands Electric Power Board to recognise that its long term debt rates were materially higher than market rates prevailing at the time of vesting, was vested in the Company on 1 May 1993.

As the Company intends to restructure its long term debt when financial conditions are appropriate, the cost of so doing has been reassessed at Balance Date.

**Continued...**

**TOP ENERGY LIMITED****STATEMENT OF ACCOUNTING POLICIES  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****11. Financial Instruments**

All financial instruments are recognised in the statement of financial position. The Directors have not entered into any off-balance sheet instruments. All financial instruments including cash, bank, accounts receivable and accounts payable are recognised at cost, with the exception of long-term debt which is adjusted.

Long-term debt has been taken up at cost plus a provision for debt restructuring in order to allow for the fact that the debt was incurred when interest rates were higher than at the present time. The debt is reassessed each year to adjust the balance owing for the cost of converting the debt to a fair market value.

**CHANGES IN ACCOUNTING POLICIES**

During the year the Company changed its policy in respect of capital contributions received, in order to comply with Exposure Draft 70 "Accounting for Grants and Donations" - a revision of SSAP 16. Capital contributions are now recognised as revenue in the year in which they are received. Formerly, capital contributions were credited against the cost of the relevant uneconomic supply facilities.

Because the amount involved for the previous period was not material, the financial statements of the prior period have not been restated to reflect the new policy. However, if the policy had applied in the previous period, the retained earnings and therefore the shareholders funds would have increased by \$112,505 with a corresponding increase in the fixed assets of the same amount.

The effect on the current year's profit is to increase income and the resultant profit before taxation by \$291,197.

There have been no other material changes in accounting policies. The foregoing accounting policies have been applied on a consistent basis during the year.

**TOP ENERGY LIMITED  
FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

	<b>Line Business</b>	<b>Energy Trading</b>
<b>1. INCOME</b>		
Sales of electricity	13,817,218	13,308,122
Other sales revenue	1,494,133	
Total sales revenue	15,311,351	13,308,122
Other income	344,739	
Capital contributions	291,197	
Total income	15,947,287	13,308,122
<b>2. NET PROFIT BEFORE TAXATION</b>		
The net profit before taxation is stated after charging:		
Loss on disposal of fixed assets	61,606	
Audit fees	21,065	3,717
Depreciation	677,890	259
Directors' fees	52,700	9,300
Additional depreciation of \$50,372 on transformers previously not depreciated but now adjusted for the prior year value of depreciation, has been included in depreciation expense for the current year.		
<b>3. NET FINANCE COSTS</b>		
Comprise:		
Interest - term debt	1,985,482	0
Interest - other	553	
Gross finance costs	1,986,035	0
Less- investment income	529,140	0
Net Finance costs	1,456,895	0

**TOP ENERGY LIMITED**  
**FINANCIAL STATEMENTS**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 12 MONTHS ENDED 31 MARCH 1995**

	<b>Line Business</b>	<b>Energy Trading</b>
<b>4. TAXATION</b>		
The taxation provision has been calculated as follows:		
Profit for the period	2,236,848	382,441
Taxation on profits for the period at 33%	738,160	126,205
Plus (Less) tax effect of:		
Non deductible items	124,076	
Non taxable income		
Unrecognised timing differences previous year, utilised	(827,665)	
Unrecognised timing differences		
Overprovision in previous year	(53,856)	
	(19,285)	126,205
The taxation charge is represented by:		
Taxation payable in respect of the current period	(53,856)	
	160,776	
	106,920	
Movement on deferred taxation as:		
Brought forward 1 April 1994		
Provided in year	160,776	
Balance 31 March 1995	160,776	
<b>5. DIVIDENDS</b>		
Ordinary dividend paid (.0008 cents per share)	17,960	2,040
Ordinary dividend recommended		
	17,960	2,040
Total dividends paid or provided		
<b>6. SHARE CAPITAL</b>		
Authorised, issued and paid up capital		
25,000,000 ordinary \$1.00 shares	25,000,000	
The 25,000,000 ordinary shares were issued to the Trustees of The Bay of Islands Electric Power Trust in consideration for the net assets vested in the Company on 1 May 1993.		

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

	<b>Line Business</b>	<b>Energy Trading</b>
<b>7. SHARE PREMIUM</b>		
Premium on shares issued to The Bay of Islands Electric Power Trust:		
Net assets vested in the Company 1 May 1993	25,267,146	
Less shares issued 25,000,000 ordinary \$1 shares fully paid	25,000,000	
	267,146	
<b>8. IMPUTATION CREDIT ACCOUNT</b>		
Opening Balance	664,237	17,913
Plus income tax paid	757,263	20,422
Less imputation credits attached to dividends paid to shareholders		
Closing Balance	1,421,500	38,335
<b>9. INVESTMENTS</b>		
70546 shares in PowerBuy Group Limited called to 37.5 cents		26,868

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

10. TERM LIABILITIES		Line Business	Energy Trading
		Principal	Principal
	Interest Rate%	Repayable	
Development Loan 24	5.75	12.02.95	0
Development Loan 28	8.50	01.10.95	15,000
Development Loan 33	15.85-15.95	01.07.97	5,500,000
Renewal Loan 34	16.65	01.10.95	487,000
Renewal Loan 34	16.00	01.10.2000	800,000
			6,802,000
Less current portion			502,000
Term liabilities			6,300,000
Repayable as follows:			
Due after 1 but before 2 years			0
Due after 2 but before 5 years			5,500,000
Due after 5 but before 10 years			800,000
			6,300,000
No securities have been given in respect of liabilities.			
Term liabilities of \$5,600,000 were repurchased by the Company at 31 March 1995 and the resulting financial asset has been offset against the relevant financial liability in these accounts. No risk attaches to this repurchase. In the future, interest received from the investment will be deducted from the interest paid on the liability when disclosed by way of note in the financial statements, until such time as the loan is fully cancelled.			
11. CREDITORS AND ACCRUALS			
Included in creditors and accruals are the following provisions:			
Provision for retirement payments			64,352
Provision for holiday pay			369,252
			433,604
			0
			6,750
			6,750

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

12. FIXED ASSETS			Line Business	Energy Trading
	Cost or Vested Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	809,665		809,665	
Buildings	2,839,497	108,483	2,731,014	
Distribution system Infrastructure	24,558,042		24,558,042	
Non infrastructure	7,819,203	346,053	7,473,150	
Plant, furniture & Software	1,451,216 2,595	330,111 412	1,121,105	2,183
Vehicles	1,164,435	300,642	863,793	
Capital work in progress	197,543		197,543	
<b>Total fixed assets</b>	<b>38,842,196</b>	<b>1,085,701</b>	<b>37,754,312</b>	<b>2,183</b>

The latest available Government Valuations of land and improvements are:

	Land	Improvements	Total
1 Oct 1992	934,000	2,805,500	3,739,500

An Optimised Deprival Valuation (ODV) was carried out as at 31 March 1993. This valued the infrastructure (network) assets of the Line Business at that date. The ODV has been used as the basis for calculating performance measures as required by Regulations 13 and 14 and Part II of the First Schedule.

**13. CASH AND BANK BALANCES**

Comprise:

Cash on hand	1,175	
BNZ current account	219,869	
	221,044	

**TOP ENERGY LIMITED****FINANCIAL STATEMENTS****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995**

	<b>Line Business</b>	<b>Energy Trading</b>
<b>14. ACCOUNTS RECEIVABLE</b>		
Comprise:		
Debtors and Prepayments	1,855,849	1,657,414
Other receivables	156,363	
	2,012,212	1,657,414
<b>15. INVENTORIES</b>		
Inventories on hand comprise:		
General reticulation	1,235,704	
	1,235,704	
<b>16. JOINT VENTURE ACTIVITIES</b>		
<p>As noted below, the Company has been a participant in two joint ventures associated with its core activities:</p> <p>(i) With the Tai Tokerau Maori Trust Board, involving the Ngawha geothermal resource.</p> <p>(ii) With Powermark (NZ) Limited, involving maintenance contracting for Transpower (NZ) Ltd.</p> <p>There are no material transactions requiring disclosure in the current year.</p>		

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****17. RELATED PARTY TRANSACTIONS**

There have been no material related party transactions requiring disclosure in accordance with SSAP22 "Related Party Disclosures", apart from the following:

(i) Bay of Islands Electric Power Trust:

For the year ended 31 March 1995, Top Energy paid \$20,000, (31 March 1994: \$20,000) in the form of a dividend to the above Trust. This payment is reflected in the statement of financial performance of Top Energy Limited.

During the year Top Energy processed transactions on an agency basis on behalf of the Trust in order to settle routine business dealings. At 31 March 1995, a balance of \$836 (31 March 1994: Nil) owing by the Trust, has been included in accounts receivable in the Statement of Financial Position.

(ii) PowerBuy Group Limited

These shares represent 16% of the total shares of PowerBuy. The Chief Executive of Top Energy is a Director of PowerBuy. The Chairman of Directors is his alternate.

Top Energy has purchased electricity units through PowerBuy from July 1994 onward and the cost of this purchase for the period ended 31 March 1995 was \$9,935,999 exclusive of GST. The balance owing by Top Energy to PowerBuy as at 31 March 1995 was \$1,051,396 exclusive of GST and is included in accounts payable, (31 March 1994: Nil).

All transactions with PowerBuy and with the Power Trust are made on normal business terms.

Refer also to the disclosure of Directors' related parties as noted in the Directors' Report.

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****18. FINANCIAL INSTRUMENTS****a) Currency and Interest Rate Risk:**

Nature of activities and management policies with respect to financial instruments:

**(i) Currency**

The Company does not enter into any material foreign exchange transactions. The Company does not use currency interest rate swaps, forward foreign exchange contracts or currency options.

The Company believes it has no material exposure to currency risk at any time.

**(ii) Interest Rate**

The Company has long-term fixed rate borrowings which are used to fund ongoing activities. At balance date each year these long-term borrowings are reassessed to provide for the cost of converting the debt to the fair market value at that date. A provision has been set up for this reassessment purpose.

The Company has not entered into any interest rate swaps, forward rate agreements, interest rate options or interest rate futures.

The Company has no off-balance sheet financial instruments.

**(iii) Repricing Analysis**

As term debt has been revalued to fair market value, the Company has no financial instruments for which repricing analysis would result in a repricing.

**b) Concentration of Credit Risk**

In the normal course of its business, the Company incurs credit risk from trade debtors and transactions with financial institutions.

The Company has a credit policy which is used to manage its exposure to credit risk. As part of this policy, limits on exposures with counterparties have been set & approved by the Board of Directors and are monitored on a regular basis. The Company does not have any significant concentrations of credit risk. The Company does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions of recognised quality. The Company does not expect the non-performance of any material obligations at balance date.

**continued...**

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****18. FINANCIAL INSTRUMENTS****c) Fair Values**

The following methods were used to estimate the fair values of these classes of financial instruments:

(i) Cash and liquid deposits, debtors and other accounts receivable including sundry debtors, creditors and other accounts payable including sundry creditors, loans payable within twelve months:

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

**(ii) Investments**

The investment of the Company is for shares in an unlisted Company. The net asset backing per share is used to calculate the fair value. The Company had no investments as at 31 March 1994.

70546 Shares - carrying value  
70546 Shares - fair value

<b>Line Business</b>	<b>Energy Trading</b>
	26,868
	28,922

**(iii) Term Liabilities**

As previously noted, the Company revalues and restructures term debt at balance date, to reflect current fair market rates. Therefore the carrying value in the accounts, including debt restructuring provision, reflects the fair value of term debts.

**19. SEGMENT INFORMATION**

The Company operates primarily in one industry, the electricity supply industry, and in one geographic location, Northland, New Zealand.

**TOP ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 12 MONTHS ENDED 31 MARCH 1995****20. CAPITAL EXPENDITURE COMMITMENTS**

The Company has no material commitments for capital expenditure at 31 March 1995, (31 March 1994: Nil).

**21. DEBT RESTRUCTURING PROVISION**

The Bay of Islands Electric Power Board resolved to restructure its long term debt prior to 30 April 1993 as the interest rates for the debt were materially higher than prevailing market rates. A provision was created to provide for the cost of restructuring this debt

This provision vested in the Company on 1 May 1993. As the Company intends to restructure its long term debt when financial conditions are appropriate, the provision has been reassessed as at 31 March 1995.

The movement in the debt restructuring provision has been:

Vested balance 1 May 1993	4,383,000
Reassessment 31 March 1994	(722,016)
Repayment of Term Debt 31 March 1995	(1,453,958)
Reassessment 31 March 1995	<u>(1,272,827)</u>
Balance as at 31 March 1995	<u>934,199</u>

**22. CONTINGENT LIABILITIES**

The Company has contingent liabilities, not exceeding \$2.75 million at 31 March 1995, for refundable capital contributions.

A contingency could arise for the difference between market and hedged energy prices should surplus energy units have to be sold on the spot market. It is not possible to quantify the value of this contingency, should it arise.

Other contingent liabilities for calls on unlisted shares are not considered material.

(As at 31 March 1994, the same contingent liabilities applied).

**TOP ENERGY LIMITED**

Performance Measures and Statistics  
For The Year Ended 31 March 1995

**1. FINANCIAL PERFORMANCE MEASURES**

The Financial Performance Measures pursuant to Regulation 13 and Part II, Clause 1 of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 are:

Accounting Return on Total Assets	3.67%
Accounting Return on Equity	3.83%
Accounting Rate of Profit	2.08%

**2. EFFICIENCY PERFORMANCE MEASURES**

The Efficiency Performance Measures pursuant to Regulation 13 and Part II, Clause 2 of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 are:

Direct Line Cost Per Kilometre	\$1,477
Indirect Line Cost Per Electricity Customer	\$84

**3. ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES**

The Energy Delivery Efficiency Performance Measures Pursuant to Regulation 15 and Part III, Clause 1 of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 are:

Load Factor	64.5
Loss Ratio	9.55
Capacity Utilisation	32%

**TOP ENERGY LIMITED**  
**Performance Measures And Statistics (cont)**

**4. STATISTICS**

Statistics pursuant to Regulation 15 and Part III, Clause 2 of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 are:

	<b>400V</b>	<b>11kV</b>	<b>33kV</b>	<b>Total</b>
(a) System length (in kilometres)	1301	3048	239	4588
(b) Total circuit length (in kilometres) of overhead electric lines.	885	3015	239	4139
(c) Total circuit length (in kilometres) of underground electric cables.	416	33	-	449
(d) Transformer capacity (in kilovolt amperes).				142,000
(e) Maximum demand (in kilowatts).				46,190
(f) Total electricity supplied from the system (in kilowatt hours).				235,000,000
(g) Total amount of electricity (in kilowatt hours) conveyed on behalf of other persons, that are electricity retailers or generators, not in a prescribed business relationship with Top Energy Limited.				-
(h) Total customers (average)				25,339

**5. RELIABILITY PERFORMANCE MEASURES**

Reliability Performance Measures pursuant to Regulation 16 and Part IV of the First Schedule of the Electricity (Information Disclosure) Regulations 1994 are:

**Interruptions**

- (a) Total number of interruptions, together with a breakdown of that total according to class.
- |   |   |
|---|---|
| Class A: Planned Trans Power interruption | 0 |
|---|---|

**TOP ENERGY LIMITED**  
**Performance Measures And Statistics (cont)**

Class B: Planned interruption by any Line Operator (other than Transpower)	351
Class C: Unplanned interruption originating within the principal Line Owner's works.	294
Class D: Unplanned Trans Power interruption	2
Class E: Unplanned ECNZ interruption	0
Class F: Unplanned interruption originating from a Generator other than ECNZ.	0
Class G: Other	0
<b>Total interruptions</b>	<b>649</b>

**Faults**

	<b>11kV</b>	<b>33kV</b>	<b>Total</b>
(b) Total number of faults per 100 circuit kilometres of prescribed voltage electric lines	4.78	2.51	3.27
(c) Number of faults per 100 circuit kilometres of prescribed voltage overhead lines.	4.78	2.51	3.27
(d) Number of faults per 100 circuit kilometres of prescribed voltage underground cables.	-	-	-

**SAIDI** (*System Average Interruption Duration Index*)

(e) The SAIDI for the total interruptions	620
(f) The SAIDI for the total interruptions within each interruption class:	
Class A: Planned Trans Power interruption	0
Class B: Planned interruption by any Line Operator (other than Trans Power)	207
Class C: Unplanned interruption originating within the principal Line Owner's works.	340
Class D: Unplanned Trans Power interruption	39
Class E: Unplanned ECNZ interruption	0
Class F: Unplanned interruption originating from a generator other than ECNZ.	0
Class G: Other	0

**TOP ENERGY LIMITED****Performance Measures And Statistics (cont)****SAIFI** (*System Average Interruption Frequency Index*)

(g) The SAIFI for the total interruptions	12.3
(h) The SAIFI for the total interruptions within each interruption class:	
Class A: Planned Trans Power interruption	0
Class B: Planned interruption by any Line Operator (other than Trans Power)	6.73
Class C: Unplanned interruption originating within the principal Line Owner's works.	4.96
Class D: Unplanned Trans Power interruption	2.86
Class E: Unplanned ECNZ interruption	0
Class F: Unplanned interruption originating from a generator other than ECNZ.	0
Class G: Other	0

**CAIDI** (*Electricity Customer Average Interruption Data Index*)

(i) The CAIDI for the total interruptions	52.0
(j) The CAIDI for the total interruptions within each interruption class:	
Class A: Planned Trans Power interruption	0
Class B: Planned interruption by any Line Operator (other than Trans Power)	30.7
Class C: Unplanned interruption originating within the principal Line Owner's works.	68.6
Class D: Unplanned Trans Power interruption	13.6
Class E: Unplanned ECNZ interruption	0
Class F: Unplanned interruption originating from a generator other than ECNZ.	0
Class G: Other	0

**Coopers  
& Lybrand**

chartered accountants

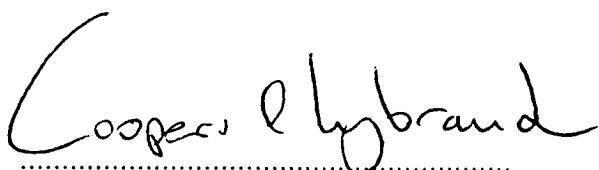
telephone 0-9-438 4159  
fax 0-9-438 9548PO Box 445  
National Mutual Building  
Rathbone Street  
Whangarei  
New ZealandWhangarei Auckland Manukau City  
Hamilton Tauranga New Plymouth  
Napier Hastings Palmerston North  
Feilding Wellington Johnsonville  
Christchurch Dunedin Invercargilla member firm of  
Coopers & Lybrand (International)

**CERTIFICATION BY AUDITORS IN RELATION  
TO THE LINE BUSINESS AND ENERGY BUSINESS  
FINANCIAL STATEMENTS**

We have examined for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994, the Top Energy Limited Line and Energy Business financial statements for the year ended 31 March 1995 set out on pages 4 to 19.

As set out in the Statement of Accounting Policies, the Company has adopted a policy of renewal accounting for its distribution network. This policy presumes that the distribution network would be maintained indefinitely to at least its current operating capability. All expenditure made to maintain the network's operating capacity, including both maintenance and renewal expenditure, is expensed and there is no periodic charge for depreciation. We were unable to obtain sufficient evidence from the Company to demonstrate that the systems and plans in place justify the assertions that the operating capacity of the network would be maintained indefinitely. It is not possible to determine with reasonable accuracy the effect, if any, on the carrying value of distribution system infrastructural assets included in the fixed assets and on expenses, excluding finance costs.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, and subject to the matter referred to in the above paragraph, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.



.....  
**COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS  
WHANGAREI, N.Z.**

25 AUGUST 1995

**Coopers  
& Lybrand**

chartered accountants

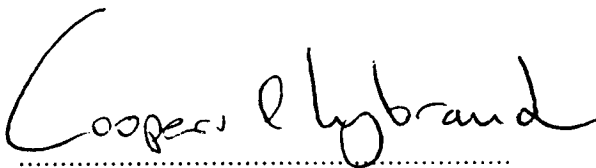
telephone 0-9-438 4159  
fax 0-9-438 9548PO Box 445  
National Mutual Building  
Rathbone Street  
Whangarei  
New ZealandWhangarei Auckland Manukau City  
Hamilton Tauranga New Plymouth  
Napier Hastings Palmerston North  
Feilding Wellington Johnsonville  
Christchurch Dunedin Invercargilla member firm of  
Coopers & Lybrand (International)**CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS**

We have examined the information on page 20, being:

- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule,

and having been prepared by Top Energy Limited for the year ended 31 March 1995 for the purposes of Regulation 13 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.



COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS  
WHANGAREI, N.Z.

25 AUGUST 1995



■ Chartered Accountants

**To the Directors  
Top Energy Limited**

**Certification by auditor in relation to ODV Valuation**

**Auditors Report**

We have examined the valuation report prepared by Top Energy Limited dated 10 August 1995, which report contains valuations as at 31 March 1993 and identifies the ODV value of the system fixed assets at \$64,317,607.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report in our opinion have been made in accordance with the ODV Handbook.

This report is issued for the purposes of the Electricity (Information Disclosure) Regulations 1994 and is not to be used for any other purpose without our prior written consent.

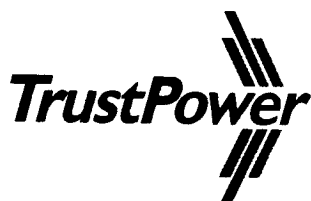
A handwritten signature in cursive script, appearing to read 'Ernst &amp; Young'.

Ernst & Young  
Chartered Accountants  
Auckland

10 August 1995



# TRUSTPOWER LIMITED



STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND INFORMATION SUPPLIED TO SECRETARY OF COMMERCE

I, Avon Leavett Carpenter, of Tauranga, being a director of TRUSTPOWER LIMITED, solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public pursuant to the Electricity (Information Disclosure) Regulations 1994.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

[Handwritten signature of Avon Leavett Carpenter]

Declared at Tauranga this 11th day of August 1995.

[Handwritten signature of W.B. Holland]

Justice of the peace (or Solicitor or other person authorised to take a statutory declaration)

TRUSTPOWER LIMITED
Truman Lane
Te Maunga
Mt Maunganui
Postal Address
Private Bag 12
Tauranga
Ph: 07 574 41
Fax: 07 574 41

**TRUSTPOWER LIMITED****STATEMENTS OF FINANCIAL PERFORMANCE****FOR THE YEAR ENDED 31 MARCH 1995**

	NOTE	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
TOTAL REVENUE	2	27,067	25,609
OPERATING SURPLUS BEFORE INCOME TAX	3	5802	4330
INCOME TAX EXPENSE	4	2101	1508
OPERATING SURPLUS AFTER INCOME TAX		3701	2822
RETAINED EARNINGS AT THE BEGINNING OF THE PERIOD		11,383	2,263
		15,084	5,085
DIVIDENDS	5	(3,183)	(2,427)
TRANSFERS FROM RESERVES	7	5,340	2,020
RETAINED EARNINGS AT THE END OF THE PERIOD		17,241	4,678

**THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS**

**TRUSTPOWER LIMITED****STATEMENTS OF FINANCIAL POSITION****AS AT 31 MARCH 1995**

	NOTE	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
<b>SHAREHOLDERS EQUITY</b>			
SHARE CAPITAL	6	31,771	12,017
RESERVES	7	-	-
RETAINED EARNINGS		17,241	4,678
<b>TOTAL SHAREHOLDERS EQUITY</b>		<b>49,012</b>	<b>16,695</b>
<b>REPRESENTED BY:</b>			
<b>CURRENT ASSETS</b>	8	7,454	5,210
<b>INVESTMENTS</b>	9	850	27,279
<b>FIXED ASSETS</b>	10	46,618	1,571
<b>TOTAL ASSETS</b>		<b>54,922</b>	<b>34,060</b>
<b>CURRENT LIABILITIES</b>	11	5,743	4,339
<b>NON-CURRENT LIABILITIES</b>	12	167	13,026
<b>TOTAL LIABILITIES</b>		<b>5,910</b>	<b>17,365</b>
<b>NET ASSETS</b>		<b>49,012</b>	<b>16,695</b>

**THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS**

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

The financial statements presented here are for the line business and energy business of the reporting entity TrustPower Limited.

The financial statements have been prepared in accordance with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994.

The financial statements have been prepared on the basis of historical cost with the following specific accounting policies.

**(a) Fixed Assets**

All fixed assets are stated at cost to the company less accumulated depreciation where applicable.

Costs for internally constructed assets comprise direct labour, materials and a proportion of production overheads based on a normal level of activity.

**(b) Depreciation**

Depreciation is provided on all fixed assets, other than freehold land, at rates calculated to allocate the assets cost over their estimated useful life.

Depreciation is charged as follows:

Dams, Headworks & Canals	1% straight line
Reticulation Network	3-5.5% straight line
Buildings	1-2.5% straight line
Plant & Equipment & Motor Vehicles	value or 5.5-7% straight line

Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the period.

**TRUSTPOWER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1995**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**(c) Investments**

Investments are stated at cost.

Income received from Kaimai Hydropower is recognised by way of a rebate deducted from electricity purchases.

**(d) Revenue Recognition**

Revenues from electricity sales include an accrual for units sold but not billed at balance date.

**(e) Income Tax**

The income tax expense charged to the statement of financial performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences.

**(f) Receivables**

Receivable are stated at their estimated realisable value after adequate provision for doubtful debts.

**(g) Inventories and Work in Progress**

Inventories are valued at the lower of weighted average cost or net realisable value.

Work in progress is valued at cost comprising direct labour, materials and a proportion of production overheads based on a normal level of activity.

**TRUSTPOWER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1995**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**(h) Foreign Currencies**

There were no material foreign currency transactions during the period or outstanding foreign currency balances at balance date.

**(i) Comparative Figures**

As this is the first year of operations of TrustPower Limited and the first year the Electricity (Information Disclosure) Regulations 1994 apply, no comparative figures are available.

**(j) Financial Instruments**

**Interest Rate Risk**

The company has various financial instruments to reduce exposure to fluctuations in interest rates. Any resulting differential to be paid or received is accrued as interest rates change and is recognised as a component of operating revenue or expense.

**Credit Risk**

The company minimises its credit risk by limiting transactions to counterparties with high credit ratings and limiting the amount of funds placed with any parties at one time.

**Collateral**

The company does not require collateral or other security to support financial instruments with credit risk.

While the company may be subject to credit losses up to the notional principal or contract amounts in the event of non-performance by its counterparties, it does not expect such losses to occur.

**TRUSTPOWER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1995**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**Concentration of Credit Risk**

The company does not have any significant concentrations of credit risk.

Cash and short term investments are placed with high credit quality financial institutions and limits are applied to the amount of credit exposure to any one financial institution.

Trade receivable credit risk is limited due to the large number of customers included in the group's customer base.

**Changes in Accounting Policies**

There have been no changes in the accounting policies.

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 2 :TOTAL REVENUE**

SALES  
INTEREST RECEIVED

	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
	26,645	25,056
	422	553
	27,067	25,609

**NOTE 3 :OPERATING SURPLUS BEFORE  
INCOME TAX**

THE OPERATING SURPLUS BEFORE TAX IS  
STATED AFTER CHARGING/(CREDITING):

AUDIT FEES AND EXPENSES  
DEPRECIATION  
DIRECTORS FEES  
INTEREST PAID ON LOANS  
RENTAL AND OPERATING LEASE COSTS

NON-RECURRING ITEMS:  
CORPORATISATION AND LISTING EXPENSES  
PROFIT ON SALE OF FIXED ASSETS

	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
	16	15
	3,183	123
	74	50
	-	958
	-	44
	43	29
	(57)	(16)

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 4 :INCOME TAX****(i)INCOME TAX**

OPERATING SURPLUS BEFORE TAXATION

	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
	5,802	4,330
TAX ON OPERATING SURPLUS AT 33%	1,914	1,429
TAX EFFECT OF PERMANENT DIFFERENCES	94	9
INCOME TAX	2,008	1,438
ADJUSTMENTS FROM PREVIOUS PERIODS	93	70
TOTAL INCOME TAX	2,101	1,508
REPRESENTED BY:		
CURRENT TAX	2,008	1,493
DEFERRED TAX	93	15
	2,101	1,508

**(iii)DEFERRED TAX LIABILITY**BALANCE AT BEGINNING OF PERIOD  
CURRENT PERIOD TIMING DIFFERENCES

	74	11
	93	15
BALANCE AT END OF PERIOD	167	26

**(iv)IMPUTATION CREDIT MEMORANDUM ACCOUNT**BALANCE AT BEGINNING OF PERIOD  
TAX PAID

DIVIDENDS ALLOCATED

BALANCE AT END OF PERIOD

	-	-
	2,235	1,660
	759	578
BALANCE AT END OF PERIOD	1,476	1,082

**NOTE 5 :DIVIDENDS**

DIVIDENDS ON ORDINARY SHARES

INTERIM DIVIDEND PAID  
FINAL DIVIDEND PROPOSED

	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
	1,541	1,175
	1,642	1,252
	3,183	2,427



**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 9 :INVESTMENTS**

OWNERSHIP IN KAIMAI HYDROPOWER  
OTHER

LINE \$'000	ENERGY \$'000
-	27,129
850	150
850	27,279

**(i) OWNERSHIP IN KAIMAI HYDROPOWER**

LOAN LIABILITY  
CORPORATE OWNERSHIP

LINE \$'000	ENERGY \$'000
-	15,500
-	11,629
-	27,129

KAIMAI HYDROPOWER:  
TOTAL ASSETS

57,215

AN APPLICATION HAS BEEN MADE TO THE HIGH COURT BY THE TAURANGA DISTRICT COUNCIL A PARTNER IN KAIMAI HYDROPOWER FOR A DECLARATORY JUDGEMENT IN RESPECT OF THE DEED THAT GOVERNS THE OPERATION OF THE SCHEME. IT IS NOT BELIEVED THAT THE OUTCOME OF THE CASE WILL RESULT IN ANY MATERIAL CHANGE IN THE RIGHTS AND OBLIGATIONS OF TRUSTPOWER LIMITED UNDER THE DEED.

THE TAURANGA DISTRICT COUNCIL'S REPRESENTATIVES HAVE HOWEVER REFUSED TO SIGN THE FINANCIAL STATEMENTS OF KAIMAI HYDROPOWER AND THEREFORE THE PARTNERSHIP'S AUDITORS HAVE BEEN UNABLE TO ISSUE AN AUDIT CERTIFICATE. THE PARTNERSHIP'S AUDITORS HAVE INDICATED THAT IT IS ONLY THE LACK OF SIGNATURE ON THE BALANCE SHEET BY BOTH PARTNERS THAT PREVENTS THE ISSUE OF AN UNQUALIFIED AUDIT OPINION.

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 10 : FIXED ASSETS**

	LINE \$'000	ENERGY \$'000
FREEHOLD LAND	146	198
FREEHOLD BUILDINGS	3,580	684
ACCUMULATED DEPRECIATION	254	45
	3,326	639
GENERATION ASSETS	-	-
ACCUMULATED DEPRECIATION	-	-
	-	-
RETICULATION NETWORK	64,463	-
ACCUMULATED DEPRECIATION	23,732	-
	40,731	-
MOTOR VEHICLES	2,027	173
ACCUMULATED DEPRECIATION	1,288	62
	739	111
PLANT AND EQUIPMENT	3,839	972
ACCUMULATED DEPRECIATION	2,163	349
	1,676	623
<b>TOTAL FIXED ASSETS</b>	<b>46,618</b>	<b>1,571</b>

THE MOST RECENT GOVERNMENT VALUATION OF LAND AND BUILDINGS DATED 1 SEPTEMBER 1993 AND 1 SEPTEMBER 1994 AMOUNTED TO \$7,531,500.

THE MOST RECENT OPTIMISED DEPRIVAL VALUATION OF THE GROUP'S RETICULATION NETWORK WAS COMPLETED BY COOPERS & LYBRAND AND WORLEY CONSULTANTS ON 1 APRIL 1993, AT A VALUATION OF \$86,600,000.

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 11 : CURRENT LIABILITIES**

	LINE \$'000	ENERGY \$'000
BANK OVERDRAFT	-	78
ACCOUNTS PAYABLE AND ACCRUALS	4,101	3,009
PROVISION FOR DIVIDEND	1,642	1,252
	5,743	4,339

**NOTE 12 : NON CURRENT LIABILITIES**

	LINE \$'000	ENERGY \$'000
UNSECURED LOANS	-	13,000
SECURED LOANS	-	-
DEFERRED TAXATION	167	26
	167	13,026

UNSECURED LOANS: REPAYMENT TERMS		
ONE TO TWO YEARS	-	-
TWO TO FIVE YEARS	-	13,000
WEIGHTED AVERAGE INTEREST	-	8.79%

**NOTE 13 : FINANCIAL INSTRUMENTS**

IN THE NORMAL COURSE OF BUSINESS, THE COMPANY INCURS CREDIT RISK FROM TRADE RECEIVABLES AND TRANSACTIONS WITH FINANCIAL INSTITUTIONS.

THE COMPANY HAS A CREDIT POLICY TO MANAGE THE RISK FROM TRADE RECEIVABLES AND HAS A PROVISION FOR TRADE RECEIVABLES THAT ARE UNLIKELY TO BE COLLECTED. THE COMPANY ALSO REQUIRES A BOND FROM CUSTOMERS WHO DO NOT MEET CERTAIN CREDIT CRITERIA.

THE COMPANY DOES NOT HAVE ANY SIGNIFICANT CONCENTRATION OF CREDIT RISK. THE COMPANY DOES NOT REQUIRE ANY COLLATERAL OR SECURITY TO SUPPORT FINANCIAL INSTRUMENTS AS IT ONLY DEPOSITS WITH BANKS OR OTHER FINANCIAL INSTITUTIONS WITH HIGH CREDIT RATINGS. THE COMPANY FURTHER MINIMISES ITS CREDIT EXPOSURE BY LIMITING THE AMOUNT OF FUNDS PLACED WITH ANY ONE FINANCIAL INSTITUTION AT ANY ONE TIME.

THE DIRECTORS ESTIMATE THAT THE CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS IN THE BALANCE SHEET EQUAL THEIR FACE VALUE.

TRUSTPOWER LIMITED HAS ENTERED INTO A SERIES OF FORWARD RATE AND OPTION AGREEMENTS TO REDUCE THE IMPACT OF CHANGES IN INTEREST RATES ON ITS FLOATING RATE LOANS. THESE AGREEMENTS ARE TIMED TO MATURE AT THE TIME THE RELATED LOANS MATURE AND EFFECTIVELY FIX THE FLOATING RATE LOANS AS FOLLOWS:

LOAN \$'000	AGREEMENT EXPIRY	EFFECTIVE RATE
8,000	24 MAY 1996	9.46%
3,000	28 AUGUST 1995	9.05%

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 14 : OPERATING LEASES**

ANALYSIS OF NON-CANCELLABLE  
OPERATING LEASE COMMITMENTS:  
NOT LATER THAN ONE YEAR  
BETWEEN ONE AND TWO YEARS  
BETWEEN TWO AND FIVE YEARS  
LATER THAN FIVE YEARS

LINE \$'000	ENERGY \$'000
-	50
-	50
-	125
-	-
-	225

**NOTE 15 : CAPITAL COMMITMENTS**

ESTIMATED CAPITAL EXPENDITURE  
CONTRACTED FOR AT BALANCE DATE BUT  
NOT PROVIDED FOR :

LINE \$'000	ENERGY \$'000
783	263

**NOTE 16 : CONTINGENT LIABILITIES**

THE FOLLOWING CONTINGENT LIABILITIES HAVE NOT BEEN PROVIDED FOR IN THE FINANCIAL STATEMENTS:

**(i) PENDING LITIGATION**

AN APPLICATION HAS BEEN MADE TO THE HIGH COURT FOR A DECLARATORY JUDGEMENT IN RESPECT OF THE DEED THAT GOVERNS THE OPERATION OF THE KAIMAI HYDROPOWER SCHEME. IT IS NOT BELIEVED THAT THE OUTCOME OF THE CASE WILL RESULT IN ANY MATERIAL CHANGE TO THE RIGHTS AND OBLIGATIONS OF TRUSTPOWER LIMITED UNDER THE DEED.

**(ii) WAITANGI TRIBUNAL CLAIM**

THE WAIROA RIVER AND CATCHMENT AREA IN WHICH KAIMAI HYDROPOWER OPERATES ARE THE SUBJECT OF A CLAIM AGAINST THE CROWN TO BE HEARD BY THE WAITANGI TRIBUNAL. THE LIKELY EFFECT OF THE OUTCOME OF THESE CLAIMS IS NOT ABLE TO BE QUANTIFIED.

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 17 : RELATED PARTY TRANSACTIONS**

NO RELATED PARTY DEBTS WERE FORGIVEN OR WRITTEN OFF DURING THE PERIOD.

DURING THE PERIOD TO 31 MARCH 1995 MATERIAL TRANSACTIONS TOOK PLACE WITH THE FOLLOWING RELATED PARTIES:

TAURANGA JOINT GENERATION COMMITTEE (KAIMAI HYDROPOWER)

TRUSTPOWER LIMITED (ENERGY BUSINESS) HAS A 50% INTEREST IN THE ASSETS OF THIS COMMITTEE WHICH TRADES AS KAIMAI HYDROPOWER. ANY GENERATION SURPLUS IS REBATED ON THE BASIS OF EACH PARTNER'S ANNUAL ENERGY PURCHASES AND IS RECOGNISED AS A DEDUCTION FROM THE COST OF ELECTRICITY PURCHASES. FOR THE PERIOD ENDED 31 MARCH 1995 TRUSTPOWER LIMITED WAS ALLOCATED 78.4% OF THE GENERATION SURPLUS.

	LINE BUSINESS \$'000	ENERGY BUSINESS \$'000
TRANSACTIONS:		
NET PURCHASE OF ELECTRICITY	-	26,848
PROVISION OF SERVICES	-	(117)
INTEREST RECEIVED	-	(958)
BALANCE OWING AT END OF PERIOD	-	2,205

**NOTE 18 : EMPLOYEE SHARE OWNERSHIP TRUST**

AN EMPLOYEE SHARE OWNERSHIP TRUST WAS ESTABLISHED BY THE ENERGY COMPANIES (TRUSTPOWER LIMITED) VESTING ORDER 1993.

ALL EMPLOYEES WHO HAVE BEEN WITH THE COMPANY AT LEAST SIX MONTHS HAVE EQUAL ENTITLEMENT TO PARTICIPATE. DURING THE PERIOD AN ISSUE OF 47,600 SHARES WAS MADE EQUALLY TO ALL ELIGIBLE EMPLOYEES FREE OF CHARGE. FUTURE ISSUES WILL BE MADE AT A DISCOUNTED PRICE SET AT THE DISCRETION OF THE TRUSTEES BY REFERENCE TO THE MARKET. THE TRUSTEES ARE ONE DIRECTOR (A.L. CARPENTER), THE CHIEF EXECUTIVE (J.K. WILLIAMS) AND AN ELECTED STAFF REPRESENTATIVE (T.M. THORN)

THE TRUSTEES HAVE NON-BENEFICIAL CONTROL OF THE SHARES NOT YET ALLOCATED. THE TRUSTEES ARE ENTITLED TO EXERCISE THE VOTING RIGHTS OF UNALLOCATED SHARES. NO FINANCIAL SUPPORT IS PROVIDED TO THE TRUST BY THE COMPANY.

THE EMPLOYEE SHARE OWNERSHIP TRUST HELD THE FOLLOWING ORDINARY SHARES AT THE END OF THE PERIOD:

NOT YET ALLOCATED FULLY PAID UP ORDINARY SHARES

<b>MARCH 95 NUMBER OF SHARES</b>
833,600

PERCENTAGE OF ORDINARY SHARES

0.8%
------

ALL SHARES HELD BY THE PLAN CARRY FULL VOTING RIGHTS.

**TRUSTPOWER LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 1995****NOTE 19: METHODOLOGIES FOR ALLOCATING COSTS, REVENUES, ASSETS AND LIABILITIES**

The Electricity Information Disclosure guidelines have been followed except as set out below:

EDP expenses:

Allocated based on staff numbers.

Board of Directors and Corporate services expenses:

Allocated based on total direct administration costs.

Bank, advances and short term Investments:

Allocation based on net income after taxation.

Taxation, deferred taxation and provision for taxation:

Recalculated on an actual basis with opening balances being apportioned based on the current tax charge.

**NOTE 20: ROTORUA ELECTRICITY LIMITED**

On 21 December 1994, the Rotorua Electricity Charitable Trust entered into an agreement to sell its 51% holding in Rotorua Electricity Limited to TrustPower Limited. When this 51% holding is combined with the Rotorua Electricity Limited shares acquired by TrustPower Limited by way of the offer to shareholders of Rotorua Electricity Limited dated 26 September 1994 and on the open market, its total holding is 67.7% at 31 March 1995.

As allowed by Regulation 27 of the Electricity (Information Disclosure) Regulations 1994 all transactions and assets and liabilities relating to the investment in Rotorua Electricity Limited have been excluded from these financial statements for the line and energy business of TrustPower Limited.

The additional transactions, assets and liabilities included in TrustPower Limited's statutory financial statements can be summarised as follows:

**TRUSTPOWER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1995**

**NOTE 20: ROTORUA ELECTRICITY LIMITED (continued)**

<b>Transactions</b>	<b>\$000's</b>
Interest on convertible notes	822
Profit on disposal of investment	(816)
	<hr/>
<b>Assets and liabilities</b>	
Investment in Rotorua Electricity Ltd at cost	52,821
	<hr/>
<b>Financed from:</b>	
Additional share capital issued during the period	9,885
Redeemable preference shares	3
Convertible notes	33,021
Reserves	1,961
Share premiums	8,441
Accounts payable	859
Dividends receivable	(1,349)
	<hr/>
	52,821
	<hr/>

Separate financial statements and performance disclosure statements have been prepared for Rotorua Electricity Limited.

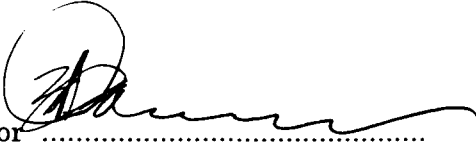


**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

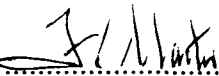
We, **AVON LEAVETT CARPENTER** and **FRANCIS NORMAN McMASTER** of **TRUSTPOWER LIMITED** certify that having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited financial statements of TrustPower Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b) the attached information, being financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to TrustPower Limited, and having been prepared for the purposes of regulations 13, 14, 15, and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those financial performance measures are based are as at 1 April 1993.

Director 

Date 18/8/95

Director 

Date 18/8/95

Price Waterhouse Centre  
66 Wyndham Street  
Auckland, New Zealand

MAIL:  
PO Box 748  
or  
DX 2018 Downtown

Telephone 0-9-309 3421  
Cable 'Pricewater'  
Telex NZ21011  
Fax 0-9-309 4166

*Price Waterhouse*



**CERTIFICATION BY AUDITOR IN RELATION TO  
FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by TrustPower Limited and dated 31 March 1995 for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements give a true and fair view of the matters to which they relate and have been prepared in accordance with the requirements of the Electricity (Information Disclosure) Regulations 1994.

*Price Waterhouse*

Price Waterhouse  
17 August 1995

Price Waterhouse Centre  
66 Wyndham Street  
Auckland, New Zealand

MAIL  
PO Box 748  
or  
DX 2018 Downtown

Telephone 0-9-309 3421  
Cable Pricewater  
Telex NZ21011  
Fax 0-9-309 4166

*Price Waterhouse*



**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**

We have examined the valuation report prepared by Coopers & Lybrand and Worley Consultants Limited dated 18 March 1994, which report contains a valuation of the lines business of TrustPower Limited as at 1 April 1993.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, the valuation contained in the report has been made in accordance with the Handbook for Optimised Deprival Valuation of Electricity Line Businesses issued by the Energy & Resources Division of the Ministry of Commerce and dated 23 June 1994.

A stylized, handwritten signature in black ink that reads "Price Waterhouse". The signature is written in a cursive, flowing style.

Price Waterhouse  
17 August 1995

**TRUSTPOWER LIMITED****INFORMATION DISCLOSURE LINE OWNERS****FOR THE YEAR ENDED 31 MARCH 1995**

<b>REG #</b>	<b>1st SCH Part</b>												
<b>13(1)</b>	<b>11</b>	<b>Financial performance measures:</b>											
	1(a)	Accounting Return on Total Assets	7.67%										
	1(b)	Accounting Return on Equity	5.39%										
	1(c)	Accounting Rate of Profit	5.53%										
		<b>Efficiency performance measures:</b>											
	2(a)	Direct Line Costs per Km	5,221.80										
	2(b)	Indirect Line Costs per Electricity Customer	94.86										
<b>15(1)</b>	<b>III</b>	<b>Energy delivery efficiency performance measures:</b>											
	1(a)	Load Factor	52.50%										
	1(b)	Loss Ratio	6.15%										
	1(c)	Capacity Utilisation	34.27%										
		<b>Statistics:</b>											
	2(a)	System Length (Determined from ODV valuation)	<table border="1"> <thead> <tr> <th></th> <th>km</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>2598</td> </tr> <tr> <td>400v</td> <td>799</td> </tr> <tr> <td>11kv</td> <td>1654</td> </tr> <tr> <td>33kv</td> <td>144</td> </tr> </tbody> </table>		km	Total	2598	400v	799	11kv	1654	33kv	144
	km												
Total	2598												
400v	799												
11kv	1654												
33kv	144												
	2(b)	Circuit Length of Overhead Electric Lines	<table border="1"> <thead> <tr> <th></th> <th>km</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>1819</td> </tr> <tr> <td>400v</td> <td>338</td> </tr> <tr> <td>11kv</td> <td>1338</td> </tr> <tr> <td>33kv</td> <td>142</td> </tr> </tbody> </table>		km	Total	1819	400v	338	11kv	1338	33kv	142
	km												
Total	1819												
400v	338												
11kv	1338												
33kv	142												
	2(c)	Circuit Length of Underground Electric Lines	<table border="1"> <thead> <tr> <th></th> <th>km</th> </tr> </thead> <tbody> <tr> <td>Total</td> <td>779</td> </tr> <tr> <td>400v</td> <td>461</td> </tr> <tr> <td>11kv</td> <td>316</td> </tr> <tr> <td>33kv</td> <td>2</td> </tr> </tbody> </table>		km	Total	779	400v	461	11kv	316	33kv	2
	km												
Total	779												
400v	461												
11kv	316												
33kv	2												
	2(d)	Transformer Capacity (kva)	307,973										
	2(e)	Maximum Demand (kw)	105,545										
	2(f)	Total Electricity Supplied from the System (kwh)	455,877,628										
	2(g)	Total Electricity Conveyed through the System on behalf of others (kwh)	5,500,000										
	2(h)	Total Customers	47,759										

**TRUSTPOWER LIMITED****INFORMATION DISCLOSURE LINE OWNERS****FOR THE YEAR ENDED 31 MARCH 1995**

**REG #**    **1st SCH**  
**16(1)**    **Part**  
              **IV**

**Reliability performance measures:**

1	Total Number of Interruptions	Class B	247
		Class C	144
		All Other Classes	0
		Total	391
2	Total number of faults per 100 Km of prescribed voltage electric Line		21.75
3	Total number of faults per 100 Km of underground prescribed voltage electric line by nominal line voltage	Total	3.15
		33kv	0
		11kv	3.16
4	Total number of faults per 100 Km of overhead prescribed voltage electric line by nominal line voltage	Total	25.84
		33kv	12.68
		11kv	8.67
5	SAIDI for total number of interruptions		302.71
6	SAIDI for total number of interruptions within each interruption class	Class B	136.87
		Class C	165.84
7	SAIFI for total number of interruptions		3.34
8	SAIFI for total number of interruptions within each interruption class	Class B	0.76
		Class C	2.58
9	CAIDI for total of all interruptions		90.67
10	CAIDI for total number of interruptions within each interruption class	Class B	180.61
		Class C	64.26

Price Waterhouse Centre  
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Auckland, New Zealand

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Fax 0-9-309 4166

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## CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

We have examined the attached information, being -

- (a) Financial performance measures specified in clause 1 of Part II of the First Schedule to the Electricity (Information Disclosure) Regulations 1994; and
- (b) Financial components of the efficiency performance measures specified in clause 2 of Part II of that Schedule, -

and having been prepared by TrustPower Limited and dated 31 March 1995 for the purposes of regulation 13 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1994.

Price Waterhouse  
17 August 1995

