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TRANS POWER NEW ZEALAND LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

TRANS POWER NEW ZEALAND LIMITED GROUP
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 1995

	Notes	1995 12 months \$000	1994 15 months \$000	1994 12 months \$000
Revenue	3	523,603	642,980	515,196
Operating expenses	4	292,269	361,111	295,418
Earnings from operations		231,334	281,869	219,778
Net finance costs	6	121,305	128,903	100,993
Earnings before tax		110,029	152,966	118,785
Tax expense	7	25,506	23,166	16,768
Earnings after tax		84,523	129,800	102,017
Retained earnings at the beginning of the year		0	0	10,469
Earnings after tax		84,523	129,800	102,017
Retained earnings available for appropriation		84,523	129,800	112,486
Transfer of revaluation increment/(decrement) from the Asset revaluation reserve in respect of assets disposed of during the year	15	(3,058)	0	0
Transfer to Capital redemption reserve	15	0	(8)	(8)
Dividends paid or payable	8	(50,714)	(129,792)	(112,478)
Retained earnings at the end of the year		30,751	0	(0)

The notes on pages 6 to 30 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 1995

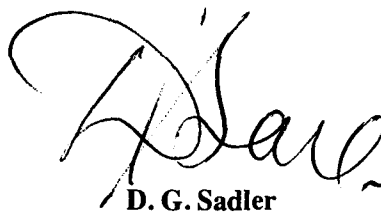
	Notes	30 June 1995 \$000	30 June 1994 \$000
Assets Employed			
Current assets	9	98,476	123,354
Investments	10	2,800	1,505
Fixed assets	11	2,873,570	2,870,405
Total Assets Employed		2,974,846	2,995,264
Funds Employed			
Current liabilities	12	97,817	51,923
Deferred maintenance	13	3,872	4,400
Debt	14	1,597,881	1,738,933
Total Liabilities		1,699,570	1,795,256
Shareholders' and other equity funds	15	1,275,276	1,200,008
Total Funds Employed		2,974,846	2,995,264

The notes on pages 6 to 30 form an integral part of these financial statements.

For, and on behalf of, the Board



D.S. Ritchie
Chairman



D. G. Sadler
Director

2 November 1995

TRANS POWER NEW ZEALAND LIMITED GROUP
CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 1995

	Notes	1995 12 months \$000	1994 15 months \$000
Equity at the beginning of the year		1,200,008	1,329,280
Net surplus for the year after tax		84,523	129,800
Annual revaluation of fixed assets	15	41,459	0
*Contributions from owners during the year		0	687,720
**Distributions to owners during the year		(50,714)	(946,792)
Equity at the end of the year		1,275,276	1,200,008

***Contributions from owners during the year
comprises:**

Call made on 487,720,000 ordinary shares of \$1 each	15	0	487,720
Issue of 200,000,000 fully paid ordinary shares of \$1 each	15	0	200,000
		0	687,720

****Distributions to owners during the
year comprises:**

Redemption of 8,170 redeemable preference shares			
- Par value of \$1 each	15	0	(8)
- Share premium of \$99,999 per share	15	0	(816,992)
Dividends paid or payable	8	(50,714)	(129,792)
		(50,714)	(946,792)

The notes on pages 6 to 30 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 1995

	1995	1994
	12 months	15 months
	\$000	\$000
Cash Flow from Operations		
Cash was provided from:		
Receipts from customers	513,293	631,288
Tax refund	0	882
Interest received	4,735	6,026
Cash was applied to:		
Payments to suppliers and employees	(165,978)	(210,387)
Provisional tax payment	(22,812)	(25,000)
Interest paid	(130,284)	(131,735)
Net cash flow from operations	198,954	271,074
Cash Flow from Investments		
Cash was provided from:		
Sale of assets	1,720	12,476
Cash was applied to:		
Capitalised interest	(1,998)	(4,596)
Purchase of fixed assets	(74,837)	(115,325)
Investment in shares	(1,300)	(1,500)
Net cash flow (to)/from investments	(76,415)	(108,945)
Cash Flow from Financing		
Cash was provided from:		
Net increase in loans	2,114,048	324,040
Capital payments	32,500	53,500
Refund of security deposit	0	47,750
Issue of ordinary share capital	0	687,720
Cash was applied to:		
Dividends paid	(17,977)	(358,329)
Repayment of loans	(2,255,100)	(96,518)
Repayment of redeemable preference shares	0	(817,000)
Net cash flow (to)/from financing	(126,529)	(158,837)
Net increase/(decrease) in cash held	(3,990)	3,292
Opening balance brought forward	3,314	22
Closing net cash carried forward	(676)	3,314
Closing net cash carried forward comprises:		
Cash in bank	7	4,735
Bank overdraft	(683)	(1,421)
	(676)	3,314

The notes on pages 6 to 30 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS (contd)
FOR THE YEAR ENDED 30 JUNE 1995

Reconciliation of "Earnings after Tax" with "Net Cash Flow from Operations"

	1995	1994
	12 months	15 months
	\$000	\$000
Earnings after Tax	84,523	129,800
Add/deduct non-cash items:		
Depreciation and write offs	100,824	133,883
Infrastructure asset service potential adjustment	22,823	17,580
Income tax expense/(benefit)	2,694	(1,834)
Increase/(decrease) in provisions	4,263	10,856
Change in deferred tax	(13)	(69)
Movements in working capital items*:		
Decrease/(increase) in receivables	(10,310)	(14,597)
Decrease/(increase) in prepayments	(3,842)	59
Decrease/(increase) in stock	18	1,401
Increase/(decrease) in payables	(1,298)	1,407
Less items classified as investing activities:		
(Profit)/loss on sale of fixed assets	0	(1,692)
(Profit)/loss on investments	(728)	(5,720)
Net Cash Flow from Operations	<u>198,954</u>	<u>271,074</u>

* Movements in working capital items relate to operating activities

The notes on pages 6 to 30 form an integral part of these financial statements.

TRANS POWER NEW ZEALAND LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements are presented in accordance with the Electricity (Information Disclosure) Regulations and have been prepared in accordance with the Financial Reporting Act 1993. The consolidated financial statements are for the Trans Power Group, which includes all the subsidiary and associate companies as disclosed in Note 21.

General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of financial performance, financial position, movements in equity, and cash flows under the historical cost method as modified by the revaluation of certain assets, have been followed in the preparation of these financial statements.

Special Purpose Financial Statements

These consolidated financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994 (the "Regulations").

For the purposes of the Regulations, only Group financial statements are relevant, and therefore no Parent Company information has been disclosed.

Comparatives

The Group changed its balance date in 1994 from 31 March to 30 June, therefore the comparative figures cover a 15 month period.

Consolidated financial statements for the 12 months ended 30 June 1995 and comparative information for the 15 months ended 30 June 1994 have been taken from the audited statutory financial statements of the Group. Where information for the 12 months ended 30 June 1994 has previously been disclosed in the New Zealand Gazette pursuant to the Regulations this comparative information is also disclosed.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of financial performance, financial position, movements in equity, and cash flows have been consistently applied:

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995****(a) Revenue**

Revenue shown in the Statement of Financial Performance comprises the amounts received and receivable by the Group for transmission services and lease revenue. Revenue is stated exclusive of Goods and Services Tax.

(b) Current Assets

Receivables are stated at their estimated net realisable value.

Stocks are valued at the lower of cost, calculated on the weighted average cost basis, or estimated net realisable value.

(c) Investments

Investments are recorded at net realisable value.

(d) Fixed Assets

Fixed assets are recorded at the most recent valuation, adjusted by subsequent additions, disposals and depreciation. Valuations are carried out each year by or under the guidance of independent experts, using the optimised deprival valuation methodology (ODV).

Under modified historical cost the annual revaluation for the year, reflecting the difference between the net carrying value of the assets and the ODV value, is recorded in the asset revaluation reserve. In arriving at the net carrying value any accumulated depreciation or infrastructure asset service potential adjustment is written back against the asset value.

The revaluation increment or decrement is transferred from the revaluation reserve to retained earnings on the disposal of an asset.

Capital work in progress is recorded at cost. For major capital works, finance costs are capitalised. Finance costs incurred during the period of time that is required to complete and prepare the fixed asset for its intended use are capitalised as part of the total cost of the major capital works. The finance costs capitalised are based on the actual cost directly attributable to the construction of the asset. Where this is not clearly identifiable, the Group's weighted average cost of capital is used. Capital expenditure is defined as all expenditure incurred in the creation of a new asset, and any expenditure which results in a significant improvement in the operating capacity of an existing asset.

Revenue expenditure is defined as all expenditure which restores an asset to its original condition and all expenditure incurred in maintaining and operating the assets of the Company.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 1995**

Assets constructed for the Group are commissioned and transferred from capital work in progress to fixed assets as each facility or operating unit within a facility becomes operational and available for use.

(e) Infrastructure Asset

The infrastructure asset consists of the individual asset components which form the network of transmission lines comprising the National Grid. It is the Group's intention to maintain the operating capability of the network of transmission lines into the foreseeable future.

Each year the Group prepares an Asset Management Plan (AMP) which documents the philosophies, standards and practices, whereby the operating capability of the Group's assets is maintained, enhanced and developed. The AMP also provides indicative levels of asset management expenditure required to preserve the operating capability of the infrastructure asset.

Operating capability refers to the output or service capacity of the fixed asset and is determined by reference to attributes such as physical output capacity, associated operating costs, and quality of output. These attributes are assessed at a point in time. Service potential refers to the ability of an asset to provide a satisfactory level of operating capability over a period of time.

The asset management practices outlined in the AMP result in the infrastructure asset having an extremely long life with minimal decline in book value. Having regard to the life and residual value of the infrastructure asset, the Directors consider that the depreciation of the asset is immaterial. Accordingly, no depreciation is charged on the infrastructure asset. Where, in the opinion of the Directors, technological change compromises this view of the economic life of certain assets or components of the infrastructure, those assets are excluded from the infrastructure and depreciated over their estimated remaining economic lives.

Expenditure on the infrastructure asset which increases the operating capability of, or which enhances or develops, the National Grid will be capitalised.

Expenditure incurred to maintain the operating capability of the infrastructure asset in accordance with the AMP is charged as infrastructure maintenance in the Statement of Financial Performance.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995**

If, in any year, the level of infrastructure expenditure is insufficient to preserve the service potential of the infrastructure asset, the net book value of the infrastructure asset is reduced and the Statement of Financial Performance charged with the amount of this shortfall (referred to as the Infrastructure asset service potential adjustment). Expenditure in subsequent periods to redress this shortfall is regarded as backlog maintenance and the net book value of the infrastructure asset is increased. Backlog maintenance is expenditure required to bring the infrastructure asset to the requisite level of service potential.

(f) Depreciation

Depreciation of non infrastructure fixed assets is calculated using the straight line method to allocate the carrying value over the useful remaining life of the assets, after due allowance for expected residual value. The remaining useful lives of assets are reviewed periodically and where necessary are adjusted. The annual depreciation rates shown below are calculated on a weighted average basis for each classification of asset.

	1995*	1994
Freehold buildings	2.4 percent	4.6 percent
Substations	2.4 percent	4.2 percent
HVDC link	2.8 percent	3.5 percent
HVDC leased asset	3.6 percent	3.6 percent
Communications	11.6 percent	12.4 percent
Minor assets	14.4 percent	15.9 percent

* Depreciation rates have changed in the current year as the result of adopting the remaining lives used in the ODV. The effect of this change on the calculation of the depreciation charge is detailed in Note 4.

(g) Leased Assets

The Group leases certain plant, equipment, land, and buildings.

Finance leases, which effectively transfer to the entity substantially all of the risks and benefits incident to ownership of the leased item, are capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments. The leased assets and corresponding liabilities are disclosed separately and the leased assets are depreciated over their economic lives.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995**

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

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated useful life of the improvements.

(h) Principles of Consolidation

The Group financial statements are prepared from the audited accounts of the Parent Company and its subsidiaries as at 30 June 1995.

The purchase method is used to consolidate subsidiary companies. The equity method is used for the associate company in which the Group has a significant, but not a controlling interest.

All significant transactions between Group companies are eliminated on consolidation.

(i) Statement of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows:

- (i) Cash means coins, notes and demand deposits. Cash includes liabilities which are the negative form of the above, such as the bank overdraft.
- (ii) Operating activities comprise the transmission of bulk electricity and related support, maintenance, administration and interest costs.
- (iii) Investing activities comprise the purchase, holding and disposal of fixed assets and investments. Capitalised interest on work in progress is also included in investing activities.
- (iv) Financing activities include changes in equity and borrowings, and dividends paid on equity. Cash flows provided from loans are disclosed as a net cash movement, gross cash flows are not considered to provide useful information.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995****(j) Taxation**

For periods up to 30 June 1994, Trans Power New Zealand Limited (Trans Power) and its subsidiaries were grouped with the Electricity Corporation of New Zealand Limited (ECNZ) for the purposes of taxation.

The partial basis of the liability method of accounting for deferred tax is used.

The tax charge against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences, to the extent the timing differences are not, on a cumulative basis, expected to reverse in the foreseeable future.

Future tax benefits attributable 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.

(k) Foreign Currencies

Unhedged foreign currency transactions are translated at the exchange rate ruling at the transaction date or at a rate approximating this rate.

Foreign monetary assets and liabilities arising from trading transactions are valued at closing rates as at balance date. Gains and losses due to currency fluctuations on these items are included in the Statement of Financial Performance up to settlement date.

Exchange differences and associated costs on hedging transactions undertaken to establish the price of a particular purchase, are deferred and are included in the measurement of the purchase transaction as at the transaction date.

(l) Financial Instruments

The Group enters into financial instruments with off-balance sheet risk to reduce its exposure to fluctuations in foreign currency exchange rates and floating interest rates on borrowings. Financial instruments entered into as hedges are accounted for on the same basis as the underlying position being hedged. The Group does not conduct any speculative trading, and as such no financial instruments are accounted for on a mark to market basis.

TRANS POWER NEW ZEALAND LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

(m) Early Adoption of Financial Reporting Standards

Presentation of Financial Reports (FRS-2) and Information to be Disclosed in Financial Statements (FRS-9) have been approved by the Accounting Standards Review Board and will apply to the Group for the period ended 30 June 1996. The Group has elected to adopt the formats and disclosures described in FRS-2 and FRS-9 for the current year.

Changes in Accounting Policies

Effective from 1 July 1994, the Group has changed the basis of measurement of its fixed assets from historical cost to modified historical cost, using the optimised deprival valuation methodology (ODV). As a result of adopting modified historical cost, fixed assets have been revalued on a group basis by \$45 million as at 30 June 1995.

The Directors believe that modified historical cost provides more relevant information to the users of the financial statements about the value of the Group's fixed assets and the cost of the use of those assets in the business.

All other policies have been applied on bases consistent with those used in previous periods.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995****2. RELATED PARTIES**

On 1 July 1994 Trans Power was separated from ECNZ, and established under the State-Owned Enterprises Act 1986, as a separate State-Owned Enterprise. From this date, related party transactions have been entered into with other State Owned Enterprises. These are principally Broadcast Communications Limited (BCL, a subsidiary of Television New Zealand Limited), Works Consultancy Services Limited, the ECNZ Group, and the Crown. The ultimate shareholder of Trans Power is the Crown.

For the periods ended 30 June 1994 and prior, Trans Power was a 100% owned subsidiary of ECNZ. The ultimate shareholder of ECNZ is the Crown. During these periods Trans Power entered into certain transactions with related parties, namely ECNZ and its subsidiaries Power Securities Limited, Powermark New Zealand Limited and DesignPower New Zealand Limited.

During the period ended 30 June 1995 Powermark New Zealand Limited was sold, and therefore ceased to be a related party. Related party transactions have been disclosed up to the date of sale.

Transactions entered into with related parties are disclosed as follows:

- * Revenue income from ECNZ is disclosed in Note 3.
- * Expenses and financing costs paid to the ECNZ Group, BCL, Work Consultancy Services Limited, and the Crown are disclosed in Note 4 and Note 6.
- * Outstanding balances due from and to related parties are disclosed in Notes 9, 12 and 14.

Miss C.B. Durbin is a partner in the law firm Simpson Grierson. Other partners and staff of that firm have rendered various legal services to Trans Power in the ordinary course of business.

All related party transactions are conducted on a commercial basis. No related party debts have been written off or forgiven during the year.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 1995****3. REVENUE**

	1995	1994	1994
	12 months	15 months	12 months
	\$000	\$000	\$000
Sales	517,698	635,624	508,750
Other revenue	5,905	7,356	6,446
Total Revenue	<u>523,603</u>	<u>642,980</u>	<u>515,196</u>

Related Parties' Transactions

Sales to:

- ECNZ Group	130,067	347,892
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Other revenue from:

- ECNZ Group	409	813
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	<u>130,476</u>	<u>348,705</u>
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Sales consist of charges for connection to and the use of the National Grid to transmit bulk electricity from the point of generation to the point of supply.

From 1 October 1993, Trans Power has invoiced customers directly for transmission services. Previously, Trans Power invoiced ECNZ for transmission services and ECNZ then invoiced customers on a bundled, energy and transmission, basis.

Net Loss/Gain on the Disposal of Fixed Assets

	1995	1994
	12 months	15 months
	\$000	\$000
Included in Other revenue:		
Net gain on the disposal of fixed assets	0	3,125
Included in Stock and asset write offs		
(Note 4):		
Net loss on the disposal of fixed assets	(9,664)	(11,357)
Total Net Loss on the disposal of fixed assets	<u>(9,664)</u>	<u>(8,232)</u>

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

4. OPERATING EXPENSES

	1995 12 months \$000	1994 15 months \$000	1994 12 months \$000
Direct Expenditure			
Asset operation and maintenance costs	119,489	148,146	125,075
Lease and rental costs	389	665	532
Indirect Expenditure			
Administration and general costs	44,530	53,897	44,431
Directors' fees	229	71	56
Bad debts written off	2	12	12
Increase in the provision for doubtful debts	1,306	2,506	2,506
Donations	206	126	101
Lease and rental costs	2,472	4,225	3,380
Other Expenditure			
Depreciation - owned assets	81,806	114,096	91,567
Depreciation - leased assets	8,278	10,361	8,289
Stock and asset write offs	10,740	9,426	7,541
Infrastructure asset service potential adjustment	22,822	17,580	11,928
Total Operating Expenses	<u>292,269</u>	<u>361,111</u>	<u>295,418</u>

Related Parties' Transactions

	1995 12 months \$000	1994 15 months \$000
Expenses charged by :		
- ECNZ Group	57,238	93,123
- BCL	572	n/a
- Works Consultancy Services Limited	175	n/a
- Trans Power subsidiaries	0	0
	<u>57,985</u>	<u>93,123</u>

Prior to June 1994, rental of the Company's Wellington office was paid to ECNZ. The remaining expenses charged by the ECNZ Group relate to contracts for the operation and maintenance of the National Grid, systems costs and consultancy services. Lease costs for communications sites are charged by BCL. Works Consultancy Services Limited provide engineering consultancy services.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

With the adoption of modified historical cost, the remaining lives used in the ODV have been used to calculate the depreciation charge for the current year. As a result, the depreciation charge is approximately \$10 million lower after tax than would have been charged based on the historical cost and the previous remaining lives.

5. REMUNERATION OF AUDITORS

Amounts included in Administration and general costs (as detailed in Note 4) as fees paid or payable to the auditors (Coopers & Lybrand) for:	1995 12 months \$000	1994 15 months \$000
Auditing the financial statements of:		
Trans Power	121	211
Trans Power subsidiaries	38	26
Other Services	404	336
	563	573

6. NET FINANCE COSTS

	1995 12 months \$000	1994 15 months \$000	1994 12 months \$000
Finance costs	128,787	139,220	108,553
Less capitalised interest	(1,998)	(4,596)	(4,435)
Less interest received	(4,759)	(1)	0
Less dividends received	(1)	0	0
Less investment income	(724)	(5,720)	(3,125)
Net Finance Costs	121,305	128,903	100,993

Related Parties' Transactions

Net Finance costs paid to ECNZ:

Finance costs	3,741	138,668
Less interest received	(23)	(1)
	3,718	138,667

Net Finance costs paid to the Crown:

Finance costs	109,294	n/a
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Prior to 1 July 1994 all funding was managed by ECNZ. Interest is capitalised on capital work in progress in accordance with the accounting policy as outlined in Note 1(d).

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

7. TAXATION

	1995 12 months \$000	1994 15 months \$000	1994 12 months \$000
Earnings before tax	110,029	152,966	118,785
Prima facie tax at 33%	36,310	50,478	39,199
Tax effect of:			
timing differences not recognised	(13,355)	(23,653)	(20,168)
permanent differences	(1,090)	(4,592)	(3,196)
Tax payable in respect of the current year	21,865	22,233	15,835
Under provision in prior years	3,641	933	933
Tax Expense	<u>25,506</u>	<u>23,166</u>	<u>16,768</u>
The income tax charge is represented by:			
Tax payable in the current year	21,878	22,302	15,890
Deferred tax	(13)	(69)	(55)
	<u>21,865</u>	<u>22,233</u>	<u>15,835</u>

Deferred tax liability in respect of timing differences not recognised

Balance at the beginning of the year	195,486	187,351	187,844
Deferred tax liability not recognised in this year	13,355	23,653	20,056
Prior period adjustment	(845)	(15,518)	(12,414)
Balance at the end of the year	<u>207,996</u>	<u>195,486</u>	<u>195,486</u>

These timing differences predominantly relate to depreciation of fixed assets.

TRANS POWER NEW ZEALAND LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

Imputation Credit Memorandum Account

	1995	1994	1994
	12 months	15 months	12 months
	\$000	\$000	\$000
Balance at the beginning of the year	25,000	0	0
Loss of continuity debit	(25,000)	0	0
Tax payments made	22,812	25,000	25,000
Balance at the end of the year	<u>22,812</u>	<u>25,000</u>	<u>25,000</u>

The loss of continuity debit arises due to the transfer of shareholdings on 1 July 1994.

8. DIVIDENDS

	1995	1994	1994
	12 months	15 months	12 months
	\$000	\$000	\$000
Interim dividend paid			
- on ordinary shares	17,977	43,033	43,033
- on redeemable preference shares (paid to Power Securities Limited)	0	86,759	69,445
Final dividend recommended by Directors			
- on ordinary shares	32,737	0	0
Total Dividends Paid or Payable	<u>50,714</u>	<u>129,792</u>	<u>112,478</u>

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

9. CURRENT ASSETS

	30 June 1995	30 June 1994
	\$000	\$000
Cash in bank	7	4,735
Trade receivables	59,591	53,089
Other receivables	2,781	32,084
Stocks of materials	32,129	33,223
Prepayments	3,968	223
Total Current Assets	98,476	123,354

Related Parties' Transactions**Included in Trade receivables:**

- ECNZ Group	12,473	15,546
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10. INVESTMENTS

	30 June 1995	30 June 1994
	\$000	\$000
Investment in associate company	2,791	0
Shares in unlisted company	0	1,500
Shares in listed companies	9	5
Total Investments	2,800	1,505

Investment in associate company comprises:

Ordinary shares at cost	301	0
Advances to associate company	2,490	0
	2,791	0

In accordance with the accounting standard Accounting for Business Combinations (SSAP-8), the equity method of accounting for an associate company has been adopted by Trans Power following the acquisition of a one third shareholding in the Electricity Market Company (EMCO) during June 1995.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1995

11. FIXED ASSETS

	Valuation 30 June 1995 \$000
1995	
Infrastructure Asset	\$000
Transmission lines	<u>1,192,142</u>
Non Infrastructure Assets	
Freehold land	28,187
Freehold buildings	62,913
Substations	833,215
HVDC link	334,703
HVDC leased asset	207,723
Communications	111,450
Minor assets	14,275
Capital work in progress	88,962
Total Non Infrastructure Assets	<u>1,681,428</u>
Total Fixed Assets	<u><u>2,873,570</u></u>

As at 30 June 1995 all fixed assets have been revalued in accordance with the optimised deprival valuation (ODV) methodology. The valuation was carried out by Ernst and Young.

	Accumulated		
	Cost	Depreciation	Book Value
	\$000	\$000	\$000
1994			
Infrastructure Asset			
Transmission lines *	1,218,593	172,659	1,045,934
Less Infrastructure asset service potential adjustment			(17,580)
	<u>1,218,593</u>	<u>172,659</u>	<u>1,028,354</u>
Non Infrastructure Assets			
Freehold land	31,652	0	31,652
Freehold buildings	85,605	17,067	68,538
Substations	1,058,788	212,729	846,059
HVDC link	585,883	104,143	481,740
HVDC leased asset	233,176	17,250	215,926
Communications	162,689	42,333	120,356
Minor assets	28,320	15,316	13,004
Capital work in progress	64,776	0	64,776
Total Non Infrastructure Assets	<u>2,250,889</u>	<u>408,838</u>	<u>1,842,051</u>
Total Fixed Assets	<u><u>3,469,482</u></u>	<u><u>581,497</u></u>	<u><u>2,870,405</u></u>

Minor assets include plant, equipment, furniture, and motor vehicles.

* Under the infrastructure asset accounting policy depreciation on the infrastructure asset ceased with effect from 31 March 1993. Thus accumulated depreciation records the amount of depreciation up until 31 March 1993.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

	1995	1994
	12 months	15 months
	\$000	\$000
Related Parties' Transactions		
Annual capital work in progress expenditure with:		
- ECNZ Group	12,030	25,176
- Works Consultancy Services Limited	632	n/a
- BCL	814	n/a
	<u>13,476</u>	<u>25,176</u>

12. CURRENT LIABILITIES

	30 June 1995	30 June 1994
	\$000	\$000
Bank overdraft	683	1,421
Trade creditors	52,416	45,972
Provisions	3,988	5,239
Employee entitlements	3,683	1,976
Current portion of deferred maintenance	3,678	0
Provision for final dividend	32,737	0
Provision for deferred tax	0	13
Provision for current tax	632	(2,698)
Total Current Liabilities	<u>97,817</u>	<u>51,923</u>

Related Parties' Transactions**Included in Trade creditors:**

- ECNZ Group	8,412	25,777
- BCL	48	45
- Works Consultancy Services Limited	85	61
	<u>8,545</u>	<u>25,883</u>

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1995

	12 Months	15 Months	12 Months
	1995	1994	1994
	\$000	\$000	\$000
Reconciliation of Provision for current tax payable:			
Tax payable in the current year (refer Note 7)	21,878	22,302	15,890
Provisional tax payments made during the year	(22,812)	(25,000)	(25,000)
Underpayment in prior years	1,566	0	6,412
Total Provision for current tax payable	<u>632</u>	<u>(2,698)</u>	<u>(2,698)</u>

13. DEFERRED MAINTENANCE

	12 Months	15 Months	12 Months
	1995	1994	1994
	\$000	\$000	\$000
Balance of the provision at the beginning of the year	4,400	0	880
Provided for during the year	3,150	4,400	3,520
Less portion reclassified as a current liability	(3,678)	0	0
Balance of the provision at the end of the year	<u>3,872</u>	<u>4,400</u>	<u>4,400</u>

This provision represents deferred maintenance on the HVDC submarine Cook Strait cables. The current portion of this maintenance is expected to be undertaken in 1996 and the remainder in 1997.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

14. DEBT

For the period ended 30 June 1994 the Group's debt liabilities were all with ECNZ.

	30 June 1995	30 June 1994
	\$000	\$000
Short term debt	4,455	1,586,967
Current portion of term debt	1,124,570	151,966
Between one-two years	200,000	0
Greater than five years	268,856	0
Total Debt	<u>1,597,881</u>	<u>1,738,933</u>

Related Parties' Transactions

Short term debt		
- ECNZ	0	1,586,967
Current portion of long term debt		
- ECNZ	0	151,966
- Crown	900,000	0
Between one to two years		
- Crown	200,000	0
	<u>1,100,000</u>	<u>1,738,933</u>

Average Interest Rates at Balance Date

Short term debt	9.05%	7.45%
Current portion of long term debt	7.63%	10.48%
Between one-two years	7.31%	n/a
Greater than five years	8.10%	n/a

No securities have been given with respect to the Group's indebtedness.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

15. SHAREHOLDERS' AND OTHER EQUITY FUNDS

	30 June 1995 \$000	30 June 1994 \$000
Authorised and Issued Capital		
Balance at the beginning of the year		
1,200,000,000 ordinary shares of \$1 each (1994, 1,000,000,000)	1,200,000	1,000,000
200,000,000 ordinary shares of \$1 each authorised and issued during the year	0	200,000
Balance at the end of the year		
1,200,000,000 ordinary shares of \$1 each	<u>1,200,000</u>	<u>1,200,000</u>
Paid Up Capital		
Balance at the beginning of the year		
1,200,000,000 ordinary shares of \$1 each fully paid up (1994, 512,280,000)	1,200,000	512,280
Call made on 487,720,000 ordinary \$1 shares during the year	0	487,720
Issue of 200,000,000 fully paid ordinary shares of \$1 each during the year	0	200,000
Balance at the end of the year		
1,200,000,000 ordinary shares of \$1 each fully paid up	<u>1,200,000</u>	<u>1,200,000</u>
Reserves		
<i>Capital redemption reserve</i>		
Balance at the beginning of the year	8	0
Transfer from Retained earnings	0	8
Balance at the end of the year	<u>8</u>	<u>8</u>
<i>Asset revaluation reserve</i>		
Balance at the beginning of the year	0	0
Annual revaluation of assets	41,459	0
Transfer of revaluation (increment)/decrement to Retained earnings in respect of assets disposed of during the year	3,058	0
Balance at the end of the year	<u>44,517</u>	<u>0</u>
<i>Retained earnings</i>	30,751	0
Total Shareholders' Funds	<u>1,275,276</u>	<u>1,200,008</u>

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

15. SHAREHOLDERS' & OTHER EQUITY FUNDS (cont.)

	30 June 1995	30 June 1994
	\$000	\$000
Other Equity Funds		
<i>Redeemable preference shares</i>		
Balance at the beginning of the year		
8,170 redeemable preference shares of \$1 each	0	8
Redeemed during the year		
8,170 redeemable preference shares of \$1 each	0	(8)
Balance at the end of the year	0	0
<i>Redeemable preference share premium</i>		
Balance at the beginning of the year		
8,170 shares at \$99,999 per share	0	816,992
Redeemed during the year		
8,170 shares at \$99,999 per share	0	(816,992)
Balance at the end of the year	0	0
Total Other Equity Funds	0	0
Total Shareholders' and Other Equity Funds	1,275,276	1,200,008

16. CAPITAL COMMITMENTS

	30 June 1995	30 June 1994
	\$000	\$000
Capital commitments in respect of contracts for capital expenditure:		
Within one year	38,341	23,681
One to two years	3,460	2,643
Two to five years	0	72
Later than five years	0	0
Total Capital Commitments	41,801	26,396

TRANS POWER NEW ZEALAND LIMITED GROUP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

17. OPERATING LEASE COMMITMENTS

Commitments in respect of non-cancellable operating leases payable:

	30 June 1995	30 June 1994
	\$000	\$000
Within one year	2,283	2,426
One to two years	1,634	2,183
Two to five years	4,572	4,376
Later than five years	4,345	5,527
Total Operating Lease Commitments	<u>12,834</u>	<u>14,512</u>

18. CONTINGENT LIABILITIES

The Company is currently the subject of a periodic review by the Department of Inland Revenue. The Directors cannot reasonably establish, at this time, the financial effect, if any, on Trans Power of this review.

There are no material contingent liabilities for the Group (1994, nil).

19. SEGMENTAL INFORMATION

The Group operates predominantly in one industry, the transmission of bulk electricity. The Group's operations are carried out in New Zealand and are therefore within one geographical segment for reporting purposes.

20. FINANCIAL INSTRUMENTS**Currency and Interest Rate Risk****(i) Currency Risk**

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities.

It is the Group's policy to hedge foreign currency risks as they arise. The Group uses foreign exchange contracts to manage these exposures. Principally, all transactions denominated in foreign currency, with a value greater than \$25,000 New Zealand dollars, are hedged.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

The notional contract amounts of foreign exchange instruments outstanding at balance date are as follows:

	30 June 1995 \$000	30 June 1994 \$000
Foreign exchange contracts	196,715	20,996

The cash settlement requirements of forward foreign exchange contracts approximates the notional contract amounts.

(ii) Interest Rate Risk

Management have entered into borrowings with fixed and floating interest rates within prescribed policy limits. The exposure to interest rate repricing is hedged by interest rate swaps, options and forward rate agreements.

	30 June 1995 \$000	30 June 1994 \$000
Interest rate swaps	725,000	n/a
Interest rate options	110,000	n/a
Forward rate agreements	460,000	n/a

The cash settlement for interest rate swaps, as at 30 June 1995, is the net interest payable of \$28,000. For interest rate options and forward rate agreements the best approximation of the cash settlement amount is the current market value which is a liability of \$29,000 and \$833,000 respectively.

(iii) Interest Rate Repricing

The interest repricing profile for the Group of on and off balance sheet financial instruments, together with the weighted average interest rate for those instruments on maturity are:

Amount of Group borrowings subject to repricing:	30 June 1995		30 June 1994	
	Principal \$000	Weighted Average Interest Rate	Principal \$000	Weighted Average Interest Rate
Within one year	504,025	7.31%	1,738,933	7.72%
One to two years	375,000	8.16%	0	n/a
Two to five years	375,000	8.63%	0	n/a
Later than five years	343,856	7.96%	0	n/a
	<u>1,597,881</u>		<u>1,738,933</u>	

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995****Credit Risk**

Financial instruments which potentially subject the Group to credit risk principally consist of bank balances, receivables, and investments.

The Group has a credit policy which is used to manage this exposure to credit risk. As part of this policy, limits on exposures with counterparties in respect to the treasury function of the Group have been set and approved by the Board of Directors. These limits are monitored on a regular basis. Credit evaluations are performed on Trans Power's customers and it is the Group's policy to require bond payments where considered appropriate. No bond amounts are held by Trans Power as at 30 June 1995.

The maximum exposures to credit risk as at balance date are:

	30 June 1995	30 June 1994
	\$000	\$000
Cash in bank	7	4,735
Trade receivables	59,591	53,089
Other receivables	2,781	32,084
Investments	2,800	1,505

The above maximum exposures are net of any recognised provision for losses on these financial instruments.

Concentration of Credit Risk

66 per cent of Cash, Trade, Other receivables and Investments are due from seven customers (in 1994 67 per cent of Cash, Trade receivables, Other receivables and Investments were due from five customers).

All receivables where provision for loss has not been made are considered to be fully recoverable. There are no other significant concentrations of credit risk.

TRANS POWER NEW ZEALAND LIMITED GROUP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995

FAIR VALUES	30 June 1995	30 June 1995	30 June 1994	30 June 1994
	Carrying Value \$000	Fair Value \$000	Carrying Value \$000	Fair Value \$000
Assets				
Cash in bank	7	7	4,735	4,735
Trade receivables	59,591	59,591	53,089	53,089
Other receivables	2,781	2,781	32,084	32,254
Investment	2,800	2,800	1,505	1,505
Liabilities				
Bank overdraft	683	683	1,421	1,421
Trade creditors	50,314	50,314	45,972	45,972
Debt	1,597,881	1,584,668	1,738,933	1,740,164
Foreign exchange contracts	325	1,568	n/a	514
Interest rate swaps	28	6,848	n/a	n/a
Interest rate options	n/a	29	n/a	n/a
Forward rate agreements	n/a	833	n/a	n/a

The following methods were used to estimate the fair values for each class of financial instrument:

Cash in bank, Trade receivables/creditors, Other creditors and Investments

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

Other receivables

Other receivables in the 1994 year, represents an amount owing under irrevocable and non-assignable obligations for capital contributions. The carrying value of this receivable is the present value of future payments due, discounted at the rate implicit within the contract. The fair value is calculated as the net present value of future payments, using the current market rate for a debt instrument of a similar term.

For the remainder of Other receivables the carrying value is equivalent to fair value.

TRANS POWER NEW ZEALAND LIMITED GROUP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995****Debt**

The estimated fair value of debt which has a variable interest rate is equivalent to the carrying value. The fair value of debt with a fixed interest rate is estimated based on the present value of future liability commitments using the current market rate for debt instruments with a similar maturity.

Foreign exchange contracts, Interest rate swaps and options and Forward rate agreements

The fair value of foreign exchange contracts, interest rate swaps, interest rate options and, forward rate agreements is estimated based on the quoted market price of these instruments.

21. SUBSIDIARY AND ASSOCIATE COMPANIES

As at balance date the subsidiary and associate companies are as follows:

Subsidiaries	Holding
Fighting Bay Finance Limited	100%
Haywards Limited	100%
Oteranga Bay Limited	100%
Hororata Enterprises Limited	100%
Whakamaru Holdings Limited	100%
Trans Power Finance Limited	100%
Trans Power Land Holdings Limited	100%
Associate Company	
Electricity Market Company Limited	33%

All subsidiaries are direct subsidiaries of Trans Power New Zealand Limited except for Oteranga Bay Limited and Haywards Limited which are wholly owned by Fighting Bay Finance Limited.

The principal activity of all the subsidiaries is financing. The principal activity for the associate company is the provision of services to the participants in the wholesale electricity market. The balance date for the associate and subsidiary companies is the same as the Parent Company.

Regulation 13 and Part II of the First Schedule

Financial Performance Measures and Efficiency Performance Measures

	12 Months 30 June 1995	12 Months 30 June 1994
1 Financial Performance Measures		
a) Accounting return on total assets, being earnings before interest and tax divided by average total funds employed:		
Earnings before interest and tax	231,334,000	219,778,000
Average total funds employed	2,822,542,000	2,917,683,000
Accounting return on total assets	8.2%	7.5%
<p>The definition total funds employed has been refined to exclude Works Under Construction. This change aligns the definition with an economic view of operating capital employed. Had this change been made in 1994 the Accounting Return on Assets would have been 7.6%.</p>		
b) Accounting return on equity, being net profit after tax, divided by average total shareholders' funds:		
Net profit after tax	84,523,000	102,017,000
Average total shareholders' funds	1,228,540,000	1,251,674,000
Accounting return on equity	6.9%	8.2%
c) Accounting rate of profit, which shall be calculated in accordance with the following formula:		
$\frac{a - b - c + d}{e}$		
<i>a</i> Earnings before interest and tax	231,334,000	219,778,000
<i>b</i> Cash tax	25,506,000	15,890,000
<i>c</i> Interest tax shield	40,690,000	35,822,000
<i>d</i> Revaluations	59,664,000	0
<i>e</i> Average total funds employed, minus half the amount of revaluations	2,792,710,000	2,917,683,000
Accounting rate of profit	8.0%	5.8%

As noted under a) above, the definition of total funds employed has been changed. Had this change been made in 1994 the Accounting Rate of Profit would have been 5.9%.

2 Efficiency Performance Measures

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

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

<i>a</i> is direct expenditure (in dollars); and	119,878,000	140,915,000
<i>b</i> is system length (in kilometres)	12,591	12,802
Direct line costs per kilometre	\$9,521	\$11,007

The definition of direct expenditure has been amended for 1995 to exclude the service potential adjustment determined with respect to infrastructure accounting of transmission lines. Lease and rental costs of an indirect nature were incorrectly included as direct line costs in 1994. Had these adjustments been correctly treated in 1994 then the Direct Line Costs per Kilometre would have been \$9,812.

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

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

<i>a</i> is indirect expenditure (in dollars); and	48,745,000	47,106,000
<i>b</i> is total customers.	49	49
Indirect line costs per electricity customer	\$994,796	\$961,347

As noted above, lease and rental costs relating to indirect expenditure were incorrectly classified as Direct Line Costs in 1994. Had this item been correctly classified as Indirect Line Costs then the comparative figure would have been \$1,030,327.

Regulation 15 and Part III of the First Schedule

Energy Delivery Efficiency Performance Measures and Statistics

		12 Months 30 June 1995	12 Months 30 June 1994
1	Energy Delivery Efficiency Performance Measures		
a)	Load factor <i>Percentage of electrical energy entering the transmission system over maximum demand times hours per year</i>	68.05%	68.95%
b)	Loss ratio <i>Transmission losses over energy entering the system</i>	6.16%	6.09%
c)	Capacity utilisation <i>Maximum demand over total transformer capacity</i>	70.53%	66.91%
2	Statistics		
a)	System length, broken down by voltage:		
	Total	17,626 km	17,629 km
	350kV (HVDC)	611 km	611 km
	270kV (HVDC)	611 km	611 km
	0kV (HVDC earth electrode)	31 km	31 km
	220kV (HVAC)	8,364 km	8,367 km
	110kV (HVAC)	6,333 km	6,372 km
	66/50/33/11kV	1,676 km	1,637 km
b)	Circuit length of overhead electric lines, broken down by voltage:		
	Total	17,546 km	17,549 km
	350kV (HVDC)	571 km	571 km
	270kV (HVDC)	571 km	571 km
	0kV (HVDC earth electrode)	31 km	31 km
	220kV (HVAC)	8,364 km	8,367 km
	110kV (HVAC)	6,333 km	6,372 km
	66/50/33/11kV	1,676 km	1,637 km
NB:	HVDC Link submarine power cables measure approximately 80 km. Broken down by voltage:		
	350kV (HVDC)	40 km	40 km
	270kV (HVDC)	40 km	40 km

c)	Total circuit length of underground electric lines	0 km	0 km
d)	Transformer capacity (kilovolt amperes)	7.77×10^6 kVA	7.92×10^6 kVA
e)	Maximum demand (kilowatts)	5.48×10^6 kW	5.30×10^6 kW
f)	Total electricity supplied from the system (kilowatt hours)	30.66×10^9	30.08×10^9 kWh
g)	Total electricity conveyed through the system (kilowatt hours)	32.67×10^9	32.03×10^9 kWh
h)	Total customers	49	49

Regulation 17 and Part V of the First Schedule

Reliability Performance Measures

		12 Months 30 June 1995	12 Months 30 June 1994
1	Total number of unplanned interruptions <i>Resulting from 118 loss of supply incidents in 1994/95</i>	182	224
2	Electricity customer interruptions <i>Comprising 4.4 system minutes due to planned outages and 15.1 system minutes due to unplanned outages in 1994/95</i>	19.5 system minutes	15.1 system minutes
3	Underlying electricity customer interruptions <i>Underlying interruptions are those interruptions less than 1 system minute duration. The total comprises 2.9 system minutes for planned outages and 11.2 system minutes for unplanned interruptions.</i>	14.1 system minutes	10.3 system minutes
4	Average supply reliability <i>Measured by the energy supplied divided by the sum of the energy supplied and not supplied.</i>	99.9942%	*99.9956%
5	Uneconomic generation due to planned and unplanned transmission system unavailability <i>Uneconomic generation relates to the amount of electricity generated from any source other than the most economic source.</i>	0.68%	0.81%
6	Uneconomic generation due to HVDC system unavailability	0.60%	*0.69%
7	Uneconomic generation due to unplanned transmission system unavailability	0.51%	0.07%

8	Planned interruption restoration performance	92.5%	76.6%
9	Unplanned interruption response	100%	99.6%

The information compiled using estimated information includes Part V sections 2, 3, 4, 5, 6 and 7.

The methodology used to calculate the estimated information is documented and available from Trans Power upon request.

* These figures have been changed from those published in the 1993/94 Transmission Quality Report.

**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 26(3)**


**CERTIFICATION BY DIRECTORS OF FINANCIAL STATEMENTS,
PERFORMANCE MEASURES, AND STATISTICS
DISCLOSED BY TRANS POWER**

We, Douglas Stewart Ritchie and David Gregory Sadler, directors of Trans Power New Zealand Limited ("Trans Power") certify that, having made all reasonable enquiry, to the best of our knowledge,

- a) The attached audited financial statements of Trans Power, prepared for the purposes of regulation 5 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 Trans Power, and having been prepared for the purposes of regulations 13, 14, 15 and 17 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 30 June 1995.


.....
DS Ritchie


.....
DG Sadler

2 November 1995

**Coopers
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**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 25(2)**

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

We have examined the attached financial statements prepared by Trans Power New Zealand Limited and dated 2 November 1995 for the purposes of regulation 5 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
2 November 1995

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**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 25(3)**

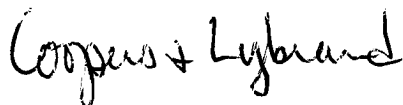
CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

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 the Schedule;

and having being prepared by Trans Power New Zealand Limited and dated 2 November 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.

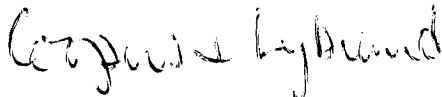


Coopers & Lybrand
2 November 1995

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New Zealandtelephone 0-4-499 9898
fax 0-4-499 9696**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 25(4)****CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**

We have examined the valuation report prepared by Ernst & Young and dated 8 September 1995 which report contains valuations as at 30 June 1995.

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



Coopers & Lybrand
2 November 1995

Explanatory Note

The ODV of Trans Power New Zealand Limited's fixed assets as at 30 June 1995 was prepared by Ernst & Young ("EY") with the assistance of The State Electricity Commission of Victoria International ("SECV"), Mott Ewbank Preece ("MEP") and Trans Power New Zealand Limited ("Trans Power"). EY have certified to Trans Power that the valuation set out in their report dated 8 September 1995 has been prepared in accordance with the ODV (Trans Power) Handbook. We have relied on this certification and on the technical expertise of EY, SECV and MEP for the purposes of our examination of the valuation report.

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