

New Zealand Gazette

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NORTHPOWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

**DISCLOSURE OF FINANCIAL STATEMENTS PURSUANT TO REGULATION 6
OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE - LINE BUSINESS

For the 12 Months Ended 31 March 1996

	This Year \$	Last Year \$
Operating Revenue	<u>28,913,590</u>	<u>24,395,984</u>
Operating Surplus	6,547,216	5,348,188
Taxation Expense	<u>(2,279,467)</u>	<u>(1,829,057)</u>
Operating Surplus After Taxation	<u>4,267,749</u>	<u>3,519,131</u>

STATEMENT OF MOVEMENTS IN EQUITY

For the 12 Months Ended 31 March 1996

	This Year \$	Last Year \$
Equity at 1 April 1995	48,282,439	46,070,508
Net Surplus for Period	4,267,749	3,519,131
Dividends	<u>(2,854,300)</u>	<u>(1,307,200)</u>
Equity at 31 March 1996	<u>49,695,888</u>	<u>48,282,439</u>

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL POSITION - LINE BUSINESS

As At 31 March 1996

	This Year \$	Last Year \$
CORPORATE OWNERSHIP:		
Share Capital	32,600,000	32,600,000
Asset Revaluation Reserve	4,230,070	4,438,742
Retained Earnings	<u>12,865,818</u>	<u>11,243,697</u>
TOTAL CORPORATE OWNERSHIP	<u>49,695,888</u>	<u>48,282,439</u>
CURRENT ASSETS		
Cash and Bank	-	15,126
Short Term Deposits	4,850,000	1,850,000
Accounts Receivable	3,499,841	2,245,690
Inventory	1,510,514	1,347,348
Tax Refund Due	147,127	357,866
Properties for Sale	<u>402,883</u>	<u>273,500</u>
TOTAL CURRENT ASSETS	<u>10,410,365</u>	<u>6,089,530</u>
CURRENT LIABILITIES:		
Bank Overdraft	(68,999)	-
Sundry Creditors	(3,483,581)	(3,393,679)
GST Owed	(89,733)	(29,821)
Provision for Dividend	(2,854,300)	(1,307,200)
Employee Benefits	<u>(834,916)</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>(7,331,529)</u>	<u>(4,730,700)</u>
WORKING CAPITAL	3,078,836	1,358,830
DEFERRED TAXATION	(1,246,746)	(765,505)
TERM RECEIVABLES	2,049,241	2,193,421
FIXED ASSETS	<u>45,814,557</u>	<u>45,495,693</u>
NET ASSETS	<u>49,695,888</u>	<u>48,282,439</u>

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL POSITION - ENERGY BUSINESS

As At 31 March 1996

	This Year \$	Last Year \$
CORPORATE OWNERSHIP:		
Share Capital	8,249,998	8,249,998
Retained Earnings	<u>549,454</u>	<u>342,644</u>
TOTAL CORPORATE OWNERSHIP	<u>8,799,452</u>	<u>8,592,642</u>
CURRENT ASSETS:		
Cash and Bank	-	15,126
Short Term Deposits	750,000	2,750,000
Accounts Receivable	4,545,770	3,894,657
Inventory	<u>47,778</u>	<u>49,272</u>
TOTAL CURRENT ASSETS	<u>5,343,548</u>	<u>6,709,055</u>
CURRENT LIABILITIES:		
Bank Overdraft	(81,845)	-
Sundry Creditors	(3,247,418)	(3,020,234)
GST Owed	(89,733)	(29,821)
Provision for Dividend	(413,700)	-
Employee Entitlements	<u>(247,380)</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>(4,080,076)</u>	<u>(3,050,055)</u>
WORKING CAPITAL	1,263,472	3,659,000
LOAN TO SUBSIDIARY	1,560,010	-
FIXED ASSETS	<u>5,975,970</u>	<u>4,933,642</u>
NET ASSETS	<u>8,799,452</u>	<u>8,592,642</u>

NORTHPOWER LIMITED

STATEMENT OF FINANCIAL PERFORMANCE - ENERGY BUSINESS

For the 12 Months Ended 31 March 1996

	This Year \$	Last Year \$
Operating Revenue	<u>38,428,751</u>	<u>38,174,525</u>
Operating Surplus Before Taxation	945,920	511,409
Taxation Expense	<u>(325,410)</u>	<u>(168,765)</u>
Operating Surplus After Taxation	<u>620,510</u>	<u>342,644</u>

STATEMENT OF MOVEMENTS IN EQUITY

For the 12 Months Ended 31 March 1996

	This Year \$	Last Year \$
Equity at 1 April 1995	8,592,642	7,400,000
Net Surplus for Period	620,510	342,644
Issue of 849,998 \$1 Shares	-	849,998
Dividends	<u>(413,700)</u>	-
Equity at 31 March 1996	<u>8,799,452</u>	<u>8,592,642</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For The Year Ended 31 March 1996

	Line Business		Energy Business	
	This Year \$	Last Year \$	This Year \$	Last Year \$
1. Operating Revenue				
Electricity Sales	27,553,570	23,099,687	35,807,534	35,707,347
Line Contributions	1,046,260	998,661	-	-
Contracting Work	-	-	2,035,455	1,971,770
Interest Received	-	-	578,370	488,408
Application Fees etc.	313,760	297,636	7,392	7,000
	<u>28,913,590</u>	<u>24,395,984</u>	<u>38,428,751</u>	<u>38,174,525</u>
2. Operating Surplus before Tax				
After Charging:				
Change Doubtful Debts Provision	5,000	-	5,000	-
Bad Debts Written Off	28,098	36,554	36,515	56,505
Depreciation	2,795,557	2,818,351	298,215	145,034
Directors' Fees	55,416	95,879	55,417	10,521
Interest	948	672	-	-
Rental and Operating Lease Costs	9,270	7,034	1,270	526
Research & Development	15,841	17,530	73,533	26,539
Donations	-	-	500	50
Loss on Sale of Assets	33,014	-	-	-
3. Auditors Remuneration				
Auditing Financial Statements	20,600	20,100	2,400	1,900
Other Services	2,600	-	2,600	-
4. Taxation				
Profit Before Taxation	6,547,216	5,348,188	945,920	511,409
Prima Facia Taxation @ 33%	2,160,581	1,764,902	312,153	168,765
Plus Tax Effect of Permanent Differences:				
Use of Money Interest	-	(3,055)	-	-
Depreciation on Globo Assets	110,340	104,632	-	-
Legal Fees	5,898	602	4,536	-
Other Permanent Differences	-	5,785	395	-
Entertainment Expenses	-	467	565	-
Tax on Profits for Year	2,276,819	1,873,333	317,649	168,765
Prior Period Adjustment	2,648	(44,276)	7,761	-
	<u>2,279,467</u>	<u>1,829,057</u>	<u>325,410</u>	<u>168,765</u>
The Taxation Charge is Represented by:-				
Prior Period Adjustment	2,648	(44,276)	7,761	-
Current Taxation	1,758,418	1,308,251	317,649	168,765
Deferred Taxation	518,401	565,082	-	-
	<u>2,279,467</u>	<u>1,829,057</u>	<u>325,410</u>	<u>168,765</u>
Movements in Provision for Deferred Taxation:				
Opening Balance	(765,505)	(231,637)	-	-
Prior Period Adjustment	37,160	31,214	-	-
Current Movement in Timing Differences	(518,401)	(565,082)	-	-
	<u>(1,246,746)</u>	<u>(765,505)</u>	<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Line Business		Energy Business	
	This Year \$	Last Year \$	This Year \$	Last Year \$
Imputation Credit Account:				
Opening Balance	2,549,096	1,381,682	168,765	-
Imputation credits attached to dividends paid	(643,844)	(334,925)	-	-
Income tax payments during year	<u>1,570,397</u>	<u>1,502,339</u>	<u>325,410</u>	<u>168,765</u>
	<u>3,475,649</u>	<u>2,549,096</u>	<u>494,175</u>	<u>168,765</u>
5. Dividends:				
Dividends - Paid	-	-	-	-
- Proposed	<u>2,854,300</u>	<u>1,307,200</u>	<u>413,700</u>	-
	<u>2,854,300</u>	<u>1,307,200</u>	<u>413,700</u>	-
6. Fixed Assets:				
Distribution System - Cost	64,208,515	61,976,410	5,410,237	4,199,637
Less Accumulated Depreciation	<u>(27,598,004)</u>	<u>(25,419,341)</u>	<u>(300,484)</u>	<u>(63,367)</u>
	<u>36,610,511</u>	<u>36,557,069</u>	<u>5,109,753</u>	<u>4,136,270</u>
Buildings - At Valuation	5,301,172	5,334,521	526,025	519,433
- At Cost	494,064	-	-	-
Less Accumulated Depreciation	<u>(218,162)</u>	<u>(110,810)</u>	<u>(18,928)</u>	<u>(9,497)</u>
	<u>5,577,074</u>	<u>5,223,711</u>	<u>507,097</u>	<u>509,936</u>
Plant and Equipment - Cost	2,839,263	2,256,397	265,185	179,217
Less Accumulated Depreciation	<u>(1,419,052)</u>	<u>(1,185,862)</u>	<u>(126,618)</u>	<u>(94,213)</u>
	<u>1,420,211</u>	<u>1,070,535</u>	<u>138,567</u>	<u>85,004</u>
Motor Vehicles - Cost	3,040,599	2,732,906	125,803	103,822
Less Accumulated Depreciation	<u>(1,970,778)</u>	<u>(1,701,320)</u>	<u>(57,852)</u>	<u>(38,590)</u>
	<u>1,069,821</u>	<u>1,031,586</u>	<u>67,951</u>	<u>65,232</u>
Land - At Valuation	<u>1,136,940</u>	<u>1,612,792</u>	<u>152,602</u>	<u>137,200</u>
	<u>45,814,557</u>	<u>45,495,693</u>	<u>5,975,970</u>	<u>4,933,642</u>
- Revalued Land and Buildings are stated at net current values as at 31 March 1994, as determined by Coutts Milburn Ltd, Registered Valuers of Whangarei.				
7. Share Capital:				
Authorised, issued and paid up capital, 40,849,998 ordinary shares of \$1 each, 31 March 1996	32,600,000	32,600,000	8,249,998	7,400,000
Authorised and issued during the year	-	-	-	849,998
Total Issued and Paid Up Capital	<u>32,600,000</u>	<u>32,600,000</u>	<u>8,249,998</u>	<u>8,249,998</u>
8. Asset Revaluation Reserve:				
Opening Balance	4,438,744	4,614,064		
Transfer to Retained Earnings	<u>(208,674)</u>	<u>(175,322)</u>		
Balance 31 March 1996	<u>4,230,070</u>	<u>4,438,742</u>		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

	Line Business		Energy Business	
	This Year \$	Last Year \$	This Year \$	Last Year \$
9. Retained Earnings:				
Balance as at 31 March 1995	11,243,697	8,856,445	342,644	-
Operating Surplus	4,267,749	3,519,131	620,510	342,644
Transfer from Asset Revaluation	208,674	175,321	-	-
Total Available for Appropriation	15,720,120	12,550,897	963,154	342,644
Dividends	(2,854,300)	(1,307,200)	(413,700)	-
Balance 31 March 1996	12,865,818	11,243,697	549,454	342,644
10. Investment in Subsidiaries				
Shares in Subsidiaries (unlisted)			10	
advances to Subsidiaries			1,560,000	
			1,560,010	

11. Financial Instruments:

Financial Instruments which potentially subject the company to credit risk principally consist of cash bank balances, short term deposit, and accounts receivable.
Northpower does not generally require collateral from customers.

Northpower places its cash and short term deposits with high credit quality financial institutions (A1 or better), and limits the amount of credit exposure to any one institution in accordance with company policy.

The estimated value of Northpower's financial instruments are as follows:-

	Line Business			
	This Year		Last Year	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Bank Balance	-	-	15,216	15,216
Short Term Deposit	4,850,000	4,850,000	1,850,000	1,850,000
Receivables	3,499,841	3,499,841	2,245,690	2,245,690

	Other Business			
	This Year		Last Year	
	Carrying Value \$	Fair Value \$	Carrying Value \$	Fair Value \$
Bank Balance	-	-	15,216	15,216
Short Term Deposit	750,000	750,000	2,750,000	2,750,000
Receivables	4,545,770	4,545,700	3,894,657	3,894,657

The following methods and assumptions were used to estimate the fair value of each class of financial instrument: bank balances, short term deposits and receivables.

The carrying amount is the fair value for each of these classes of financial instrument.

12. Segment Information:

Northpower Ltd operates predominantly in the electricity supply industry within the Northland area.

Northpower is also involved in generation and contracting, but neither activity is considered significant.

13. Contingent Liabilities:

There are no contingent liabilities.

14. Commitments:

	<i>Line Business</i>		<i>Energy Business</i>	
	This Year \$	Last Year \$	This Year \$	Last Year \$
Estimated capital commitments contracted for at balance date	541,000	600,000	-	2,700,000

The commitments relate to building alterations.

15. Related Parties:

The Northpower Electric Power Trust is the sole shareholder. Other than dividend payment, there are no related transactions.

16. Term Receivables:

The Term Receivables are repaid in annual amounts expiring in 2003. Interest of 9.2% is charged on the annual balance owing.

DISCLOSURE OF FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES PURSUANT TO REGULATION 13 AND PART II OF THE FIRST SCHEDULE OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994.

1. Financial Performance Measures	1995	1996
(a) Accounting return on total assets, being earnings before interest and tax, divided by average total funds employed	6.9%	7.6%
(b) Accounting return on equity, being net profit after tax, divided by average total shareholders' funds.	5.1%	5.5%
(c) Accounting rate of profit	5.5%	6.2%

2. Efficiency Performance Measures	1995	1996
(a) Direct line cost per kilometre	\$923	\$967
(b) Indirect line cost per electricity customer	\$55	\$79

Regulation 14A	
ODV for line business assets (as at 31 March 1994)	\$105,400,000

**DISCLOSURE OF ENERGY EFFICIENCY PERFORMANCE MEASURES AND
STATISTICS PURSUANT TO REGULATION 15 OF THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

1. <u>Energy Delivery Efficiency Performance Measures</u>	1995	1996
(a) Load Factor	64.54%	66.47%
(b) Loss Ratio	5.32%	4.94%
(c) Capacity Utilisation	43.25%	41.95%

2. <u>Statistics</u>	1995	1996
(a) System length, broken down by voltage:		
- 33 kV	191.8 km	191.8 km
- 11 kV	3000.8 km	3038.1 km
- 400 V	<u>1684.0 km</u>	<u>1696.4 km</u>
- Total	<u>4876.6 km</u>	<u>4926.3 km</u>
(b) Circuit length of overhead lines, broken down by voltage:		
- 33 kV	181.1 km	181.1 km
- 11 kV	2956.9 km	2989.8 km
- 400 V	<u>1507.4 km</u>	<u>1511.4 km</u>
- Total	<u>4645.4 km</u>	<u>4682.3 km</u>
(c) Circuit length of underground cables broken down by voltage:		
- 33 kV	10.7 km	10.7 km
- 11 kV	43.9 km	48.3 km
- 400V	<u>176.6 km</u>	<u>185.0 km</u>
- Total	<u>231.2 km</u>	<u>244.0 km</u>
(d) Transformer capacity	305,091 kVA	319,619 kVA
(e) Maximum demand	131,923 kW	134,095 kW
(f) Total electricity supplied from the system	706,215,792 kWh	727,689,246 kWh
(g) Total electricity conveyed through the system for other retailers	Nil	8,487,862 kWh
(h) Total customers	42,557	43,146

**DISCLOSURE OF RELIABILITY PERFORMANCE MEASURES
PURSUANT TO REGULATION 16 OF THE
ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994**

	1995	1996
1. Total number of interruptions	827	758
(a) Planned interruptions by Trans Power	0	0
(b) Planned interruptions by Northpower	524	477
(c) Unplanned interruptions originating within Northpower system	298	277
(d) Unplanned interruptions originating within Trans Power system	5	3
(e) Unplanned interruptions originating within ECNZ system	0	1
(f) Unplanned interruptions originating within other generator's systems	0	0
(g) Unplanned interruptions originating from other than above	0	0
2. Total number of faults per 100 circuit kilometres of prescribed voltage electric line	9.49	9.31
3. Total number of faults per 100 circuit kilometres of underground prescribed voltage line and per different nominal line voltages:-	4.08	5.09
11 kV underground	4.89	4.15
33 kV underground	Nil	9.37
4. Total number of faults per 100 circuit kilometres of overhead prescribed voltage lines and per different nominal line voltages:-	8.38	8.64
11 kV overhead	8.49	8.80
33 kV overhead	6.20	6.08
5. The SAIDI for the total of interruptions	238.0 mins	248.6 mins
6. The SAIDI for the total number of interruptions within each interruption class:-		
(a) Planned interruptions by Trans Power	0	0
(b) Planned interruptions by Northpower	74.29 mins	70.77 mins
(c) Unplanned interruptions originating within Northpower system	137.32 mins	156.75 mins
(d) Unplanned interruptions originating within Trans Power system	26.39 mins	18.06 mins
7. The SAIFI for the total number of interruptions.	5.8 intrupts	5.2 intrupts
8. The SAIFI for the total number of interruptions within each interruption class:-		
(a) Planned interruptions by Trans Power	0	0
(b) Planned interruptions by Northpower	0.88 intrupts	0.69 intrupts
(c) Unplanned interruptions originating within Northpower system	3.83 intrupts	3.61 intrupts
(d) Unplanned interruptions originating within Trans Power system	0.84 intrupts	0.68 intrupts
9. The CAIDI for the total of all interruptions	41.10 mins	48.31 mins
10. The CAIDI for the total number of interruptions within each interruption class:-		
(a) Planned interruptions by Trans Power	0	0
(b) Planned interruptions by Northpower	84.35 mins	102.33 mins
(c) Unplanned interruptions originating within Northpower system	35.90 mins	43.36 mins
(d) Unplanned interruptions originating within Trans Power system	26.39 mins	26.68 mins


**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994
REGULATION 26 (2)**

**Certification of Financial Statements, Performance Measures and Statistics
Disclosed by Northpower Ltd.**

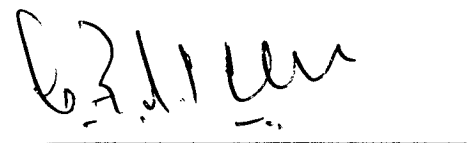
We, Warren William Moyes and Colwell Francis Alston Keen, directors of Northpower Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:-

- (a) The attached audited financial statements of Northpower 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 Northpower 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 1996.



W W Moyes



C F A Keen

2 August 1996.



Audit New Zealand

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

We have examined the attached financial statements prepared by Northpower Limited and dated 2 August 1996 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.

A handwritten signature in black ink, appearing to read 'T J Shaw'.

**T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General**

**2 August 1996
Whangarei
New Zealand**



Audit New Zealand

CERTIFICATION FOR 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 being prepared by Northpower Limited and dated 2 August 1996 for the purposes of Regulation 13 of those regulations.

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

A handwritten signature in black ink, appearing to read 'T J Shaw', written in a cursive style.

T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General

2 August 1996
Whangarei
New Zealand



Audit New Zealand

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

We have examined the valuation report prepared by Ernst & Young dated May 1995, which report contains valuations as at 31 March 1994.

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 Handbook.

T J Shaw
Audit New Zealand
On behalf of the Controller and Auditor-General

20 July 1995
Whangarei
New Zealand

