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## ENERGYDIRECT CORPORATION LIMITED

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

*EnergyDirect Corporation Limited*

***ELECTRICITY BUSINESS FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED 31 MARCH 1996***

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 MARCH 1996**

	Notes	Year to 31 March 1996 Consolidated Electricity \$000	Year to 31 March 1996 Lines \$000	Year to 31 March 1996 Energy \$000
<b>REVENUE</b>				
Electricity		115,766	57,298	58,468
Other		9,033	17	9,016
<b>TOTAL OPERATING REVENUE</b>		<b>124,799</b>	<b>57,315</b>	<b>67,484</b>
<b>OPERATING SURPLUS BEFORE TAXATION</b>	2	12,287	14,321	(2,034)
Taxation expense	3	(4,177)	(4,869)	692
<b>OPERATING SURPLUS AFTER TAXATION</b>		8,110	9,452	(1,342)
Share of associated company operating surplus after taxation	6	2,507		2,507
<b>OPERATING SURPLUS FOR THE YEAR</b>		<b>10,617</b>	<b>9,452</b>	<b>1,165</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF MOVEMENTS IN EQUITY AND RESERVES**  
**AS AT 31 MARCH 1996**

	Notes	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
<b>EQUITY AT THE START OF THE YEAR</b>		76,438	60,131	16,307
Operating Surplus After Taxation for the Year		10,617	9,452	1,165
Distributions to EnergyDirect Corporation During the Year		13,720	7,817	5,903
<b>EQUITY AT THE END OF THE YEAR</b>		<b>73,335</b>	<b>61,766</b>	<b>11,569</b>

The accompanying notes form part of these financial statements.

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 1996**

	Notes	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
EnergyDirect Equity		73,335	61,766	11,569
DEFERRED TAXATION	3	2,167	2,167	-
CURRENT LIABILITIES	4	15,102	6,609	8,493
		90,604	70,542	20,062
FIXED AND LONG TERM ASSETS	5	65,665	60,572	5,093
INVESTMENTS	6	1,953	3	1,950
CURRENT ASSETS	8	22,986	9,967	13,019
		90,604	70,542	20,062

The accompanying notes form part of these financial statements.

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1996**

**Note 1: Statement Of Accounting Policies**

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**Reporting Entity**

The financial statements have been extracted from the accounts of EnergyDirect Corporation Limited and its associate Pacific Energy Limited using the methodology required by the Electricity (Information Disclosure) Regulations 1994.

EnergyDirect Corporation is a public company registered under the Companies Act 1993.

**Electricity (Information Disclosure) Regulations 1994**

The methodology used to allocate costs, revenues, assets and liabilities has been publicly disclosed in accordance with Section 19 of the Electricity (Information Disclosure) Regulations 1994.

Where practicable, all costs, revenues, assets and liabilities have been directly allocated to the appropriate Lines or Energy businesses. Other costs, revenues, assets and liabilities are allocated using the allocation bases as publicly disclosed.

All cash and cash investments, dividend provisions, tax prepayments and land and building assets, other than substation and generation land and buildings, are retained within the parent company and are not allocated to the electricity business.

Both Lines and Energy business activities lease space from the parent company at commercial rents set by independent valuation, in accordance with the relative floor areas occupied by each business activity.

Property rates and other property outgoings are passed on by the parent company on a normal commercial basis.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed, with the exception that certain fixed assets have been revalued. Accrual accounting is used to match revenues and expenses. Reliance is placed on the fact that the Corporation is a going concern.

**Specific Accounting Policies**

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

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

(a) *Associate Company*

This is a company in which EnergyDirect Corporation holds a substantial shareholding of 25% and in whose commercial and financial policy decisions it participates.

The financial statements of the associate company have been reflected in the electricity business activities of the energy business on an equity accounting basis, which shows the Corporation's share of the associate company's profits/(losses) in its profit and loss statement and its share of post-acquisition increases or decreases in net assets in the balance sheet.

(b) *Fixed Assets and Depreciation*

The electricity business has six classes of fixed assets that are depreciated at rates that allocate the cost over the estimated useful lives:

Electricity Distribution	4% of cost price
Electricity Generation	4% of cost price
Substation Land	
Motor Vehicles	20% of diminishing value
Plant, Tools and Equipment	20% of diminishing value
Office Equipment (including computers)	20% of diminishing value

The electricity business expenses all replacement and refurbishment expenditure on the electricity distribution system, with the exception of replacement and improvements to electricity zone substations, transformers and switchgear, which are capitalised. Extensions to the system and the cost of converting overhead lines to underground cables are capitalised and depreciated for financial reporting purposes.

All fixed assets are recorded at cost less accumulated depreciation.

Capital contributions from consumers towards the cost of reticulating new subdivisions and constructing lines are deducted from the cost of the asset to which they relate and the net amount is capitalised to electricity distribution.

During 1995, distribution stocks of electricity meters, transformers and switchgear were reclassified to electricity distribution fixed assets from inventories to more appropriately reflect these items as distribution assets.

(c) *Receivables*

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

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

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**ELECTRICITY BUSINESS**

(d) ***Hire Purchase Receivables***

Hire purchase receivables include unearned interest. Total interest is accrued at the time the contract is made and is allocated over the term of the agreement using the "Rule of 78" method. An adjustment is made at balance date to separately disclose unearned income on hire purchase as a current liability.

(e) ***Inventories***

Inventories are valued at the lower of cost and net realisable value. Allowance has been made for obsolete and damaged inventory. Cost has been determined as follows:

- Electricity Distribution Reticulation Inventory : *Weighted average cost*
- Electricity Appliance Inventory : *Specific identified cost*

(f) ***Joint Venture***

The Corporation's proportionate interest in the assets, liabilities, revenues and expenses of its joint venture generator, Silverstream Landfill Gas, is included in the relevant components of the energy business activities of the electricity business as required by Section 6 (3) (b) of the Electricity (Information Disclosure) Regulations 1994.

(g) ***Income Taxation***

The Corporation uses the comprehensive liability method of accounting for deferred taxation. Future taxation benefits attributable to taxation losses or timing differences are only recognised when there is virtual certainty of realisation.

The income taxation expense charged against the operating surplus for the period is the estimated liability in respect of that operating surplus and is calculated after allowance for permanent differences.

(h) ***Goods and Services Tax (GST)***

The statement of financial performance has been prepared so that all components are stated exclusive of GST.

**Changes in Accounting Policies**

There have been no changes in accounting policies. All accounting policies have been applied on basis consistent with those used in the previous year.

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**Note 2: Operating Surplus Before Taxation**

	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
Operating surplus before taxation	12,287	14,321	(2,034)
After charging:			
<i>Recurring operating expenses:</i>			
Audit fees and expenses	49	34	15
Amounts paid to auditors for other services	90	29	61
Bad debts expense	544	254	290
Donations	34	20	14
Depreciation	4,735	4,240	495
Directors fees and expenses	121	83	38
Provision for doubtful debts expense	(27)	(13)	(14)
Rent	1,305	658	647
Property Outgoings	970	594	376
	7,821	5,899	1,922
<i>Non-recurring operating expenses:</i>			
Business process redesign costs	191	131	60
Discontinued activities - retail:			
Operating loss for year	645		645
Costs associated with sale	680		680
Merger and acquisition expenses	1,594		1,594
Redundancy costs	462	308	154
	3,572	439	3,133
After crediting:			
Dividend income	1,250		1,250



*EnergyDirect Corporation Limited*  
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**Note 3: Taxation**

	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
<b>CURRENT PERIOD TAXATION CHARGE</b>			
Operating surplus before taxation	12,287	14,321	(2,034)
Prima facie taxation at 33%	4,055	4,726	(671)
Permanent differences and non-deductible expenditures	122	143	(21)
	4,177	4,869	(692)
The taxation charge is represented by:			
Current taxation	4,177	4,869	(692)
Deferred taxation	-	-	-
	4,177	4,869	(692)
<b>DEFERRED TAX RECONCILIATION</b>			
Opening Balance	(2,167)	(2,167)	-
Current period movement	-	-	-
Closing Balance	(2,167)	(2,167)	-

- (a) The current period taxation charge for the Consolidated Electricity business is derived from the current period taxation charge of EnergyDirect Corporation Limited by an allocation process based upon the relative profits before taxation of the electricity and gas businesses.
- (b) Deferred taxation has been allocated between the electricity and gas business activities based upon the cost values of the electricity and gas networks.

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**Note 4: Current Liabilities**

	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
<b>TRADE CREDITORS</b>			
Trans Power New Zealand Limited	2,465	2,465	-
Pacific Energy Limited	4,218	-	4,218
	6,683	2,465	4,218
<b>OTHER LIABILITIES</b>			
Sundry creditors and accruals	5,286	2,250	3,036
Unearned income - hire purchase	389	-	389
Provision for employee entitlements	2,744	1,894	850
	8,419	4,144	4,275
	15,102	6,609	8,493

*EnergyDirect Corporation Limited*  
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**Note 5: Fixed And Long Term Assets**

	Accumulated Cost or Valuation Consolidated Electricity			Depreciation Consolidated Electricity			Net Book Value Consolidated Electricity		
	\$000	Lines	Energy	\$000	Lines	Energy	\$000	Lines	Energy
ELECTRICITY DISTRIBUTION	97,949	97,949	-	40,712	40,712	-	57,237	57,237	-
ELECTRICITY GENERATION (a)	2,836	-	2,836	126	-	126	2,710	-	2,710
Land									
- Freehold	91	91	-	-	-	-	91	91	-
- at valuation	544	544	-	-	-	-	544	544	-
	635	635	-				635	635	-
Other Fixed Assets									
Motor Vehicles	4,773	3,433	1,340	2,736	2,005	731	2,037	1,428	609
Plant, Tools and Equipment	3,421	2,677	744	2,819	2,206	613	602	471	131
Office Equipment	5,877	1,978	3,899	3,433	1,177	2,256	2,444	801	1,643
TOTAL OTHER FIXED ASSETS	14,071	8,088	5,983	8,988	5,388	3,600	5,083	2,700	2,383
TOTAL FIXED ASSETS	115,491	106,672	8,819	49,826	46,100	3,726	65,665	60,572	5,093
Comprises: Fixed Assets									
- at cost	114,947	106,128	8,819	49,826	46,100	3,726	65,121	60,028	5,093
- at valuation	544	544	-	-	-	-	544	544	-
	115,491	106,672	8,819	49,826	46,100	3,726	65,665	60,572	5,093

Re-valued freehold land is stated at net current value by a registered public valuer as at 29 February 1996:

Re-valued substation land 29 February 1996	544,000
Substation land purchased subsequently at cost	<u>91,000</u>
	<u>635,000</u>

- (a) Electricity Generation assets comprise a 46.5 % share in a landfill gas joint venture of \$2,653,000 (1995 \$2,626,000), see Note 7. Feasibility and development costs of \$190,000 from 1994/95 for the proposed wind power project at Baring Head have been expensed in the current year.

**EnergyDirect Corporation Limited**  
**ELECTRICITY BUSINESS**

**Note 6: Investments**

	1996 Energy \$000	1995 Energy \$000
	Year to 31/3/96	Year to 31/3/95
Movement in investment in Pacific Energy Limited		
Opening balance	443	293
Additional post-incorporation loss	-	(25)
Further share capital invested	250	18
Share of profit for the year	2,507	157
Dividend received	(1,250)	
Closing balance	<u>1,950</u>	<u>443</u>
<i>Net assets comprise:</i>		
Gross assets	29,600	29,931
Gross liabilities	<u>(21,798)</u>	<u>(28,158)</u>
Net assets	<u>7,802</u>	<u>1,773</u>
The Corporation's 25% share	<u>1,950</u>	<u>443</u>

The amount of \$1,950,000 (1995 \$443,000) relates to the Corporation's investment in Pacific Energy Limited, a joint venture company in which the Corporation has a 25 per cent shareholding. The principal activities of this associate company are the purchasing of electricity on behalf of its customers at the wholesale level, providing value added services at the retail level and investigating potential generation opportunities. The investment is allocated to the energy business activities of EnergyDirect Corporation.

**Note 7: Interest In Joint Venture**

	1996 Energy \$000	1995 Energy \$000
The Corporation has a 46.5% interest in a landfill gas joint venture, whose principal activity is the generation of electricity from extraction of methane gases from the Silverstream landfill near Upper Hutt. The generation plant has an output of less than 10 megawatts and in compliance with the Electricity (Information Disclosure) Regulations 1994 is included within the Energy business activities of EnergyDirect.		

Generation of electricity commenced in October 1994.

The Corporation's interest in the joint venture is included in the accounts under the classifications shown below.

Fixed Assets	(Note 5)	2,653	2,626
Current Assets		24	14
Current Liabilities		5	6

*EnergyDirect Corporation Limited*  
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**Note 8: Current Assets**

	31 March 1996 Consolidated Electricity \$000	31 March 1996 Lines \$000	31 March 1996 Energy \$000
<b>RECEIVABLES AND PREPAYMENTS</b>			
Electricity debtors	17,240	8,305	8,935
Hire Purchase debtors	3,637	-	3,637
Prepayments	194	142	52
Miscellaneous debtors	448	206	242
	21,519	8,653	12,866
Less: Provision for doubtful debts	(144)	(57)	(87)
	21,375	8,596	12,779
<b>INVENTORIES</b>			
Electricity Distribution inventory	1,611	1,371	240
	1,611	1,371	240
<b>TOTAL CURRENT ASSETS</b>	22,986	9,967	13,019

*EnergyDirect Corporation Limited*  
**ELECTRICITY BUSINESS**

**Note 9: Financial Instruments**

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**Credit Risk**

Financial instruments which potentially subject the Corporation to credit risk principally consist of bank balances and accounts receivable.

The Corporation performs credit evaluations on customers where possible and generally does not require deposits to be paid when customers demonstrate adequate credit history with previous electricity and gas suppliers.

Maximum exposures to credit risk for EnergyDirect's electricity business as at balance dates were:

	31 March Consolidated \$000	31 March Lines \$000	31 March Energy \$000
Receivables and prepayments 1996	21,375	8,596	12,779
Receivables and prepayments 1995	23,662	8,123	15,539

The above maximum exposures are net of any recognised provision.

**Concentrations of credit risk**

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

**Fair values**

There were no differences between the fair value and carrying amounts of financial instruments at 31 March 1996 (1995 nil).

**Note 10: Commitments and Contingencies**

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At balance date, there were no commitments contracted for and approved by the Corporation and allocated to the Electricity Business (1995 \$325,550).

There are no contingent liabilities at 31 March 1996 (1995 nil).

**Note 11: Related Party Transactions**

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The Corporation purchased the bulk of its electricity requirements from Pacific Energy Limited, an associate company. Total purchases during the year amounted to \$49,313,000 (1995 \$49,740,000). The remainder of \$461,000 (1995 \$218,000) was purchased from the landfill joint venture company. As at 31 March 1996 \$4,218,000 was owing to Pacific Energy for energy purchases (1995 \$4,264,787).

In addition, the Corporation paid a management fee of \$106,000 (1995 \$286,000) to Pacific Energy Limited.

The electricity purchase costs and management fee are allocated to the electricity energy business activities of EnergyDirect Corporation.

*EnergyDirect Electricity Business**COMPARATIVE FINANCIAL DATA*

STATEMENT OF FINANCIAL POSITION	1996			1995		
	Total Electricity \$000	Lines \$000	Energy \$000	Total Electricity \$000	Lines \$000	Energy \$000
<b>ENERGYDIRECT EQUITY</b>	73,335	61,766	11,569	76438	60131	16307
<b>DEFERRED TAXATION</b>	2,167	2,167		2167	2167	
<b>CURRENT LIABILITIES</b>	15,102	6,609	8,493	13272	5707	7565
	<u>90,604</u>	<u>70,542</u>	<u>20,062</u>	<u>91877</u>	<u>68005</u>	<u>23872</u>
<b>FIXED AND LONG TERM ASSETS</b>	65,665	60,572	5,093	64374	58551	5823
<b>INVESTMENTS</b>	1,953	3	1,950	447	4	443
<b>CURRENT ASSETS</b>	22,986	9,967	13,019	27056	9450	17606
	<u>90,604</u>	<u>70,542</u>	<u>20,062</u>	<u>91877</u>	<u>68005</u>	<u>23872</u>

*EnergyDirect Electricity Business***COMPARATIVE FINANCIAL DATA**

<b>CURRENT ASSETS</b>	<b>1996</b>			<b>1995</b>		
	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>
<b>RECEIVABLES AND PREPAYMENTS</b>						
Electricity debtors	17,240	8,305	8,935	19,149	7,771	11,378
Hire Purchase debtors	3,637	-	3,637	3,837	-	3,837
Prepayments	194	142	52	201	151	50
Miscellaneous debtors	448	206	242	647	268	379
	<u>21,519</u>	<u>8,653</u>	<u>12,866</u>	<u>23,834</u>	<u>8,190</u>	<u>15,644</u>
Less: Provision for doubtful debts	(144)	(57)	(87)	(172)	(67)	(105)
Total receivables and prepayments	<u>21,375</u>	<u>8,596</u>	<u>12,779</u>	<u>23,662</u>	<u>8,123</u>	<u>15,539</u>
<b>INVENTORIES</b>						
Electricity						
Distribution inventory	1,611	1,371	240	1,648	1,327	321
Appliance inventory	-	-	-	1,672	-	1,672
Service inventory	-	-	-	74	-	74
Total inventory	<u>1,611</u>	<u>1,371</u>	<u>240</u>	<u>3,394</u>	<u>1,327</u>	<u>2,067</u>
<b>TOTAL CURRENT ASSETS</b>	<u>22,986</u>	<u>9,967</u>	<u>13,019</u>	<u>27,056</u>	<u>9,450</u>	<u>17,606</u>



*EnergyDirect Electricity Business***COMPARATIVE FINANCIAL DATA**

<b>CURRENT LIABILITIES</b>	<b>1996</b>			<b>1995</b>		
	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>
<b>TRADE CREDITORS</b>						
Transpower New Zealand Limited	2,465	2,465	-	2,350	2,350	-
Pacific Energy Limited	4,218	-	4,218	4,264	-	4,264
	<u>6,683</u>	<u>2,465</u>	<u>4,218</u>	<u>6,614</u>	<u>2,350</u>	<u>4,264</u>
<b>OTHER LIABILITIES</b>						
Sundry Creditors and accruals	5,286	2,250	3,036	3,928	1,734	2,194
Unearned income - hire purchase	389	-	389	364	-	364
Provision for employee entitlements	2,744	1,894	850	2,366	1,623	743
	<u>8,419</u>	<u>4,144</u>	<u>4,275</u>	<u>6,658</u>	<u>3,357</u>	<u>3,301</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>15,102</u>	<u>6,609</u>	<u>8,493</u>	<u>13,272</u>	<u>5,707</u>	<u>7,565</u>

*EnergyDirect Electricity Business***COMPARATIVE FINANCIAL DATA**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>1996</b>			<b>1995</b>		
	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>	<b>Total Electricity \$000</b>	<b>Lines \$000</b>	<b>Energy \$000</b>
<b>REVENUE</b>						
Electricity	115,766	57,298	58,468	108,790	50,011	58,779
Other	9,033	17	9,016	9,971	7	9,964
<b>TOTAL OPERATING REVENUE</b>	<b>124,799</b>	<b>57,315</b>	<b>67,484</b>	<b>118,761</b>	<b>50,018</b>	<b>68,743</b>
<i>Operating Surplus Before Taxation</i>	12,287	14,321	(2,034)	11,339	10,212	1,127
Taxation Expense	(4,177)	(4,869)	692	(3,860)	(3,476)	(384)
<i>Operating Surplus After Taxation</i>	8,110	9,452	(1,342)	7,479	6,736	743
Share of associated company operating surplus after tax	2,507		2,507	132		132
<b>OPERATING SURPLUS FOR THE YEAR</b>	<b>10,617</b>	<b>9,452</b>	<b>1,165</b>	<b>7,611</b>	<b>6,736</b>	<b>875</b>

## EnergyDirect Electricity Business

## FIXED AND LONG TERM ASSETS

## COMPARATIVE FINANCIAL DATA

1996	Cost or Valuation			Accumulated Depreciation			Net Book Value		
	Total			Total			Total		
	Electricity \$000	Lines \$000	Energy \$000	Electricity \$000	Lines \$000	Energy \$000	Electricity \$000	Lines \$000	Energy \$000
<b>ELECTRICITY DISTRIBUTION</b>	97,949	97,949	-	(40,712)	(40,712)	-	57,237	57,237	-
<b>ELECTRICITY GENERATION</b>	2,836	-	2,836	(126)	-	(126)	2,710	-	2,710
Freehold land									
-at cost	91	91	-				91	91	-
-at valuation	544	544	-				544	544	-
<b>TOTAL LAND</b>	635	635	-				635	635	-
<i>Other Fixed Assets</i>									
Motor Vehicles	4,773	3,433	1,340	(2,736)	(2,005)	(731)	2,037	1,428	609
Plant, Tools and Equipment	3,421	2,677	744	(2,819)	(2,206)	(613)	602	471	131
Office Equipment	5,877	1,978	3,899	(3,433)	(1,177)	(2,256)	2,444	801	1,643
<b>TOTAL OTHER FIXED ASSETS</b>	14,071	8,088	5,983	(8,988)	(5,388)	(3,600)	5,083	2,700	2,383
<b>TOTAL FIXED ASSETS</b>	115,491	106,672	8,819	(49,826)	(46,100)	(3,726)	65,665	60,572	5,093
<i>Comprises:</i>									
-at cost	114,947	106,128	8,819	(49,826)	(46,100)	(3,726)	65,121	60,028	5,093
-at valuation	544	544	-	-	-	-	544	544	-
	115,491	106,672	8,819	(49,826)	(46,100)	(3,726)	65,665	60,572	5,093
<b>1995</b>									
<b>ELECTRICITY DISTRIBUTION</b>	92,593	92,593	-	(37,008)	(37,008)	-	55,585	55,585	-
<b>ELECTRICITY GENERATION</b>	2,919	-	2,919	(53)	-	(53)	2,866	-	2,866
Freehold land									
-at cost	82	82	-				82	82	-
-at valuation	553	553	-				553	553	-
<b>TOTAL LAND</b>	635	635	-				635	635	-
<i>Other Fixed Assets</i>									
Motor Vehicles	4,570	3,169	1,401	(2,534)	(1,787)	(747)	2,036	1,382	654
Plant, Tools and Equipment	3,503	2,612	891	(2,769)	(2,065)	(704)	734	547	187
Office Equipment	5,786	924	4,862	(3,268)	(522)	(2,746)	2,518	402	2,116
<b>TOTAL OTHER FIXED ASSETS</b>	13,859	6,705	7,154	(8,571)	(4,374)	(4,197)	5,288	2,331	2,957
<b>TOTAL FIXED ASSETS</b>	110,006	99,933	10,073	(45,632)	(41,382)	(4,250)	64,374	58,551	5,823
<i>Comprises:</i>									
-at cost	109,453	99,380	10,073	(45,632)	(41,382)	(4,250)	63,821	57,998	5,823
-at valuation	553	553	-	-	-	-	553	553	-
	110,006	99,933	10,073	(45,632)	(41,382)	(4,250)	64,374	58,551	5,823

*EnergyDirect Electricity Business***COMPARATIVE FINANCIAL DATA**

TAXATION	1996			1995		
	Total Electricity \$000	Lines \$000	Energy \$000	Total Electricity \$000	Lines \$000	Energy \$000
<b>CURRENT PERIOD TAXATION CHARGE</b>						
Operating surplus before taxation	12,287	14,321	(2,034)	11,339	10,212	1,127
Prima facie taxation at 33%	4,055	4,726	(671)	3,742	3,370	372
Permanent differences and non-deductible expenditure	122	143	(21)	118	106	12
	<u>4,177</u>	<u>4,869</u>	<u>(692)</u>	<u>3,860</u>	<u>3,476</u>	<u>384</u>
Taxation is represented by:						
Current taxation	4,177	4,869	(692)	3,442	3,058	384
Deferred taxation	-	-	-	418	418	-
	<u>4,177</u>	<u>4,869</u>	<u>(692)</u>	<u>3,860</u>	<u>3,476</u>	<u>384</u>
<b>DEFERRED TAX RECONCILIATION</b>						
Opening Balance	(2,167)	(2,167)	-	(1,749)	(1,749)	-
Current period tax charge movement	-	-	-	(418)	(418)	-
Closing Balance	<u>(2,167)</u>	<u>(2,167)</u>	<u>-</u>	<u>(2,167)</u>	<u>(2,167)</u>	<u>-</u>

## EnergyDirect Electricity Business

## COMPARATIVE FINANCIAL DATA

OPERATING SURPLUS BEFORE TAXATION	1996			1995		
	Consolidated Electricity \$000	Lines \$000	Energy \$000	Consolidated Electricity \$000	Lines \$000	Energy \$000
Operating surplus before taxation	12,287	14,321	(2,034)	11,339	10,212	1,127
<i>After charging:</i>						
<i>Recurring operating expenses:</i>						
Audit fees and expenses	49	34	15	100	48	52
Amounts paid to auditors for other services	90	29	61	49	16	33
Bad debts expense	544	254	290	504	235	269
Donations	34	20	14	29	17	12
Depreciation	4,735	4,240	495	4,692	4,042	650
Directors fees and expenses	121	83	38	139	93	46
Provision for doubtful debts expense	(27)	(13)	(14)	(111)	(52)	(59)
Rent	1305	658	647	1,179	691	488
Outgoings	970	594	376	855	618	237
	<u>7,821</u>	<u>5,899</u>	<u>1,922</u>	<u>7,436</u>	<u>5,708</u>	<u>1,728</u>
<i>Non-recurring operating expenses:</i>						
Business process redesign costs	191	131	60	-	-	-
Discontinued activities retail						
Operating loss for year	645	-	645	-	-	-
Costs associated with sale	680	-	680	-	-	-
Merger and acquisition expenses	1,594	-	1,594	518	518	-
Redundancy costs	462	308	154	191	175	16
	<u>3,572</u>	<u>439</u>	<u>3,133</u>	<u>709</u>	<u>693</u>	<u>16</u>
<i>After crediting:</i>						
Dividend income	1,250		1,250	-	-	-

***ENERGYDIRECT ELECTRICITY BUSINESS******PERFORMANCE MEASURES AND ODV VALUATION***

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The following performance measures are disclosed in accordance with the Electricity (Information Disclosure) Regulations 1994

	Year Ended 31 March 1996	Year Ended 31 March 1995
<b>Financial Performance Measures</b>		
Accounting Return On Total Assets (%)	8.45	5.39
Accounting Return On Equity (%)	5.31	3.47
Accounting Rate Of Profit (%)	7.02	3.47
<b>Efficiency Performance Measures</b>		
Direct Line Costs Per Kilometre (\$/km)	4211.10	4423.20
Indirect Line Costs Per Customer (\$/customer)	49.58	38.21
<b>Energy Delivery Efficiency Performance Measures</b>		
Load Factor (%)	45.94	48.35
Loss Ratio (%)	5.50	5.18
Capacity Utilisation (%)	47.75	44.10
<b>ODV Valuation Report</b>		
The ODV value of line business assets as certified by the Valuation Report dated 25 August 1995 (\$)	176,656,000	

**ENERGYDIRECT ELECTRICITY BUSINESS****RELIABILITY PERFORMANCE MEASURES****Interruptions By Interruption Class for the Year Ended 31 March 1996**

	Classes of Interruptions							Total
	Class A	Class B	Class C	Class D	Class E	Class F	Class G	
Number of Interruptions	-	96	231	4	-	-	-	331
SAIDI (minutes)	-	21.53	32.75	9.67	-	-	-	63.95
SAIFI (interruptions)	-	0.16	0.54	0.66	-	-	-	1.36
CAIDI (minutes)	-	136.76	60.36	14.71	-	-	-	47.12

**Interruptions By Interruption Class for the Year Ended 31 March 1995**

	Classes of Interruptions							Total
	Class A	Class B	Class C	Class D	Class E	Class F	Class G	
Number of Interruptions	-	68	265	6	-	-	-	339
SAIDI (minutes)	-	28.39	46.55	2.51	-	-	-	77.45
SAIFI (interruptions)	-	0.20	0.66	0.79	-	-	-	1.65
CAIDI (minutes)	-	142.00	71.00	3.00	-	-	-	47.20

**Faults Per 100 Circuit Kilometres Of Prescribed Voltage Electric Line  
For the Year Ended 31 March 1996**

	Number of Faults Per 100 Circuit Kilometres		Total
	11kV	33kV	
Prescribed Voltage Overhead & Underground Electric Lines	19.57	3.36	17.71
Prescribed Voltage Underground Electric Line	5.99	1.10	5.24
Prescribed Voltage Overhead Electric Line	29.97	6.90	28.09

**Faults Per 100 Circuit Kilometres Of Prescribed Voltage Electric Line  
For the Year Ended 31 March 1995**

	Number of Faults Per 100 Circuit Kilometres		Total
	11kV	33kV	
Prescribed Voltage Overhead & Underground Electric Lines	22.90	1.32	20.38
Prescribed Voltage Underground Electric Line	2.46	-	2.09
Prescribed Voltage Overhead Electric Line	38.03	3.03	34.85

***ENERGYDIRECT ELECTRICITY BUSINESS******STATISTICS***


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Transformer Capacity (kVA)	585,798	593,300
Maximum Demand (kW)	279,700	261,640
Total Electricity Supplied From The System (kWh)	1,063,711,467	1,050,666,203
Total Electricity Conveyed Through The System On Behalf Of Other Persons (kWh)	69,614,191	58,315,342
Average Total Customers	85,242	85,764
<b><i>System Length By Nominal Line Voltage</i></b>		
<b><i>Average Length Overhead Electric Line (km)</i></b>		
33kV Line Voltage	58	65
11kV Line Voltage	654	664
400v Line Voltage	634	649
Total	1,346	1,378
<b><i>Average Length Underground Electric Line (km)</i></b>		
33kV Line Voltage	88	85
11kV Line Voltage	503	494
400v Line Voltage	689	670
Total	1,280	1,249
<b><i>Total Overhead And Underground Line</i></b>	<b>2,627</b>	<b>2,627</b>



**ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994****FORM 5****CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND  
STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

We, **RONALD HUGH ARBUCKLE** AND **DONALD WILLIAM HUSE**  
directors of EnergyDirect Corporation Limited certify that, having made all reasonable  
enquiry, to the best of our knowledge -

- (a) The attached audited financial statements of EnergyDirect Corporation Limited's  
Electricity Business, 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 EnergyDirect  
Corporation Limited's Electricity Business, 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.

  
.....  
Director

Date

  
.....  
Director

Date 29 August 1996

**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 EnergyDirect Corporation Limited and dated for the year ended 31 March 1996 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  
Chartered Accountants  
29 August 1996

**Deloitte Touche  
Tohmatsu****CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS**

We have examined the attached financial statements prepared by EnergyDirect Corporation Limited and dated for the year ended 31 March 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.

*Deloitte Touche Tohmatsu.*

Deloitte Touche Tohmatsu  
Chartered Accountants  
29 August 1996



