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EASTLAND ENERGY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

EASTLAND ENERGY LIMITED

FINANCIAL STATEMENTS for the separated Line and Energy Businesses

For the year ended 31 March 1996
Prepared for the purposes of the Electricity
(Information Disclosure) Regulations 1994

IMPORTANT NOTE

The information disclosed in this 1996 Information Disclosure package issued by Eastland Energy Limited has been prepared solely for the purposes of the electricity (Information Disclosure) Regulations 1994.

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

The information should not be used for any other purposes than that intended under the Regulations.

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

We, Robert S Briant and David J McLean, Directors of Eastland Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

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

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

15 August 1996

R S Briant

D J McLean



Audit New Zealand

REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Eastland Energy Limited dated 15 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 'C R Dixon'.

C R Dixon
Audit New Zealand
On behalf of the Controller and Auditor-General
6 September 1996
Auckland, New Zealand

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 1996

	Note	1996			1995		
		Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
Revenue	3	29,815	15,543	14,272	29,198	14,580	14,618
Less: Expenses	4	<u>(27,507)</u>	<u>(13,249)</u>	<u>(14,258)</u>	<u>(26,850)</u>	<u>(12,471)</u>	<u>(14,379)</u>
Operating Surplus before Taxation	2	2,308	2,207	101	2,348	2,109	239
Less: Taxation expense	5	<u>(839)</u>	<u>(810)</u>	<u>(29)</u>	<u>(751)</u>	<u>(672)</u>	<u>(79)</u>
Operating Surplus for the year		1,469	1,397	72	1,597	1,437	160
Less: Share losses of associate	8	<u>(37)</u>	<u>0</u>	<u>(37)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net surplus for the year		<u>1,432</u>	<u>1,397</u>	<u>35</u>	<u>1,597</u>	<u>1,437</u>	<u>160</u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

for the year ended 31 March 1996

	Note	1996			1995		
		Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
Equity at beginning of year		<u>15,560</u>	<u>13,351</u>	<u>2,209</u>	<u>12,714</u>	<u>10,985</u>	<u>1,729</u>
Add:							
Net surplus for the year		1,432	1,397	35	1,597	1,437	160
Revaluation of Fixed Assets	12	<u>485</u>	<u>392</u>	<u>93</u>	<u>1,499</u>	<u>1,144</u>	<u>355</u>
Total recognised revenues and expenses for the year		<u>1,917</u>	<u>1,789</u>	<u>128</u>	<u>3,096</u>	<u>2,581</u>	<u>515</u>
Less: Distribution to shareholders		<u>(300)</u>	<u>(260)</u>	<u>(40)</u>	<u>(250)</u>	<u>(215)</u>	<u>(35)</u>
Equity at end of year		<u>17,177</u>	<u>14,880</u>	<u>2,297</u>	<u>15,560</u>	<u>13,351</u>	<u>2,209</u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 1996

	Note	1996			1995		
		Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
CURRENT ASSETS							
Cash		3,897	3,560	337	3,740	3,433	307
Receivables		4,211	2,195	2,016	4,032	2,013	2,019
Tax receivable	5	291	278	13			
Inventories	6	<u>1,261</u>	<u>805</u>	<u>456</u>	<u>1,338</u>	<u>758</u>	<u>580</u>
TOTAL CURRENT ASSETS		<u>9,660</u>	<u>6,838</u>	<u>2,822</u>	<u>9,110</u>	<u>6,204</u>	<u>2,906</u>
NON-CURRENT ASSETS							
Future tax benefit	5	607	607	0	259	259	0
Investments	7	0	0	0	1,360	1,307	53
Investments in associates	8	23	0	23	19,851	19,131	720
Fixed Assets	9	20,531	19,498	1,033			
Other		<u>0</u>	<u>0</u>	<u>0</u>	<u>460</u>	<u>460</u>	<u>0</u>
TOTAL NON-CURRENT ASSETS		<u>21,161</u>	<u>20,105</u>	<u>1,056</u>	<u>21,930</u>	<u>21,157</u>	<u>773</u>
TOTAL ASSETS		<u>30,821</u>	<u>26,943</u>	<u>3,878</u>	<u>31,040</u>	<u>27,361</u>	<u>3,679</u>
CURRENT LIABILITIES							
Accounts payable	10	3,015	1,580	1,435	2,636	1,326	1,310
Provisions	11	<u>612</u>	<u>466</u>	<u>146</u>	<u>827</u>	<u>667</u>	<u>160</u>
TOTAL CURRENT LIABILITIES		<u>3,627</u>	<u>2,046</u>	<u>1,581</u>	<u>3,463</u>	<u>1,993</u>	<u>1,470</u>
NON-CURRENT LIABILITIES							
Borrowings		17	17	0	2,017	2,017	0
Term liabilities - subordinated debt		<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
TOTAL NON-CURRENT LIABILITIES		<u>10,017</u>	<u>10,017</u>	<u>0</u>	<u>12,017</u>	<u>12,017</u>	<u>0</u>
TOTAL LIABILITIES		<u>13,644</u>	<u>12,063</u>	<u>1,581</u>	<u>15,480</u>	<u>14,010</u>	<u>1,470</u>
NET ASSETS		<u>17,177</u>	<u>14,880</u>	<u>2,297</u>	<u>15,560</u>	<u>13,351</u>	<u>2,209</u>
SHAREHOLDERS EQUITY							
Share capital		10,000	8,503	1,497	10,000	8,503	1,497
Reserves	12	2,236	1,758	478	3,003	2,619	384
Retained Earnings	13	<u>4,941</u>	<u>4,619</u>	<u>322</u>	<u>2,557</u>	<u>2,230</u>	<u>327</u>
TOTAL SHAREHOLDERS EQUITY		<u>17,177</u>	<u>14,880</u>	<u>2,297</u>	<u>15,560</u>	<u>13,351</u>	<u>2,209</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 *Reporting Entity*

Eastland Energy Limited is a public company registered under the Companies Act 1955.

The Financial Statements are those of the Line Business and Energy Business of Eastland Energy Limited. The Retail and Contracting business is included in Energy Business as required by Regulation 6(5) of the Electricity (Information Disclosure) Regulations 1994.

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

1.2 *Measurement Base*

The Line Business operates a line business activity, as defined by regulation 2 of the Electricity (Information Disclosure) Regulations 1994, in the Gisborne district.

Included in Energy Business are all the other electricity activities (including the electricity trading and consultancy activities) of Eastland Energy Limited.

The Financial Statements are based on the general principles of historical cost accounting, including the going concern concept and the accrual basis of accounting. These policies have been followed on a consistent basis.

1.4 *Methodology of Separation of Businesses*

Eastland Energy Limited has generally followed the Electricity Disclosure Guidelines as issued by the Ministry of Commerce dated 23 June 1994 with the exceptions noted below :

	<u>Description</u>	<u>Allocator</u>
Income		
	Disconnection Fees	Electricity Revenue
	Meter Check Readings	Electricity Revenue
Expenses		
	Meter Reading	Shared Equally
	Admin Salaries	Staff Numbers (F.T.E)
	Advertising	Electricity Revenue
	Audit Costs	Staff Numbers (F.T.E)
	Bank Fees	Electricity Revenue

Directors' Fees	Staff Numbers (F.T.E)
Insurances (General)	Staff Numbers (F.T.E)
Marketing Research	Electricity Revenue
Postages	Equal Shares
Printing and Stationery	Electricity Revenue
Subscriptions	Staff Numbers (F.T.E)
Telecommunications	Staff Numbers (F.T.E)
Depreciation	Staff Numbers (F.T.E)

Assets :

Cash	Gross Margin
Inventory	Work Type/Direct Costs
Customer Deposits	Electricity Revenue

1.4 *Specific Accounting Policies*

The following particular accounting policies which materially affect the measurement of profit and financial position are consistently applied:

(a) *Accounting Period*

The financial statements cover the financial performance of the company for the year ended 31 March 1996 and the financial position of the company at the end thereof.

(b) *Associate Companies*

These are companies in which the group holds substantial shareholdings and in whose commercial and financial policy decisions it participates.

Associate companies have been reflected in the consolidated financial statements on an equity accounting basis which shows the groups share of profits in the consolidated statement of financial performance and its share of post-acquisition increases or decreases in net assets, in the consolidated statement of financial position.

(c) *Unlisted Companies*

Eastland Energy Limited wholly owns the following companies; Eastland Network Limited, Remote Metering Limited, Eastland Power Limited. As these companies had not traded at 31 March 1996, there has been no consolidation.

(d) *Revenue Recognition*

Revenues for all services are recognised when earned. Billings for services are made on a monthly, bi-monthly or quarterly basis. Unbilled revenue from the billing cycle date to the end of the financial reporting period is recognised as revenue during the period in which the service is provided. Profit and interest on hire purchase sales are recognised in full at the time of sale.

(e) *Fixed Assets*

Fixed assets are valued at cost or valuation less accumulated depreciation.

The cost of fixed assets created or enhanced (self-constructed assets) is calculated as total direct costs incurred plus an appropriate proportion of indirect expenses. Freehold land and buildings are subsequently revalued on a cyclical basis with no individual fixed asset being included at a valuation undertaken more than three years previously. Valuations are at net current value as determined by an independent valuer.

(f) *Distinction between Capital and Revenue Expenditure*

Capital expenditure is defined as all expenditure on the creation of a new asset and any expenditure which results in a significant improvement of the original function of a total asset. Revenue expenditure is defined as expenditure which restores an asset to its original condition, or renews distribution network lines without increasing capacity, and all expenditure incurred in maintaining and operating the assets.

(g) *Depreciation*

Depreciation of tangible assets is provided on a straight line basis so as to allocate the cost or valuation of the fixed assets over their estimated economic lives after due allowance has been made for their expected residual value. Additions are depreciated from the date of acquisition or commencement of use. Estimated economic lives of assets are as follows -

Buildings	:	40 - 100 years
Distribution System	:	10 - 50 years
Distribution Assets (pre 1987)	:	20 - 30 years
Furniture and Equipment	:	5 - 10 years
Motor Vehicles	:	5 years
Plant and Equipment	:	5 - 10 years.

(h) *Investments*

Investments are valued at cost.

(i) *Current Assets*

Accounts Receivable are valued at expected net realisable value. Inventory is valued at the lower of cost, determined on a weighted average basis, or net realisable value.

(j) *Taxation*

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

The Company uses the liability method of accounting for deferred taxation and applies this on a comprehensive basis. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

(k) *Leases*

The Company leases certain plant and equipment and land and buildings. Expenses relating to operating leases are charged against earnings as incurred. The lease liabilities are disclosed.

The company had no finance leases during the period of the report.

(l) *Research and Development Costs*

Research and development costs are expensed in the period incurred. Development costs are deferred where future benefits are expected to exceed those costs. Deferred development costs are amortised over future periods on a basis related to expected future revenue.

(m) *Foreign Currencies*

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction.

At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are included in the Statement of Financial Performance.

(n) *Changes in Accounting Policies*

There were no significant changes in Accounting Policies.

	1996			1995		
	Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
2. CONTINUING AND DISCONTINUED ACTIVITIES						
Continuing Activities -						
Operating revenue	29,796	15,543	14,253	28,844	14,580	14,264
Operating surplus/(deficit)	2,322	2,207	115	2,467	2,109	358
Discontinued Activities -						
Operating revenue	19	0	19	354	0	354
Operating surplus/(deficit)	(14)	0	(14)	(119)	0	(119)
Totals -						
Operating revenue	29,815	15,543	14,272	29,198	14,580	14,618
Operating surplus/(deficit)	2,308	2,207	101	2,348	2,109	239

	1996			1995		
	Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
3. REVENUE						
Appliance sales and servicing	1,118	0	1,118	1,651	0	1,651
Sales of electricity	26,984	15,103	11,881	25,798	14,113	11,685
Other miscellaneous income	<u>1,713</u>	<u>440</u>	<u>1,273</u>	<u>1,749</u>	<u>467</u>	<u>1,282</u>
Total Revenue	<u>29,815</u>	<u>15,543</u>	<u>14,272</u>	<u>29,198</u>	<u>14,580</u>	<u>14,618</u>
4. NET SURPLUS BEFORE TAXATION						
Is stated after taking into account the following:						
Income from:						
Interest received	331	312	29	389	357	32
Charges in respect of:						
Audit fees and expenses	28	20	8	30	23	7
Depreciation	1,435	1,311	124	1,402	1,303	99
Directors' fees	70	51	19	70	54	16
Interest on borrowings	133	133	0	336	336	0
Rental and operating lease costs	104	75	29	135	117	18
Research and development	151	0	151	113	0	113
Foreign currency losses	0	0	0	11	11	0
5. TAXATION RECONCILIATION STATEMENT						
i) The difference between the effective tax rate and the income tax rate of 33% is attributed to the following items:						
Net earnings before taxation	<u>2,308</u>	<u>2,207</u>	<u>101</u>	<u>2,348</u>	<u>2,109</u>	<u>239</u>
Prima facie tax payable at 33%	762	729	33	775	696	79
Tax effect of permanent differences						
- expenses not deductible	3	2	1	2	2	0
- prior year adjustments	94	94	0	(26)	(26)	0
- capital profits on sale of assets	<u>(20)</u>	<u>(15)</u>	<u>(5)</u>	<u>0</u>	<u>0</u>	<u>0</u>
INCOME TAX EXPENSE	<u>839</u>	<u>810</u>	<u>29</u>	<u>751</u>	<u>672</u>	<u>79</u>
ii) The taxation charge comprises -						
- current taxation	724	695	29	760	681	79
- future tax benefit	<u>115</u>	<u>115</u>	<u>0</u>	<u>(9)</u>	<u>(9)</u>	<u>0</u>
INCOME TAX EXPENSE	<u>839</u>	<u>810</u>	<u>29</u>	<u>751</u>	<u>672</u>	<u>79</u>
iii) Tax Reconciliation statement:						
Income Tax expense as per accounts	839	810	29	751	672	79
Liability brought forward	219	197	22	47	47	0
Tax effect of timing differences	4	4	0	10	10	0
Prior period adjustments	(92)	(92)	0	301	301	0
Terminal and Provisional tax paid	<u>(1,262)</u>	<u>(1,197)</u>	<u>(64)</u>	<u>(890)</u>	<u>(833)</u>	<u>(57)</u>
CURRENT INCOME TAX PAYABLE	<u>(291)</u>	<u>(278)</u>	<u>(13)</u>	<u>219</u>	<u>197</u>	<u>22</u>
iv) Future tax benefit -						
Opening balance	258	258	0	248	248	0
Future tax benefit of current tax	4	4	0	0	0	0
Prior period adjustments	<u>345</u>	<u>345</u>	<u>0</u>	<u>10</u>	<u>10</u>	<u>0</u>
FUTURE TAX BENEFIT	<u>607</u>	<u>607</u>	<u>0</u>	<u>258</u>	<u>258</u>	<u>0</u>

	1996			1995		
	Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
v) Imputation credits						
The following imputation credits are available for distribution to shareholders:						
Opening balance	1,146	1,124	22	752	656	96
Prior year adjustment	0	0	0	(90)	(90)	0
Tax paid during the year	1,237	1,173	64	607	664	(57)
less credits attached to dividends paid	(148)	(128)	(20)	(123)	(106)	(17)
Closing balance	<u>2,235</u>	<u>2,169</u>	<u>67</u>	<u>1,146</u>	<u>1,124</u>	<u>22</u>
6. INVENTORIES						
Construction stock	896	724	173	855	700	155
Appliance stock	251	0	251	393	0	393
Work in progress	<u>114</u>	<u>82</u>	<u>32</u>	<u>90</u>	<u>58</u>	<u>32</u>
Total Inventories	<u>1,261</u>	<u>805</u>	<u>456</u>	<u>1,338</u>	<u>758</u>	<u>580</u>
7. INVESTMENTS						
Investments in unlisted companies	0	0	0	48	0	48
Term deposits	0	0	0	60	55	5
Sinking funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,252</u>	<u>1,252</u>	<u>0</u>
Total Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,360</u>	<u>1,307</u>	<u>53</u>
8. INVESTMENT IN ASSOCIATES						
- at cost	60	0	60	0	0	0
- share of decrease in net assets	(37)	0	(37)	0	0	0
	<u>23</u>	<u>0</u>	<u>23</u>	<u>0</u>	<u>0</u>	<u>0</u>
9. FIXED ASSETS						
Distribution system - at cost	26,469	26,469	0	25,337	25,337	0
less accumulated depreciation	(11,756)	(11,756)	0	(10,758)	(10,758)	0
	<u>14,714</u>	<u>14,714</u>	<u>0</u>	<u>14,579</u>	<u>14,579</u>	<u>0</u>
Buildings - at valuation	2,834	2,289	546	2,479	2,201	278
less accumulated depreciation	(23)	(18)	(4)	(0)	0	(0)
	<u>2,811</u>	<u>2,270</u>	<u>541</u>	<u>2,479</u>	<u>2,201</u>	<u>278</u>
Motor vehicles - at cost	1,717	1,307	410	1,722	1,331	391
less accumulated depreciation	(1,135)	(864)	(271)	(1,222)	(944)	(277)
	<u>583</u>	<u>444</u>	<u>139</u>	<u>500</u>	<u>386</u>	<u>114</u>
Plant, furniture and equipment - at cost	2,583	1,966	617	2,315	1,789	526
less accumulated depreciation	(1,571)	(1,196)	(375)	(1,325)	(1,024)	(301)
	<u>1,012</u>	<u>770</u>	<u>242</u>	<u>990</u>	<u>765</u>	<u>225</u>
Assets less than \$2,000 - at book value	125	95	30	121	94	27
less accumulated depreciation	(48)	(36)	(12)	(30)	(23)	(7)
	<u>77</u>	<u>59</u>	<u>18</u>	<u>91</u>	<u>71</u>	<u>20</u>
Non-depreciable assets - at cost	6	4	2	6	4	2
Land at valuation	<u>1,328</u>	<u>1,237</u>	<u>91</u>	<u>1,207</u>	<u>1,125</u>	<u>82</u>

	1996			1995		
	Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
TOTAL FIXED ASSETS						
- at cost	30,775	29,747	1,028	29,379	28,461	918
- at book value	125	95	30	121	94	27
- at valuations	<u>4,162</u>	<u>3,526</u>	<u>637</u>	<u>3,686</u>	<u>3,326</u>	<u>360</u>
Sub-total	35,062	33,368	1,695	33,186	31,881	1,305
less accumulated depreciation	<u>(14,532)</u>	<u>(13,870)</u>	<u>(662)</u>	<u>(13,335)</u>	<u>(12,750)</u>	<u>(585)</u>
Fixed Assets as at 31 March 1996	<u>20,531</u>	<u>19,498</u>	<u>1,033</u>	<u>19,851</u>	<u>19,131</u>	<u>720</u>

Freehold land and buildings were valued by Mr G H Kelso, ANZIV, Registered Valuer of Lewis and Wright, Gisborne, in February 1996 to their net current value on the basis of their existing use and in accordance with the Asset Valuation Standards of the New Zealand Institute of Valuers.

10. ACCOUNTS PAYABLE

Trade creditors	2,800	1,460	1,340	2,424	1,210	1,214
Customer deposits	<u>215</u>	<u>120</u>	<u>95</u>	<u>212</u>	<u>116</u>	<u>96</u>
Total Accounts Payable	<u>3,015</u>	<u>1,580</u>	<u>1,435</u>	<u>2,636</u>	<u>1,326</u>	<u>1,310</u>

11. PROVISIONS

Provisions for tax	0	0	0	219	197	22
Employee provisions	<u>612</u>	<u>466</u>	<u>146</u>	<u>608</u>	<u>470</u>	<u>138</u>
Total provisions	<u>612</u>	<u>466</u>	<u>146</u>	<u>827</u>	<u>667</u>	<u>160</u>

12. RESERVES

a) Share Premium Reserve	<u>252</u>	<u>222</u>	<u>30</u>	<u>252</u>	<u>222</u>	<u>30</u>
Balance - 1 April and 31 March						
b) Loan Redemption Reserve						
Balance - 1 April	1,252	1,252	0	1,036	1,036	0
Transfer from profits	<u>(1,252)</u>	<u>(1,252)</u>	<u>0</u>	<u>216</u>	<u>216</u>	<u>0</u>
Balance - 31 March	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,252</u>	<u>1,252</u>	<u>0</u>
c) Asset Revaluation Reserve						
i) Freehold land						
Balance - 1 April	1,134	1,056	78	0	0	0
Revaluation of land	<u>121</u>	<u>112</u>	<u>9</u>	<u>1,134</u>	<u>1,056</u>	<u>78</u>
Balance - 31 March	<u>1,255</u>	<u>1,168</u>	<u>87</u>	<u>1,134</u>	<u>1,056</u>	<u>78</u>
ii) Freehold buildings						
Balance - 1 April	365	88	277	0	0	0
Revaluation of land	<u>364</u>	<u>280</u>	<u>84</u>	<u>365</u>	<u>88</u>	<u>277</u>
Balance - 31 March	<u>729</u>	<u>368</u>	<u>361</u>	<u>365</u>	<u>88</u>	<u>277</u>
TOTAL RESERVES	<u>2,236</u>	<u>1,758</u>	<u>478</u>	<u>3,003</u>	<u>2,618</u>	<u>385</u>

	1996			1995		
	Total \$000	Line \$000	Energy \$000	Total \$000	Line \$000	Energy \$000
13. RETAINED EARNINGS	2,557	2,230	327	1,425	1,223	202
Retained earnings - 1 April						
Net surplus after taxation	<u>1,432</u>	<u>1,397</u>	<u>35</u>	<u>1,597</u>	<u>1,437</u>	<u>160</u>
	3,989	3,627	362	3,022	2,660	362
less distribution to shareholders	(300)	(260)	(40)	(250)	(215)	(35)
transfers from/(to) reserves	<u>1,252</u>	<u>1,252</u>	<u>0</u>	<u>(215)</u>	<u>(215)</u>	<u>0</u>
	<u>4,941</u>	<u>4,619</u>	<u>322</u>	<u>2,557</u>	<u>2,230</u>	<u>327</u>



Audit New Zealand

REPORT OF THE AUDIT OFFICE

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 that Schedule,

and having been prepared by Eastland Energy Limited and dated 15 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, that information has been prepared in accordance with Electricity (Information Disclosure) Regulations 1994.

A handwritten signature in black ink, appearing to read 'C R Dixon'.

C R Dixon
Audit New Zealand
On behalf of the Controller and Auditor-General
6 September 1996
Auckland, New Zealand

Eastland Energy Limited

Disclosure of financial and efficiency performance measures as required by regulations 13, 14, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994.

	Year ended 31 March			
	1996	1995	1994	1993
<i>Regulation 13:</i>				
1. Financial performance measures				
(a) Accounting return on total assets	7.23%	5.61%	N/A	N/A
(b) Accounting return on equity	6.60%	4.32%	N/A	N/A
(c) Accounting rate of profit	4.79%	6.30%	N/A	N/A
2. Efficiency performance measures				
(a) Direct line costs per kilometre	\$1,429.21	\$1108.04	N/A	N/A
(b) Indirect line costs per electricity customer	\$127.82	\$128.14	N/A	N/A
3. (A) Load Factor	57.83%	55.46%	N/A	N/A
(b) Loss Ratio	7.98%	7.98%	N/A	N/A
(c) Capacity Utilisation	26.44%	* 28.41%	N/A	N/A

Regulation 14a:

4. The Optimised Deprival Valuation (established as at 31 March 1995) is \$23.88million.

Regulation 15:

Statistics

(a) System lengths (kms)	- 50kV	257	255	N/A	N/A
	- 11kV	2,080	2,080	N/A	N/A
	- 400V	485	487	N/A	N/A
	- Total	<u>2,822</u>	<u>2,822</u>	<u>N/A</u>	<u>N/A</u>
(a) Circuit length (overhead) (kms)	- 50kV	257	255	N/A	N/A
	- 11kV	1,984	1,985	N/A	N/A
	- 400V	398	400	N/A	N/A
	- Total	<u>2,639</u>	<u>2,640</u>	<u>N/A</u>	<u>N/A</u>
(c) Circuit length (underground) (kms)	- 50kV	0	0	N/A	N/A
	- 11kV	96	95	N/A	N/A
	- 400V	87	87	N/A	N/A
	- Total	<u>183</u>	<u>182</u>	<u>N/A</u>	<u>N/A</u>
(d) Transformer capacity (kVA)		171,162	* 163,698	N/A	N/A
(e) Maximum demand (kW)		45,252	46,514	N/A	N/A
(f) Total electricity supplied (Kwh)		229,252,109	225,973,244	N/A	N/A
(g) Total electricity conveyed on behalf of other persons		317,043	Nil	N/A	N/A
(h) Total customer		19,875	19,932	N/A	N/A

* Denotes a corrected comparative figure

Year ended 31 March

Regulation 16:

5. Reliability performance measures

	1996	1995	1994	1993
Class A	0	0	N/A	N/A
Class B	361	330	N/A	N/A
Class C	164	203	N/A	N/A
Class D	0	1	N/A	N/A
Class E	0	0	N/A	N/A
Class F	0	0	N/A	N/A
Class G	0	0	N/A	N/A
Total	<u>525</u>	<u>534</u>	<u>N/A</u>	<u>N/A</u>
(2) Total number of faults per 100 circuit kilometres prescribed voltage electric lines	7.02	8.69	N/A	N/A
(3) Total number of faults per 100 circuit kilometres of underground prescribed voltage electric lines				
- 50kV	Nil	Nil	N/A	N/A
- 11kV	<u>9.38</u>	<u>8.43</u>	<u>N/A</u>	<u>N/A</u>
- Total	<u>9.38</u>	<u>8.43</u>	<u>N/A</u>	<u>N/A</u>
(4) Total number of faults per 100 circuit kilometres of overhead prescribed voltage electric lines				
- 50kV	6.23	10.59	N/A	N/A
- 11kV	<u>7.01</u>	<u>8.46</u>	<u>N/A</u>	<u>N/A</u>
- Total	<u>6.92</u>	<u>8.70</u>	<u>N/A</u>	<u>N/A</u>
(5) The SAIDI for total of interruptions	569.49	583.21	N/A	N/A
(6) The SAIDI for total of interruptions within each interruption class -				
Class A	0	0	N/A	N/A
Class B	167.83	195.44	N/A	N/A
Class C	401.66	374.80	N/A	N/A
Class D	Nil	12.97	N/A	N/A
Class E	0	0	N/A	N/A
Class F	0	0	N/A	N/A
Class G	0	0	N/A	N/A
(7) The SAIFI for total of interruptions	4.98	7.20	N/A	N/A

Year ended 31 March

	1996	1995	1994	1993
(8) The SAIFI for total of interruptions within each interruption class -				
Class A	0	0	N/A	N/A
Class B	1.15	1.32	N/A	N/A
Class C	3.83	4.89	N/A	N/A
Class D	Nil	1.00	N/A	N/A
Class E	0	0	N/A	N/A
Class F	0	0	N/A	N/A
Class G	0	0	N/A	N/A
(9) The CAIDI for total of interruptions	114.35	80.94	N/A	N/A
(10) The CAIDI for total of interruptions within each interruption class -				
Class A	0	0	N/A	N/A
Class B	145.55	148.23	N/A	N/A
Class C	104.95	76.66	N/A	N/A
Class D	Nil	13.00	N/A	N/A
Class E	0	0	N/A	N/A
Class F	0	0	N/A	N/A
Class G	0	0	N/A	N/A




Chartered Accountants

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION
EASTLAND ENERGY LIMITED

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

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



PETER KANE
Partner

31 August 1995



