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TOP ENERGY LIMITED

INFORMATION FOR DISCLOSURE

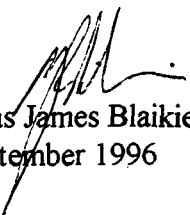
PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

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

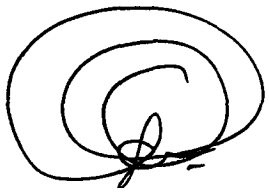
We, Douglas Blaikie and Victor Green, directors of Top Energy Limited certify that, having made all reasonable enquiry, to the best of our knowledge:

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

The valuations on **which** those financial performance measures are based are as at 3 1 March 1996.



Douglas James Blaikie
11 September 1996



Victor Green
11 September 1996

IMPORTANT NOTE

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

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

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

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

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTSSTATEMENT OF FINANCIAL PERFORMANCE
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	<i>Notes</i>	LINE BUSINESS \$	ENERGY TRADING \$
Income	<i>1</i>	15,292,569	12,888,196
Less expenses, excluding finance costs	<i>2</i>	11,040,501	12,294,357
Profit before finance, abnormals and taxation		4,252,068	593,839
Less net finance costs	<i>3</i>	960,023	2,925
Profit before debt restructuring and taxation		3,292,045	590,914
Plus reassessed debt restructuring provision	<i>19</i>	321,115	978
Profit after debt restructuring and before taxation		3,613,160	591,892
Less taxation	<i>4</i>	769,401	126,040
Profit after taxation		2,843,759	465,852

This statement is to be read in conjunction with the notes and accounting policies on pages 5 to 20 and the audit reports on pages 23 • 25. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	Notes	LINE BUSINESS \$	ENERGY TRADING \$
EQUITY AS AT 1 APRIL 1995		28,645,486	85,923
Profit after taxation		2,843,759	465,852
Plus revaluation of distribution asset		12,503,524	0
Total recognised revenue and expenses for the year		15,347,283	465,852
Less dividends	5	56,312	871
EQUITY AS AT 31 MARCH 1996		43,936,457	550,904
Represented by:			
RETAINED EARNINGS			
Opening balance		5,041,086	15,175
Profit after taxation		2,843,759	465,852
Dividend paid	5	(56,312)	(871)
Transfer to capital contribution reserve		(61,093)	
		7,767,440	480,156
CAPITAL CONTRIBUTIONS RESERVE	Policy 2		
Opening balance		386,420	0
Transferred from retained earnings		61,093	
		447,513	0
ASSET REVALUATION RESERVE	Policy 6		
Revaluation of distribution infrastructure asset		12,503,524	0
SHARE PREMIUM RESERVE	7	245,480	748
ISSUED AND PAID UP CAPITAL	6	22,972,500	70,000
		43,936,457	550,904

This statement is to be read in conjunction with the notes and accounting policies on pages 5 to 20 and the audit reports on pages 23 - 25. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTSSTATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 1996

	<i>Notes</i>	LINE BUSINESS \$	ENERGY TRADING \$
SHAREHOLDERS' FUNDS		43,936,457	550,904
Represented by:			
TERM LIABILITIES	<i>10</i>	5,789,070	17,640
Debt restructuring provision	<i>19</i>	610,833	1,861
		6,399,903	19,501
CURRENT LIABILITIES			
Creditors and accruals	<i>11</i>	2,689,831	1,372,921
Taxation payable		196,890	32,254
		2,886,721	1,405,175
INTER DIVISIONAL CURRENT ACCOUNTS		2,749,977	(102,433)
FIXED ASSETS	<i>12</i>	47,546,275	145,883
INVESTMENTS	<i>9</i>	0	180,395
CURRENT ASSETS			
Cash and bank balances	<i>13</i>	855,010	3,190
Accounts receivable	<i>14</i>	2,071,819	1,748,545
		2,926,829	1,751,735
		43,936,457	550,904

This statement is to be read in conjunction with the notes and accounting policies on pages 5 to 20 and the audit reports on pages 23 - 25. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1994 and are not intended for any other purpose.

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED 31 MARCH 1996

STATEMENT OF ACCOUNTING POLICIES

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

The period reported is 1 April 1995 to 31 March 1996.

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.

GENERAL ACCOUNTING POLICIES

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

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

Accrual accounting is used to match revenues and expenses.

Methodology of Separation of Business

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

PARTICULAR ACCOUNTING POLICIES

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

1 Sales

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

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 1996

2 Capital Contributions

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

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

3 Taxation

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

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

4 Accounts Receivable

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

5 Inventories

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

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 1996**6 Fixed Assets**

Fixed assets held by the former Bay of Islands Electric Power Board were vested in the Company, Top Energy Limited, on 1 May 1993 under the Energy Companies Act 1992. Fixed assets were vested at book value as at 1 May 1993, and represent "cost" to the Company.

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

The **infrastructural** asset is valued at a valuation being 71% of the latest Optimised Deprival Value (ODV) which represents a business valuation by Ernst & Young, independent registered valuers.

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

Land and Buildings, other than those relating to substations which are "owned" by the lines business, are "owned" by a property division. Space occupied by the various parts of the total business is charged at a market rental, established by an independent valuer.

7 Renewal Accounting - Distribution Network

Assets comprising the distribution network system are reported using the renewal accounting method and are stated at valuation. These infrastructural assets include all items directly involved in the delivery of electricity, but exclude substation land, buildings, transformers, circuit breakers and load management control equipment. All expenditure which extends or enhances the infrastructure is **capitalised**. Expenditure incurred in maintaining the infrastructure's capacity is treated as an expense in the period in which it is incurred. The actual amount expended is compared with a predetermined benchmark level and any shortfall or excess is charged to the statement of financial performance. Similarly the value of the infrastructure asset is increased or decreased by the same amount.

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 19968 **Depreciation**

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

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

9 **Long Term Debt**

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

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

10 **Financial Instruments**

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

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

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 1996**Changes in Accounting Policies**

After review of the carrying value of the distribution system the Directors concluded that the amount should more closely reflect a true value of the asset. Therefore the infrastructure asset is now at a valuation being 71% of the latest Optimised Deprival Value (ODV) which represents a business valuation prepared by Ernst & Young, independent registered valuers.

There have been no other material changes in accounting policies.

TOP ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	LINE BUSINESS \$	ENERGY TRADING \$
1 INCOME		
Sales of electricity	14,966,593	12,792,224
Other sales revenue	45,516	44,088
Total sales revenue	15,012,109	12,836,312
Other income	198,257	51,884
Capital contributions	82,203	0
Total income	15,292,569	12,888,196
2 NET PROFIT BEFORE TAXATION		
charging:		
Loss/(Profit) on disposal of fixed assets	(42)	(656)
Depreciation	367,937	38,525
Bad debts	61,482	52,857
Doubtful debts	(18,614)	(15,909)
Auditors ▪ audit services	8,370	2,092
▪ other services	21,572	5,393
Directors' fees	38,030	9,506
Infrastructural maintenance ▪ accrued	320,809	0
3 NET FINANCE COSTS		
Comprise:		
Interest ▪ term debt	959,121	2,922
Interest ▪ other	21,230	65
Gross finance costs	980,351	2,987
Less ▪ investment income	20,328	62
Net finance costs	960,023	2,925

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTES TO THE SPECIAL, PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	LINE BUSINESS \$	ENERGY TRADING \$
4 TAXATION		
The taxation provision has been calculated as follows:		
Profit for the period	3,613,160	591,892
Taxation for the period at 33%	1,192,343	195,324
Plus/(Less) tax effect of		
Non deductible items	115,641	18,944
Prior year adjustment	(94,998)	(15,562)
Losses utilised	(106,320)	(17,417)
Unrecognised timing differences	(337,265)	(55,249)
	769,401	126,040
The taxation charge is represented by:		
Prior year adjustment	55,831	9,146
Taxation payable in respect of the current period	864,399	141,602
Deferred taxation	(150,830)	(24,708)
	769,401	126,040
Movement on deferred taxation as:		
Opening balance	150,830	24,708
Movement for the period	(150,830)	(24,708)
Closing balance		
The Company has not recognised a deferred tax liability of \$497,395 on timing differences of \$1,507,257.		
5 DIVIDENDS		
Ordinary dividend paid (.0024 cents per share)	56,312	871
Ordinary dividend recommended		
Total dividends paid or provided	56,312	871
6 SHARE CAPITAL		
Authorised, issued and paid up capital		
23,042,500 ordinary shares	22,972,500	70,000
The ordinary shares were issued to the trustees of The Bay of Islands Power Trust in consideration for the net assets vested in the Company on 1 May 1993.		

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	LINE BUSINESS \$	ENERGY TRADING \$
7 SHAREPREMIUM		
Premium on shares issued to The Bay of Islands Electric Power Trust		
Net assets vested in the Company 1 May 1993	23,217,980	70,748
Less shares issued		
23,042,500 ordinary \$1 shares fully paid	22,972,500	70,000
	245,480	748
8 IMPUTATION CREDIT ACCOUNT		
Opening balance	1,369,521	224,349
Plus income tax paid	0	0
Less imputation credits attached to dividends paid to shareholders	0	0
Closing Balance	1,369,521	224,349
9 INVESTMENTS		
179,981 shares in PowerBuy Group Limited fully paid	0	180,395
	0	180,395

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

		LINE BUSINESS \$	ENERGY TRADING \$
10 TERM LIABILITIES			
	Interest Rate %	Repayable	Principal
Development Loan 28	8.50	01.10.1995	0
Development Loan 33	15.85-15.95	01.07.1997	5,053,950
Renewal Loan 34	16.65	01.10.1995	0
Renewal Loan 34	16.00	01.10.2000	735,120
			5,789,070
Less current portion			0
Term liabilities			5,789,070
Repayable as follows:			
Due after 1 but before 2 years			5,053,950
Due after 2 but before 5 years			735,120
Due after 5 but before 10 years			0
			5,789,070
No securities have been given in respect of liabilities.			
Term liabilities of \$5,600,000 were repurchased by the Company at 31 March 1995 and the resulting financial asset has been offset against the relevant financial liability in these accounts. No risk attaches to this repurchase. During the period and in the future, interest received from the investment will be deducted from the interest paid on the liability when disclosed by way of note in the financial statements, until such time as the loan is fully cancelled.			
11 CREDITORS AND ACCRUALS			
Included in creditors and accruals are the following provisions:			
Trade Creditors			1,074,933
Provision for retirement payments			27,647
Provision for holiday pay			119,832
			1,222,412
			1,348,906
			4,847
			24,520
			1,378,273

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

12 FIXED ASSETS				LINE BUSINESS \$
		Cost or Valuation	Accumulated Depreciation	Net Book Value
Land	235,500	0	235,500	
Buildings	699,989	163,187	536,802	
Distribution system at valuation				
Infrastructure	38,467,101	0	38,467,101	
Non infrastructure	7,433,757	0	7,433,757	
Plant, furniture & software	786,839	260,559	526,280	
Vehicles	69,621	24,100	45,521	
Capital work in progress	301,314	0	301,314	
Total fixed assets	47,994,121	447,846	47,546,275	
				ENERGY TRADING \$
	Cost or Valuation	Accumulated Depreciation	Net Book Value	
Land			0	
Buildings			0	
Distribution system at valuation				
Infrastructure			0	
Non infrastructure			0	
Plant, furniture & software	214,236	86,548	127,688	
Vehicles	26,379	10,134	16,245	
Capital work in progress	1,950		1,950	
Total fixed assets	242,565	96,682	145,883	
The latest Government Valuations by the Valuation Department of land and improvements are:				
	Land	Improvements	Total	
1 September 1995	307,368	556,951	864,319	Line
The Directors accept that government valuations provide a fair value for the land and buildings.				
An Optimised Deprival Valuation (ODV) was carried out as at 31 March 1996. This valued the infrastructure (network) assets of the Line Business at that date. The ODV has been used as the basis for calculating performance measures as required by Regulations 13 and 14 and Part II of the First Schedule.				

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

	LINE BUSINESS \$	ENERGY TRADING \$
13	CASH AND BANK BALANCES	
	Comprise	
	Cash on hand	687
	BNZ current account	110,025
	Short term deposits	744,298
		855,010
14	ACCOUNTS RECEIVABLE	
	Comprise:	
	Trade debtors	1,287,625
	Accruals and prepayments	784,194
		2,071,819
		1,100,539
		648,006
		1,748,545

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTSNOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

15. RELATED PARTY TRANSACTIONS

There have been no material related party transactions requiring disclosure in accordance with SSAP 22 "Related Party Disclosures", apart from the following:

i. **Bay of Islands Electric Power Trust:**

For the period ended 31 March 1996, Top Energy Limited paid \$60,000 (Line Business \$563 12, Energy Trading \$871) in the form of a dividend to the above Trust. This payment is reflected in the statement of financial performance of Top Energy Limited.

During the period Top Energy processed transactions on an agency basis on behalf of the Trust in order to settle routine business dealings. At 31 March 1996, a balance of \$3,477 owing by the Trust to the Company has been included in accounts receivable in the statement of financial position.

ii. **PowerBuy Group Limited:**

These shares represent 19.94% of the total shares of **PowerBuy**. The Chief Executive of Top Energy is a director of **PowerBuy**. The Chairman of Directors is his Alternate.

Top Energy purchased electricity units through **PowerBuy** and the cost of this purchase for the year ended 31 March 1996 was \$12,677,504. The balance owing by Top Energy to **PowerBuy** as at 31 March 1996 was \$1,182,796 exclusive of GST and is included in accounts payable.

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

16. FINANCIAL INSTRUMENTS**a. Currency and Interest Rate Risk**

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

i. Currency

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

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

ii. Interest Rate

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

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

The Company has no off-balance sheet financial instruments.

iii. Repricing Analysis

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

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTSNOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

16. FINANCIAL INSTRUMENTS

b. **Concentration of Credit Risk**

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

The Company has a credit policy which is used to manage its exposure to credit risk. As part of this policy, limits on exposures with counterparties have been set and approved by the Board of Directors and are monitored on a regular basis.

The Company does not have any significant concentrations of credit risk. The Company does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions of **recognised** quality. The Company does not expect the non-performance of any material obligations at balance date.

c. **Fair Values**

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

- i. Cash and liquid deposits, debtors and other accounts receivable including sundry debtors, creditors and other accounts payable including sundry creditors, loans payable within twelve months.

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

- ii. Investments

The investment of the Company is for shares in an unlisted Company.

- iii. Term Liabilities

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

17. SEGMENT INFORMATION

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

18. CAPITAL EXPENDITURE COMMITMENTS

The Company has no material commitments for capital expenditure at 31 March 1996.

19. DEBT RESTRUCTURING PROVISION

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

This provision vested in the Company on May 1 1993. As the company intends to restructure its long term debt when financial conditions are appropriate, the provision has been reassessed as at 31 March 1996.

The movement in the debt restructuring provision has been:

	LINE	ENERGY
Vested balance 1 May 1993	4,027,539	12,272
Repayment of Term Debt 31 March 1995	(1,336,042)	(4,071)
Reassessments to 31 March 1995	(1,759,549)	(5,362)
Reassessment at 1 April 1995	(73,512)	(224)
Reassessment 31 March 1996	(247,603)	(754)
Balance as at 31 March 1996	610,833	1,861

20. CONTINGENT LIABILITIES

The Company has contingent liabilities, not exceeding \$2.75 million at 31 March 1996, for **refundable** capital contributions (Line Business).

TOP ENERGY LIMITED

SPECIAL PURPOSE FINANCIAL STATEMENTS

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 1996

21. ROMALPA CLAUSE

The Company has trade creditors who supplied goods subject to romalpa clauses as at 31 March 1996.

22. SUBSEQUENT EVENTS

As from 1 April 1996, the Company (Energy Business) has entered into an underwriting agreement with the related company, **PowerBuy** Group Limited, to the maximum of \$2,519,174 for 5 years.

23. SUBSIDIARY COMPANY

The Company holds 100% of the shares of Far North Electricity Limited. This subsidiary company is non-trading with capital of 100 \$1.00 unpaid shares. It has a balance date of 31 March and was originally set up to protect its name from use by others. Far North Electricity Limited has had no transactions in the past and has no assets or liabilities.

TOP ENERGY LIMITED**Performance Measures and Statistics
For the Year Ended 31 March 1996**Regulations 13 and 14**i. Financial Performance Measures**

	Actual 1996	Actual 1995
a. Accounting Return on Total Assets	6.08%	3.67%
b. Accounting Return on Equity	4.52%	3.83%
c. Accounting Rate of Profit	6.12%	2.08%

ii. Efficiency Performance Measures

	Actual 1996	Actual 1995
	\$	\$
a. Direct Line Costs per kilometre	1105	1477
b. Indirect Line Costs per Electricity Customer	72	84

Optimised Deprival Valuation

The Optimised Deprival Valuation (established as at 31 March 1996) is **\$64,652,000**.

Regulation 15**i. Energy Delivery Efficiency Performance Measures**

	1996	1995
	%	%
a. Load Factor	66	64.5
b. Loss Ratio	9.6	9.55
c. Capacity Utilisation	28	32

ii. Statistics

See table below for the following statistics:

- System Length (**kms**) and breakdown by nominal line voltage.
- Underground circuit length (kms) and breakdown by nominal line voltage.
- Overhead circuit length (**kms**) and breakdown by nominal line voltage.

	Kilometres					
	(c)		(b)		(a)	
	Overhead	Circuit	Underground	Circuit	Total System	
	1996	1995	1996	1995	1996	1995
33kV	239	239			239	239
11kV	3031	3015	36	33	3067	3048
4oov	880	885	431	416	1311	1301
	4150	4139	467	449	4617	4588

	1996	1995
d. Transformer Capacity (kVA)	163,475	142,000
e. Maximum Demand (kW)	46,224	46,190
f. Total Electricity supplied by System	226,239,000	235,000,000
g. Total Electricity conveyed by System for other persons (kWh)	13,785,000	0
h. Total Customers (average for year)	25,967	25,339

TOP ENERGY LIMITED

Performance Measures and Statistics
For the Year Ended 31 March 1996Regulation 16

Reliability Performance Measures

i. **Total number of interruptions and breakdowns by interruption class**

Class	Type of Interruption	1996 No	1995 No
A	Planned ▪ Transpower	1	0
B	Planned ▪ Top Energy	324	351
C	Unplanned ▪ Top Energy	198	294
D	Unplanned ▪ Transpower	8	2
E	Unplanned ▪ ECNZ	0	0
F	Unplanned ▪ Other	0	0
G	Any other interruption	0	0
Total ▪ All interruptions		531	647

ii. **Number of faults per 100 circuit kms**

Line Voltage	Total		Underground		Overhead	
	1996	1995	1996	1995	1996	1995
100kV						
66kV						
33kV	2.93	2.51	0	0	2.93	2.51
11kV	4.53	4.78	0	0	4.59	4.78
6.6kV						
3.3kV						
Total	4.42	3.27	0	0	4.46	3.27

iii. **Breakdown of statistics by interruption class**

Class	Type of Interruption	SAIDI (Minutes)		SAIFI (Interruptions)		CAIDI (Minutes)	
		1996	1995	1996	1995	1996	1995
A	Planned ▪ Transpower	152	0	0.5	0	261.4	0
B	Planned ▪ Top Energy	110	207	5.0	6.7	21.8	30.7
C	Unplanned ▪ Top Energy	355	340	7.0	5.0	50.9	68.6
D	Unplanned ▪ Transpower	16	39	1.3	2.9	12.9	13.6
E	Unplanned ▪ ECNZ	0	0	0	0	0	0
F	Unplanned ▪ Other	0	0	0	0	0	0
G	Any other interruption	0	0	0	0	0	0
Total ▪ All interruptions		633	620	13.8	12.3	46.0	52.0

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

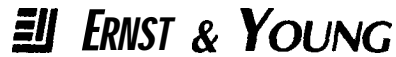
We have examined for the purposes of Regulation 6 of the Electricity (Information Disclosure) Regulations 1994, the Top Energy Limited Line and Energy Business financial statements for the year ended 31 March 1996, prepared by Top Energy Limited and set out on pages 2 to 20.

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
CHARTERED ACCOUNTANTS
WHANGAREI

11 SEPTEMBER 1996



■ Chartered Accountants

**To the Directors
Top Energy Limited**

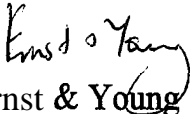
Certification by auditor in relation to ODV Valuation

Auditors Report

We have examined the valuation report prepared by Top Energy Limited dated 11 July 1996, which report contains valuations as at 31 March 1996 and identifies the ODV **value** of the system fixed assets at **\$64,652,000**.

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

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


Ernst & Young
Chartered Accountants
Auckland

8 August 1996

**Coopers
& Lybrand**

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and business advisers

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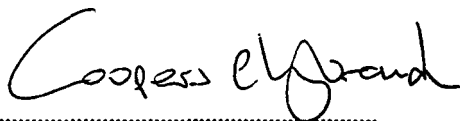
CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

We have examined the information on page 21, **being:**

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

and having been prepared by Top Energy Limited for the year ended 31 March 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.



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

11 SEPTEMBER 1996

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