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WAIROA POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

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

	Note	1996	1995
SALES		<u>3,928,296</u>	<u>3,810,290</u>
Cost of Sales		3,346,825	3,349,579
Operating costs		<u>731,445</u>	<u>700,033</u>
Total Operating and Trading Costs		4,078,270	4,049,612
NET OPERATING PROFIT		<u>(149,974)</u>	<u>(439,322)</u>
Other Income		194,483	465,948
NET PROFIT BEFORE TAXATION	2	<u>44,509</u>	<u>26,626</u>
Provision for Taxation	3	16,196	(30,067)
NET PROFIT AFTER TAXATION		<u>28,313</u>	<u>56,693</u>

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 1996**

	Note	1996	1995
Equity at 1 April 1995		2,497,189	2,598,403
Net Profit for period		28,313	56,693
Movement in Asset revaluation reserve		81,000	0
Movement in issued capital		<u>0</u>	<u>12,834</u>
Total recognised revenues and expenses for year		109,313	69,527
Dividends paid or payable		(49,788)	170,741
Equity at 31 March 1996		<u>2,656,290</u>	<u>2,497,189</u>

The accompanying notes form part of these financial statements.

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

	Note	1996	1995
SHAREHOLDERS FUNDS			
Share Capital	5	2,703,205	2,703,205
Reserves	6	311,058	230,058
Retained Earnings		<u>(357,973)</u>	<u>(436,074)</u>
		2,656,290	2,497,189
TERM LIABILITIES	7	600,000	600,000
CURRENT LIABILITIES			
Accounts Payable and Accruals	8	242,163	755,344
Current portion term liabilities	7	0	230,000
Provision for Dividend		0	170,741
		<u>242,163</u>	<u>1,156,085</u>
		<u>3,498,453</u>	<u>4,253,274</u>
FIXED ASSETS	9	1,778,814	1,747,506
OTHER NON CURRENT ASSETS			
Deferred Taxation	3	24,608	30,249
INVESTMENTS	10	91,279	62,082
CURRENT ASSETS			
Bank and cash		990,480	1,800,000
Receivables and prepayments	11	406,134	395,467
Provision for Income Tax		41,310	35,472
Inventories	12	<u>165,828</u>	<u>182,498</u>
		1,603,752	2,413,437
		<u>3,498,453</u>	<u>4,253,274</u>

The accompanying notes form part of these financial statements.

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

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Financial Statements are those of the Other Businesses of Wairoa Power Limited. 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.

Principal Activities

Included in Other Businesses are all the electricity activities (with the exception of Line Business activities defined by regulation 2 of the Electricity (Information Disclosure) Regulations 1994).

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Company, with the exception that certain assets have been revalued.

Methodology of Separation of Business

Wairoa Power Limited has compiled with the methodology set out in the Electricity Disclosure Guidelines as issued by the Ministry of Commerce dated 23 June 1994, except for:

- * Costs and revenues associated with line contracting services have been excluded from the line business to comply with the Electricity (Information Disclosure) Regulations 1994 which conflict with the guidelines.
- * Disconnection fees are included as revenue to the line business.
- * Costs incurred for billing services are included as line business costs.
- * Meter reading costs have been split evenly between the line business and other businesses.

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

Specific Accounting Policies

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

a) Fixed Assets

The Company has five classes of fixed assets:

Freehold Land
Freehold Buildings
Hydro Dam
Generation Equipment
Other Plant & Equipment

All fixed assets are initially recorded at cost.

Freehold land and buildings are subsequently revalued on a cyclical basis with no individual asset being included at a valuation undertaken more than three years previously. Valuations are at net current value as determined by an independent valuer.

b) Depreciation

Depreciation is provided on a straight line basis on all tangible assets other than freehold land, (except for motor vehicles, plant and equipment), at rates calculated to allocate the assets' cost or valuation less estimated residual value over their estimated useful lives. Motor vehicles, plant and equipment are depreciated on a diminishing basis over their expected economic lives.

Major depreciation periods are:

Freehold Buildings	50 years
Hydro Dam	100 years
Generation equipment	25 years
Other Plant & Equipment	8-10 years

d) Receivables

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful.

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

STATEMENT OF ACCOUNTING POLICIES (continued)

e) Income tax

The income tax expense charged to the statement of financial performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

f) Inventories

Inventories are stated at the lower of cost, determined on weighted average cost and net realisable value.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

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

	1996	1995
2		
NET PROFIT BEFORE TAXATION		
After Charging:		
Audit fees and expenses	6,304	14,739
Depreciation	98,070	99,430
Directors Fees	33,750	33,750
Interest - Local Authority loans	111,778	190,781
Interest - other	-	-
Loss on disposal of fixed assets	-	-
After crediting		
Interest received	176,558	164,070
	1996	1995
3.		
TAXATION		
Profit before taxation	<u>44,509</u>	<u>26,626</u>
Prima facie taxation	14,688	8,787
Plus/(Less) taxation effect of permanent differences		
Non-deductible legal expenses	-	-
Other permanent differences	1,508	-
Recognition of Deferred Tax Asset	-	(38,854)
Taxation expense (benefit)	<u>16,196</u>	<u>(30,067)</u>
The taxation charge is represented by:		
Current taxation	10,555	182
Deferred taxation	5,641	(30,249)
	<u>16,196</u>	<u>(30,067)</u>
There are no income tax losses or unrecognised timing differences carried forward.		
DEFERRED TAX ASSET		
Balance as at 31 March 1995	30,249	-
Depreciation Movement for current year	(5,641)	30,249
Balance as at 31 March 1996	<u>24,608</u>	<u>30,249</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
4. DIVIDENDS AND BONUS ISSUES		
Proposed distributions:		
Proposed dividend	-	170,741
Proposed employee bonus issue		
	<u>-</u>	<u>170,741</u>
5. SHARE CAPITAL	1996	1995
Balance as at 31 March 1995	2,703,205	2,690,371
Issue of shares to employees	-	12,834
Total issued and paid up capital	<u>2,703,205</u>	<u>2,703,205</u>
6. RESERVES	1996	1995
Share Premium	230,058	230,058
Balance as at 31 March 1996	<u>230,058</u>	<u>230,058</u>
Asset revaluation		
Balance as at 31 March 1995	-	-
Revaluation of Freehold land	81,000	-
Revaluation of Buildings	-	-
Balance as at 31 March 1996	<u>81,000</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
7. TERM LIABILITIES		
Local Authority Loans	600,000	830,000
Less Current portion	-	230,000
Total Term Liabilities	<u>600,000</u>	<u>600,000</u>
Repayable as follows		
Less than two years	-	230,000
Two to five years	600,000	-
Beyond five years	-	600,000
	<u>600,000</u>	<u>830,000</u>
Interest Rates:		Average interest rate
Local Authority Loans	17.8	15.3
Security:		
Whilst secured by pledge of future earnings the Local Authority loans are not specifically secured over any of the Company's assets.		
Interest rate risk:		
The interest rate on the local authority loans is 17.75%. This rate is fixed throughout the life of the loan.		
	1996	1995
8. ACCOUNTS PAYABLE AND ACCRUALS		
Accounts Payable Trade	193,080	0
Accounts Payable Other	0	701,480
Customer Deposits	0	0
Accrued Expenses	49,083	53,864
	<u>242,163</u>	<u>755,344</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
9. FIXED ASSETS		
Freehold Land (at valuation)	<u>96,000</u>	<u>15,000</u>
Freehold Buildings (at valuation)	226,828	232,222
Accumulated Depreciation	<u>(44,525)</u>	<u>(46,111)</u>
	<u>182,303</u>	<u>186,111</u>
Waihi Dam (at cost)	1,043,348	1,043,348
Accumulated Depreciation	<u>(109,625)</u>	<u>(99,193)</u>
	<u>933,723</u>	<u>944,155</u>
Generation equipment (at cost)	784,956	784,956
Accumulated Depreciation	<u>(324,985)</u>	<u>(293,587)</u>
	<u>459,971</u>	<u>491,369</u>
Other Plant and Equipment (at cost)	258,964	226,601
Accumulated Depreciation	<u>(152,144)</u>	<u>(115,730)</u>
	<u>106,820</u>	<u>110,871</u>
Total Fixed Assets	<u>1,778,814</u>	<u>1,747,506</u>

	1996	1995
10. INVESTMENTS		
Investments are stated at cost and comprise:		
Investments in Companies (unquoted)	62,015	36,000
Sinking Fund Deposits	29,264	26,082
	<u>91,279</u>	<u>62,082</u>
Sinking Funds:		

Deposits are lodged with the Public Trust Office and National Provident Fund. Interest received on these funds range from 7.5% to 11.8%.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
11. RECEIVABLES AND PREPAYMENTS		
Trade debtors	0	0
Other receivables	406,134	395,467
	<u>406,134</u>	<u>395,467</u>
12. INVENTORIES		
Showroom Inventory	84,816	86,923
Appliance Servicing Inventory	81,011	95,575
	<u>165,828</u>	<u>182,498</u>
13. CONTINGENT LIABILITIES	1996	1995
Guarantee of bank overdraft facility for Energy Brokers New Zealand Limited to a limit of	<u>24,000</u>	<u>24,000</u>
At balance date the amount of the bank overdraft so guaranteed was	<u>0</u>	<u>987</u>

	1996	1995
14. COMMITMENTS		
Capital Commitments		
Estimated capital expenditure contracted for at balance date but not provided for	<u>-</u>	<u>-</u>
Operating Lease commitments		
The company has no non-cancellable operating leases.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

15. TRANSACTIONS WITH RELATED PARTIES

Wairoa Power Limited paid rates to Wairoa District Council, a significant shareholder. The rates were charged on normal terms and conditions.

Sales of energy and contracting services were made to both Wairoa District Council (and its subsidiaries) and Wairoa Electric Power Trust. These sales have occurred only as a result of normal customer relationships. The level of such transactions are not considered material to these financial statements.

No related party debts have been written off or forgiven during the year.



Audit New Zealand

REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Wairoa Power Limited Other Businesses dated 6 September 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 'Chris Dixon'.

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

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

	Note	1996	1995
SALES		<u>3,639,751</u>	<u>3,964,340</u>
Cost of Sales		877,272	1,177,629
Operating costs		<u>1,906,374</u>	<u>1,861,480</u>
Total Operating and Trading Costs		2,783,646	3,039,109
NET OPERATING PROFIT		<u>856,105</u>	<u>925,231</u>
Other Income		113,950	67,553
NET PROFIT BEFORE TAXATION	2	<u>970,055</u>	<u>992,784</u>
Provision for Taxation	3	353,041	284,715
NET PROFIT AFTER TAXATION		<u><u>617,014</u></u>	<u><u>708,069</u></u>

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 1996**

	Note	1996	1995
Equity at 1 April 1995		5,437,444	5,079,365
Net Profit for period		617,014	708,069
Movement in Asset revaluation reserve		1,081,975	1,118,632
Movement in issued capital		<u>0</u>	<u>22,566</u>
Total recognised revenues and expenses for year		1,698,989	1,849,267
Dividends paid or payable		422,601	425,760
Equity at 31 March 1996		<u><u>6,713,832</u></u>	<u><u>6,502,872</u></u>

The accompanying notes form part of these financial statements.

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

	Note	1996	1995
SHAREHOLDERS FUNDS			
Share Capital	5	4,753,053	4,753,053
Reserves	6	69,889	53,204
Retained Earnings		<u>825,589</u>	<u>631,187</u>
		<u>5,648,541</u>	<u>5,437,444</u>
CURRENT LIABILITIES			
Accounts Payable and Accruals	8	682,479	863,953
Current portion term liabilities	7	-	79,000
Provision for Dividend		422,601	425,760
Provision for Income Tax		-	83,190
		<u>1,105,080</u>	<u>1,451,903</u>
		<u><u>6,753,621</u></u>	<u><u>6,889,347</u></u>
FIXED ASSETS	9	4,183,230	4,306,941
OTHER NON CURRENT ASSETS			
Deferred Taxation	3	19,656	33,291
INVESTMENTS	10	-	24,158
CURRENT ASSETS			
Bank & Cash		1,421,739	992,812
Receivables and prepayments	11	871,431	1,241,364
Inventories	12	<u>257,565</u>	<u>290,781</u>
		2,550,735	2,524,957
		<u><u>6,753,621</u></u>	<u><u>6,889,347</u></u>

The accompanying notes form part of these financial statements.

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

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Financial Statements are those of the Line Business of Wairoa Power Limited. 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.

Principal Activities

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

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical cost basis are followed by the Company, with the exception that certain assets have been revalued.

Methodology of Separation of Business

Wairoa Power Limited has complied with the methodology set out in the Electricity Disclosure Guidelines as issued by the Ministry of Commerce dated 23 June 1994, except for:

- Costs and revenues associated with line contracting services have been excluded from the line business to comply with the Electricity (Information Disclosure) Regulations 1994 which conflict with the guidelines.
- Disconnection fees are included as revenue to the line business.
- Costs incurred for billing services are included as line business costs.
- Meter reading costs have been split evenly between the line business and other businesses.

Specific Accounting Policies

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

a) Fixed Assets

The Company has four classes of fixed assets:

Freehold Land
Freehold Buildings
Distribution Lines
Other Plant & Equipment

All fixed assets are initially recorded at cost.

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

a) Fixed Assets (Continued)

Freehold land and buildings are subsequently revalued on a cyclical basis with no individual asset being included at a valuation undertaken more than three years previously. Valuations are at net current value as determined by an independent valuer.

b) Depreciation

Depreciation is provided on a straight line basis on all tangible assets other than freehold land, (except for motor vehicles, plant and equipment), at rates calculated to allocate the assets' cost or valuation less estimated residual value over their estimated useful lives.

Motor vehicles, plant and equipment are depreciated on a diminishing basis over their expected economic lives.

Major depreciation periods are:

Freehold Buildings	50 years
Distribution Lines	25 years
Other Plant & Equipment	8-10 years

c) Investments

Investments are stated at the lower of cost or net realisable value.

d) Receivables

Receivables are stated at estimated realisable value after providing against debts where collection is doubtful.

e) Income tax

The income tax expense charged to the statement of financial performance includes both the current year's provision and the income tax effects of timing differences calculated using the liability method.

Tax effect accounting has been applied on a comprehensive basis to all timing differences. A debit balance in the deferred tax account arising from timing differences or income tax benefits from income tax losses, is only recognised if there is virtual certainty of realisation.

f) Inventories

Inventories are stated at the lower of cost, determined on weighted average cost and net realisable value.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
2. NET PROFIT BEFORE TAXATION		
After Charging:		
Audit fees and expenses	6,458	11,463
Depreciation	294,210	337,409
Directors Fees	26,250	26,250
Interest - Local Authority loans	2,662	63,853
Interest - other	191	103
Loss on disposal of fixed assets	3,968	10,839
After crediting		
Interest received	44,104	41,018
3. TAXATION		
Profit before taxation	<u>970,055</u>	<u>992,784</u>
Prima facie taxation	320,118	327,619
Plus/(Less) taxation effect of permanent differences		
Non-deductible legal expenses	-	555
Other permanent differences	46,558	(697)
Recognition of Deferred Tax Asset	<u>(13,635)</u>	<u>(42,762)</u>
Taxation expense (benefit)	<u>353,041</u>	<u>284,715</u>
The taxation charge is represented by:		
Current taxation	366,676	318,006
Deferred taxation	<u>(13,635)</u>	<u>(33,291)</u>
	<u>353,041</u>	<u>284,715</u>

There are no income tax losses or unrecognised timing differences carried forward.

DEFERRED TAX ASSET

Balance as at 31 March 1995	33,291	-
Depreciation Movement for current year	(13,635)	33,291
Balance as at 31 March 1996	<u>19,656</u>	<u>33,291</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
4. DIVIDENDS AND BONUS ISSUES		
Proposed distributions:		
Proposed dividend	422,601	425,760
	<u>422,601</u>	<u>425,760</u>
5. SHARE CAPITAL		
Authorised Capital		
Balance as at 31 March 1995	4,753,053	4,730,487
Issue of shares to employees	-	22,566
Total issued and paid up capital	<u>4,753,053</u>	<u>4,753,053</u>
6. RESERVES		
Asset revaluation		
Balance as at 31 March 1995	53,204	-
Revaluation of Freehold land	-	48,404
Revaluation of Buildings	16,685	4,800
Balance as at 31 March 1996	<u>69,889</u>	<u>53,204</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
7. TERM LIABILITIES		
Local Authority Loans	-	79,000
Less Current portion	-	79,000
Total Term Liabilities	<u>-</u>	<u>-</u>
Repayable as follows		
Less than two years	-	79,000
Two to five years	-	-
Beyond five years	-	-
	<u>-</u>	<u>79,000</u>
Interest Rates:		Interest rate
Local Authority Loans	0.0	10.0

	1996	1995
8. ACCOUNTS PAYABLE AND ACCRUALS		
Accounts Payable Trade	59,292	482,543
Accounts Payable Other	202,482	103,417
Customer Deposits	21,209	23,314
Accrued Expenses	399,496	254,679
	<u>682,479</u>	<u>863,953</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
9. FIXED ASSETS		
Freehold Land (at valuation)	<u>84,600</u>	<u>84,600</u>
Freehold Buildings (at valuation)	504,765	574,652
Accumulated Depreciation	<u>(39,872)</u>	<u>(115,752)</u>
	<u>464,893</u>	<u>458,900</u>
Distribution lines (at cost)	5,168,781	4,920,801
Accumulated Depreciation	<u>(1,894,408)</u>	<u>(1,687,309)</u>
	<u>3,274,373</u>	<u>3,233,492</u>
Other Plant and Equipment (at cost)	829,691	886,182
Accumulated Depreciation	<u>(470,327)</u>	<u>(356,233)</u>
	<u>359,364</u>	<u>529,949</u>
Total Fixed Assets	<u>4,183,230</u>	<u>4,306,941</u>

Valuation:

Revalued freehold land & buildings are stated at net current value as determined by an independent registered valuer C W Nyberg ANZIV, of the firm Darroch & Co Ltd, as at 31 March 1996.

	1996	1995
10. INVESTMENTS		
Investments are stated at cost and comprise:		
Sinking Fund Deposits	<u>0</u>	<u>24,158</u>
Sinking Funds:		
Deposits were lodged with the Public Trust Office and National Provident Fund.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
11. RECEIVABLES AND PREPAYMENTS		
Trade Debtors	717,926	531,233
Other Receivables	151,240	701,481
Prepayments	2,265	8,650
	<u>871,431</u>	<u>1,241,364</u>
12. INVENTORIES		
Line & General Inventories	<u>257,565</u>	<u>290,781</u>
13. CONTINGENT LIABILITIES		
The Company has no contingent liabilities.		
14. COMMITMENTS		
Capital Commitments		
The Company has no capital commitments at balance date.		
Operating lease commitments		
The company has no non-cancellable operating leases.		
15. TRANSACTIONS WITH RELATED PARTIES		
Wairoa Power Limited paid rates to Wairoa District Council, a significant shareholder. The rates were charged on normal terms and conditions.		
No related party debts have been written off or forgiven during the year.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

	1996	1995
16. FINANCIAL PERFORMANCE MEASURES		
Accounting return on total assets	9.14%	10.00%
Accounting return on equity	6.25%	7.39%
Accounting rate of profit	6.09%	7.78%
17. EFFICIENCY PERFORMANCE MEASURES		
Direct Line costs per kilometre	\$ 1,142	\$ 1,442
Indirect Line costs per customer	\$ 89	\$ 86
18. ENERGY DELIVERY PERFORMANCE MEASURES		
Load Factor	53	55
Loss Ratio	7.44	4.62
Capacity Utilisation	23	21
19. ODV VALUATION		
ODV valuation as at 31 March 1995 was	\$9.84 million	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

20. STATISTICS

Overhead lines	1996	1995
	km	km
Nominal Line Voltage		
66kV/50kv	82.6	82.6
11kv	773.0	773.7
< 3.3kV	29.6	29.8
Total	<u>885.2</u>	<u>886.1</u>
Underground lines	1996	1995
	km	km
Nominal Line Voltage		
11kv	13.7	14
< 3.3kV	52.8	52.6
Total	<u>66.5</u>	<u>66.1</u>
System Length	1996	1995
	km	km
Nominal Line Voltage		
66kV/50kv	82.6	82.6
11kv	786.7	787.2
< 3.3kV	82.4	82.4
Total	<u>951.7</u>	<u>952.2</u>
Transformer Capacity	1996	1995
	57,274 kVa	52,274 kVa
Maximum Demand	13,269 kW	12,047 kW
Total electricity supplied from system	57,212,750 kWh	55,184,304 kWh
Total electricity conveyed for other parties	Nil	Nil
Total Customers	5,456	5,486

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

21. RELIABILITY PERFORMANCE MEASURES**Total Number of faults per 100 kilometres of Prescribed Voltage Lines**

Overhead lines	1996	1995
Nominal Line Voltage		
66kV/50kv	4.83	2.42
11kv	7.50	5.17
Total	<u>7.24</u>	<u>7.24</u>
Underground lines	1996	1995
Nominal Line Voltage		
11kv	0.00	7.41
Total	<u>0.00</u>	<u>7.41</u>
Total		
Nominal Line Voltage	1996	1995
66kV/50kv	4.83	2.42
11kv	7.37	5.21
Total	<u>7.13</u>	<u>4.94</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1996 continued

22. RELIABILITY PERFORMANCE MEASURES (continued)

Interruption Class			1996	1995
A	Planned Interruption by Trans Power	Number	0	2
		SAIDI	0	56
		SAIFI	0	0.50
		CAIDI	0	115
B	Planned Interruption by Other Line Owner	Number	25	34
		SAIDI	166	201
		SAIFI	1.04	1.20
		CAIDI	160	167
C	Unplanned Interruption by Other Line Owner	Number	59	88
		SAIDI	499	1081
		SAIFI	4.40	2.31
		CAIDI	115	469
D	Unplanned Interruption by Trans Power	Number	2	1
		SAIDI	57	0
		SAIFI	2.20	0.05
		CAIDI	26	5
E	Unplanned Interruption by ECNZ	Number	1	0
		SAIDI	7	0
		SAIFI	1.00	0.00
		CAIDI	7	0
F	Unplanned Interruption by any other generator	Number	0	0
		SAIDI	0	0
		SAIFI	0	0.00
		CAIDI	0	0
G	Unplanned Interruption not resulting from above	Number	0	0
		SAIDI	0	0
		SAIFI	0	0.00
		CAIDI	0	0
Total		Number	87	125
		SAIDI	729	1340
		SAIFI	8.60	4.06
		CAIDI	85	330

SAIDI System Average Interruption Duration Index (minutes per customer per year)
 SAIFI System Average Interruption Frequency Index (interruptions per customer per year)
 CAIDI Customer Average Interruption Duration Index (minutes per customer interrupted)

N.B. The interruption figures shown are based on the number of system interruptions as opposed to the number of customer interruptions published in last year's Gazette notice for the financial year 1994/95.

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 Part II of that Schedule,

and having been prepared by Wairoa Power Limited and dated 6 September 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.



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

REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Wairoa Power Limited Lines Businesses dated 6 September 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.



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

Form 5


CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER

We, Jonathan Richard Ewer and William Wakefield Lawrence Clague, directors of Wairoa Power Limited, certify that, having made all reasonable enquiry, to the best of our knowledge, -

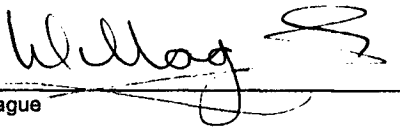
- (a) The attached audited financial statements of Wairoa Power Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b)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

Signed:



J R Ewer



W W L Clague

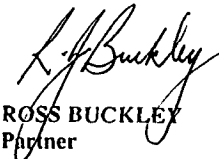
Date: 6 September 1996

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION

WAIROA POWER LIMITED

I have examined the valuation report prepared by KPMG Peat Marwick and dated 8 June 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.



ROSS BUCKLEY
Partner

5 July 1995

Form 5

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND
STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

We, Jonathan Richard Ewer and William Wakefield Lawrence Clague, directors of Wairoa Power Limited, certify that, having made all reasonable enquiry, to the best of our knowledge, -

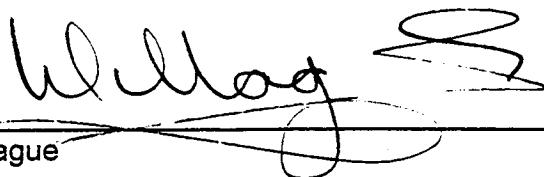
- (a) The attached audited financial statements of Wairoa Power Limited, prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994, give a true and fair view of the matters to which they relate and comply with the requirements of those regulations; and
- (b)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

Signed:



J R Ewer



W W L Clague

Date: 6 September 1996



Audit New Zealand

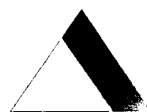
REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Wairoa Power Limited Lines Businesses dated 6 September 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', is written in a cursive style.

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



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 Part II of that Schedule,

and having been prepared by Wairoa Power Limited and dated 6 September 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 'Chris Dixon'.

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



Audit New Zealand

REPORT OF THE AUDIT OFFICE

We have examined the attached financial statements prepared by Wairoa Power Limited Other Businesses dated 6 September 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 'Chris Dixon'.

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

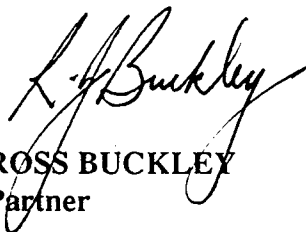


Chartered Accountants

CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**WAIROA POWER LIMITED**

I have examined the valuation report prepared by KPMG Peat Marwick and dated 8 June 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.



ROSS BUCKLEY
Partner

5 July 1995



