

New Zealand Gazette

OF THURSDAY, 24 OCTOBER 1996

WELLINGTON: WEDNESDAY, 30 OCTOBER 1996 — ISSUE NO. 158

MERCURY ENERGY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

MERCURY ENERGY LIMITED

INFORMATION DISCLOSURE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996



MERCURY ENERGY LIMITED

INFORMATION DISCLOSURE ACCOUNTS

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STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 1996

(FOR THE PURPOSES OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994)

NOTE	1996				1995			
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Restated (Unaudited) Line Activities \$'000	Line Activities \$'000	(As Audited) Other* Activities \$'000	Total Activities \$'000
OPERATING REVENUE	203,148	463,784	68,206	498,113	192,366	192,366	473,531	445,772
OPERATING SURPLUS BEFORE TAXATION	41,360	34,304	23,046	98,710	39,876	45,366	17,995	63,361
Taxation Expense	(13,650)	(11,320)	(8,097)	(33,067)	(13,143)	(14,955)	(5,932)	(20,887)
OPERATING SURPLUS AFTER TAXATION	27,710	22,984	14,949	65,643	26,733	30,411	12,063	42,474
Tax Paid net Deficit attributable to minority shareholders in subsidiary companies	-	-	21	21	-	-	-	-
OPERATING SURPLUS ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	27,710	22,984	14,970	65,664	26,733	30,411	12,063	42,474

The accompanying notes form part of these financial statements.

*1995 comparatives include energy retailing.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 MARCH 1996

(FOR THE PURPOSES OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994)

	NOTE	1996			1995			
		Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Restated (Unaudited) Line Activities \$'000	Line Activities \$'000	(As Audited) Other* Activities \$'000
NOTIONAL EQUITY								
Brought Forward		313,807	25,050	329,146	668,003			
Restatement Adjustment		62,822	-	59,618	122,440			
Notional Equity at 1 April		376,629	25,050	388,764	790,443	364,896	298,396	350,133
Net Surplus (Deficit) attributable to:								
- Parent entity Shareholders		27,710	22,984	14,970	65,664	26,733	30,411	12,063
- Minority Shareholders		-	-	(21)	(21)	-	-	-
Total Recognised Revenues and Expenses for the Year		27,710	22,984	14,949	65,643	26,733	30,411	12,063
Dividends Paid or Payable in Cash	10	(17,000)	(13,800)	(9,200)	(40,000)	(15,000)	(15,000)	(8,000)
Notional Capital Increase		5,000	-	7,388	12,388	-	-	-
Minority Interest		-	-	10,500	10,500	-	-	-
		15,710	9,184	23,637	48,531	11,733	15,411	4,063
NOTIONAL EQUITY AT 31 MARCH		392,339	34,234	412,401	838,974	376,629	313,807	354,196

The accompanying notes form part of these financial statements.

*1995 comparatives include energy retailing.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 1996

(FOR THE PURPOSES OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994)

	NOTE	1996			Restated (Unaudited) Line Activities \$'000	1995		
		Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000		Total Activities \$'000	Line Activities \$'000	(As Audited) Other* Activities \$'000
EQUITY								
Share Capital	11							300,000
ODV Revaluation Reserve	16							480,719
Notional Capital		367,500	20,500	392,719	362,500	296,000	349,891	780,719
Retained Earnings	12	24,839	13,734	9,203	14,129	17,807	4,305	47,776
Minority Interest		-	-	10,479	-	-	-	10,479
		<u>392,339</u>	<u>34,234</u>	<u>412,401</u>	<u>376,629</u>	<u>313,807</u>	<u>354,196</u>	<u>838,974</u>
NOTIONAL DEBT								
Interdivisional Loan		366,000	(40,000)	(326,000)	361,000	300,000	(300,000)	-
		<u>758,339</u>	<u>(5,766)</u>	<u>86,401</u>	<u>737,629</u>	<u>613,807</u>	<u>54,196</u>	<u>838,974</u>
NON CURRENT LIABILITIES								
Term Liabilities	13	-	-	317,805	-	-	140,846	317,805
CURRENT LIABILITIES								
Accounts Payable and Accruals	14	16,459	25,556	8,960	18,996	18,996	67,697	50,975
Interdivisional Payables		-	16,562	-	-	-	-	-
Current Portion of Long Term Liabilities	13	-	-	1,000	-	-	20,536	1,000
Provision for Dividend	10	11,000	8,300	4,700	8,500	8,500	4,500	24,000
Taxation Payable		-	-	-	(1,557)	255	(32)	-
		<u>27,459</u>	<u>50,418</u>	<u>14,660</u>	<u>25,939</u>	<u>27,751</u>	<u>92,701</u>	<u>75,975</u>
		<u>785,798</u>	<u>44,652</u>	<u>418,866</u>	<u>763,568</u>	<u>641,558</u>	<u>287,743</u>	<u>1,232,754</u>
								<u>929,301</u>

The accompanying notes form part of these financial statements.

*1995 comparatives include energy retailing.

STATEMENT OF FINANCIAL POSITION continued

AS AT 31 MARCH 1996

(FOR THE PURPOSES OF THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1994)

NOTE	1996				1995			
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Restated (Unaudited) Line Activities \$'000	Line Activities	(As Audited) Other* Activities \$'000	Total Activities \$'000
NON CURRENT ASSETS								
				451,861				355,786
				480,719				345,891
	765,746	153	166,681	932,580	743,461	621,021	80,656	701,677
	-	-	210,372	210,372	-	-	150,989	150,989
	-	-	25,987	25,987	-	-	11,500	11,500
	87	73	57	217	2,057	2,057	930	2,987
	<u>765,833</u>	<u>226</u>	<u>403,097</u>	<u>1,169,156</u>	<u>745,518</u>	<u>623,078</u>	<u>244,075</u>	<u>867,153</u>
CURRENT ASSETS								
	575	30	1,318	1,923	257	687	246	933
	-	41,796	9,581	51,377	17,793	17,793	37,245	55,038
	16,562	-	-	-	-	-	-	-
	-	-	3,126	3,126	-	-	6,177	6,177
	2,828	2,600	1,744	7,172	-	-	-	-
	<u>19,965</u>	<u>44,426</u>	<u>15,769</u>	<u>63,598</u>	<u>18,050</u>	<u>18,480</u>	<u>43,668</u>	<u>62,148</u>
	<u>785,798</u>	<u>44,652</u>	<u>418,866</u>	<u>1,232,754</u>	<u>763,568</u>	<u>641,558</u>	<u>287,743</u>	<u>929,301</u>

The accompanying notes form part of these financial statements.

*1995 comparatives include energy retailing.

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

Electricity (Information Disclosure) Regulations 1994

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

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

The group consists of Mercury Energy Limited and its subsidiaries.

The Financial Statements are prepared pursuant to Regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

The methodology for the allocation of revenues, costs, assets and liabilities between Line, Electricity Retailing and Other activities is publicly disclosed in accordance with Regulation 19 of the Regulations.

Generally Accepted Accounting Principles

There is no GAAP for activity reporting.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the group, except for the revaluation of the distribution system.

The activity reporting has been prepared on the basis of a notional 50:50 debt equity ratio in the Line Business.

All costs have been allocated in accordance with either the guidelines issued, or as disclosed by the company.

**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 the financial position have been applied:

(a) *Basis of Consolidation - Purchase method*

The consolidated financial statements include the holding company and its subsidiaries, accounted for by using the purchase method. All significant inter-company transactions are eliminated on consolidation.

(b) *Recognition of Revenue*

Income from electricity sales includes the value of units assessed as being recorded on meters as at 31 March 1996, but for which invoices had not been rendered.

(c) *Fixed Assets*

The Group has the following classes of fixed assets:

- Land
- Buildings
- Distribution System
- Generation Plant and Buildings
- Plant and Equipment

All fixed assets, other than the distribution system are recorded at cost less accumulated depreciation. The distribution system has been revalued to its Optimised Deprival Value.

(d) *Depreciation*

Depreciation is provided to allocate the assets cost over their estimated useful lives as follows:

Buildings on Freehold Land	Straight line basis over 50 years
Leasehold Improvements	Over the term of the lease
Generation Plant	Straight line basis over 10 years
Other Plant and Equipment	Diminishing Value method at 20% per annum
Computer Hardware and Software	Straight line basis over 3 years
Distribution System	The depreciation shown in the Line Activities Accounts of \$16.235 million is as per the Statutory Accounts and was calculated on a straight line basis over 25 years using the historical cost of the assets. The ODV depreciation for the year would have been \$20.270 million.

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

- (e) *Accounts Receivable*
Receivables are valued at their estimated realisable value.
- (f) *Income Tax*
The income tax expense charged to the Statement of Financial Performance includes both the current years provision and the income tax effects of timing differences calculated using the liability method.
- Tax effect accounting is 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.
- (g) *Stores*
Stores are valued on the basis of weighted average cost price.
- (h) *Leases*
The group leases certain land and buildings. Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased assets, are included in the determination of the operating profit in equal instalments over the lease term. The cost of improvements to leasehold property is capitalised, disclosed as leasehold improvements and amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is the shorter.
- (i) *Joint Venture*
The group is party to several joint venture agreements. The group has accounted for its interest in these ventures by recognising its share of revenue and expenses. There are no assets owned by the joint venture, each party contributes its own share of assets.
- (j) *Other Investments*
Investments in other companies are stated at cost.
- (k) *Long Term Prepayments*
The group has entered into several contracts for the supply of gas. These are recorded at cost as long term prepayments.

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**

2. OPERATING REVENUE

	1996			1995		
	Line Activities	Electricity Retailing Activities	Other Activities	Line Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Comprises:						
Sales:						
- External	967	460,666	-	144	419,724	419,868
- Interdivision	201,446	1,046	-	192,222	903	-
Interest Revenue:						
- External	-	-	1,395	-	2,833	2,833
- Interdivision	-	1,900	32,633	-	27,000	-
Dividend Revenue	-	-	13,741	-	88	88
Joint Ventures	-	-	5,142	-	1,286	1,286
Miscellaneous Income	735	172	15,295	-	21,697	21,697
	<u>203,148</u>	<u>463,784</u>	<u>68,206</u>	<u>192,366</u>	<u>473,531</u>	<u>445,772</u>

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

3. LINE ACTIVITIES

	Note	1996 \$'000	1995 Restated (Unaudited) \$'000	1995 (As Audited) \$'000
Revenue:	2	203,148	192,366	192,366
Expenses:				
Transmission Cost		63,032	61,864	61,864
Operations and Maintenance		23,816	30,079	30,079
Depreciation		16,235	15,225	15,225
Interest		34,533	32,490	27,000
Administration and Other		12,333	12,832	12,832
Non Recurring	6	11,839	-	-
		161,788	152,490	147,000
Net Profit before taxation		41,360	39,876	45,366
Taxation		(13,650)	(13,143)	(14,955)
Net Profit after taxation		27,710	26,733	30,411
Net Profit before interest, depreciation and tax		92,128	87,591	87,591
Net Profit after tax plus after tax effect of depreciation		38,589	36,934	40,612

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

3. LINE ACTIVITIES - Continued

	Note	1996		1995	
		Opening Balance (As Audited) \$'000	Opening Balance Restated (Unaudited) \$'000	Opening Balance (As Audited) \$'000	Opening Balance Restated (Unaudited) \$'000
Average Total Funds Employed		685,001	746,912	597,804	715,387
Average Shareholders' Funds		353,073	384,484	306,102	370,673
Cash Tax	9a	14,763	12,951	13,770	13,770
Interest Tax Shield		11,396	11,396	8,910	10,722
Revaluations	16	117,200	(3,520)	-	(3,500)

Ratios:*

Accounting Return on Total Assets:
(Earnings before interest, depreciation and tax divided by
Average Total Funds Employed)

Accounting Return on Equity:
(Net profit after tax plus after tax effect of depreciation divided
by Average Total Shareholders' Funds)

Accounting Rate of Profit:
(Earnings before interest, depreciation and tax less cash tax
less interest tax shield plus Revaluations divided by Average
Total Funds Employed minus half Revaluations)

*These financial performance ratios are set out in the First Schedule, Part II.

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

4. CONTINUING & DISCONTINUED ACTIVITIES

	1996			1995 (As Audited)		
	Line Activities	Electricity Retailing Activities	Other Activities	Restated (Unaudited) Line Activities	Line Activities	Other Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Continuing Activities						
Operating Revenue	203,148	463,784	68,206	192,366	192,366	473,531
Operating surplus after tax	27,710	22,984	14,970	26,733	30,411	12,063
Discontinued Activities						
Operating Revenue	-	-	-	-	-	-
Operating surplus after tax	-	-	-	-	-	-
Totals						
Operating Revenue	203,148	463,784	68,206	192,366	192,366	473,531
Operating Surplus after tax	27,710	22,984	14,970	26,733	30,411	12,063

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

5. SURPLUS BEFORE TAXATION

	1996			1995				
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Restated (unaudited) Line Activities \$'000	Line Activities \$'000	(As Audited) Other Activities \$'000	Total Activities \$'000
After Charging:								
Change in Provision of Doubtful Debts	-	115	213	328	-	-	398	398
Depreciation	16,235	35	9,010	25,280	15,225	15,225	6,236	21,461
Doubtful Debts Written Off	182	1,709	-	1,891	-	-	1,794	1,794
Interest	-	-	17,476	17,476	-	-	6,648	6,648
Interest - Interdivisional	34,533	-	-	34,533	32,490	27,000	-	27,000
Loss (Gain) on Sale of Fixed Assets	(10)	-	875	865	24	24	123	147
Rental and Operating Leasing Costs	-	-	857	857	-	-	541	541
Foreign Currency Losses	-	-	126	126	-	-	-	-
After Crediting:								
Rents	-	-	691	691	-	-	475	475
Dividends	-	-	13,741	13,741	-	-	87	87
Interest Income	-	-	1,395	1,395	-	-	2,833	2,833
Interest - Interdivisional	-	1,900	32,633	34,533	-	-	27,000	27,000

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

6. NON RECURRING ITEMS

	1996			1995
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000
Restructuring Costs	11,839	1,962	-	13,801
Prepayment Written Off	-	-	11,000	11,000
Prior Years Provisions No longer Required	-	-	(16,391)	(16,391)
	<u>11,839</u>	<u>1,962</u>	<u>(5,391)</u>	<u>8,410</u>
				<u>450</u>

7. AUDITORS REMUNERATION

	1996 Other Activities \$'000	1995 Other Activities \$'000
Amounts payable or due and payable to the auditors for:		
Audit Services		
Parent entity auditor	95	95
Other Services		
Parent entity auditor	410	-

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

8. DIRECTORS REMUNERATION

	1996	1995
	Other	Other
	Activities	Activities
	\$'000	\$'000
Directors' Fees	262	241

Certain of the disclosures in notes 2 to 8 above are required for the first time in 1996 and comparative figures are not always stated for these disclosures.

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

9. TAXATION

	1996				1995			
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities	1995 Restated (Unaudited) Line Activities	Line Activities	(As Audited) Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating surplus before Taxation	41,360	34,304	23,046	98,710	39,876	45,366	17,995	63,361
Prima facie Taxation @ 33%	13,650	11,320	7,605	32,575	13,159	14,971	5,938	20,909
Plus (Less) Taxation Effect of Permanent Differences:								
Non Deductible Entertainment Expenses	-	-	38	38	-	-	33	33
Non Deductible Legal and Consulting Fees	-	-	164	164	-	-	130	130
Other Permanent Differences	-	-	290	290	(16)	(16)	(18)	(34)
Prior year adjustments	-	-	-	-	-	-	(151)	(151)
Taxation Expense	13,650	11,320	8,097	33,067	13,143	14,955	5,932	20,887
The Taxation Charge is represented by:								
Current Taxation Payable	13,650	11,320	7,130	32,100	13,143	14,955	4,182	19,137
Future Taxation Benefit	-	-	967	967	-	-	1,901	1,901
Prior year adjustments	-	-	-	-	-	-	(151)	(151)
	13,650	11,320	8,097	33,067	13,143	14,955	5,932	20,887

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

	1996 Total Activities \$'000	1995 Total Activities \$'000
Imputation Credit Account		
Balance as at 31 March	15,179	2,444
Prior Period Adjustment	-	(139)
Income tax payments during year	33,160	18,055
Imputation Credits attaching to dividends received in year	4,535	65
Imputation Credits attaching to dividends paid in year	(14,284)	(5,246)
Transfer of tax to subsidiary	(47)	-
Balance as at 31 March	38,543	15,179
At balance date the imputation credits available to the shareholders of the parent company were:		
Through direct shareholding in the parent company	38,543	15,179
Through indirect interests in subsidiaries and in-substance subsidiaries	47	-
	38,590	15,179

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

9. TAXATION continued

9(a) Taxation Payable

	1996			
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000
Balance B/Forward	255	-	(32)	223
Restatement Adjustment	(1,812)	-	-	-
Transfer from Statement of Financial Performance	13,650	11,320	8,097	33,067
Cash Tax:				
- Paid	(14,763)	(13,993)	(9,903)	(38,659)
- Restatement Adjustment	1,812	-	-	-
Transfer from Deferred Tax	(1,970)	73	94	(1,803)
Tax Payable (refund)	<u>(2,828)</u>	<u>(2,600)</u>	<u>(1,744)</u>	<u>(7,172)</u>

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

10. DIVIDENDS

	1996			1995			
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Line Activities \$'000	Other Activities \$'000	Total Activities \$'000
Interim Distributions:							
Dividends paid							
- on ordinary shares	6,000	5,500	4,500	16,000	6,500	3,500	10,000
	<u>6,000</u>	<u>5,500</u>	<u>4,500</u>	<u>16,000</u>	<u>6,500</u>	<u>3,500</u>	<u>10,000</u>
Proposed distributions:							
Proposed dividends							
- on ordinary shares	11,000	8,300	4,700	24,000	8,500	4,500	13,000
	<u>11,000</u>	<u>8,300</u>	<u>4,700</u>	<u>24,000</u>	<u>8,500</u>	<u>4,500</u>	<u>13,000</u>
Total distributions paid or payable in cash	<u>17,000</u>	<u>13,800</u>	<u>9,200</u>	<u>40,000</u>	<u>15,000</u>	<u>8,000</u>	<u>23,000</u>

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

11. SHARE CAPITAL

	1996 Total Activities \$'000	1995 Total Activities \$'000
Authorised Capital		
102,020,202 Ordinary Class A Shares of \$1 each	102,020	102,020
197,979,798 Ordinary Class B Shares of \$1 each	197,980	197,980
200,000,000 Ordinary Class C Shares of \$1 each	200,000	100,000
	<u>500,000</u>	<u>400,000</u>
Issued and Paid Up Capital		
Ordinary Class A Shares		
102,020,202 issued and fully paid shares	102,020	102,020
Ordinary Class B Shares		
197,979,798 issued and fully paid shares	197,980	197,980
Ordinary Class C Shares		
6 issued and uncalled shares	-	-
	<u>300,000</u>	<u>300,000</u>

The Ordinary Class A shares and the Ordinary Class B shares can only be held by the Auckland Energy Consumer Trust and may only be dealt with pursuant to the Trust Deed.
The Ordinary Class A shares and the Ordinary Class C shares are voting securities.
The Ordinary Class B shares are non voting securities.

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

12. RETAINED EARNINGS

	1996			1995				
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities	1995 Restated (Unaudited) Line Activities \$'000	Line Activities	(As Audited) Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 31 March 1995	17,807							
Restatement Adjustment	(3,678)							
Restated Balance as at 31 March 1995	14,129	4,550	3,433	22,112	2,396	2,396	242	2,638
Operating Surplus attributable to the shareholders of the parent company	27,710	22,984	14,970	65,664	26,733	30,411	12,063	42,474
Total available for appropriation	41,839	27,534	18,403	87,776	29,129	32,807	12,305	45,112
Dividends	(17,000)	(13,800)	(9,200)	(40,000)	(15,000)	(15,000)	(8,000)	(23,000)
Balance as at 31 March 1996	24,839	13,734	9,203	47,776	14,129	17,807	4,305	22,112

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****13. TERM LIABILITIES**

	Interest Rates	1996 Other Activities \$'000	1995 Other Activities \$'000
Maturing:			
Within one year	5.8% to 14.0%	1,000	20,536
One to Two Years	6.8% to 16.0%	6,946	1,000
Two to Five Years	9.5% to 9.9%	310,859	139,846
Total Term Liabilities		318,805	161,382
Less Current Portion of Term Liabilities		1,000	20,536
Total Term Liabilities		317,805	140,846

Debt issued prior to 1 October 1993 of \$7.946 million is secured by a right to levy pursuant to the Auckland Electric Power Board Act 1978.

Other debt issued of \$310.859 million is secured by way of negative pledge over the assets of the group.

The classification of \$310.859 million of debt as term liabilities is based on the availability of a 60 month facility, which was undrawn at balance date.

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

14. ACCOUNTS PAYABLE AND ACCRUALS

	1996			1995			
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities	Line Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other Creditors	15,006	23,116	7,753	45,875	17,174	62,547	79,721
Interest Payable	-	-	494	494	-	1,037	1,037
Customer Prepayments	-	1,378	-	1,378	-	1,886	1,886
Employee Entitlements	1,453	1,062	713	3,228	1,822	2,227	4,049
	<u>16,459</u>	<u>25,556</u>	<u>8,960</u>	<u>50,975</u>	<u>18,996</u>	<u>67,697</u>	<u>86,693</u>

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

15. FIXED ASSETS

	1996				1995 Restated (Unaudited) Line Activities	1995 (As Audited)		
	Line Activities	Energy Retailing Activities	Other Activities	Total Activities		Line Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Land at Cost	4,170	-	14,509	18,679	4,170	4,170	15,287	19,457
Revaluation to ODV	3,494	-	-	3,494	3,494	3,494	-	3,494
	7,664	-	14,509	22,173	7,664	7,664	15,287	22,951
Freehold Buildings	-	-	27,223	27,223	-	-	24,005	24,005
Leasehold Improvements	-	-	773	773	-	-	773	773
	-	-	27,996	27,996	-	-	24,778	24,778
Accumulated Depreciation	-	-	(6,639)	(6,639)	-	-	(5,745)	(5,745)
Net Book Value	-	-	21,357	21,357	-	-	19,033	19,033
Distribution System	418,731	-	-	418,731	394,023	394,023	-	394,023
Accumulated Depreciation	(141,212)	-	-	(141,212)	(125,304)	(125,304)	-	(125,304)
Net Book Value	277,519	-	-	277,519	268,719	268,719	-	268,719
Adjustment to reflect ODV	477,225	-	-	477,225	464,837	342,397	-	342,397
	754,744	-	-	754,744	733,556	611,116	-	611,116
Generation Plant and Buildings	-	-	99,676	99,676	-	-	24,549	24,549
Accumulated Depreciation	-	-	(3,907)	(3,907)	-	-	(2,916)	(2,916)
Net Book Value	-	-	95,769	95,769	-	-	21,633	21,633

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued**
15. FIXED ASSETS continued

	1996				1995 Restated (Unaudited) Line Activities \$'000	1995 (As Audited)		
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000		Line Activities \$'000	Other Activities \$'000	Total Activities \$'000
	Plant and Equipment							
Motor Vehicles & Mobile Equipment	-	-	14,103	14,103	-	-	16,014	16,014
Computer and Telecommunication Equipment	-	-	38,247	38,247	-	-	24,086	24,086
Miscellaneous Plant & Equipment	1,057	528	11,112	12,697	700	700	11,114	11,814
	<u>1,057</u>	<u>528</u>	<u>63,462</u>	<u>65,047</u>	<u>700</u>	<u>700</u>	<u>51,214</u>	<u>51,914</u>
Accumulated Depreciation	-	(375)	(28,416)	(28,791)	-	-	(26,511)	(26,511)
Net Book Value	<u>1,057</u>	<u>153</u>	<u>35,046</u>	<u>36,256</u>	<u>700</u>	<u>700</u>	<u>24,703</u>	<u>25,403</u>
Capital Work in Progress	2,281	-	-	2,281	1,541	1,541	-	1,541
Total Fixed Assets at Cost								
At Cost	906,958	528	205,643	1,113,129	868,765	746,325	115,828	862,153
Provision for Depreciation	(141,212)	(375)	(38,962)	(180,549)	(125,304)	(125,304)	(35,172)	(160,476)
Net Book Value	<u>765,746</u>	<u>153</u>	<u>166,681</u>	<u>932,580</u>	<u>743,461</u>	<u>621,021</u>	<u>80,656</u>	<u>701,677</u>

The latest Government valuations of freehold land total \$26,724,700 (1995: \$18,448,650)

The latest Government valuations of buildings total \$24,086,500 (1995: \$20,078,350)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****16. ODV REVALUATIONS****ODV Revaluation**

	Opening ODV Restated \$'000
ODV 31 March 1995	
- As Audited	621,021
- Increase in Economic Lives	120,720
	<hr/> 741,741
Net Assets Acquired	27,524
ODV Revaluation	(3,520)
ODV as at 31 March 1996	<hr/> <hr/> 765,745

ODV Revaluation Reserve

Balance 31 March 1995	345,891
Revaluation for Increased Economic Lives	117,200
Change in accumulated net book value	17,628
	<hr/> 480,719

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued**
17. INVESTMENTS IN SUBSIDIARIES

	1996 Other Activities \$'000	1995 Other Activities \$'000
Shares in subsidiaries (unlisted)	-	-
Advances to Subsidiaries	112,106	26,531
	<u>112,106</u>	<u>26,531</u>

	Percentages Held		Balance Date
	1996	1995	
Significant subsidiaries			
Mercury Electricity Ltd	100%	100%	31 March
Mercury Generation Ltd	100%	100%	31 March
- MEL Silverstream Ltd	100%	100%	31 March
- MEL Stratford Ltd	100%	100%	31 March
- MEL Southdown Ltd	100%	100%	31 March
Southdown Cogeneration Land Ltd	100%	-	31 March

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****17. INVESTMENTS IN SUBSIDIARIES continued**

	Percentages Held		Balance Date
	1996	1995	
Mercury Network Ltd	100%	100%	31 March
- Mercury Geotherm Ltd	51.16%	100%	31 March
- Poihipi Land Ltd	51.16%	-	31 March
Caduceus Equities No. 1 Ltd	100%	100%	31 March
Non Trading Subsidiaries			
Mercury Power Ltd	100%	100%	31 March
Auckland Electricity Ltd	100%	100%	31 March
Auckland Energy Ltd	100%	100%	31 March
Energy North Ltd	100%	100%	31 March
Southdown Cogeneration Ltd	50%	50%	31 March

The principal activities of the subsidiaries are the generation and or sale of Electricity

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****18. INVESTMENTS**

	1996 Other Activities \$'000	1995 Other Activities \$'000
Shares listed on the Stock Exchange, at cost	186,940	150,989
Other Investments	23,432	-
	<hr/>	<hr/>
	210,372	150,989
	<hr/>	<hr/>
Shares listed on the Stock Exchange at market value	288,199	170,277

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****18. INVESTMENTS continued****JOINT VENTURES**

The company has interests in the following joint ventures:

	% Interest	Balance Date	Principal Activity
Rosedale / Greenmount	87.76	31 March	Energy Generation
Silverstream	46.50	31 March	Energy Generation
Southdown	50.00	31 March	Energy Generation

Ownership of and responsibility for the assets of the joint ventures are retained by the party contributing those assets. The net book value of the assets used by the joint ventures included in the financial statements of the company is as follows:

Rosedale/Greenmount	\$7.957 million
Silverstream	\$2.115 million
Southdown	\$31.287 million

The company's share of capital commitments for the purchase of joint venture fixed assets which have been included in the financial statements are \$28.269 million.

The company's share of revenue and expenses of joint ventures which have been included in the financial statements are:

	Rosedale / Greenmount	Silverstream
Share of revenue	\$2.518 million	\$0.234 million
Share of expenses	\$0.779 million	\$0.081 million

The financial statements of the joint ventures are unaudited.

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

19. LONG TERM PREPAYMENTS

	1996 Other Activities \$'000	1995 Other Activities \$'000
Deposits on Fixed Asset Purchases	19,420	-
Forward Energy Supply Contracts	6,567	11,500
	25,987	11,500

20. DEFERRED TAXATION

	1996			1995			
	Line Activities \$'000	Electricity Retailing Activities \$'000	Other Activities \$'000	Total Activities \$'000	Line Activities \$'000	Other Activities \$'000	Total Activities \$'000
Balance Brought Forward	2,057	-	930	2,987	2,057	2,733	4,790
Transfer to Statement of Financial Performance	-	-	(967)	(967)	-	(1,803)	(1,803)
Transfer to Current Tax	(1,970)	73	94	(1,803)	-	-	-
Balance as at 31 March 1996	87	73	57	217	2,057	930	2,987

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

21. RECEIVABLES AND PREPAYMENTS

	1996			1995		
	Line Activities	Electricity Retailing Activities	Other Activities	Line Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade Debtors	-	45,938	4,124	17,342	36,711	54,053
Provision for Doubtful Debts	-	(485)	(870)	(471)	(556)	(1,027)
Provision for Discounts	-	(3,657)	-	(1,770)	(2,093)	(3,863)
	-	41,796	3,254	15,101	34,062	49,163
Other Debtors	-	-	3,198	677	801	1,478
Prepayments	-	-	3,129	2,015	2,382	4,397
	-	41,796	9,581	17,793	37,245	55,038

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

22. FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the company to credit risk principally consist of bank balances, money market deposits and accounts receivable.

The company performs credit evaluations on all customers and requires a bond from customers who have yet to establish a suitable credit history with the company.

The company monitors the credit quality of the major financial institutions that are counterparties to its off balance sheet financial instruments and does not anticipate non performance by the counterparties.

Maximum exposures to credit risk as at balance date are:

	1996			1995				
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities	Restated (Unaudited) Line Activities	Line Activities	As Audited Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank Balances	575	30	1,318	1,923	257	687	246	933
Accounts receivable	-	41,796	6,452	48,248	15,778	15,778	34,863	50,641

The above maximum exposures are net of any recognised provision for losses on these financial instruments. Collateral in the form of customer bonds totalling \$1.378 million is held in respect of the above amounts.

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

22. FINANCIAL INSTRUMENTS continued

Concentrations of credit risk

	1996			1995				
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities	Restated (Unaudited) Line Activities	Line Activities	As Audited Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank Accounts	575	30	1,318	1,923	257	687	246	933
	<u>575</u>	<u>30</u>	<u>1,318</u>	<u>1,923</u>	<u>257</u>	<u>687</u>	<u>246</u>	<u>933</u>

The company is not exposed to any other concentrations of credit risk.

Foreign exchange contracts

At balance date the company had entered into foreign exchange contracts maturing during 1996 to purchase the equivalent of USD 22.410 million (sell equivalent NZD 33.168 million) and the equivalent CND 12.646 million (sell equivalent NZD 14.245 million) in foreign currency.

These are to cover purchases of stores and equipment to be made within the next year.

Interest Rate Risk

Interest rates on debt issued in the current year are generally fixed for periods of between one and three months at rates from 9.5% to 9.9%. The interest rates are based on the BKBM rate plus a margin. Interest rates on debt issued prior to 1 October 1993 are fixed until maturity at rates from 5.8% to 16.0%.

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

22. FINANCIAL INSTRUMENTS continued

Fair Values

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Accounts receivable, bank balances, money market deposits, accounts payable, short term liabilities, long term liabilities, share investments.

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

Foreign currency forward exchange contracts

The fair value of this class of financial instrument is based on the quoted market price of comparable instruments.

	1996				Restated (Unaudited) Line Activities Carrying Amount \$'000	1995		
	Line Activities Carrying Amount	Electricity Retailing Activities Carrying Amount	Other Activities Carrying Amount	Total Activities Carrying Amount		Line Activities Carrying Amount	As Audited Other Activities Carrying Amount	Total Activities Carrying Amount
	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000
Bank balances	575	30	1,318	1,923	257	687	246	933
Accounts receivable	-	41,796	6,452	48,248	15,778	15,778	34,863	50,641
Accounts payable	16,459	25,556	8,960	50,975	18,996	18,996	67,697	86,693
Short term liabilities	-	-	1,000	1,000	-	-	20,536	20,536
Long term liabilities	-	-	317,805	317,805	-	-	140,846	140,846
Share investments	-	-	210,372	210,372	-	-	150,989	150,989

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

22. FINANCIAL INSTRUMENTS continued

	1996				Restated (unaudited) Line Activities Fair Value \$'000	1995		
	Line Activities Fair Value \$'000	Electricity Retailing Activities Fair Value \$'000	Other Activities Fair Value \$'000	Total Activities Fair Value \$'000		Line Activities Fair Value \$'000	As Audited Other Activities Fair Value \$'000	Total Activities Fair Value \$'000
Bank balances	575	30	1,318	1,923	257	687	246	933
Accounts receivable	-	41,796	6,452	48,248	15,778	15,778	34,863	50,641
Accounts payable	16,459	25,556	8,960	50,975	18,996	18,996	67,697	86,693
Short term liabilities	-	-	1,000	1,000	-	-	20,536	20,536
Long term liabilities	-	-	317,805	317,805	-	-	140,846	140,846
Forward exchange contracts to buy								
- Amounts receivable	-	-	47,076	47,076	-	-	6,277	6,227
- Amounts payable	-	-	47,413	47,413	-	-	6,411	6,411
Share investments	-	-	288,199	288,199	-	-	170,277	170,277

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

23. COMMITMENTS

	1996			1995
	Line Activities	Electricity Retailing Activities	Other Activities	Total Activities
	\$'000	\$'000	\$'000	\$'000
Capital Expenditure Commitments:				
Estimated Capital Expenditure contracted for at balance date but not provided for	4,303	-	28,269	32,572
				Other Activities \$'000
Operating Lease Commitments:				
On land and buildings were:				
Within one year				333
One to two years				247
Two to five years				625
Beyond five years				541
				1,746
				2,115

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996 continued****24. CONTINGENT LIABILITIES**

	1996 Other Activities \$'000	1995 Other Activities \$'000
Performance Bonds	74	57

25. TRANSACTIONS WITH RELATED PARTIES

During the year Mercury Energy Limited had the following transactions with the Auckland Energy Consumer Trust, which is the majority shareholder of Mercury Energy Limited:

Payment of dividends \$29 million.

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

All transactions for subsidiary companies, Mercury Geotherm Ltd and MEL Southdown Ltd, are financed by Mercury Energy Limited. The intercompany receivables are disclosed in note 17.

26. SEGMENT INFORMATION

The company operates in the electricity supply, generation and distribution business. All operations are carried out within New Zealand.

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996****FIRST SCHEDULE - PART II**

1. Financial Performance Measures	1996	1995
(a) Accounting Return on Total Assets	13.45%	14.65%
(b) Accounting Return on Equity	10.93%	13.27%
(c) Adjusted Accounting Rate of Profit	8.58%	8.31%
Restatement Adjustment	20.66%	2.54%
Accounting Rate of Profit	29.24%	10.85%

2. Efficiency Performance Measures	1996	1995
(a) Direct Line Cost Per Kilometre	\$2,775/km	\$3,526/km
(b) Indirect Line Cost Per Electricity Customer	\$50.63/customer	\$52.74/customer

FIRST SCHEDULE - PART III

1. Energy Delivery Efficiency Performance Measures	1996	1995
(a) Load Factor	62.42%	64.25%
(b) Loss Ratio	4.25%	3.96%
(c) Capacity Utilisation	30.04%	29.57%

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996 continued**
2. Statistics
(a) System Length (in kilometers)

	400V	6.6kV	11kV	22kV	33kV	110kV	Total
1996	4,685.18	421.47	2,924.83	249.65	240.46	60.86	8,582.45
1995	4,655.20	421.47	2,902.65	249.36	241.08	60.86	8,530.62

(b) Total Circuit Length (in kilometers) of Overhead Electric Lines

	400V	6.6kV	11kV	22kV	33kV	110kV	Total
1996	1,831.76	99.00	1,216.31	-	64.66	-	3,211.73
1995	1,834.45	99.00	1,214.17	-	64.66	-	3,212.28

(c) Total Circuit Length (in kilometers) of Underground Electric Cables

	400V	6.6kV	11kV	22kV	33kV	110kV	Total
	2,853.42	322.47	1,708.52	249.65	175.80	60.86	5,370.72
	2,820.75	322.47	1,688.48	249.36	176.42	60.86	5,318.34

(d) Transformer Capacity

1996	2,835.24 MVA
1995	2,535.58 MVA

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996 continued**

	1996	1995
(e) Maximum Demand (in kilowatts)	851,656 kW	749,826 KW
(f) Total electricity supplied from the system (in kilowatt hours)	4,453,647,269 kWh	4,052,907,567 kWh
(g) Total amount of electricity (in kilowatt hours) conveyed through the system on behalf of other persons, that are electricity retailers or generators, not being persons that are in a prescribed business relationship with Mercury Energy Limited.	24,953,175 kWh	4,323,226 kWh
(h) Total customers (average)	243,765	242,859

FIRST SCHEDULE - PART IV
Reliability Performance Measures
1. Interruptions

Total number of interruptions according to class:

Class A	Planned TransPower interruption	-	-
Class B	Planned interruption by a Line Operator (other than TransPower)	239	454
Class C	Unplanned interruption originating within the principal Line Owners works	475	466
Class D	Unplanned TransPower interruption	48	2
Class E	Unplanned ECNZ interruption	-	-
Class F	Unplanned interruption originating from a Generator other than ECNZ	-	-
Class G	Other	-	-
Total Interruptions:		<u>762</u>	<u>922</u>

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996 continued**

Faults							1996	1995
2.	Total number of faults per 100 circuit kilometers of prescribed voltage electric lines						13.42	12.7
3.	Number of faults per 100 circuit kilometers of prescribed voltage underground cables.							
		6.6kV	11kV	22kV	33kV	110kV	Total	
	1996	0.93	7.14	4.81	1.14	4.93	5.64	
	1995	0.93	5.26	2.41	3.41	3.29	4.24	
4.	Number of faults per 100 circuit kilometers of prescribed voltage overhead lines.							
		6.6kV	11kV	22kV	33kV	110kV	Total	
	1996	7.07	30.05	-	4.64	-	27.61	
	1995	10.10	30.30	-	13.92	-	28.02	
SAIDI (System Average Interruption Duration Index)							1996	1995
5.	The SAIDI for the total interruptions.						120.77	125.83

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996 continued**

		1996	1995
6.	The SAIDI for the total interruptions within each interruption class.		
	Class A Planned Transport interruption	-	-
	Class B Planned interruption by any Line Operator (other than TransPower)	21.07	39.73
	Class C Unplanned interruption originating within the principal Line Owners works	94.71	82.48
	Class D Unplanned TransPower interruption	5.00	3.63
	Class E Unplanned ECNZ interruption	-	-
	Class F Unplanned interruption originating from a generator other than ECNZ	-	-
	Class G Other	-	-
SAIFI (System Average Interruption Frequency Index)		1996	1995
7.	The SAIFI for the total interruptions.	1.95	1.78
8.	The SAIFI for the total interruptions within each interruption class.		
	Class A Planned TransPower interruption	-	-
	Class B Planned interruption by any Line Operator (other than TransPower)	0.16	0.33
	Class C Unplanned interruption originating within the principal Line Owners works	1.75	1.31
	Class D Unplanned TransPower interruption	0.05	0.14
	Class E Unplanned ECNZ interruption	-	-
	Class F Unplanned interruption originating from a generator other than ECNZ	-	-
	Class G Other	-	-

**PERFORMANCE MEASURES AND STATISTICS
FOR THE YEAR ENDED 31 MARCH 1996 continued**

		1996	1995
	CAIDI (Electricity Customer Average Interruption Data Index)		
9.	The CAIDI for the total interruptions.	61.91	70.72
10.	The CAIDI for the total interruptions within each interruption class.		
	Class A Planned TransPower interruption	-	-
	Class B Planned interruption by any Line Operator (other than TransPower)	133.80	120.39
	Class C Unplanned interruption originating within the principal Line Owners works	54.27	63.11
	Class D Unplanned TransPower interruption	103.40	25.45
	Class E Unplanned ECNZ interruption	-	-
	Class F Unplanned interruption originating from a generator other than ECNZ	-	-
	Class G Other	-	-

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

We, Richard Jeffrey and Karen Sherry directors, of Mercury Energy Limited, certify that, having made all reasonable enquiry, to the best of our knowledge:

- (a) The attached audited Financial Statements of Mercury 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 Mercury Energy Limited, and having been prepared for the purposes of regulations 13, 15, 15 and 16 of the Electricity (Information Disclosure) Regulations 1994, comply with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The valuations on which those Financial Performance Measures are based are as at 31 March 1996.

Signature of Directors:

R. H. Jeffrey

K. A. Sherry

Date:

30/8/96.

**To the Directors
Mercury Energy Limited**

Certification of Performance Measures by Auditors

Auditors Report

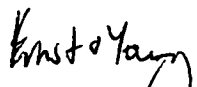
We have examined the attached information on page 38 being:

- 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 Mercury Energy Limited as at 31 March 1996 and dated 30 August 1996 for the purposes of regulation 13 of those regulations.

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

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
Auckland

30 August 1996

**To the Directors
Mercury Energy Limited**

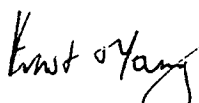
Certification by Auditor in Relation to Financial Statements

Auditors Report

We have examined the financial statements for the year ended 31 March 1996 on pages 1 to 37 prepared by Mercury Energy Limited and dated 30 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.

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
Auckland

30 August 1996

**To the Directors
Mercury Energy Limited**

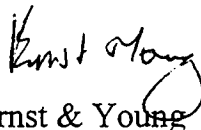
Certification by Auditor in Relation to ODV Valuation

Auditors Report

We have examined the valuation report prepared by Mercury Energy Limited and dated 30 August 1996, which report contains valuations as at 31 March 1996 and identifies the ODV value of the system fixed assets at \$765,744,983.

We hereby certify that, having made all reasonable enquiry, to the best of our knowledge, the valuations contained in the report have in our opinion 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
Auckland

22 August 1996

