

New Zealand Gazette

OF THURSDAY, 30 JULY 1998

WELLINGTON: TUESDAY, 4 AUGUST 1998 — ISSUE NO. 105

WAITAKI POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1994

WAITAKI POWER LIMITED**STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 31 MARCH 1998**

	NOTE	1997-98			1996-97		
		LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
INCOME							
Sales Revenue	1	6,362,995	12,205,955	18,568,950	6,355,242	12,171,876	18,527,118
Interest	2		299,949	299,949		298,940	298,940
Other	3	138,207	194,059	332,266	139,088	175,822	314,910
		6,501,202	12,699,963	19,201,165	6,494,330	12,646,638	19,140,968
EXPENSES							
Expenses	4	5,181,052	12,690,049	17,871,101	5,148,777	12,643,344	17,792,121
SURPLUS/DEFICIT BEFORE TAX							
		1,320,150	9,914	1,330,064	1,345,553	3,294	1,348,847
Tax		443,532	3,331	446,863	404,715	56,778	461,493
SURPLUS/DEFICIT BEFORE DISC & ASSET REVALUATION							
		876,618	6,583	883,201	940,838	-53,484	887,354
DISCOUNT							
Tax on Discount		410,467	84,071	494,538	825,864	171,074	996,938
Revaluation		135,454	27,744	163,198	272,535	56,454	328,989
		-92,101	260,725	168,624			
NET SURPLUS/DEFICIT FOR THE YEAR							
		\$693,706	-\$310,469	\$383,237	\$387,509	-\$168,104	\$219,405

STATEMENT OF MOVEMENT IN EQUITY FOR YEAR ENDED 31 MARCH 1998

Equity at Start of Period	8,248,266	6,860,397	15,108,663	7,860,757	7,028,501	14,889,258
Net Surplus/Deficit for period	693,706	-310,469	383,237	387,509	-168,104	219,405
Equity at End of the Period	\$8,941,972	\$6,549,928	\$15,491,900	\$8,248,266	\$6,860,397	\$15,108,663

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 1998

	NOTE					
	1997-98		1996-97			
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
SHAREHOLDER FUNDS						
Issued Capital (Fully Paid)	7,368,870	6,631,130	14,000,000	7,368,870	6,631,130	14,000,000
Share Premium	300,608	270,511	571,119	300,608	270,511	571,119
Retained Earnings	1,272,494	-351,713	920,781	578,788	-41,244	537,544
TOTAL SHAREHOLDERS EQUITY	\$8,941,972	\$6,549,928	\$15,491,900	\$8,248,266	\$6,860,397	\$15,108,663
CURRENT ASSETS						
Cash on Hand		605	605		530	530
Cash at Bank	569,060	3,480,940	4,050,000	797,470	2,927,530	3,725,000
Accounts Receivable	711,817	1,291,835	2,003,652	487,903	1,963,070	2,450,973
Work in Progress		458,858	458,858		278,612	278,612
GST						
Stock						
_ Appliance Sales & Servicing					339,661	339,661
_ General		404,680	404,680		489,182	489,182
Prepayments	17,042	6,961	24,003		25,547	25,547
Taxation Refund	159,076	1,607	160,683			
TOTAL CURRENT ASSETS	\$1,456,995	\$5,645,486	\$7,102,481	\$1,285,373	\$6,024,132	\$7,309,505
CURRENT LIABILITIES						
Bank Overdraft		91,516	91,516		52,088	52,088
Accounts Payable	336,658	1,416,376	1,753,034	250,782	1,739,177	1,989,959
Taxation Payable				54,184		54,184
Holiday Pay	30,548	236,673	267,221	21,836	238,708	260,544
Provision Gratuity		121,356	121,356		101,356	101,356
GST	38,301	-980	37,321	38,961	73,643	112,604
Unearned Income _ Hire Purchase		4,532	4,532		8,501	8,501
Consumer Deposits		17,782	17,782	4,369	7,313	11,682
TOTAL CURRENT LIABILITIES	\$405,507	\$1,887,255	\$2,292,762	\$370,132	\$2,220,786	\$2,590,918
WORKING CAPITAL	1,051,488	3,758,231	4,809,719	915,241	3,803,346	4,718,587
NON CURRENT ASSETS						
Long Term Receivables					45,725	45,725
Investments (Staff Loans)		39,548	39,548		46,193	46,193
Fixed Assets	8,065,236	3,323,527	11,388,763	7,450,047	3,512,932	10,962,979
TOTAL ASSETS	\$ 9,116,724	\$ 7,121,306	\$ 16,238,030	\$ 8,365,288	\$ 7,408,196	\$ 15,773,484
NON CURRENT LIABILITIES						
Deferred Tax	174,752	71,378	246,130	117,022	47,799	164,821
Term Liabilities		500,000	500,000		500,000	500,000
NET ASSETS	\$8,941,972	\$6,549,928	\$15,491,900	\$8,248,266	\$6,860,397	\$15,108,663

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NOTE 1 : SALES - FOR THE YEAR ENDED 31 MARCH 1998

	1997-98			1996-97		
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
Energy		9,034,309	9,034,309		8,447,348	8,447,348
Lines	6,362,995		6,362,995	6,355,242		6,355,242
Contracts		2,628,540	2,628,540		2,464,131	2,464,131
Retail		543,106	543,106		1,260,397	1,260,397
	\$6,362,995	\$12,205,955	\$18,568,950	\$6,355,242	\$12,171,876	\$18,527,118

NOTE 2 : INVESTMENT INCOME - FOR THE YEAR ENDED 31 MARCH 1998

	1997-98			1996-97		
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
Short term Investments		295,808	295,808		293,073	293,073
Staff Mortgages		3,478	3,478		4,391	4,391
Use of Money Interest		663	663		1,476	1,476
		\$299,949	\$299,949		\$298,940	\$298,940

NOTE 3 : OTHER INCOME - FOR THE YEAR ENDED 31 MARCH 1998

	1997-98			1996-97		
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
Bad Debts Recovered		2,817	2,817		2,455	2,455
Prompt Payment Discounts Disallowed	42,855	66,510	109,365	48,827	76,622	125,449
Transfer Fees		33,343	33,343		29,222	29,222
Scrap		4,182	4,182		3,515	3,515
Capital Contributions	84,489		84,489	86,542		86,542
Other	10,863	87,207	98,070	3,719	64,008	67,727
	\$138,207	\$194,059	\$332,266	\$139,088	\$175,822	\$314,910

NOTE 4 : EXPENSES - FOR THE YEAR ENDED 31 MARCH 1998

Included within expenses are :

	1997-98			1996-97		
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
Directors Fees	44,200	40,800	85,000	42,640	39,360	82,000
Bad Debts	19,900	73,555	93,455	5,157	18,072	23,229
Audit	14,300	13,200	27,500	13,520	12,480	26,000
Other Audit Services	1,560	1,440	3,000	1,560	1,440	3,000
Interest		54,653	54,653		45,328	45,328
Depreciation	700,070	357,151	1,057,221	628,883	418,512	1,047,395
Loss/Gain on sales of assets	3,118	-20,271	-17,153	3,811	-11,796	-7,985
Donations		8,425	8,425		13,438	13,438
Lease charge	6,120	43,942	50,062		14,973	14,973

NOTE 5 : FIXED ASSETS

	1997-98			1996-97		
	LINES	OTHER	TOTAL	LINES	OTHER	TOTAL
DISTRIBUTION	12,744,697		12,744,697	11,829,923		11,829,923
Less Accumulated Depreciation	5,281,985		5,281,985	4,667,529		4,667,529
	\$ 7,462,712	\$ -	\$ 7,462,712	\$ 7,162,394	\$ -	\$ 7,162,394
LAND	49,650	138,500	188,150	16,830	73,310	90,140
BUILDINGS	121,051	1,671,449	1,792,500	83,170	2,602,287	2,685,457
Less Accumulated Depreciation				19,492	577,918	597,410
	\$ 170,701	\$ 1,809,949	\$ 1,980,650	\$ 80,508	\$ 2,097,679	\$ 2,178,187
PLANT & EQUIPMENT	648,801	1,673,719	2,322,520	303,353	1,712,795	2,016,148
Less Accumulated Depreciation	246,694	755,959	1,002,653	147,499	868,634	1,016,133
	\$ 402,107	\$ 917,760	\$ 1,319,867	\$ 155,854	\$ 844,161	\$ 1,000,015
MOTOR VEHICLES	52,044	1,147,725	1,199,769	76,514	1,170,617	1,247,131
Less Accumulated Depreciation	22,328	551,907	574,235	25,352	599,396	624,748
	\$ 29,716	\$ 595,818	\$ 625,534	\$ 51,162	\$ 571,221	\$ 622,383
TOTAL	\$ 8,065,236	\$ 3,323,527	\$ 11,388,763	\$ 7,449,918	\$ 3,513,061	\$ 10,962,979

NOTE 6 : OPTIMISED DEPRECIATED VALUE

Pursuant to Regulation 14A of the Electricity (Information Disclosure) Regulations 1994:

The Optimised Depreciated Value as April 1, 1997 was \$43,207,488, additions \$934,655, value 31 March 1998 is \$44,142,143

STATEMENT OF ACCOUNTING POLICIES**1. REPORTING ENTITY**

- 1.1 Waitaki Power Limited is an unlisted Company registered under the Companies Act 1993. Waitaki Power Limited is a reporting entity for the purpose of the Financial Reporting Act 1993.

2. SPECIAL PURPOSE FINANCIAL STATEMENTS

- 2.1 These financial statements have been prepared for the purpose of complying with the requirements of the Electricity (Information Disclosure) Regulations 1994.

The separate activities disclosed by Waitaki Power Limited comprise the Line Business and other business activities including Energy Trading, Appliance Retailing and Contracting.

3. MEASUREMENT BASE

- 3.1 The measurement base adopted is that of historical cost.
- 3.2 Accrual accounting is used to match expenses and revenues.
- 3.3 Reliance is placed on the fact that the Company is a going concern.

4. ACCOUNTING POLICIES

- 4.1 Accounts Receivable are shown at expected realisable value after providing for doubtful debts.
- 4.2 Inventories are valued at the lower of cost and net realisable value. Serial numbered stock is recorded at their individual cost while other stock is recorded at weighted average cost.
- 4.3 Land and buildings are valued at net current value. Distribution and Substation assets in place prior to 1 April 1987 and Motor Vehicles, Plant and Equipment purchases prior to 1 April 1987 have been valued as follows:
- a) Distribution - current written down book value as at 31 March 1987 less 20%.
 - b) Substation Equipment - depreciated replacement cost certified internally by a registered engineer.

All other assets are valued at cost less accumulated depreciation:

Globo Distribution System	5.0 % SL
Distribution System	5.0 % - 9.5 % DV
Substation Transformers etc	7.5 % DV
Substation Load Control Equipment	10.0 % DV
Distribution Transformers	7.5 % DV
Meter	10.0 % DV - 12.0 % DV
Buildings	1.0 % SL - 2.5 % SL
Office Equipment & Furniture	12.0 % DV - 50% DV
Plant/Machinery	10.0 % DV - 50% DV
Motor Vehicles	15.0 % DV - 26.0 % DV

- 4.4 These accounts are exclusive of GST except for Debtors & Creditors.
- 4.5 Income tax expense has been 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.
- 4.6 Investments are stated at cost.

4.7 Financial Instruments

Financial instruments carried on the Statement of Financial Position include cash and bank balances, investments, receivables payables and borrowings. These instruments are carried at their estimated fair value.

The company also has financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to fluctuations in electricity spot market prices. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

Waitaki Power Ltd. Has entered into electricity price hedging contracts with counter parties in order to minimise the risk of price fluctuations on the electricity spot market. Assets, liabilities, and any unrealised revenues and expenses associated with these instruments as at balance date are not recognised in the financial statements. Realised revenues and expenses are recognised in the statement of financial performance on maturity of the hedging contracts and are incorporated as part of the cost of electricity.

4.8 Contributions received towards capital works are charged to the Statement of Financial Performance and shown as income earned during the year in which they are received.

4.9 Work in progress is valued at cost. Losses on contracts are recognised in valuing work in progress.

5. CHANGE IN ACCOUNTING POLICY

5.1 A revaluation of Land and Buildings has been undertaken. This has resulted in a reduction in value of these assets of \$168,624. All other accounting policies have been applied consistently with previous years.

6. METHODOLOGY OF SEPARATION OF BUSINESS

6.1 The allocation of costs, revenues, assets and liabilities differ from that contained in the Electricity (Information Disclosure) Regulations 1994. In accordance with the regulation 19 of Electricity (Information Disclosure) Regulations 1994 Waitaki Power Limited has publicly disclosed those variations.

1 Financial Performance Measures

		1998	1997	1996	1995
Accounting return on total assets	Before Discount	4.52%	4.38%	3.88%	3.21%
	After Discount	3.60%	2.49%	1.49%	1.52%
Accounting return on equity	Before Discount	3.54%	3.45%	2.51%	2.21%
	After Discount	2.92%	2.19%	0.91%	1.08%
Accounting rate of profit	Before Discount	3.59%	2.12%	3.74%	3.42%
	After Discount	2.68%	0.87%	1.35%	1.72%

2 Efficiency Performance Measures

Direct lines cost per kilometer	\$601.82	\$633.11	\$834.88	\$960.18
Indirect line costs per customer	\$69.62	\$81.59	\$88.68	\$89.71

3 Energy Delivered Efficiency Performance Measures

Load Factor	66.87%	56.29%	58.00%	65.00%
Loss Ratio	6.13%	6.00%	6.40%	5.82%
Capacity Utilisation	27.06%	29.39%	30.00%	27.51%

4 Optimised Deprival Valuation

	\$44,142,143	\$43,207,488	\$42,909,283	\$41,926,195
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5 Network Statistics

System length (km)	33kV	138.121	138.071	138.163	138.004
	11kV	1,528.684	1,517.869	1,508.409	1,505.282
	230/400v	216.970	216.704	215.807	215.555
	Total	1,883.775	1,872.644	1,862.379	1,858.841
Overhead circuit length (km)	33kV	137.844	137.844	137.885	137.856
	11kV	1,509.252	1,498.361	1,491.022	1,488.443
	230/400v	187.472	187.726	187.446	187.854
	Total	1,834.568	1,823.931	1,816.353	1,814.153
Underground circuit length (km)	33kV	0.277	0.227	0.278	0.148
	11kV	19.432	19.508	17.387	16.839
	230/400v	29.498	28.978	28.361	27.701
	Total	49.207	48.713	46.026	44.688
Transformer capacity (kVA)	11,000/400v	113,385	112,522	110,467	108,647
	33,000/400v	150	150	25	25
	Total	113,535	112,672	110,492	108,672
Maximum demand (kW)		30,728	33,112	33,141	29,895
Total electricity supplied (kWh)		168,982,164	163,278,033	158,500,435	160,291,503
Total electricity conveyed for others (kWh)		1,780,956	507,715	383,200	
Total customers		11,881	12,205	11,782	11,727

		Year Ended 31 March			
		1998	1997	1996	1995
6 Reliability Performance Measures					
Number of Interruptions	A Planned Transpower	0	0	0	0
	B Planned Distributor	27	56	21	57
	C Unplanned Distributor	139	88	68	117
	D Unplanned Transpower	0	0	1	0
	E Unplanned ECNZ	0	0	0	0
	F Unplanned Generator	0	0	0	0
	G Unplanned Other	0	0	0	0
	Total	166	144	90	174
Total Number of Faults per 100km of HV System		8.33	8.69	5.46	10.58
Total Number of Faults per 100km of Underground HV Circuit					
	33kV	0.00	0.00	0.00	0.14
	11kV	10.31	10.25	11.50	35.63
	Total	10.15	10.10	11.32	35.32
Total Number of Faults per 100km of Overhead HV Circuit					
	33kV	4.35	0.00	1.45	0.72
	11kV	8.68	5.74	5.76	11.22
	Total	8.31	5.25	5.40	10.33
SAIDI	Total Interruptions	87.41	103.58	90.74	127.50
	A Planned Transpower	0.00	0.00	0.00	0.00
	B Planned Distributor	14.84	49.94	27.93	73.56
	C Unplanned Distributor	72.57	53.64	61.11	53.94
	D Unplanned Transpower	0.00	0.00	1.69	0.00
	E Unplanned ECNZ	0.00	0.00	0.00	0.00
	F Unplanned Generator	0.00	0.00	0.00	0.00
	G Unplanned Other	0.00	0.00	0.00	0.00
SAIFI	Total Interruptions	1.45	0.93	1.19	0.92
	A Planned Transpower	0.00	0.00	0.00	0.00
	B Planned Distributor	0.13	0.31	0.20	0.52
	C Unplanned Distributor	1.32	0.62	0.85	0.40
	D Unplanned Transpower	0.00	0.00	0.14	0.00
	E Unplanned ECNZ	0.00	0.00	0.00	0.00
	F Unplanned Generator	0.00	0.00	0.00	0.00
	G Unplanned Other	0.00	0.00	0.00	0.00
CAIDI	Total Interruptions	60.32	110.90	76.05	138.05
	A Planned Transpower	0.00	0.00	0.00	0.00
	B Planned Distributor	115.46	160.16	138.10	141.11
	C Unplanned Distributor	54.96	86.22	71.90	134.10
	D Unplanned Transpower	0.00	0.00	12.00	0.00
	E Unplanned ECNZ	0.00	0.00	0.00	0.00
	F Unplanned Generator	0.00	0.00	0.00	0.00
	G Unplanned Other	0.00	0.00	0.00	0.00

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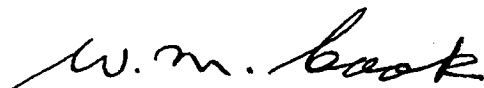
17 October 1997

The Directors
Waitaki Power Limited
P O Box 345
OAMARU 8915

**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION
OF WAITAKI POWER LIMITED'S LINE BUSINESS**

I have examined the valuation report prepared by Coopers & Lybrand and dated 31 July 1997, which report contains valuations as at 31 March, 1997.

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



.....
WILLIAM MURRAY COOK

17 October 1997


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

We, Ken Scott and Tony Brady, Directors of Waitaki Power Ltd certify that, having made all reasonable enquiry, to the best of our knowledge:-


- a) The attached audited financial statements of Waitaki 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 Waitaki Power Limited, and having been prepared for the purpose 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 31/03/98.

K J Scott



A J Brady



Date

29/6/98



Audit New Zealand

CERTIFICATION BY AUDITOR IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Waitaki Power Limited and dated 29 June 1998 for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1994.

I hereby certify that, having made all reasonable enquiry, to the best of my 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.

K J Boddy

Audit New Zealand

On behalf of the Controller & Auditor-General

29 June 1998



Audit New Zealand

CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

I 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 Waitaki Power Limited and dated 29 June 1998 for the purposes of regulation 13 of those regulations.

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

K. J. Boddy

Audit New Zealand

On behalf of the Controller & Auditor-General

29 June 1998



