

# New Zealand Gazette

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## WAIROA POWER LIMITED

### INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1994

## Wairoa Power Limited - Other Businesses

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998	1997
<b>SALES</b>		<u>3,966,108</u>	<u>3,810,372</u>
Cost of Sales		3,125,140	3,182,147
Operating costs		<u>777,691</u>	<u>932,695</u>
Total Operating and Trading Costs		3,902,831	4,114,842
<b>NET OPERATING PROFIT</b>		<u>63,277</u>	<u>(304,470)</u>
Other Income		<u>264,611</u>	<u>557,858</u>
<b>NET PROFIT BEFORE TAXATION</b>	2	327,888	253,388
Provision for Taxation	3	<u>121,839</u>	<u>87,112</u>
<b>NET PROFIT AFTER TAXATION</b>		<u>206,049</u> =====	<u>166,276</u> =====

STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 1998

	1998	1997
Equity at 1 April 1997	2,703,591	2,656,290
Net Profit for period	<u>206,049</u>	<u>166,276</u>
Total recognised revenues and expenses for year	206,049	166,276
Dividends paid or payable	<u>107,551</u>	<u>118,975</u>
Equity at 31 March 1998	<u>2,802,089</u> =====	<u>2,703,591</u> =====

The accompanying notes form part of these financial statements

## Wairoa Power Limited - Other Businesses

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 1998

	Note	1998	1997
<b>SHAREHOLDERS FUNDS</b>		2,802,089	2,703,591
		<u>2,802,089</u>	<u>2,703,591</u>
<b>TERM LIABILITIES</b>	5	600,000	600,000
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accruals	6	314,686	186,923
Provision for Dividend	4	<u>107,551</u>	<u>118,975</u>
		422,237	305,898
		<u>3,824,326</u>	<u>3,609,489</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	7	1,694,738	1,769,278
Deferred Taxation	3	13,502	19,133
Investments	8	<u>189,410</u>	<u>190,601</u>
		1,897,650	1,979,012
<b>CURRENT ASSETS</b>			
Bank and cash		1,240,338	959,153
Receivables and prepayments	9	397,290	379,829
Provision for Income Tax		154,203	130,102
Inventories	10	<u>134,845</u>	<u>161,393</u>
		1,926,676	1,630,477
		<u>3,824,326</u> =====	<u>3,609,489</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 1998

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 1997 to 31 March 1998.

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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

c) **Receivables**

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

d) **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.

e) **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 1998 continued

	1998	1997
2. NET PROFIT BEFORE TAXATION	327,888	253,388
is calculated after charging:		
Audit fees and expenses	10,125	10,125
Bad debts Written Off	11,762	7,446
Depreciation	106,699	114,309
Directors Fees	38,250	46,469
Interest - Local Authority loans	105,624	106,792
and after crediting		
Interest received	173,409	177,917
Gain on disposal of fixed assets	5,762	-
Reduction in Bad Debts Provision	2,453	3,178
3. TAXATION	1998	1997
Profit before taxation	<u>327,888</u>	<u>253,388</u>
Prima facie taxation	108,203	83,618
Plus/(Less) taxation effect of permanent differences		
Other permanent differences	13,636	3,494
Taxation expense (benefit)	<u>121,839</u>	<u>87,112</u>
	=====	=====
The taxation charge is represented by:		
Current taxation	116,208	81,637
Deferred taxation	<u>5,631</u>	<u>5,475</u>
	<u>121,839</u>	<u>87,112</u>
	=====	=====

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

3.	TAXATION (Continued)		
	DEFERRED TAX ASSET	1998	1997
	Balance as at 31 March 1997	19,133	24,608
	Depreciation Movement for current year	<u>(5,631)</u>	<u>(5,475)</u>
	Balance as at 31 March 1998	13,502	19,133
		=====	=====
4.	DIVIDENDS AND BONUS ISSUES		
	Proposed distributions:		
	Proposed dividend	<u>107,551</u>	<u>118,975</u>
		107,551	118,975
		=====	=====
5.	TERM LIABILITIES		
	Local Authority Loans	600,000	600,000
	Less Current portion	<u>-</u>	<u>-</u>
	Total Term Liabilities	600,000	600,000
		=====	=====
	Repayable as follows		
	Less than two years	-	-
	Two to five years	600,000	600,000
	Beyond five years	<u>-</u>	<u>-</u>
		600,000	600,000
	Interest Rates:	Average interest rate	
	Local Authority Loans	17.75	17.75

**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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

6.	ACCOUNTS PAYABLE AND ACCRUALS	1998	1997
	Accounts Payable Trade	263,991	131,298
	Accounts Payable Other	-	-
	Customer Deposits	-	-
	Accrued Expenses	<u>50,695</u>	<u>55,626</u>
		314,686	186,924
7.	FIXED ASSETS	1998	1997
	Freehold Land (at valuation)	<u>96,000</u>	<u>96,000</u>
	Freehold Buildings (at valuation)	36,001	39,574
	(at cost)	193,573	190,000
	Accumulated Depreciation	<u>(59,145)</u>	<u>(53,407)</u>
		170,429	176,167
	Waihi Dam (at cost)	1,043,348	1,043,348
	Accumulated Depreciation	<u>(130,492)</u>	<u>(120,059)</u>
		912,856	923,289
	Generation equipment (at cost)	784,956	784,956
	Accumulated Depreciation	<u>(387,782)</u>	<u>(356,385)</u>
		397,174	428,571
	Other Plant and Equipment (at cost)	292,402	301,336
	Accumulated Depreciation	<u>(174,123)</u>	<u>(156,085)</u>
		<u>118,279</u>	<u>145,251</u>
	Total Fixed Assets	1,694,738	1,769,278

**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.

Due to the specialised nature of substation and power house buildings, and the difficulty in establishing market valuations for these properties, they continue to be carried at depreciated historical cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

	1998	1997
<b>8. INVESTMENTS</b>		
Investments are stated at cost and comprise:		
Investments in Companies (unquoted)	44,669	50,770
Sinking Fund Deposits	40,547	34,600
Other Deposits	3,669	4,355
Local Authority Stock	<u>100,525</u>	<u>100,876</u>
	<u>189,410</u>	<u>190,601</u>
	=====	=====

**Sinking Funds:**

Deposits are lodged with the Public Trust Office and National Provident Fund. Interest received on these funds is currently 11.7%.

	1998	1997
<b>9. RECEIVABLES AND PREPAYMENTS</b>		
Trade debtors	-	-
Other receivables	397,290	379,829
	<u>397,290</u>	<u>379,829</u>
	=====	=====

	1998	1997
<b>10. INVENTORIES</b>		
Showroom Inventory	69,693	81,341
Appliance Servicing Inventory	<u>65,152</u>	<u>80,052</u>
	<u>134,845</u>	<u>161,393</u>
	=====	=====

NOTES TO AND FORMING PART OF THE FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

	1998	1997
<b>11. CONTINGENT LIABILITIES</b>		
Guarantee of bank overdraft facility for Energy Brokers New Zealand Limited to a limit of	2,000,000	2,000,000
	=====	=====

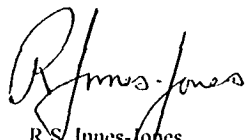
At balance date the amount of the bank overdraft so guaranteed was

	1998	1997
	3,017	-
	=====	=====
<b>12. COMMITMENTS</b>		
<b>Capital Commitments</b>		
Estimated capital expenditure contracted for at balance date but not provided for	-	-
	=====	=====
<b>Operating Lease commitments</b>		
The company has no non-cancellable operating leases.		

**REPORT OF BDO AUCKLAND**

We have examined the attached financial statements prepared by Wairoa Power Limited Other Businesses dated 31 July 1998 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.



R.S. Innes-Jones  
BDO Auckland  
On behalf of the Controller and Auditor-General  
31 July 1998  
Auckland, New Zealand

Auckland-Takapuna-East Tamaki

Affiliated firms in  
Hamilton-Wellington-Christchurch

Member of BDO International

Partners and Principals  
P I Felstead R G Foster C A Gower  
M D Innes-Jones R S Innes-Jones  
R J Knox I Lauer P J McNoe  
K E Scully\* M L Verrall\*  
\*Partners of BDO International, a Swiss entity

Reg. 26(2)

Form 5

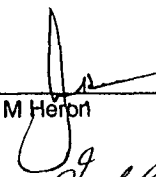
**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER**

We, James M Heron and Ian C Redshaw, 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 1998

Signed:

  
\_\_\_\_\_  
J M Heron (Director)

  
\_\_\_\_\_  
I C Redshaw (Director)

Dated :

31 / 7 / 98

## Wairoa Power Limited - Lines Business

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998	1997
<b>SALES</b>		<u>3,606,860</u>	<u>3,275,278</u>
Cost of Sales		831,599	914,361
Operating costs		<u>2,022,427</u>	<u>1,909,752</u>
Total Operating and Trading Costs		<u>2,854,026</u>	<u>2,824,113</u>
NET OPERATING PROFIT		752,834	451,165
Other Income		<u>96,881</u>	<u>111,159</u>
<b>NET PROFIT BEFORE TAXATION</b>	2	849,715	562,324
Provision for Taxation	3	<u>315,742</u>	<u>193,325</u>
<b>NET PROFIT AFTER TAXATION</b>		<u>533,973</u> =====	<u>368,999</u> =====

STATEMENT OF MOVEMENTS IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998	1997
Equity at 1 April 1997		5,764,574	5,648,542
Net Profit for period		533,973	368,999
Movement in valuation of land and buildings		-	5,241
Total recognised revenues and expenses for year		<u>533,973</u>	<u>374,240</u>
Dividends paid or payable	4	270,877	258,208
Equity at 31 March 1998		<u>6,027,670</u> =====	<u>5,764,574</u> =====

The accompanying notes form part of these financial statements.

## Wairoa Power Limited - Lines Business

STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 1998

	Note	1998	1997
SHAREHOLDERS FUNDS		6,027,671	5,764,575
CURRENT LIABILITIES			
Accounts Payable and Accruals	5	612,069	617,279
Provision for Dividend	4	270,877	258,207
Provision for Income Tax		80,566	122,831
		<u>963,512</u>	<u>998,317</u>
		<u>6,991,183</u>	<u>6,762,892</u>
NON CURRENT ASSETS			
Fixed Assets	8	4,181,327	4,135,844
Deferred Taxation	3	10,782	15,279
		<u>4,192,109</u>	<u>4,151,123</u>
CURRENT ASSETS			
Bank & Cash		1,904,007	1,580,139
Receivables and prepayments	6	663,415	773,874
Inventories	7	231,651	258,756
		<u>2,799,073</u>	<u>2,612,769</u>
		<u>6,991,182</u> =====	<u>6,763,892</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 1998

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 1997 to 31 March 1998.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 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 four classes of fixed assets:

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

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 1998 continued

	1998	1997
2. <b>NET PROFIT BEFORE TAXATION</b>	<b>849,715</b>	<b>562,324</b>
is calculated after charging:	=====	=====
Audit fees and expenses	7,875	7,875
Depreciation	324,217	309,888
Directors Fees	29,750	36,142
Interest	86	93
Loss on disposal of fixed assets	6,945	14,116
and after crediting		
Interest received	43,352	44,479
Gain on disposal of fixed assets	10,590	-
3. <b>TAXATION</b>		
Profit before taxation	<u>849,715</u>	<u>562,324</u>
Prima facie taxation	280,406	185,567
Plus/(Less) taxation effect		
Non deductible Legal Expenses	35856	-
Other permanent differences	(520)	7,758
Taxation expense (benefit)	<u>315,742</u>	<u>193,325</u>
The taxation charge is represented by:	=====	=====
Current taxation	320,239	197,702
Deferred taxation	<u>(4,497)</u>	<u>(4,377)</u>
	<u>315,742</u>	<u>193,325</u>
	=====	=====

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

	1998	1997
<b>DEFERRED TAX ASSET</b>		
Balance as at 31 March 1997	15,279	19,656
Depreciation Movement for current year	(4,497)	(4,377)
Balance as at 31 March 1998	<u>10,782</u>	<u>15,279</u>
	=====	=====
4. <b>DIVIDENDS AND BONUS ISSUES</b>		
Proposed distributions:		
Proposed dividend	270,877	258,207
	=====	=====
5. <b>ACCOUNTS PAYABLE AND ACCRUALS</b>		
Accounts Payable Trade	184,532	105,531
Accounts Payable Other	122,864	201,107
Customer Deposits	37,600	31,967
Accrued Expenses	<u>267,073</u>	<u>278,674</u>
	612,069	617,279
	=====	=====
6. <b>RECEIVABLES AND PREPAYMENTS</b>		
Trade Debtors	659,073	653,016
Other Receivables	-	120,858
Prepayments	<u>4,342</u>	<u>-</u>
	663,415	773,874
	=====	=====
7. <b>INVENTORIES</b>		
Line & General Inventories	<u>231,651</u>	<u>258,756</u>
	=====	=====

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

8. <b>FIXED ASSETS</b>		
Freehold Land (at valuation)	<u>79,600</u>	<u>79,600</u>
Freehold Buildings (at valuation)	480,675	480,675
Accumulated Depreciation	<u>(57,006)</u>	<u>(39,481)</u>
	<u>423,669</u>	<u>441,194</u>
Distribution lines (at cost)	5,541,315	5,356,051
Accumulated Depreciation	<u>(2,334,105)</u>	<u>(2,111,563)</u>
	<u>3,207,210</u>	<u>3,244,488</u>
Other Plant and Equipment (at cost)	993,485	868,264
Accumulated Depreciation	<u>(522,637)</u>	<u>(497,702)</u>
	<u>470,848</u>	<u>370,562</u>
Total Fixed Assets	<u>4,181,327</u>	<u>4,135,844</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.		
9. <b>CONTINGENT LIABILITIES</b>		
The Business has no contingent liabilities.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

## 10. COMMITMENTS

## Capital Commitments

Estimated capital expenditure contracted  
for at balance date but not provided for      86,000  
=====

Operating lease commitments

The Business has no non-cancellable operating leases.

## 11. TRANSACTIONS WITH RELATED PARTIES

Wairoa Power Limited paid rates totaling \$18,776 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 1998 continued

## 12. FINANCIAL PERFORMANCE MEASURES

	1998	1997	1996	1995
Accounting return on total assets	7.5%	5.9%	9.1%	10.0%
Accounting return on equity	5.2%	4.4%	6.3%	7.4%
Accounting rate of profit	15.8%	3.9%	6.1%	7.8%

## 13. EFFICIENCY PERFORMANCE MEASURES

	1998	1997	1996	1995
Direct Line costs per kilometre	\$1,181	\$1,077	\$1,142	\$1,442
Indirect Line costs per customer	\$88	\$106	\$89	\$86

## 14. ENERGY DELIVERY PERFORMANCE MEASURES

	1998	1997	1996	1995
Load Factor	57	47	53	55
Loss Ratio	7	7	7	5
Capacity Utilisation	20	22	23	21

## 15. ODV VALUATION

ODV valuation as at 31 March 1997 was      \$11.57 million

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

## 16. STATISTICS

	1998	1997	1996	1995
Overhead lines				
km				
Nominal Line Voltage				
66kV/50kV	82.6	82.68	82.6	82.6
11kV	774.6	774.4	773.0	773.7
< 3.3kV	<u>29.6</u>	<u>29.6</u>	<u>29.6</u>	<u>29.6</u>
Total	886.8	886.6	885.2	886.1
Underground lines				
km				
Nominal Line Voltage				
11kV	13.7	13.7	13.7	13.5
< 3.3kV	<u>52.8</u>	<u>52.8</u>	<u>52.8</u>	<u>52.6</u>
Total	66.5	66.5	66.5	66.1
System Length				
km				
Nominal Line Voltage				
66kV/50kV	82.6	82.6	82.6	82.6
11kV	788.3	788.1	786.7	787.2
< 3.3kV	<u>82.4</u>	<u>82.4</u>	<u>82.4</u>	<u>82.4</u>
Total	953.3	953.1	951.7	952.2
Transformer Capacity	1998	1997	1996	1995
Maximum Demand	57,575kVA	57,490kVA	57,274kVA	52,274kVA
Total electricity supplied	11465kW	12,832kW	13,269kW	12,047kW
from system (kWh)	52,499,606	53,252,038	57,212,750	55,184,304
Total electricity conveyed				
for other parties	Nil	Nil	Nil	Nil
Total Customers	5,403	5,424	5,456	5,486

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997 continued

## 17. RELIABILITY PERFORMANCE MEASURES

Total Number of faults per 100 kilometres of Prescribed Voltage Lines

	1998	1997	1996	1995
Overhead lines				
Nominal Line Voltage				
66kV/50kV	6.05	7.26	4.83	2.42
11kV	<u>10.20</u>	<u>21.82</u>	<u>7.50</u>	<u>5.17</u>
Total	9.80	20.42	7.24	4.90
Underground lines				
Nominal Line Voltage				
11kV	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7.41</u>
Total	0.00	0.00	0.00	7.41
Total				
Nominal Line Voltage				
66kV/50kV	6.05	7.26	4.83	2.42
11kV	<u>10.02</u>	<u>21.44</u>	<u>7.37</u>	<u>5.21</u>
Total	9.65	20.09	7.13	4.94

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

## 18. RELIABILITY PERFORMANCE MEASURES (continued)

Interruption Class			1998*	1998	1997	1996	1995
A	Planned Interruption by Transpower	Number	5	5	2	0	2
		SAIDI	31.5	31.5	26.9	0	56
		SAIFI	0.32	0.32	0.24	0	0.50
		CAIDI	99.9	99.9	112.0	0	115
B	Planned Interruption by Other Line Owner	Number	47	47	43	25	34
		SAIDI	245.7	245.7	98.6	166	201
		SAIFI	2.09	2.09	0.93	1.04	1.20
		CAIDI	117.1	117.1	106.0	160	167
C	Unplanned Interruption by Other Line Owner	Number	74	84	178	59	88
		SAIDI	277.3	989.7	748.0	499	1,081
		SAIFI	5.50	7.31	7.09	4.40	2.31
		CAIDI	50.4	135.4	105.5	115	469
D	Unplanned Interruption by Transpower	Number	5	5	0	2	1
		SAIDI	157.4	157.4	0	57	0
		SAIFI	2.59	2.59	0	2.20	0.05
		CAIDI	60.8	60.8	0	1.00	1.00
E	Unplanned Interruption by ECNZ	Number	0	0	0	1	0
		SAIDI	0	0	0	7	0
		SAIFI	0	0	0	1.00	0
		CAIDI	0	0	0	7	0
F	Unplanned Interruption by any other generator	Number	0	0	0	0	0
		SAIDI	0	0	0	0	0
		SAIFI	0	0	0	0	0
		CAIDI	0	0	0	0	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1998 continued

## 18. RELIABILITY PERFORMANCE MEASURES (continued)

G	Unplanned Interruption not resulting from above	Number	0	0	0	0	0
		SAIDI	0	0	0	0	0
		SAIFI	0	0	0	0	0
		CAIDI	0	0	0	0	0
Total		Number	131	141	223	87	125
		SAIDI	712	1,424	873	729	1,340
		SAIFI	10.50	12.31	8.26	8.60	4.06
		CAIDI	67.8	115.7	105.7	85	330

SAIDI System Average Interruption Duration Index  
(minutes per customer per year)

SAIFI System Average Interruption Frequency Index  
(interruptions per customer per year)  
(minutes per customer interrupted)

\* Excludes data for Queens Birthday Storm

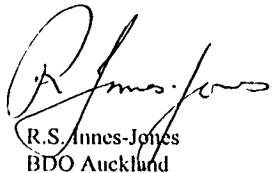
**REPORT OF BDO AUCKLAND**

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 31 July 1998 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.

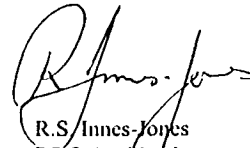


R.S. Innes-Jones  
BDO Auckland  
On behalf of the Controller and Auditor-General  
31 July 1998  
Auckland, New Zealand

**REPORT OF BDO AUCKLAND**

We have examined the attached financial statements prepared by Wairoa Power Limited Lines Business dated 31 July 1998 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.



R.S. Innes-Jones  
BDO Auckland  
On behalf of the Controller and Auditor-General  
31 July 1998  
Auckland, New Zealand



**CERTIFICATION BY AUDITOR IN RELATION TO ODV VALUATION**

**WAIROA POWER LIMITED**

I have examined the valuation report prepared by KPMG and dated 3 October 1997, which report contains valuations as at 31 March 1997.

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.

A handwritten signature in black ink that reads 'Ross Buckley'. The signature is written in a cursive style with a large, looping 'y' at the end.

Ross J Buckley  
*Partner*

22 July 1998

