



New Zealand Gazette

OF THURSDAY, 18 NOVEMBER 1999

WELLINGTON: FRIDAY, 19 NOVEMBER 1999 — ISSUE NO. 175

WAIROA POWER LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 1999

	1999	1998
Revenue		
Line/access charges charged through other retailers	1,034,734	
Line/access charges charged direct to consumers	2,403,864	
Revenue from "Other" business	-	
Interest on short term investments	207,567	
AC loss-rental rebates	-	
Electricity hedges	-	
Other revenue	14,577	3,703,741
Total Revenue	<u>3,660,742</u>	<u>3,703,741</u>
Expenditure		
Transmission charges	791,757	
Transfer payments to "other" business		
Asset maintenance	351,581	
Consumer disconnections	-	
Load control services	-	
Other goods and services	-	
Avoided transmission charge (own generation)	-	
Payments to Non related entities		
Asset maintenance	88,990	
Consumer disconnections	-	
Load control services	-	
Other goods and services	-	
Employee salaries and redundancies	1,187,558	
Consumer billing and Information system expense	31,755	
Depreciation expense on system fixed assets	214,915	
Depreciation expense on capital works under construction	-	
Depreciation expense on other assets	146,563	
Total Depreciation Expense	<u>361,478</u>	
Corporate and administration	239,059	
Total other Human resource expenses	136,910	
Marketing/advertising	1,942	
Merger and acquisition expenses	-	
Takeover defence expenses	-	
Research and development Expenses	-	
Consultancy and legal expenses	99,444	
Electricity hedges	-	
Amortised goodwill	-	
Subvention payments	-	
Other expenditure	228,697	2,854,026
Total Expenditure	<u>3,519,171</u>	<u>2,854,026</u>
Earnings before interest and tax	<u>141,571</u>	<u>849,715</u>
Interest expense	-	-
Taxation expense	46,718	315,742
Net profit after tax	<u>94,853</u>	<u>533,973</u>

STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 1999

	1999	1998
Total equity at beginning of year	<u>6,027,670</u>	<u>5,764,574</u>
Net surplus(deficit)	94,853	533,973
Increase in value of land, buildings, plant and equipment recognised in equity	7,623,581	-
Total recognised revenues and expenses	<u>7,718,434</u>	<u>533,973</u>
Dividends	-	270,877
Distributions to owners	<u>-</u>	<u>270,877</u>
Total Equity at end of year.	<u><u>13,746,104</u></u>	<u><u>6,027,670</u></u>

STATEMENT OF FINANCIAL POSITION
as at 31 March 1999

	1999	1998
Non-Current Assets		
Fixed assets	11,539,311	4,181,327
Other tangible assets	-	10,782
	<u>11,539,311</u>	<u>4,192,109</u>
Current Assets		
Cash and Bank	2,835,125	1,904,007
Trade Debtors	511,591	-
Other Debtors	206,471	663,415
Prepayments	783	-
Electricity hedges	-	-
Other current assets	193,870	231,651
	<u>3,747,840</u>	<u>2,799,073</u>
Total Tangible assets	15,287,151	6,991,182
Intangible Assets		
Goodwill	-	-
Other Intangible assets	-	-
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>15,287,151</u></u>	<u><u>6,991,182</u></u>
Current liabilities		
Accounts payable	285,668	612,069
Accrued Payroll	685,617	-
Other accruals	329,517	-
Dividend provision	-	270,877
Electricity hedges	-	-
Other liabilities	240,245	80,566
Total Current Liabilities	<u>1,541,047</u>	<u>963,512</u>
Funding		
Term Liabilities	-	-
Total Term liabilities	<u>-</u>	<u>-</u>
Equity	<u>13,746,104</u>	<u>6,027,670</u>
Total Equity	13,746,104	6,027,670
Total Funding	13,746,104	
Total Equity and Liabilities	<u><u>15,287,151</u></u>	<u><u>6,991,182</u></u>

STATEMENT OF CASH FLOWS

for the year ended 31 March 1999

	Note	1999
Cash flows from Operating activities		
Cash was provided by (applied to):		
Receipts from customers		3,394,186
Payments to suppliers and employees		(2,171,224)
Interest received		207,567
Interest paid		-
Income taxes paid		<u>(132,652)</u>
Net cash flow from operating activities		<u>1,297,877</u>
Cash flows from Investing Activities		
Cash was provided by (applied to):		
Acquisition and construction of fixed assets		<u>(95,882)</u>
Net cash used in investing activities		<u>(95,882)</u>
Cash Flows from Financing Activities		
Cash was provided by (applied to):		
Dividends paid to shareholders of the Company		<u>(270,877)</u>
Net cash provided by financing activities		<u>(270,877)</u>
Net increase in cash held		<u>931,118</u>
Cash at beginning of year:		<u>1,904,007</u>
Cash at end of year:		<u>2,835,125</u>
Net increase in cash held		<u>931,118</u>

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 1999

(A) Basis of Preparation*Reporting Entity*

The Financial Statements are those of the Line Business of Wairoa Power Limited. The period reported is 1 April 1998 to 31 March 1999.

These Financial Statements are prepared in accordance with regulation 6 of the Electricity (Information Disclosure) Regulations 1999. 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 1999, in the Wairoa District.

Going Concern

Wairoa Power Limited has announced the sale of its line business with effect from 30 July 1999. Accordingly, the accounts have been prepared on a realisation basis.

(B) Basis of Recognising Components of the Financial Statements

The following general accounting policies are adopted:

Assets

A transaction results in an asset being recognised in the statement of Financial Position when it will probably give rise to ongoing benefits for the Company, and those benefits can be measured with reliability.

Liabilities

A transaction results in a liability being recognised in the statement of financial position when it will probably give rise to the need for the Company to sacrifice assets in the future, and those sacrifices can be measured with reliability.

Revenue

Revenue is recognised in the statement of financial performance when a transaction gives rise to an increase in the value of the Company's net assets, and that increase can be measured with reliability.

Expenses

An expense is recognised in the statement of financial performance when a transaction results in a decrease in the value of the Company's net assets, and that decrease can be measured with reliability.

Classification of assets and liabilities between current and non-current

An amount is classified as current when it is expected to be settled or extinguished within one year of the date of the financial statements. All other amounts are classified as non-current.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 1999

(C) Fixed Assets*Owned assets*

Fixed assets have been valued at their net realisable value transferred to equity.

Disposal of fixed assets

Where a fixed assets is disposed of, the profit or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying value of the fixed asset.

Depreciation

Depreciation is calculated on a straight line basis on all tangible assets other than freehold land, (except for motor vehicles, plant and equipment), to allocate the cost or revalued amount of an asset, less any residual value, over its useful life.

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

Major depreciation periods are:

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

(D) Inventories

Inventories are stated at net realisable value. The estimated costs of marketing, selling and distribution are deducted in calculating net realisable value.

(E) Receivables

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

(F) Taxation

Income tax expenses is recognised on the operating surplus before taxation adjusted for permanent differences between taxable and accounting income. The tax effect of all timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes has been included in the tax expense figure for the current year.

(G) Employee entitlements

A liability for annual and long service leave accruing to employees is recognised in the statement of financial position. The liability is stated at the present value of the estimated future cash outflows to be incurred resulting from employees' services provided up to balance date.

(H) 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 1999

	1999	1998
1 NET PROFIT BEFORE TAXATION	<u>141,571</u>	<u>849,715</u>
is calculated after charging:		
Audit fees and expenses	19,563	7,875
Directors Fees	97,900	29,750
Loss on disposal of fixed assets	-	6,945
and after crediting		
Gain on disposal of fixed assets	-	10,590
2 TAXATION	1999	1998
Profit before taxation	<u>141,571</u>	<u>849,715</u>
Prima facie taxation	46,718	280,406
Plus/(Less) taxation effect of permanent differences		
Non-deductible legal expenses	-	35,856
Other permanent differences	-	(520)
Taxation expense (benefit)	<u>46,718</u>	<u>315,742</u>
The taxation charge is represented by:		
Current taxation	57,500	320,239
Deferred taxation	<u>(10,782)</u>	<u>(4,497)</u>
	<u>46,718</u>	<u>315,742</u>
There are no income tax losses or unrecognised timing differences carried forward.		
3 DEFERRED TAX ASSET		
Balance as at 31 March 1999	10,782	15,279
Depreciation Movement for current year	(10,782)	(4,497)
Balance as at 31 March 1999	<u>-</u>	<u>10,782</u>
4 FIXED ASSETS	1999	1998
System fixed assets	10,620,034	3,207,210
Centralised load control equipment	67,400	-
Consumer billing and information system	33,750	-
Motor vehicles	287,320	-
Office equipment	13,715	-
Land & Buildings	364,177	503,269
Capital works under construction		
Medium voltage switchgear	97,446	-
Other fixed assets	55,469	470,848
Total Fixed Assets	<u>11,539,311</u>	<u>4,181,327</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

5 CONTINGENT LIABILITIES

The Business has no contingent liabilities. (1998 Nil)

6 COMMITMENTS

Capital Commitments	1999	1998
Estimated capital expenditure contracted for at balance date but not provided for	<u>\$ 5,000</u>	<u>\$ 86,000</u>
Year 2000		
Contracted for but not provided for	<u>-</u>	<u>-</u>

Operating lease commitments

The Business has no non-cancellable operating leases.

7 TRANSACTIONS WITH RELATED PARTIES

Wairoa Power Limited paid rates totaling \$19,175 to Wairoa District Council, a significant shareholder. The rates were charged on normal terms and conditions.

The Lines Business provided labour to the Contracting business in respect of construction work carried out for third parties. This labour was charged to the contracting business at the hourly rate paid to the respective employees and as such does not cover the full cost of labour, nor does it include a profit margin for the Lines Business. The total cost charged to the contracting business was \$31,742. This amount has been excluded from the both revenue and labour cost in the lines business.

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

STATEMENT OF PERFORMANCE MEASURES AND STATISTICS

For the year ended 31 March 1999

1 STATISTICS

Overhead lines	1999	1998	1997	1996	1995
	km	km	km	km	km
Nominal Line Voltage					
66kV/50kv	82.6	82.6	82.6	82.6	82.6
11kv	774.6	774.6	774.4	773.0	773.7
< 3.3kV	29.6	29.6	29.6	29.6	29.8
Total	<u>886.8</u>	<u>886.8</u>	<u>886.6</u>	<u>885.2</u>	<u>886.1</u>
Underground lines	1999	1998	1997	1996	1995
	km	km	km	km	km
Nominal Line Voltage					
11kv	13.7	13.7	13.7	13.7	13.5
< 3.3kV	52.8	52.8	52.8	52.8	52.6
Total	<u>66.5</u>	<u>66.5</u>	<u>66.5</u>	<u>66.5</u>	<u>66.1</u>
System Length	1999	1998	1997	1996	1995
	km	km	km	km	km
Nominal Line Voltage					
66kV/50kv	82.6	82.6	82.6	82.6	82.6
11kv	788.3	788.3	788.1	786.7	787.2
< 3.3kV	82.4	82.4	82.4	82.4	82.4
Total	<u>953.3</u>	<u>953.3</u>	<u>953.1</u>	<u>951.7</u>	<u>952.2</u>

Transformer Capacity	1999	1998	1997	1996	1995
	57860 kVA	57575 kVA	57490 kVA	57274 kVA	52274 kVA
Maximum Demand	10198 kW	11465 kW	12832 kW	13269 kW	12047 kW
Total electricity supplied from system	46480039 kWh	52499606 kWh	53252038 kWh	57212750 kWh	55184304 kWh
Total electricity conveyed for other parties	17034606 kWh	Nil	Nil	Nil	Nil
Total Customers	5389	5403	5424	5456	5486

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

Overhead lines	1999	1998	1997	1996	1995
Nominal Line Voltage					
66kV/50kv	7.30	6.05	7.26	4.83	2.42
11kv	12.00	10.20	21.82	7.50	5.17
Total	<u>10.04</u>	<u>9.80</u>	<u>20.42</u>	<u>7.24</u>	<u>4.90</u>
Underground lines	1999	1998	1997	1996	1995
Nominal Line Voltage					
11kv	0.00	0.00	0.00	0.00	7.41
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7.41</u>
Total	1999	1998	1997	1996	1995
Nominal Line Voltage					
66kV/50kv	7.30	6.05	7.26	4.83	2.42
11kv	11.79	10.02	21.44	7.37	5.21
Total	<u>11.37</u>	<u>9.65</u>	<u>20.09</u>	<u>7.13</u>	<u>4.94</u>

STATEMENT OF PERFORMANCE MEASURES AND STATISTICS

for the year ended 31 March 1999

RELIABILITY PERFORMANCE MEASURES (continued)

Interruption Class			1999	1998	1997	1996	1995
A	Planned Interruption by Transpower	Number	1	5	2	0	2
		SAIDI	1.7	31.5	26.9	0	56
		SAIFI	0.00	0.32	0.24	0	0.50
		CAIDI	37.0	99.9	112.0	0	115
B	Planned Interruption by Other Line Owner	Number	37	47	43	25	34
		SAIDI	157.2	245.7	98.6	166	201
		SAIFI	0.80	2.09	0.93	1.04	1.20
		CAIDI	187.2	117.1	106.0	160	167
C	Unplanned Interruption by Other Line Owner	Number	99	84	178	59	88
		SAIDI	361.6	989.7	748.0	499	1081
		SAIFI	7.80	7.31	7.09	4.40	2.31
		CAIDI	46.3	135.4	105.5	115	469
D	Unplanned Interruption by Transpower	Number	2	5	0	2	1
		SAIDI	81.1	157.4	0	57	0
		SAIFI	2.10	2.59	0	2.20	0.05
		CAIDI	37.9	60.8	0	26	5
E	Unplanned Interruption by ECNZ	Number	0	0	0	1	0
		SAIDI	0	0	0	7	0
		SAIFI	0	0	0	1.00	0.00
		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	0.00
		CAIDI	0	0	0	0	0
G	Unplanned Interruption not resulting from above	Number	0	0	0	0	0
		SAIDI	0	0	0	0	0
		SAIFI	0	0	0	0	0.00
		CAIDI	0	0	0	0	0
Total		Number	139	141	223	87	125
		SAIDI	602	1,424	872.8	729	1340
		SAIFI	10.80	12.31	8.26	8.60	4.06
		CAIDI	55.5	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)
CAIDI Customer Average interruption Duration Index (minutes per customer interrupted)

*

STATEMENT OF PERFORMANCE MEASURES AND STATISTICS

For the year ended 31 March 1999

3 FINANCIAL PERFORMANCE MEASURES	1999	1998	1997	1996	1995
Accounting return on total assets	2.48%	7.51%	5.89%	9.14%	10.00%
Accounting return on equity	1.66%	5.22%	4.37%	6.25%	7.39%
Accounting rate of profit	1.66%	15.81%	3.90%	6.09%	7.78%

4 EFFICIENCY PERFORMANCE MEASURE	1999	1998	1997	1996	1995
Direct Line costs per kilometre	\$ 1,174	\$ 1,181	\$ 1,077	\$1,142	\$ 1,442
Indirect Line costs per customer	\$ 231	\$ 88	\$ 106	\$ 89	\$ 86

5 ENERGY DELIVERY PERFORMANCE MEASURES	1999	1998	1997	1996	1995
Load Factor	57.2	56.6	47.4	53.0	55.0
Loss Ratio	9.01	6.80	7.45	7.44	4.62
Capacity Utilisation	17.6	19.9	22.3	23.0	21.0

6 ODV VALUATION

ODV valuation as at 31 March 1997 was

\$11.57 million

Derivation Table	Symbol in formula	Input Column	Calculations	ROF	ROE	ROI
Earnings before interest and tax (EBIT)	a	141,571		141,571	N/A	141,571
Net profit after tax (NPAT)	n	94,853		N/A	94,853	N/A
Amorised Goodwill	g	0		add 0	add 0	add 0
Subvention Payment	s	0		add 0	add 0	add 0
Depreciation of SFA at BV	d	361,478		add 361,478	add 361,478	add 361,478
Depreciation of SFA at ODV		140,970		deduct 140,970	deduct 140,970	deduct 140,970
ODV Depreciation tax adjustment	b	72,768		N/A	deduct 72,768	deduct 72,768
Subvention Payment tax adjustment		0	s*t	N/A	deduct 0	deduct 0
Interest Tax Shield	q	0		N/A	N/A	deduct 0
Revaluations	r	0		N/A	N/A	add 0
Income tax	p	46,718		N/A	N/A	deduct 46,718
Numerator (as adjusted)		No entry		= a + g + s + d 362,079	= n + g + s - s*t + d - b 242,593	= a + g - q + r + s + d - p - s*t - b 242,593
Fixed Assets at year beginning (FA ₀)		4,181,327		4,181,327	N/A	4,181,327
Fixed Assets at year end (FA ₁)		11,539,311		add 11,539,311	N/A	add 11,539,311
Net Working Capital at year beginning (NWC ₀)		1,835,561		add 1,835,561	N/A	add 1,835,561
Net Working Capital at year end (NWC ₁)		2,206,793		add 2,206,793	N/A	add 2,206,793
Average total funds employed (ATFE)	c	No entry	= (FA ₀ + FA ₁ + NWC ₀ + NWC ₁)/2	divide by 2 9,881,496	N/A	divide by 2 9,881,496
Total Equity at year beginning (TE ₀)		6,616,888		N/A	6,616,888	N/A
Total Equity at year end (TE ₁)		13,746,504		N/A	add 13,746,504	N/A
Average total equity	k	No entry	= (TE ₀ + TE ₁)/2	N/A	divide by 2 10,181,696	N/A
WUC at year beginning (WUC ₀)		0		0	0	0
WUC at year end (WUC ₁)		97,446		add 97,446	add 97,446	add 97,446
Average total Works under Construction	e	No entry	= (WUC ₀ + WUC ₁)/2	divide by 2 48,723	divide by 2 48,723	divide by 2 48,723
Revaluations	r	0		N/A	N/A	0
Goodwill asset at year beginning (GW ₀)		0		N/A	0	N/A
Goodwill asset at year end (GW ₁)		0		N/A	add 0	N/A
Average Goodwill asset	m	No entry	= (GW ₀ + GW ₁)/2	N/A	divide by 2 0	N/A
Subvention payment at year beginning (S ₀)		0		N/A	0	N/A
Subvention payment at year end (S ₁)		0		N/A	add 0	N/A
Subvention payment tax adjustment at year beginning		0	= s ₀ *t	N/A	deduct 0	N/A
Subvention payment tax adjustment at year end		0	= s ₁ *t	N/A	deduct 0	N/A
Average subvention payment & related tax adjustment	v	No entry	= (S ₀ + S ₁ + S ₀ *t + S ₁ *t)/2	N/A	divide by 2 0	N/A
System Fixed assets at year beginning at book value (SFA _{bo,0})		3,207,210		3,207,210	3,207,210	3,207,210
System Fixed assets at year end at book value (SFA _{bo,1})		10,620,034		add 10,620,034	add 10,620,034	add 10,620,034
Average value of system fixed assets at book value	f	No entry	= (SFA _{bo,0} + SFA _{bo,1})/2	divide by 2 6,913,622	divide by 2 6,913,622	divide by 2 6,913,622
System Fixed assets at year beginning at ODV value (SFA _{odv,0})		11,694,579		add 11,694,579	add 11,694,579	11,694,579
System Fixed assets at year end at ODV value (SFA _{odv,1})		11,625,663		add 11,625,663	add 11,625,663	add 11,625,663
Average value of system fixed assets at ODV value	h	No entry	= (SFA _{odv,0} + SFA _{odv,1})/2	divide by 2 11,660,121	divide by 2 11,660,121	divide by 2 11,660,121
Denominator (as adjusted)				= c - e - f + h 14,579,272	= k - e - m + v - l + h 14,879,472	= c - e - l/2r - f + h 14,579,272
Financial Performance Measure:				EBIT ^{ADJ} /ATFE ^{ADJ} x 100/1 = 2.48%	PAT ^{ADJ} /ATE ^{ADJ} x 100/1 = 1.63%	EBIT ^{ADJ} /ATFE ^{ADJ} x 100/1 = 1.66%

Key:
 t = standard entity tax rate
 bv = book value
 ave = average
 ADJ = as adjusted
 odv = optimised deprival valuation
 subscript '0' = beginning of the financial year
 subscript '1' = end of the financial year



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To the Readers of the Financial Statements of Wairoa Power Limited (in Liquidation)

We have audited the accompanying financial statements of Wairoa Power Limited (in Liquidation). The financial statements provide information about the past financial performance of Wairoa Power Limited (in Liquidation) and its financial position as at 31 March 1999. This information is stated in accordance with the accounting policies set out on pages 1 to 8.

Liquidators' Responsibilities

The Electricity (Information Disclosure) Regulations 1999 require the Liquidator to prepare financial statements which give a true and fair view of the financial position of Wairoa Power Limited (in Liquidation) as at 31 March 1999, and results of operations and cash flows for the year then ended.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Liquidator and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing-

- the significant estimates and judgements made by the Liquidator in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Wairoa Power Limited (in Liquidation) circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary. We obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with or interests in Wairoa Power Limited (in Liquidation).

Auckland-Takapuna-East Tamaki

Affiliated firms in

Hamilton-Wellington-Christchurch

Member of BDO International

Partners and Principals:

R G Foster C A Gower

M D Innes-Jones R S Innes-Jones

R J Knox N A Milton A J Spencer

S P Cammish* I H Craig* P J McNoe*

J L MacQueen* M L Verrall*

Principals indicated* do not share Partners' liabilities for the firm



Qualified Opinion

Paragraph 2.18 of the Electricity Information Disclosure Handbook issued by the Ministry of Commerce permits energy companies to exclude comparative figures where disclosures are made for the first time for the current disclosure year. Wairoa Power Limited (in Liquidation) has taken advantage of this exemption and has not disclosed comparative figures in these circumstances. To this extent, the financial statements of Wairoa Power Limited (in Liquidation) do not comply with Financial Reporting Standard No. 2, *Presentation of Financial Reports*, or the Electricity (Information Disclosure) Regulations 1999.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by Wairoa Power Limited (in Liquidation) as far as appears from our examination of those records.

In our opinion, except for the omission of comparative figures referred to above, the financial statements of Wairoa Power Limited (in Liquidation) on pages 1 to 8.

- comply with generally accepted accounting practice; and
- give a true and fair view of:
 - the financial position as at 31 March 1999; and
 - the results of its operations and cash flows for the year ended on that date; and
- comply with the Energy (Information Disclosure) Regulations 1999.

Our audit was completed on 20 October 1999 and our qualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'R S Innes-Jones', written over a faint circular stamp.

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



BDO. AUCKLAND
Chartered Accountants

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CERTIFICATION OF PERFORMANCE MEASURES BY AUDITORS

I have examined the attached information, being:

- (a) The derivation table specified in regulation 16; and
- (b) Financial performance measures specified in clause 1 of Part 3 of Schedule 1 of the Electricity (Information Disclosure) Regulations 1999; and
- (c) Financial components of the efficiency performance measures specified in clause of 2 of Part 3 of that schedule,

and having been prepared by Wairoa Power Limited (in Liquidation) and dated 20 October 1999 for the purposes of regulation 15 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 1999.

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

20 October 1999

Auckland-Takapuna-East Tamaki

Affiliated firms in
Hamilton-Wellington-Christchurch

Member of BDO International

Partners and Principals:

R G Foster C A Gower
M D Innes-Jones R S Innes-Jones
R J Knox N A Milton A J Spencer
S P Cammish* I H Craig* P J McNoe*
J L MacQueen* M L Verrall*

Principals indicated* do not share Partners' liabilities for the firm

**PALAIRET | PEARSON**

CHARTERED ACCOUNTANTS

Partners:
John R. Palairret
David W. Pearson
Lisa P. Townshend

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20 October 1999

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

I, John Richard Palairret, Liquidator 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 1999 comply with the requirements of those regulations; and
- (b) The attached information, being the derivation table, 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 15, 16, 21, and 22 of the Electricity (Information Disclosure) Regulations 1999, comply with the requirements of those regulations.

The valuations on which those financial performance measures are based are as at 31 March 1999.

John Palairret
Liquidator



An independent firm
practising in association
with KPMG International

STATUTORY DECLARATION IN RESPECT OF STATEMENTS AND
INFORMATION SUPPLIED TO SECRETARY

I, John Richard Palairet, of Palairet Pearson, Napier, being Liquidator of Wairoa Power Limited (In Liquidation) solemnly and sincerely declare that having made all reasonable enquiry, to the best of my knowledge, the information attached to this declaration is a true copy of information made available to the public under the Electricity (Information Disclosure) Regulations 1999.

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

Declared at NAPIER this 29th day of October.

By the said John Richard Palairet before me:




Solicitor

Scott Jefferson
Solicitor
Napier

