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TOP ENERGY LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE ELECTRICITY (INFORMATION
DISCLOSURE) REGULATIONS 1999 AND THE
ELECTRICITY (INFORMATION DISCLOSURE)
AMENDMENT REGULATIONS 2000 AND 2001

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

We, Jack Poutsma and Michael Simm, directors of Top Energy Limited certify that, having made all reasonable enquiries, to the best of our knowledge:

- a. The attached audited financial statements of Top Energy 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 Top Energy 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 2002.



J P Poutsma



M Simm

Date: 18 July 2002

IMPORTANT NOTE

Information disclosed in this 2002 Information Disclosure package issued by Top Energy Limited has been prepared solely for the purposes of the Electricity (Information Disclosure) Regulations 1999.

The regulations require the information to be disclosed in the manner it is presented.

The information should not be used for any other purpose than that intended under the regulations.

The information contained in this package may change at any time. Pricing and terms are as at the date of disclosure indicated and are not a quote or estimate of rates or terms that will apply in the future.

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 12 MONTHS ENDED 31 MARCH 2002

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2002	2001
Income - continuing activities	<i>1</i>	18,965,458	18,339,612
Less expenses, excluding finance costs	<i>2</i>	12,015,666	12,582,396
Profit before finance, abnormals and taxation		6,949,792	5,757,216
Less net finance costs	<i>3</i>	587,944	738,496
Profit before taxation		6,361,848	5,018,720
Less taxation	<i>4</i>	1,563,885	1,402,430
Profit after taxation		4,797,963	3,616,290

This statement is to be read in conjunction with the accompanying notes, accounting policies and audit report. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 12 MONTHS ENDED 31 MARCH 2002

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2002	2001
EQUITY AS AT 1 APRIL		73,436,367	74,850,966
Profit after taxation		4,797,963	3,616,290
Less revaluation of distribution asset		-	(1,230,889)
Total recognised revenue and expenses for the year		4,797,963	2,385,401
Less dividends	5	4,350,000	3,800,000
EQUITY AS AT 31 MARCH		73,884,330	73,436,367
Represented by:			
RETAINED EARNINGS			
Opening balance		16,297,173	16,775,589
Profit after taxation		4,797,963	3,616,290
Dividend paid	5	(4,350,000)	(3,800,000)
Transfer to capital contribution reserve		(448,101)	(294,706)
		16,297,035	16,297,173
CAPITAL CONTRIBUTIONS RESERVE	<i>Policy 2</i>		
Opening balance		1,702,921	1,408,215
Transferred from retained earnings		448,101	294,706
		2,151,022	1,702,921
ASSET REVALUATION RESERVE	<i>Policy 5</i>		
Opening balance		32,218,293	33,449,182
Revaluation of Distribution asset	10 (iii)		(1,230,889)
		32,218,293	32,218,293
PAID IN CAPITAL	6	23,217,980	23,217,980
		73,884,330	73,436,367

This statement is to be read in conjunction with the accompanying notes, accounting policies and audit report. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2002

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2002	2001
SHAREHOLDERS' FUNDS		73,884,330	73,436,367
Represented by:			
TERM LIABILITIES	8	6,010,345	1,185,981
CURRENT LIABILITIES			
Bank balances	11		250,784
Creditors and accruals	9	1,488,584	2,575,663
Term Liabilities within 12 months	8	2,289,655	8,214,019
Taxation payable		1,563,885	1,402,430
		5,342,124	12,442,896
TOTAL EQUITY & LIABILITIES		85,236,799	87,065,244
FIXED ASSETS	10	75,967,327	74,027,075
CURRENT ASSETS			
Cash and bank balances	11	24,134	171,644
Interbusiness current account	12	7,109,949	10,785,092
Accounts receivable	13	2,135,389	2,081,433
		9,269,472	13,038,169
TOTAL ASSETS		85,236,799	87,065,244
		73,884,330	73,436,367

This statement is to be read in conjunction with the accompanying notes, accounting policies and audit report. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS****FINANCIAL STATEMENTS****STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2002**

	LINE BUSINESS	
	2002 \$	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	18,911,502	18,423,726
Interest received		
Dividends received		
GST receivable		164,146
	18,911,502	18,587,872
Cash was disbursed to:		
Payments to suppliers and employees	9,192,261	10,138,031
Interest paid	688,714	742,075
Taxation paid	1,402,430	584,000
GST Payable	1,206,472	
	12,489,877	11,464,106
Net cash from operating activities	6,421,625	7,123,766
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets		
Other businesses	3,676,362	134,055
Cash was applied to:		
Purchase and construction of fixed assets	4,544,713	3,935,105
Net cash used in investing activities	(868,351)	(3,801,050)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Proceeds of Term Loan		500,000
Cash was applied to:		
Dividends paid	4,350,000	3,800,000
Repayment of loans	1,100,000	
Net cash from financing activities	(5,450,000)	(3,300,000)
NET INCREASE/(DECREASE) IN CASH HELD	103,274	22,716
OPENING CASH	(79,140)	(101,856)
CLOSING CASH	24,134	(79,140)

This statement is to be read in conjunction with the accompanying notes, accounting policies and audit report. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

TOP ENERGY LIMITED**FINANCIAL STATEMENTS****SPECIAL PURPOSE FINANCIAL STATEMENTS**

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2002

	LINE BUSINESS	
	2002	2001
CASH COMPRISES	\$	\$
Cash on hand	123	215
BNZ current account	24,011	(79,355)
	24,134	(79,140)

RECONCILIATION OF NET PROFIT AFTER TAXATION TO CASHFLOW FROM OPERATING ACTIVITIES		
Reported Net Profit after Taxation	4,797,963	3,616,290
Add/(Less) items classified as investing or financing activities		
Net loss/(profit) on disposal of assets	(399)	25,117
Add/(Less) other non-cash items:		
Change in provisions for leave etc	3,804	1,523
Depreciation	2,603,461	2,479,069
	2,607,265	2,480,592
Add/(Less) movement in other working capital items		
Increase/(decrease) in tax payable	161,455	818,430
(Increase)/decrease in accounts receivable	(53,956)	84,024
Increase/(decrease) in accounts payable	(1,090,703)	99,313
	(983,204)	1,001,767
NET CASHFLOWS FROM OPERATING ACTIVITIES	6,421,625	7,123,766

This statement is to be read in conjunction with the accompanying notes, accounting policies and audit report. The Financial Statements have been prepared solely for the purpose of complying with regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999 and are not intended for any other purpose.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2002****STATEMENT OF ACCOUNTING POLICIES**

The financial statements are those of the Line business of Top Energy Limited. Top Energy Limited is owned 100% by the Bay of Islands Electric Power Trust and these organisations are in a "Prescribed Business Relationship" as defined by Regulation 3(1)(a)(ii) of the Electricity (Information Disclosure) Regulations 1999.

The period reported is 1 April 2001 to 31 March 2002.

These financial statements are prepared in accordance with Regulations 6(2) and 6(3) of the Electricity (Information Disclosure) Regulations 1999, and as amended by the Electricity (Information Disclosure) Amendment Regulations 2000. The financial statements have not been prepared for the purpose of the Financial Reporting Act 1993, or the Energy Companies Act 1992.

GENERAL ACCOUNTING POLICIES

The accounting policies recognised as appropriate for the measurement and reporting of results and financial position under the historic cost method, as modified by revaluation of the distribution system, have been followed in the preparation of these financial statements.

Methodology of Separation of Business

Top Energy Limited has followed the Electricity Information Disclosure Handbook dated 30 June 2000, as issued by the Ministry of Economic Development.

PARTICULAR ACCOUNTING POLICIES

The following particular accounting policies, which significantly affect the measurement of financial performance and financial position, have been applied.

1 Sales

Sales shown in the Statement of Financial Performance comprise the amounts received and receivable by the Company for electricity distribution services supplied to customers in the ordinary course of business. Sales are stated exclusive of Goods and Services Tax collected from customers.

2 Capital Contributions

Funds received from customers, as a contribution towards the cost of uneconomic supply facilities, are recognised in the statement of financial performance as soon as any obligations attaching to the contributions have been met.

Where a customer's circumstances change such that a part or all of the contribution is refunded, then a separately established reserve has been set up for this purpose. Contributions may be refunded within 10 years of the original date of payment.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2002****3 Taxation**

The taxation charged against the profit for the year is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation. Future taxation benefits attributable to timing differences or to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised by the Company.

4 Accounts Receivable

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

5 Fixed Assets

Fixed assets held by the former Bay of Islands Electric Power Board were vested in the Company, Top Energy Ltd, on 1 May 1993 under the Energy Companies Act 1992. Fixed assets were vested at book value as at 1 May 1993, and represent "cost" to the Company.

The cost of fixed assets purchased after 1 May 1993 is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

The cost of self - constructed assets includes the cost of all materials used in construction, direct labour on the project, costs of obtaining Resource Management Act consents and an appropriate proportion of variable and fixed overheads. Costs cease to be capitalised as soon as the asset is ready for productive use and do not include any inefficiency cost.

The infrastructural asset is valued at depreciated replacement cost which the Directors consider to be a fair value. Additions to the infrastructure are incorporated at cost in the intervening time between revaluations. The approach to recognising the decline in service potential for infrastructure distribution assets is that the annual proportion of decline in service potential, calculated as the average annual expenditure needed to maintain the assets to the present level of service delivery capacity over a period appropriate to the life of the asset, is expensed each period as depreciation. Any work undertaken to reinstate or add to the service potential in the infrastructure distribution network system is capitalised.

Capital work-in-progress includes materials, and a portion of direct labour and production overhead appropriate to the stage of completion attained.

Land and Buildings relating to substations are "owned" by the lines business.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2002****6 Depreciation**

Land and work-in-progress assets are not depreciated. Infrastructure distribution assets are depreciated based on the decline in service potential (see Policy 5). Other fixed assets are depreciated on a straight line (SL) or diminishing value (DV) basis that has regard to their historical cost, estimated useful life and expected residual value:

Straight line basis	Years
Non-infrastructure Distribution Assets	40
Buildings	50
Office equipment, Plant and Furniture	10
Information systems assets	5 - 10
Chainsaws	3
Computer Software	3
Diminishing value basis	Rate
Motor Vehicles	20%
Long run average renewals basis	Years
Infrastructure Distribution Assets	30 - 57

7 Statement of Cash Flows

The following is the definition of terms used in the Statement of Cash Flows:

“Cash” means coins and notes, demand deposits and other highly liquid investments in which the Company has invested as part of its day-to-day cash management. Cash includes liabilities which are the negative form of the above, such as the bank overdraft. Cash does not include accounts receivable or payable, or any borrowing subject to a term facility.

“Investing activities” are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.

“Financing activities” are those activities which result in changes in the size and capital structure of the Company. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

“Operating activities” include all transactions and other events that are not investing or financing activities and includes interest and dividends received in relation to investments.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2002****8 Financial Instruments**

All financial instruments are recognised in the Statement of Financial Position except for off balance sheet instruments such as guarantees.

Financial instruments including cash, bank, accounts receivable, accounts payable, and term debt are generally carried at their estimated fair value.

Top Energy Ltd has entered into various financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to interest. 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.

Changes in Accounting Policies

There were no material changes in accounting policy.

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

	LINE BUSINESS	
	\$	
	2002	2001
1 INCOME		
Electricity Line revenue	17,453,647	17,020,419
AC loss rental rebate	970,539	924,808
Capital contributions	541,272	394,385
Total income	18,965,458	18,339,612
2 NET PROFIT BEFORE TAXATION		
The net profit before tax is stated after charging:		
Loss/(Profit) on disposal of fixed assets	(399)	25,117
Depreciation	2,603,461	2,479,069
Buildings	4,436	5,494
Distribution System - Infrastructure	2,071,710	1,951,483
- Non Infrastructure	419,401	395,062
Centralised Load control equipment	4,290	5,313
Office equipment & furniture	6,002	7,434
Information system & billing assets	92,269	114,282
Vehicles	5,353	
Auditors - audit services	28,080	26,265
- other assurance related services	14,464	27,102
Directors' fees	118,032	110,859
Bad debts	21,876	4,955

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

	LINE BUSINESS	
	\$	
	2002	2001
3 NET FINANCE COSTS		
Comprise:		
Interest - term debt	584,288	722,077
Interest - other	3,656	16,419
Net finance costs	587,944	738,496
4 TAXATION		
The taxation provision has been calculated as follows:		
Profit for the period	6,361,848	5,018,720
Taxation for the period at 33%	2,099,410	1,656,178
Plus/(Less) tax effect of:		
Non taxable income	(178,619)	(134,043)
Non deductible items	9,240	6,600
Unrecognised timing differences	(366,146)	(126,305)
	1,563,885	1,402,430
The taxation charge is represented by:		
Taxation payable in respect of the current period	1,563,885	1,402,430
	1,563,885	1,402,430
The Company has not recognised a deferred tax liability of \$3,245,354 (2001:\$2,849,895) on timing differences of \$9,839,818 (2001:\$8,636,044), as these are not expected to reverse in the foreseeable future.		
5 DIVIDENDS		
Ordinary dividend paid (.152 cents per share)		3,800,000
Ordinary dividend paid (.174cents per share)	4,350,000	
Total dividends paid or provided	4,350,000	3,800,000

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

	LINE BUSINESS	
	S	
	2002	2001
6 SHARE CAPITAL		
23,042,500 ordinary shares issued to the trustees of the Bay of Islands Electric Power Trust for a consideration of	23,217,980	23,217,980
Net assets vested in the Company 1 May 1993	23,217,980	23,217,980
7 IMPUTATION CREDIT ACCOUNT		
Opening balance	1,331,073	2,618,714
Plus income tax paid	1,402,430	584,000
Imputation credits attached to dividends paid	(2,142,537)	(1,871,641)
Closing Balance	590,966	1,331,073

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

				LINE BUSINESS	
				\$	
8 TERM LIABILITIES	Interest Rate %	Repayable	Fair Value	2002	2001
Westpac Loans **					8,214,020
Borrowing 28.03.02	5.47	19.04.02	40,918	40,887	
Borrowing 21.03.02	5.51	22.04.02	204,817	204,433	
Borrowing 21.03.02	5.70	20.05.02	204,891	204,433	
Borrowing 21.03.02	5.87	19.06.02	1,841,272	1,839,901	
Borrowing 21.03.02	6.76	18.12.03	1,108,311	1,103,941	1,185,980
Borrowing 04.02.02	4.82*	04.05.04	817,815	817,734	
Borrowing 07.02.02	6.63*	08.08.05	4,093,063	4,088,670	
				8,300,000	9,400,000
Less current portion				2,289,655	8,214,019
Term liabilities				6,010,345	1,185,981
Repayable as follows:					
Due after 1 but before 2 years				1,103,941	
Due after 2 but before 5 years				4,906,404	1,185,981
				6,010,345	1,185,981

* Effective interest rate under interest rate swap agreements
** Under a Facility Agreement dated 26 October 2000.
Westpac loans are secured by deed of guarantee from group companies.

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

9 CREDITORS AND ACCRUALS		LINE BUSINESS	
		\$	
		2002	2001
Accounts payable and accruals		1,424,879	2,515,762
Payroll provisions		63,705	59,901
		1,488,584	2,575,663

10 FIXED ASSETS	Cost or Valuation		Acc. Depreciation		Net Book Value	
	2002	2001	2002	2001	2002	2001
Land & Buildings	380,984	380,984	(39,581)	(35,145)	341,403	345,839
Distribution system at valuation						
Infrastructure	64,859,009	61,322,043	(2,071,710)	-	62,787,299	61,322,043
- At Cost	3,536,966	-	(113,061)	-	3,423,905	-
- At Valuation	61,322,043	61,322,043	(1,962,939)	-	63,284,982	61,322,043
Non infrastructure	12,316,622	11,743,454	(419,401)	-	11,897,221	11,743,454
- At Cost	573,168	-	(413,908)	-	159,260	-
- At Valuation	11,743,454	11,743,454	(5,493)	-	11,737,961	11,743,454
Centralised load control equipment	85,800	85,800	(4,290)	-	81,510	85,800
Office equipment & furniture	90,678	78,416	(47,262)	(38,711)	43,416	39,705
Information system & billing assets	1,000,151	792,887	(676,516)	(584,247)	323,635	208,640
Vehicles	26,854	27,793	(5,353)	-	21,501	27,793
Capital work in progress	471,342	253,801	-	-	471,342	253,801
Total fixed assets	79,231,440	74,685,178	(3,264,113)	(658,103)	75,967,327	74,027,075

i) There is no Goodwill or other intangible fixed asset in Line business Fixed assets.

ii) The latest Government Valuations by Quotable Value New Zealand of land and improvements are:

	Land	Improvements	Total
1-Sep-01	286,000	311,000	597,000

iii) The Distribution system was revalued by independent engineering consultants, Odyssey Ltd. The valuation was carried out at 31 March 2001 and the report is dated 26 June 2001. The valuation is based on the depreciated replacement cost (DRC) of the distribution system asset. The Directors consider this valuation to be fair. The DRC valuation is an element of the Optimised Deprival Value (ODV) which the company is required to prepare for regulatory purposes. The ODV has been audited by PricewaterhouseCoopers. The DRC revaluation movement in the Statement of equity of \$1,230,889 (2001) differs from the revaluation disclosed in Schedule 4 - part 8 of the Electricity Regulations 1999 for 2001, of \$2,886,000, by an amount which reflects the optimisation adjustment used in the ODV basis.

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

	LINE BUSINESS	
	\$	
	2002	2001
11 CASH AND BANK BALANCES		
CURRENT ASSETS		
Comprise		
Cash on hand	123	215
BNZ current account	24,011	171,429
	24,134	171,644
CURRENT LIABILITIES		
BNZ current account		(250,784)
Net cash & Bank position	24,134	(79,140)
12 INTERBUSINESS CURRENT ACCOUNT		
Represents notional net funds advanced from the Lines business to 'Other businesses',		
- Account receivable	7,577,525	11,295,462
- Account payable for March 2002 month	(467,576)	(510,370)
	7,109,949	10,785,092
13 ACCOUNTS RECEIVABLE		
Comprise:		
Trade debtors	2,027,723	1,982,843
Accruals and prepayments	107,666	98,590
	2,135,389	2,081,433

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002****14 RELATED PARTY TRANSACTIONS**

There have been no material related party transactions requiring disclosure in accordance with SSAP 22 "Related Party Disclosures", apart from the following:

i. Bay of Islands Electric Power Trust:

Top Energy Ltd is wholly owned by Bay of Islands Electric Power Trust. For the period ended 31 March 2002, Top Energy Ltd paid \$4.35m (31 March 2001: \$3.8m) in the form of a dividend to the above Trust. This payment is reflected in the Statement of movements in Equity of Top Energy Ltd.

During the period Top Energy processed transactions on an agency basis on behalf of the Trust in order to settle routine business dealings. As at 31 March 2002, a balance of \$2,589 (31 March 2001 \$486) owing by the Trust to the Company has been included in accounts receivable in the statement of financial position. All transactions with the Trust were made on normal business terms.

ii. Transfer Payments between Line & 'Other' business:

The following related party transactions occurred in the year between the Line & Other businesses.

Note	2002 (Income)/ cost	2001 (Income)/ cost
Transfer Payment Cost to Line:		
Asset maintenance services	a 1,709,608	1,944,168
Avoided transmission charges	b 336,000	648,000
Property rental	c 43,537	51,000
Payment for meter data	Nil	Nil
Consumer based load control	Nil	Nil
Disconnection/reconnection services	Nil	Nil
Asset construction	d	
Subtransmission assets	Nil	Nil
Zone substations	36,604	34,630
Distribution lines & cable	1,895,108	1,794,205
Medium voltage switchgear	-	-
Distribution transformers	71,916	78,705
Distribution substations	-	-
Low voltage lines & cables	1,398,339	1,657,761
Other system fixed assets	-	-

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002****14 RELATED PARTY TRANSACTIONS**

- a. Asset maintenance services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged at market rates on an arms length basis. Services were provided throughout the year. The outstanding balance at 31 March 2002 was \$142,467 (2001:\$162,014).
- b. Avoided Transmission charges are paid in respect of embedded generation provided by Ngawha Generation Limited. Charges are based on the Transpower market rate. The service was provided for the full year. The outstanding balance at 31 March 2002 was \$28,000 (2001: \$47,000).
- c. Property facilities are provided to the Line business by the Property Division. Rentals are at market rates for the specific sites. Services were provided throughout the year. The property rental includes cost recovery in respect of rates of \$11,443 (2001: \$10,955).
- d. Asset construction services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged on a full cost recovery basis. Services were provided throughout the year. The outstanding balance at 31 March 2002 was \$283,497 (2001: \$297,108).

15 FINANCIAL INSTRUMENTS**a. Currency and Interest Rate Risk**

Nature of activities and management policies with respect to financial instruments:

i. Currency

The Group has undertaken foreign currency transactions from time to time in connection with its activities. To manage the foreign currency risk the Group has used forward exchange contracts. There are no contracts in place at 31 March 2002.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002**

15 FINANCIAL INSTRUMENTS

ii. *Interest Rate*

The Company has a \$25m revolving Facility Agreement with Westpac. This allows borrowings to be made over variable periods. At balance date \$8.3m was advanced to the Line business, and these advances will be renewed to coincide with funding requirements. The expected repayment dates are as disclosed in Note 8.

The notional principal or contract amounts of interest rate contracts outstanding at 31 March 2002 for the Line business are \$4.9m (2001: \$6.4m). The effective interest rates are disclosed in Note 8.

The Company has not entered into forward agreements or futures transactions.

b. **Concentration of Credit Risk**

In the normal course of its business, the Company incurs credit risk from trade debtors and transactions with financial institutions.

The Company has a credit policy which is used to manage its exposure to credit risk. As part of this policy, limits on exposures with counterparties have been set and approved by the Board of Directors and are monitored on a regular basis.

The Company does not have any significant concentrations of credit risk. The Company does not require any collateral or security to support financial instruments as it only deposits with, or lends to, banks and other financial institutions of recognised quality. The Company does not expect the non-performance of any material obligations at balance date.

c. **Fair Values**

The following methods were used to estimate the fair values of these classes of financial instruments:

- i. Cash and liquid deposits, debtors and other accounts receivable including sundry debtors, creditors and other accounts payable including sundry creditors, loans payable within twelve months.

The carrying value of these items is equivalent to their fair value.

- ii. *Term Liabilities* – see Note 8.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2002****16 SEGMENT INFORMATION**

The Lines business operates primarily in one industry, the electricity conveyance industry, and in one geographic location: Northland, New Zealand.

17 CAPITAL EXPENDITURE COMMITMENTS

Top Energy Ltd had commitments for capital expenditure at 31 March 2002 of \$ 219,629 (31 March 2001: \$nil).

18 CONTINGENT LIABILITIES

The Company has contingent liabilities, not exceeding \$0.3million at 31 March 2002 (2001: \$0.5m), for refundable capital contributions. This amount is in addition to the amount of \$2,151,022 (2001: \$1,702,921) retained in the capital contributions reserve in relation to possible refunds.

Statement of Financial Position Disclosure (Schedule 1, Part 2)

para		2002 \$	2001 \$
1	Current assets		
(a)	Cash and bank balances:	24,134	215
(b)	Short-term investments:		171,429
(c)	Inventories:		
(d)	Accounts receivable:	2,135,389	2,081,433
(e)	Other current assets not listed in (a) to (d):	7,109,949	10,785,092
(f)	Total current assets	9,269,472	13,038,169
2	Fixed assets		
(a)	System fixed assets:	75,107,433	73,492,694
(b)	Consumer billing and information system assets:	323,635	208,640
(c)	Motor vehicles:	21,501	27,793
(d)	Office equipment:	43,416	39,705
(e)	Land and buildings:		4,442
(f)	Capital works under construction:	471,342	253,801
(g)	Other fixed assets not listed in (a) to (f):		
(h)	Total fixed assets	75,967,327	74,027,075
3	Other tangible assets not listed above	0	0
4	Total tangible assets	85,236,799	87,065,244
5	Intangible assets		
(a)	Goodwill:	0	0
(b)	Other intangibles not listed in (a) above:	0	0
(c)	Total intangible assets	0	0
6	Total assets	85,236,799	87,065,244
7	Current liabilities		
(a)	Bank overdraft:	0	250,784
(b)	Short-term borrowings:	2,289,655	8,214,019
(c)	Payables and accruals:	1,488,584	2,575,663
(d)	Provision for dividends payable:		
(e)	Provision for income tax:	1,563,885	1,402,430
(f)	Other current liabilities not listed in (a) to (e) above:		
(g)	Total current liabilities	5,342,124	12,442,896
8	Non-current liabilities		
(a)	Payables and accruals:	0	0
(b)	Borrowings:	6,010,345	1,185,981
(c)	Deferred tax:	0	0
(d)	Other non-current liabilities not listed in (a) to (c) above:	0	0
(e)	Total non-current liabilities	6,010,345	1,185,981
9	Equity		
(a)	Shareholders' equity:		
(i)	Share capital:	23,217,980	23,217,980
(ii)	Retained earnings:	16,297,035	16,297,173
(iii)	Reserves:	34,369,315	33,921,214
(iv)	Total Shareholders' equity:	73,884,330	73,436,367
(b)	Minority interests in subsidiaries:	0	0
(c)	Total equity:	73,884,330	73,436,367
(d)	Capital notes:	0	0
(e)	Total capital funds:	73,884,330	73,436,367
10	Total equity and liabilities	85,236,799	87,065,244

Operating Revenue (Schedule 1, Part 2)

para 11		2002	2001
		\$	\$
	11 Operating revenue		
(a)	(a) Revenue from line/access charges:	17,453,647	17,020,419
(b)	(b) Revenue from "Other" business for services carried out by the line business (transfer payment):	0	0
(c)	(c) Interest on cash, bank balances and short term investments:	0	0
(e)	(d) AC loss-rental rebates:	970,539	924,808
(f)	(e) Other revenue not listed in (a) to (d):	541,272	394,385
(g)	Total operating revenue	18,965,458	18,339,612

para		2002	2001
		\$	\$
	12 Operating expenditure		
(a)	Payment for transmission charges	3,488,670	3,906,081
(b)	Transfer payments to the "Other" business for:		
(i)	Asset maintenance:	1,709,608	1,944,168
(ii)	Consumer disconnection/reconnection services:	0	0
(iii)	Meter data:	0	0
(iv)	Consumer-based load control services:	0	0
(v)	Royalty and patent expenses:	0	0
(vi)	Avoided transmission charges on account of own generation	336,000	648,000
(vii)	Other goods and services not listed in (i) to (vi) above	0	0
(viii)	Total transfer payment to the "Other" business	2,045,608	2,592,168
(c)	Expense to entities that are not related parties for:		
(i)	Asset maintenance:	0	0
(ii)	Consumer disconnection/reconnection services	0	0
(iii)	Meter data	0	0
(iv)	Consumer-based load control services	0	0
(v)	Royalty and patent expenses	0	0
(vi)	Total of specified expenses to non-related parties (sum of (i) to (v))	0	0
(d)	Employee salaries, wages and redundancies	1,741,360	1,660,010
(e)	Consumer billing and information system expense	115,567	93,127
(f)	Depreciation on:		
(i)	System fixed assets:	2,495,401	2,346,545
(ii)	Other assets not listed in (i)	108,060	132,524
(iii)	Total depreciation	2,603,461	2,479,069
(g)	Amortisation of:		
(i)	Goodwill:	0	0
(ii)	Other intangibles:	0	0
(iii)	Total amortisation of intangibles	0	0

Expenditure (Schedule 1, Part 2)

	2002	2001
(h) Corporate and administration:	310,898	256,997
(i) Human resource expenses:	118,873	79,933
(j) Marketing/advertising:	128,233	121,541
(k) Merger and acquisition expenses:		
(l) Takeover defence expenses:		
(m) Research and development expenses:		
(n) Consultancy and legal expenses:	207,109	192,105
(o) Donations:		
(p) Directors' fees:	118,032	110,859
(q) Auditors' fees:		
(i) Audit fees paid to principal auditors:	28,080	26,265
(ii) Audit fees paid to other auditors:		
(iii) Fees paid for other services provided by principal and other auditors:	14,464	27,102
(iv) Total auditors' fees:	42,544	53,367
(r) Costs of offering credit:		
(i) Bad debts written off:	21,876	4,955
(ii) Increase in estimated doubtful debts:	0	0
(iii) Total cost of offering credit:	21,876	4,955
(s) Local authority rates expense:		
(t) AC loss-rentals (distribution to retailers/customers) expense:	970,539	924,808
(u) Rebates to consumers due to ownership interest:	0	0
(v) Subvention payments:	0	0
(w) Unusual expenses:	0	0
(x) Other expenditure not listed in (a) to (w)	102,897	107,376
13 Total operating expenditure	12,015,667	12,582,396
14 Operating surplus before interest and income tax	6,949,792	5,757,216
15 Interest expense		
(a) Interest expense on borrowings	587,944	738,496
(b) Financing charges related to finance leases	0	0
(c) Other interest expense	0	0
(d) Total interest expense	587,944	738,496
16 Operating surplus before income tax	6,361,848	5,018,720
17 Income tax	1,563,885	1,402,430
18 Net surplus after tax	4,797,963	3,616,290



Schedule 4 -part 8 of the Electricity Regulations 1999

Annual Valuation Reconciliation Report of System Fixed Assets

	\$'000
Year ending 31 March 2002	73,705
System fixed assets at ODV – 31 March 2001	71,847
Add system fixed assets acquired during the year	4,583
Less system fixed assets disposed of during the year	(59)
Less depreciation on system fixed assets	(2,667)
Revaluations	-
Equals system fixed assets at ODV – 31 March 2002	<u>73,705</u>

July 2002

SCHEDULE 1 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in formula	ROF		ROE		ROI	
Operating surplus before interest and income tax from financial statements								
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	6,949,792							
Interest on cash, bank balances, and short-term investments (ISTI)	0							
OSBIT minus ISTI	6,949,792	a		6,949,792				6,949,792
Net surplus after tax from financial statements	4,797,963							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	4,797,963	n				4,797,963		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	0	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	2,495,401							
Depreciation of SFA at ODV (y)	2,667,015							
ODV depreciation adjustment	-171,614	d	add	-171,614	add	-171,614	add	-171,614
Subvention payment tax adjustment	0	s't			deduct	0	deduct	0
Interest tax shield	194,022	q					deduct	194,022
Revaluations	0	r					add	0
Income tax	1,563,885	p					deduct	1,563,885
Numerator				6,778,178		4,626,349		5,020,272
				$OSBIT^{ADJ} = a + g + s + d$		$NSAT^{ADJ} = n + g + s - s't + d$		$OSBIT^{ADJ} = a + g - q + r + s + d - p - s't$
Fixed assets at end of previous financial year (FA ₀)	74,027,075							
Fixed assets at end of current financial year (FA ₁)	75,987,327							
Adjusted net working capital at end of previous financial year (ANWC ₀)	-1,004,600							
Adjusted net working capital at end of current financial year (ANWC ₁)	179,229							
Average total funds employed (ATFE)	74,584,516	c		74,584,516				74,584,516
	(or regulation 33 time-weighted average)							
Total equity at end of previous financial year (TE ₀)	73,436,367							
Total equity at end of current financial year (TE ₁)	73,884,330							
Average total equity	73,660,349	k				73,660,349		
	(or regulation 33 time-weighted average)							
WUC at end of previous financial year (WUC ₀)	253,801							
WUC at end of current financial year (WUC ₁)	471,342							
Average total works under construction	362,572	e	deduct	362,572	deduct	362,572	deduct	362,572
	(or regulation 33 time-weighted average)							
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
Intangible assets at end of previous financial year (IA ₀)	0							
Intangible assets at end of current financial year (IA ₁)	0							
Average total intangible asset	0	m			add	0		
	(or regulation 33 time-weighted average)							
Subvention payment at end of previous financial year (S ₀)	0							
Subvention payment at end of current financial year (S ₁)	0							
Subvention payment tax adjustment at end of previous financial year	0							
Subvention payment tax adjustment at end of current financial year	0							
Average subvention payment & related tax adjustment	0	v			add	0		
System fixed assets at end of previous financial year at book value (SFA _{bv,0})	73,492,894							
System fixed assets at end of current financial year at book value (SFA _{bv,1})	75,107,433							
Average value of system fixed assets at book value	74,300,064	f	deduct	74,300,064	deduct	74,300,064	deduct	74,300,064
	(or regulation 33 time-weighted average)							
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	71,847,028							
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	73,705,000							
Average value of system fixed assets at ODV value	72,776,014	h	add	72,776,014	add	72,776,014	add	72,776,014
	(or regulation 33 time-weighted average)							
Denominator				72,697,895		71,773,728		72,697,895
				$ATFE^{ADJ} = c - e - f + h$		$Ave TE^{ADJ} = k - e - m + v - f + h$		$ATFE^{ADJ} = c - e - \frac{1}{2}r - f + h$
Financial Performance Measure:				9.3		6.4		6.9
				$ROF = OSBIT^{ADJ} / ATFE^{ADJ} \times 100$		$ROE = NSAT^{ADJ} / Ave TE^{ADJ} \times 100$		$ROI = OSBIT^{ADJ} / ATFE^{ADJ} \times 100$

t = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprival valuation subscript '0' = end of the previous financial year
 subscript '1' = end of the current financial year ROF = return on funds ROE = return on equity ROI = return on investment

TOP ENERGY LIMITED

Performance Measures and Statistics
For the Year Ended 31 March 2002

Regulations 15 and 16

i. Financial Performance Measures

	2002	2001	2000	1999
a. Return on Funds	9.30%	7.80%	7.10%	3.47%
b. Return on Equity	6.40%	4.60%	4.90%	1.92%
c. Return on Investment [Return on Investment - excluding revaluations]	6.90% [6.9%]	1.30% [5.5%]	6.20%	4.30%

ii. Efficiency Performance Measures

	2002	2001	2000	1999
	\$	\$	\$	\$
a. Direct Line Costs per kilometre	1,036	1,034	932	876
b. Indirect Line Costs per Electricity Customer	62	63	64	62

Optimised Deprival Valuation

The Optimised Deprival Valuation as at 31 March 2002 is \$73,705,000

Regulation 21

i. Energy Delivery Efficiency Performance Measures

	2002	2001	2000	1999
	%	%	%	%
a. Load Factor	62.0	63.4	62.0	60.0
b. Loss Ratio	9.3	10.4	9.9	9.9
c. Capacity Utilisation	32.0	31.0	31.0	33.0

ii. Statistics

See table below for the following statistics:

- System Length (kms) and breakdown by nominal line voltage.
- Underground circuit length (kms) and breakdown by nominal line voltage.
- Overhead circuit length (kms) and breakdown by nominal line voltage.

	Kilometres											
	(c) Overhead Circuit				(b) Underground Circuit				(a) Total System			
	2002	2001	2000	1999	2002	2001	2000	1999	2002	2001	2000	1999
33kV	245	245	245	239	0	0	0	0	245	245	245	239
11kV	3,101	3,092	3,067	3,051	67	60	54	46	3,168	3,152	3,121	3,097
400V	866	866	868	870	555	538	518	494	1,421	1,404	1,386	1,364
	<u>4,212</u>	<u>4,203</u>	<u>4,180</u>	<u>4,160</u>	<u>622</u>	<u>598</u>	<u>572</u>	<u>540</u>	<u>4,834</u>	<u>4,801</u>	<u>4,752</u>	<u>4,700</u>

	2002	2001	2000	1999
d. Transformer Capacity (kVA)	180,899	176,304	166,134	161,045
e. Maximum Demand (kW)	58,000	55,000	52,000	53,580
f. Total Electricity supplied by System before losses [comparatives are after losses]	316,149,000	273,671,840	255,907,919	252,450,000
g. Total Elec' conveyed by System for other persons after losses [comparatives are before losses]	286,724,192	305,505,191	284,026,547	99,799,799
Retailer 1	210,461,645	244,312,565	241,123,134	68,455,050
Retailer 2	42,789,736	27,289,211	24,920,228	23,272,607
Retailer 3	21,080,083	22,686,416	13,653,674	8,072,142
Retailer 4	5,540,988	6,669,575	2,298,555	
Retailer 5	3,575,163	3,282,591	1,974,271	
Retailer 6	3,164,853	1,057,948	56,686	
Retailer 7	111,724	206,885		
h. Total Customers (average for year)	27,044	26,234	25,700	24,779

* Denotes a revised comparative

TOP ENERGY LIMITED

Performance Measures and Statistics
For the Year Ended 31 March 2002

Regulation 22

Reliability Performance Measures

i. Total number of interruptions and breakdowns by interruption class

Class Type of Interruption	5 Yr Target		2002	2001	2000	1999
	Average	2003				
A Planned - Transpower			2	0	2	0
B Planned - Top Energy	180	185	195	218	295	278
C Unplanned - Top Energy	200	220	244	235	192	250
D Unplanned - Transpower			6	0	0	7
E Unplanned - Embedded Generation			0	0	0	0
F Unplanned - Other Generation			0	0	0	0
G Unplanned - Another Line owner			0	0	0	0
H Planned - Another Line owner			0	0	0	0
I Any other interruption			0	0	0	0
Total - All interruptions			447	453	489	535

Class C Interruptions not restored:

	%	%	%
a Within 3 hours	34%	27%	10%
b Within 24 hours	0%	0%	0%

ii. Number of faults per 100 circuit kms

Line Voltage	Total				Underground				Overhead			
	2002	2001	2000	1999	2002	2001	2000	1999	2002	2001	2000	1999
100kV												
66kV												
33kV	4.10	4.08	3.67	4.18	0.00	0.00	0.00	0.00	4.10	4.08	3.67	4.18
11kV	7.20	7.14	5.86	7.75	0.00	1.67	1.86	0.00	7.50	7.25	5.93	7.87
6.6kV												
3.3kV												
Total	7.20	6.92	5.70	7.49	0.00	1.67	1.86	0.00	7.30	7.01	5.77	7.60

	5 Yr Target		5 Yr Target		5 Yr Target	
	Average	2003	Average	2003	Average	2003
Target Faults:						
33kV	4.0	4.0	0.0	0.0	3.8	4.0
11kV	5.9	5.9	0.0	0.0	5.9	5.9
Total	5.8	5.8	0.0	0.0	5.8	5.8

iii. Breakdown of statistics by interruption class

Class Type of Interruption	SAIDI (Minutes)				SAIFI (Interruptions)				CAIDI (Minutes)			
	2002	2001	2000	1999	2002	2001	2000	1999	2002	2001	2000	1999
A Planned - Transpower	148.0	0.0	35.0	0.0	1.3	0.0	0.2	0.0	115.0	0.0	217.0	0.0
B Planned - Top Energy	48.0	83.0	185.0	163.0	0.3	0.6	1.3	1.4	150.0	145.0	138.0	121.0
C Unplanned - Top Energy	287.0	246.0	275.0	574.0	4.8	4.7	5.4	8.4	60.0	52.0	51.0	69.0
D Unplanned - Transpower	191.0	0.0	0.0	391.0	3.8	0.0	0.0	6.0	50.0	0.0	0.0	66.0
E Unplanned - Embedded Generation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
F Unplanned - Other Generation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
G Unplanned - Another Line owner	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H Planned - Another Line owner	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I Any other interruption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - All interruptions	674.0	329.0	495.0	1,128.0	10.2	5.3	6.9	15.8	66.0	62.0	72.0	72.0

	5 Yr Target		5 Yr Target		5 Yr Target	
	Average	2003	Average	2003	Average	2003
Targets:						
B Planned - Top Energy	50	50	0.3	0.3	170	170
C Unplanned - Top Energy	250	275	4.8	5.0	55	55



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Report of the Auditor-General

To the readers of the special purpose financial statements of Top Energy Limited for the year ended 31 March 2002

We have audited the accompanying financial statements of Top Energy Limited. The financial statements provide information about the past financial performance of Top Energy Limited and its financial position as at 31 March 2002. This information is stated in accordance with the accounting policies set out in the Statement of Accounting Policies.

Directors' responsibilities

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of Top Energy Limited as at 31 March 2002, and the results of operations and cash flows for the year ended on that date.

Auditors' responsibilities

Section 15 of the Public Audit Act 2001 and Regulation 31 of the Electricity (Information Disclosure) Regulations 1999 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report its opinion to you.

The Auditor-General has appointed Peter Scott of PricewaterhouseCoopers to undertake the audit.

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 Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Top Energy Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain 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 acting on behalf of the Auditor-General and providing other professional services from time to time, we have no relationship with or interests in Top Energy Limited.



Unqualified Opinion

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

In our opinion –

- proper accounting records have been kept by Top Energy Limited as far as appears from our examination of those records; and
- the financial statements of Top Energy Limited attached,
 - (a) comply with generally accepted accounting practice in New Zealand; and
 - (b) give a true and fair view of Top Energy Limited's financial position as at 31 March 2002 and the results of its operations and cashflows for the year then ended; and
 - (c) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 18 July 2002 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'Peter Scott', written in a cursive style.

Peter Scott
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland, New Zealand



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**AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF
TOP ENERGY LIMITED**

We have examined the attached information, being -

- (a) the derivation table in regulation 16;
- (b) the annual ODV reconciliation report in regulations 16A;
- (c) the financial performance measures in clause 1 of Part 3 of Schedule 1;
- (d) the financial components of the efficiency performance measures in clause 2 of Part 3 of Schedule 1, -

that were prepared by Top Energy Limited and dated 31 March 2002 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

In our opinion, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the Electricity (Information Disclosure) Regulations 1999.

Peter Scott
PricewaterhouseCoopers
On behalf of the Controller and Auditor-General
Auckland, New Zealand

18 July 2002