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VECTOR 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, Wayne Brown and Brian Plimmer, directors of VECTOR Limited certify that, having made all reasonable enquiry, to the best of our knowledge, –

- (a) The attached audited financial statements of VECTOR 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 VECTOR 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



Director



Director

24 July 2002



PricewaterhouseCoopers
188 Quay Street
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DX CP24073
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Auditors' Report to the readers of the Financial Statements of VECTOR Limited – Lines Business

We have audited the accompanying financial statements of VECTOR Limited – Lines Business. The financial statements provide information about the past financial performance and cash flows of VECTOR Limited – Lines Business 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 VECTOR Limited – Lines Business as at 31 March 2002, and the results of its 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 Directors 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 Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to VECTOR Limited – Lines Business' 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 to provide us with 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 capacities as auditors, tax advisors and consultants we have no relationship with or interests in VECTOR Limited.



VECTOR Limited – Lines Business Auditors' Report

Unqualified opinion

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

In our opinion:

- (a) proper accounting records have been kept by VECTOR Limited as far as appears from our examination of those records; and
- (b) the financial statements referred to above:
 - (i) comply with generally accepted accounting practice; and
 - (ii) give a true and fair view of the financial position of VECTOR Limited – Lines Business as at 31 March 2002 and the results of its operations and cash flows for the year then ended; and
 - (iii) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 24 July 2002 and our unqualified opinion is expressed as at that date.

A handwritten signature in cursive script, appearing to read 'PricewaterhouseCoopers'.

Chartered Accountants

Auckland



PricewaterhouseCoopers
188 Quay Street
Private Bag 92162
Auckland, New Zealand
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Telephone +64 9 355 8000
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Auditors' Opinion of Performance Measures

VECTOR Limited – Lines Business

We have examined the attached information, being:

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

that were prepared by VECTOR Limited – Lines Business and dated 24 July 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.

PricewaterhouseCoopers

Chartered Accountants
24 July 2002

Auckland

VECTOR Limited
Electricity Lines Business

Statement of Financial Performance

For the year ended 31 March 2002

	Notes	2002 \$000	2001 \$000
Operating revenue	1	259,416	239,000
Operating expenses	3	(156,512)	(132,983)
Operating surplus before income tax	3	102,904	106,017
Income tax expense	4	(40,044)	(42,345)
Net surplus		62,860	63,672

Comprising

Net surplus from continuing activities		62,860	63,672
Net surplus from discontinued activities		-	-
Net surplus		62,860	63,672

Statement of Movements in Equity

For the year ended 31 March 2002

	Notes	2002 \$000	2001 \$000
Equity at beginning of year		741,329	737,370
Net surplus		62,860	63,672
Movement in revaluation reserve	9	(66,889)	(11,713)
Total recognised revenues and expenses		(4,029)	51,959
Distribution to owners	7	-	(48,000)
Equity at end of year		737,300	741,329

VECTOR Limited
Electricity Lines Business

Statement of Financial Position

As at 31 March 2002

	Notes	2002 \$000	2001 \$000
Equity			
Share capital	8	300,000	300,000
Reserves	9	338,957	405,846
Retained earnings	10	98,343	35,483
Shareholders equity		737,300	741,329
Non-current liabilities			
Borrowings	11	-	104,810
Deferred tax	6	80,079	-
Total non-current liabilities		80,079	104,810
Current liabilities			
Payables and accruals	12	40,126	40,104
Provision for dividends payable	7	-	48,000
Provision for income tax		19,825	36,810
Short-term borrowings	11	116,294	26,484
Total current liabilities		176,245	151,398
Total liabilities		256,324	256,208
Total equity and liabilities		993,624	997,537
Tangible assets			
Non-current assets			
Deferred tax	6	-	2,618
Fixed assets	14	926,887	927,669
Total non-current assets		926,887	930,287
Current assets			
Cash and bank balances		32,850	30,688
Receivables and prepayments	15	33,887	35,447
Inventories		-	1,115
Total current assets		66,737	67,250
Total tangible assets		993,624	997,537

VECTOR Limited
Electricity Lines Business

Statement of Cash Flows

For the year ended 31 March 2002

	2002 \$000	2001 \$000
Operating activities		
<i>Cash was provided from</i>		
Receipts from customers	236,584	201,329
Interest received	396	303
	236,980	201,632
<i>Cash was disbursed to</i>		
Payments to suppliers and employees	93,644	118,415
Income tax paid	39,333	4,600
Interest paid	9,387	6,456
	142,364	129,471
Net cash inflow from operating activities	94,616	72,161
Investing activities		
<i>Cash was provided from</i>		
Proceeds from sale of other fixed assets	4,938	482
	4,938	482
<i>Cash was applied to</i>		
Purchase and construction of fixed assets	34,392	68,405
	34,392	68,405
Net cash outflow from investing activities	(29,454)	(67,923)
<i>Cash was applied to</i>		
Net loan facilities*	15,000	(26,484)
Dividends paid	48,000	33,282
	63,000	6,798
Net cash outflow from financing activities	(63,000)	(6,798)
Net increase/(decrease) in cash	2,162	(2,560)
Opening cash brought forward	30,688	33,248
Ending cash carried forward	32,850	30,688

* Cash inflows and outflows have been netted for ease of presentation

VECTOR Limited
Electricity Lines Business

Statement of Cash Flows - continued

	Notes	2002 \$000	2001 \$000
Reported net surplus after tax		62,860	63,672
<i>Add/(less) non-cash items</i>			
Depreciation	3	30,108	25,021
Deferred tax	4	17,697	6,234
		47,805	31,255
<i>Items classified as investing activities</i>			
Loss/(gain) on sale of fixed assets		(1,917)	176
Capitalised costs		(1,026)	(801)
		(2,943)	(625)
<i>Add/(less) movement in working capital</i>			
Payable and accruals		1,080	(28,761)
Receivables and prepayments		2,800	(24,891)
Provision for income tax		(16,986)	31,511
		(13,106)	(22,141)
Net cash inflow from operating activities		94,616	72,161

VECTOR Limited

Electricity Lines Business

Statement Of Accounting Policies

For the year ended 31 March 2002

Reporting entity

The financial statements have been extracted from the audited financial statements of the VECTOR Limited parent company and represent the electricity line business activities of the company.

VECTOR Limited is a company registered under the Companies Act 1993.

Statutory base

The financial statements have been drawn up in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and Regulation 6 of the Electricity (Information Disclosure) Regulations 1999 and Regulation 15 of the Electricity (Information Disclosure) Amendment Regulations 2000.

Measurement base

The financial statements are prepared on the basis of historical cost modified by the revaluation of certain assets as identified in specific accounting policies below.

The avoidable cost allocation methodology (ACAM) used for allocating costs, assets and liabilities between "line" and "other" activities is in accordance with the Electricity Information Disclosure Handbook 30 June 2000.

Specific accounting policies

The following specific accounting policies that materially affect the measurement of financial performance, financial position and cash flow have been applied.

a) Comparatives

Comparatives were prepared in accordance with the Electricity (Information Disclosure) Regulations 1999 as amended by the Electricity (Information Disclosure) Amendment Regulations 2000 and the Electricity Information Disclosure Handbook 30 June 2000.

b) Income recognition

Income from the provision of line network services is recognised as services are delivered. Interest income is accounted for as earned.

c) Property, plant and equipment

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the property, plant and equipment and the value of other directly attributable costs which have been incurred in bringing the property, plant and equipment to the location and condition necessary for the intended service.

The cost of self-constructed property, plant and equipment includes the cost of all materials used in construction, direct labour on the project, costs of obtaining Resource Management consents, financing costs that are attributable to the project and an appropriate proportion of the 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 costs.

Distribution systems and some land and buildings are revalued by independent experts on the basis of Optimised Deprival Value (ODV). The valuation was prepared in accordance with the Fourth Edition of the Ministry of Economic Development Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (October 2000). Revaluations are carried out at least every three years and are conducted under the guidance of independent experts. Subsequent additions are recorded at cost.

The carrying values of property, plant and equipment not subject to revaluations are subject to annual impairment reviews.

VECTOR Limited

Electricity Lines Business

Statement Of Accounting Policies - continued

For the year ended 31 March 2002

d) Depreciation

Depreciation is calculated so as to expense the cost of the assets, or the revalued amounts, to their residual values over their useful lives as follows:

Buildings	50 years
Distribution systems	15 - 100 years
Motor vehicles	20% - 33% per annum diminishing value
Consumer billing and information systems	3 - 40 years
Office equipment	3 - 40 years
Other fixed assets	4% - 60% per annum diminishing value

e) Accounts receivable

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

f) Income tax

The income tax expense recognised for the year is based on the accounting surplus, adjusted for permanent differences between accounting and tax rules.

The impact of all timing differences between accounting and taxable income is recognised as a deferred tax liability or asset. During the year the VECTOR group, of which the line business is the predominant activity, changed their accounting policy for income tax in relation to the recognition of timing differences to include timing differences arising as a result of the revaluation of property, plant and equipment. This is the comprehensive basis for the calculation of deferred tax under the liability method.

Previously the timing differences arising from the revaluation of distribution systems and buildings that were not expected to crystallise in the foreseeable future were not recognised.

A deferred tax asset, or the effect of losses carried forward that exceed the deferred tax liability, is recognised in the financial statements only where there is the virtual certainty that the benefit of the timing differences, or losses, will be utilised.

The deferred tax arising from timing differences resulting from revaluation of property, plant and equipment is recognised directly against the asset revaluation reserve.

g) Goods and services tax (GST)

The statement of financial performance and statement of cash flows have been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated exclusive of GST, with the exception of the receivables and payables, which include GST invoiced.

h) Leased property, plant and equipment

Operating leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased assets, are included in the determination of the surplus or deficit in equal instalments over the lease term.

The cost of improvements to leasehold property is capitalised and amortised over the unexpired period of the lease or the estimated useful life of the improvements, whichever is the shorter.

VECTOR Limited
Electricity Lines Business

Statement Of Accounting Policies - continued

For the year ended 31 March 2002

i) Foreign currencies

Transactions denominated in a foreign currency are converted to New Zealand dollars at the exchange rates in effect at the date of the transaction, except when forward currency contracts have been taken out to cover short-term forward currency commitments.

Short-term transactions covered by forward exchange contracts are measured and reported at the forward rates specified in those contracts.

At balance date foreign currency monetary assets and liabilities are translated to New Zealand dollars at the balance date exchange rate and exchange variations arising from these translations are included in the statement of financial performance.

The exchange differences on hedging transactions undertaken to establish the price of particular sales or purchases, together with any costs associated with the hedge transactions, are deferred and included in the measurement of the purchase or sale transaction.

j) Financial instruments

The VECTOR group, of which the line business is the predominant activity, is party to financial instruments with off-balance sheet risk to meet financing needs and to reduce exposure to fluctuations in foreign currency exchange rates. These financial instruments include foreign exchange forward contracts, forward rate agreements and swaps.

The VECTOR group, of which the line business is the predominant activity, enters into foreign currency forward exchange contracts to hedge foreign currency transactions. A loss or gain on the item being hedged generally offsets any exposure to gains or losses on these forward contracts. Gains and losses on contracts which hedge specific short-term foreign currency denominated commitments are recognised as a component of the related transaction in the period in which the transaction is completed. The VECTOR group, of which the line business is the predominant activity, is not involved in foreign exchange speculation.

The net differential paid or received on interest swaps is recognised as a component of the interest expense over the period of the agreement.

k) Employee entitlements

Employee entitlements to salaries and wages, annual leave, long-term leave and other benefits are recognised when they accrue to employees.

The liability for employee entitlements is carried at the present value of the estimated future cash outflows.

VECTOR Limited
Electricity Lines Business

Statement Of Accounting Policies - continued

For the year ended 31 March 2002

l) Statement of cash flows

The following are the definitions of the terms used in the Statement of Cash Flows.

Operating activities include all transactions and other events that are not investing or financing activities.

Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and investments that can include securities not falling within the definition of cash.

Financing activities are those that result in changes in the size and composition of the capital structure. 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.

Cash is considered to be cash on hand and current accounts in banks, net of bank overdrafts.

m) Dividends

Dividends are brought to account in the period in which they are declared. In previous years dividends have been recognised as liabilities in the period to which they were deemed to relate provided they were proposed or declared before the financial report was authorised for issue.

Changes in accounting policies

During the year the VECTOR group, of which the line business is the predominant activity, changed its accounting policy in respect of accounting for dividends. Under the new policy, dividends are only brought to account in the period in which they are declared. The Board of Directors has adopted this change in accounting policy to conform with the requirements of Financial Reporting Standard 5 Events Occurring After Balance Date.

In addition, the VECTOR group, of which the line business is the predominant activity, changed its accounting policy in respect of accounting for income tax. Under the new policy the VECTOR group, of which the line business is the predominant activity, recognises all timing differences in respect to property, plant and equipment, including those arising from revaluations. Previously timing differences in relation to revaluations of property, plant and equipment not expected to crystallise in the foreseeable future were not recognised. The change in policy has resulted in an increase of \$65 million to the deferred tax liability and a decrease of the same amount to the asset revaluation reserve. Because the revaluation has previously been recognised directly in the revaluation reserve the tax effect has also followed this treatment and been taken directly to the revaluation reserve.

There have been no other changes in accounting policies.

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements

For the year ended 31 March 2002

	2002 \$000	2001 \$000
1. OPERATING REVENUE		
Continuing activities		
Revenue from line/access charges	228,977	218,295
Interest on cash, bank balances and short-term investments	396	303
Other income	11,736	11,493
AC loss-rental rebates	16,390	8,909
Gain on sale of fixed assets	1,917	-
Total operating revenue	259,416	239,000
2. CONTINUING AND DISCONTINUED ACTIVITIES		
Continuing activities		
Revenue	259,416	239,000
Operating surplus before income tax	102,904	106,017
Discontinued activities		
Revenue	-	-
Operating surplus before income tax	-	-
Totals		
Revenue	259,416	239,000
Operating surplus before income tax	102,904	106,017
3. OPERATING EXPENSES		
Operating line expenses		
Depreciation on:		
System fixed assets	23,940	19,181
Freehold buildings	466	257
Motor vehicles	36	49
Consumer billing and information system assets	5,439	5,334
Other fixed assets	227	200
Total depreciation	30,108	25,021
Payment for transmission charges	55,975	58,568
Avoided transmission charges on account of own generation	2,980	-
Employee salaries, wages and redundancies	10,327	11,599
Consumer billing and information system expense	1,551	1,686
Asset maintenance	19,645	21,215

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
3. OPERATING EXPENSES - CONTINUED		
Meter data	113	14
Net loss on sale of property, plant and equipment	-	176
Corporate and administration	3,256	2,602
Human resource expenses	840	923
Marketing/advertising	1,143	1,472
Consultancy and legal expenses	2,402	1,608
Rental expense on operating leases	1,415	1,508
Total operating line expenses	129,755	126,392
Costs of offering credit		
Bad debts written off	868	673
Increase in estimated doubtful debts	(120)	(152)
Total cost of offering credit	748	521
Governance expenses		
Directors fees	212	207
Total directors fees	212	207
Auditors fees		
Audit fees paid to principal auditors	59	59
Fees paid for other services provided by principal auditors and other auditors	337	199
Total auditors fees	396	258
Sundry expenses		
Donations	-	12
AC loss - rentals (distribution to retailers/customers) expense	16,390	2,966
Local Authority rates and expenses	2,435	1,790
Total sundry expenses	18,825	4,768
Other Expenditure	(2,800)	(5,187)
Total operating expenditure	147,136	126,959
Operating surplus before interest and income tax	112,280	112,041
Interest expense on borrowings/total interest expense	(9,376)	(6,024)
Operating surplus before income tax	102,904	106,017
Income tax	(40,044)	(42,345)
Net surplus after income tax	62,860	63,672

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
4. INCOME TAX		
Operating surplus before tax	102,904	106,017
Prima facie tax at 33%	33,958	34,985
<i>Plus/(less) tax effect of permanent differences:</i>		
Non-deductible entertainment	28	20
Non-deductible legal and consulting	82	223
Prior period adjustment	180	246
Other permanent differences	5,796	6,871
Tax expense	40,044	42,345
<i>The tax charge is represented by:</i>		
Current tax	22,347	36,111
Deferred tax	17,697	6,234
	40,044	42,345

Some tax benefits in VECTOR Limited are not included in the calculation of the line business tax expense as these losses arise from prior period transactions incurred by "other" activities. Only those taxation items directly attributable to the line business are taken into account in determining the income tax balances in these financial statements.

5. IMPUTATION BALANCES

Balance at beginning of year	4,582	768
Income tax payments during year	23,525	4,200
Imputation credits attaching to dividends paid	(10,420)	(386)
Balance at end of year	17,687	4,582

The tax paid above represents the amount actually paid by VECTOR Group, of which the lines business is the predominant activity. This differs from the tax paid in the statement of cash flows as that figure represents the lines business' allocation of the total tax payment, without taking into account the losses incurred by the other business. At balance date the imputation credits available to the shareholders of the VECTOR group of which the line business is the predominant activity were:

Through direct shareholding in VECTOR Limited of which the line business is the predominant activity	17,687	4,582
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VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
6. DEFERRED TAXATION ASSET/(LIABILITY)		
Balance at beginning of year	2,618	8,852
On surplus for year	(17,697)	(6,234)
Deferred tax adjustment on revalued assets	(65,000)	-
Balance at end of year	(80,079)	2,618

During the year the VECTOR group, of which the line business is the predominant activity, has recognised a deferred tax liability of \$65 million which relates to changes in accounting policy in relation to a previous revaluation of the network property, plant and equipment. The revaluation reserve has been reduced accordingly.

7. DIVIDENDS

Distributions relating to previous year

Dividends paid on ordinary shares	48,000	33,282
<i>Proposed distributions:</i>		
Proposed dividend on ordinary shares	-	48,000
<i>Total distributions paid or payable in cash</i>	48,000	81,282
Less proposed dividend in previous year	48,000	33,282
Total	-	48,000

The proposed dividend for 2001 and paid in 2002 was partially imputed. The dividend paid in 2001 was partially imputed. Subsequent to balance date, on 22 May 2002, a final dividend of \$42.8 million was declared for the year ended 31 March 2002.

8. SHARE CAPITAL

<i>Ordinary class A shares</i>		
300,000,000 issued and fully paid shares	300,000	300,000
<i>Ordinary class C shares</i>		
6 issued and deemed fully paid shares	-	-
	300,000	300,000

The ordinary class A shares can only be held by the Auckland Energy Consumer Trust and may only be dealt with pursuant to the Trust Deed.

The ordinary class A shares and the ordinary class C shares are voting securities.

The ordinary class A shares have 75% of the voting entitlement and ordinary class C shares have 25% voting entitlement.

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
9. RESERVES		
Asset revaluation		
Balance at beginning of year	405,846	417,559
Decrease arising from revaluation of distribution fixed assets	(1,889)	(11,713)
Deferred tax adjustment on revalued assets	(65,000)	-
Balance at end of year	338,957	405,846

Subsequent to the revaluation performed as at 31 March 2001 the Commerce Commission approved certain changes, the net impact of which was a devaluation of \$1.9 million (0.2%).

10. RETAINED EARNINGS

Balance at beginning of year	35,483	19,811
Net surplus for the period	62,860	63,672
Net surplus attributable to the lines business	98,343	83,483
Dividend	-	(48,000)
Balance at end of year	98,343	35,483

11. BORROWINGS

Repayable	Interest rates		
Within one year	7.1%	116,294	26,484
One to two years	7.1%	-	104,810
Total		116,294	131,294
Less short-term borrowings		116,294	26,484
		-	104,810

Debt issued of \$116.3 million (2001: \$131.3 million) is secured by way of negative pledge over the assets of the VECTOR group, of which the line business is the predominant activity.

12. ACCOUNTS PAYABLE AND ACCRUALS

Trade payables and other creditors		35,279	30,446
Provisions for claims	13	200	4,927
Interest payable		3,404	3,416
Employee entitlements		1,243	1,315
		40,126	40,104

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
13. PROVISIONS FOR CLAIMS		
Balance at beginning of year	4,927	30,619
Additions	-	-
Used	(2,356)	(13,397)
Reversed	(2,371)	(12,295)
Balance at end of year	200	4,927
The future timing of the outflows of the end of year balance of provisions is uncertain pending settlement of various matters.		
14. PROPERTY, PLANT AND EQUIPMENT		
System fixed assets		
Distribution systems at valuation	866,587	818,000
Distribution land at valuation	20,240	20,047
Distribution buildings at valuation	16,173	16,172
	903,000	854,219
Accumulated depreciation		
Distribution systems	(22,987)	-
Distribution buildings	(953)	-
	(23,940)	-
Net book value	879,060	854,219
Consumer billing and information system assets		
Consumer billing and information system assets at cost	59,153	56,211
Accumulated depreciation	(28,883)	(23,453)
Net book value	30,270	32,758
Motor vehicles		
Motor vehicles at cost	371	370
Accumulated depreciation	(227)	(190)
Net book value	144	180
Other fixed assets		
Other fixed assets	7,206	6,355
Accumulated depreciation	(4,156)	(4,143)
Net book value	3,050	2,212
Land at cost	212	597

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
14. PROPERTY, PLANT AND EQUIPMENT - CONTINUED		
Buildings		
Buildings at cost	3,250	5,307
Accumulated depreciation	(710)	(631)
Net book value	2,540	4,676
Capital works under construction	11,611	33,027
Total net book value	926,887	927,669

ODV valuation

Balance at beginning of year	854,219	707,582
Movement in net book value	26,730	158,350
Devaluation	(1,889)	(11,713)
Balance at end of year	879,060	854,219

The original Optimised Deprival Value (ODV) valuation was carried out as at 31 March 2001 by Meritec Limited consulting engineers. The valuation was prepared in accordance with the Fourth Edition of the Ministry of Economic Development Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (October 2000). Subsequent to this valuation the Commerce Commission approved certain changes, the net impact of which was a devaluation of \$1.9 million (0.2%). Revaluations are carried out at least every three years in accordance with the accounting policy.

As indicated in the accounting policies finance costs are capitalised to fixed assets while under construction. During the year \$0.3 million (2001: \$4.6 million) of finance costs were capitalised.

15. RECEIVABLES AND PREPAYMENTS

Accounts receivables	32,026	33,792
Provision for doubtful debts	-	(120)
	32,026	33,672
Other receivables	1,861	1,775
	33,887	35,447

VECTOR Limited Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

16. FINANCIAL INSTRUMENTS

The VECTOR Group, of which the line business is the predominant activity, is subject to financial risk as a result of its debt portfolio.

To manage and limit the effect of those financial risks, the Board of Directors of VECTOR Limited, of which the line business is the predominant activity, has approved policy guidelines and authorised the use of various financial instruments. The policies approved, and financial instruments being utilised at balance date, are outlined below.

Credit risk

Financial instruments that potentially subject the VECTOR group, of which the line business is the predominant activity, to credit risk principally consist of bank balances, money market deposits and accounts receivable.

The VECTOR group, of which the line business is the predominant activity, monitors the credit quality of the major financial institutions that are counter parties to its off-balance sheet financial instruments and does not anticipate any non-performance by the counter parties.

Maximum exposures to credit risk as at balance date are:

	2002 \$000	2001 \$000
Bank balances	32,850	30,688
Accounts receivables	32,026	33,672

The above maximum exposures are net of any recognised provision for losses on these financial instruments

Concentrations of credit risk

Bank balances	32,850	30,688
---------------	--------	--------

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

Interest rate risk

Interest rates on debt issued in the current year are generally fixed for periods of between one and three months at rates from 4.9 % to 6.5 % (2001: 6.4% to 6.9%). The interest rates are based on the BkBM rate plus a margin.

Interest rate swaps and forward rate agreements are used to manage the proportion of fixed rate debt to total debt. Interest rate swaps and forward rate agreements open as at 31 March 2002 have a principal of \$174 million (2001:\$194 million) with a cash benefit of \$28.5 million (2001:\$33.3 million). The VECTOR group, of which the line business is the predominant activity, pays a weighted average interest rate on open interest rate swaps and forward rate agreements of 7.1% (2001:7.1%).

The VECTOR group, of which the line business is the predominant activity, values interest rate swaps by determining the net present value of future cash flows using current interest rates. The VECTOR group, of which the line business is the predominant activity, continuously monitors the credit quality of the major international institutions that are counterparties to its off-balance sheet financial instruments and does not anticipate non-performance by any of the counterparties.

Currency Risk

In 1997 the VECTOR group, of which the line business is the predominant activity, issued a bond in Swiss Francs. As a result of this transaction exposures to fluctuations in foreign currency exchange rates arise.

The VECTOR group, of which the line business is the predominant activity, has hedged all these borrowings in foreign currency by currency swap. Currency swaps open at balance date have a principal of \$104.8 million (2001: \$104.8 million). The cash benefit of the currency swaps is incorporated in the interest rate swaps. The currency swap was taken with an interest rate swap as one transaction. Valuation cannot be obtained to distinguish the two components.

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
17. COMMITMENTS		
Capital expenditure commitments		
Estimated capital expenditure contracted for at balance date but not provided for:	9,983	7,413
Operating lease commitments		
Within one year	1,172	1,445
One to two years	1,172	1,316
Two to five years	2,302	3,598
Beyond five years	113	180
	4,759	6,539

The majority of the operating lease commitments relate to premises leases. Operating leases held over properties give the VECTOR Group, of which the line business is the predominant activity, the right to renew the lease.

18. CONTINGENT LIABILITIES

Downer Construction has filed a claim against VECTOR Limited, of which the line business is the predominant activity, in respect of variances to the contract for the construction of the Penrose to Auckland CBD tunnel. The directors believe this claim to be significantly inflated. VECTOR Limited, of which the line business is the predominant activity, has lodged a counter claim. A provision has been made to cover the anticipated costs, however, details of this provision are not disclosed as the Board believe that this would prejudice seriously the position of VECTOR Limited, of which the line business is the predominant activity.

19. TRANSACTIONS WITH RELATED PARTIES

During the year VECTOR Limited, of which the line business is the predominant activity, had the following transactions with the Auckland Energy Consumer Trust (AECT), which is the majority shareholder of VECTOR Limited:

	2002 \$000	2001 \$000
Payment of Dividends	48,000	33,300
Payments from AECT	52	Nil

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

20. SEGMENT INFORMATION

The line business operates within the electricity sector. All operations are carried out within New Zealand.

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
21. ITEMS WITH BALANCES REQUIRING SPECIFIC DISCLOSURE UNDER THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 AS AMENDED BY THE ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT REGULATIONS 2000		
1. Current assets		
(b) short-term investments	Nil	Nil
(e) other current assets not listed in (a) to (d)	Nil	Nil
2. Fixed assets		
(d) Office equipment	Nil	Nil
3. Other tangible assets not listed above	Nil	Nil
5. Intangible assets		
(a) goodwill	Nil	Nil
(b) other intangibles not listed in (a)	Nil	Nil
(c) total intangible assets (sum of (a) and (b))	Nil	Nil
6. Total assets (4 + 5(c))	Nil	Nil
7. Current liabilities		
(a) bank overdraft	Nil	Nil
(f) other current liabilities not listed in (a) to (e)	Nil	Nil
8. Non-current liabilities		
(a) payables and accruals	Nil	Nil
(d) other non-current liabilities not listed (a) to (c)	Nil	Nil
9. Equity		
(b) minority interest in subsidiaries	Nil	Nil
(c) total equity (sum of (a) and (b))	Nil	Nil
(d) capital notes	Nil	Nil
(e) total capital funds (sum of (c) and (d))	Nil	Nil
11. Statement of financial performance		
(b) revenue from "other" business for services carried out by the line business (transfer payment)	Nil	Nil
(e) other operating revenue not listed in (a) to (d)	Nil	Nil
12. Operating expenditure		
(b) transfer payments to the "other" business for	Nil	Nil

VECTOR Limited
Electricity Lines Business

Notes to the Financial Statements - continued

For the year ended 31 March 2002

	2002 \$000	2001 \$000
21. ITEMS WITH BALANCES REQUIRING SPECIFIC DISCLOSURE UNDER THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 AS AMENDED BY THE ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT REGULATIONS 2000 - CONTINUED		
(i) asset maintenance	Nil	Nil
(ii) consumer disconnection/reconnection services	Nil	Nil
(iii) meter data	Nil	Nil
(iv) customer based load control services	Nil	Nil
(v) royalty and patent expenses	Nil	Nil
(vii) other goods and services not listed in (i) to (vi)	Nil	Nil
(viii) total transfer payment to the "other" business (sum of (i) to (vi))	Nil	Nil
(c) expense to entities that are not related parties for		
(i) asset maintenance	Nil	Nil
(ii) consumer disconnection/reconnection services	Nil	Nil
(iii) meter data	Nil	Nil
(iv) customer based load control services	Nil	Nil
(v) royalty and patent expenses	Nil	Nil
(vi) total of specified expenses to non-related parties (sum of (i) to (v))	Nil	Nil
(g) amortisation of		
(i) goodwill	Nil	Nil
(ii) other intangibles	Nil	Nil
(iii) total amortisation of intangibles (sum of (i) and (ii))	Nil	Nil
(k) merger and acquisition expenses	Nil	Nil
(l) takeover defence expenses	Nil	Nil
(m) research and development expenses	Nil	Nil
(q) auditors' fees	Nil	Nil
(ii) audit fees paid to other auditors	Nil	Nil
(u) rebates to customers due to ownership interest	Nil	Nil
(v) subvention payments	Nil	Nil
(w) unusual expenses	Nil	Nil
15. Interest expense		
(b) financing charges related to finance leases	Nil	Nil
(c) other interest expense not listed in (a) or (b)	Nil	Nil
(d) total interest expense (sum of (a) to (c))	Nil	Nil

VECTOR Limited
Electricity Lines Business

Financial Performance Measures And Efficiency Performance Measures

For the year ended 31 March 2002

FIRST SCHEDULE – PART 3

	2002	2001	2000	1999
1 Financial performance measures				
a Return on funds	12.4%	14.09%	9.61%	9.44%
b Return on equity	8.8%	9.78%	7.51%	5.76%
c Return on investment	7.4%	9.39%	6.46%	8.83%
2 Efficiency performance measures				
a Direct line cost per kilometre	\$2,290.01	\$2,511.83	\$1,951.07	\$2,746.16
b Indirect line cost per customer	\$80.43	\$79.06	\$136.45	\$213.27

VECTOR Limited
Electricity Lines Business

Energy Delivery Efficiency Performance Measures And Statistics

For the year ended 31 March 2002

FIRST SCHEDULE – PART 4

1. Energy delivery efficiency performance measures

	2002	2001	2000	1999
(a) Load factor	59.41	62.40	60.88	58.06
(b) Loss ratio	4.50	4.50	4.50	4.47
(c) Capacity utilisation	41.84	39.56	39.09	35.40

2. Statistics

(a) System length (in kilometres)

		400V	6.6kV	11kV	22kV	33kV	110kV	Total
2002	*	5,318.61	65.47	2,722.63	126.50	280.74	64.84	8,578.79
2001	*	5,201.30	89.74	2,666.91	136.90	273.73	77.35	8,445.93
2000	*	4,952.67	259.09	2,932.83	189.76	292.82	84.10	8,711.25
1999		4,747.18	414.45	3,236.26	251.46	294.42	70.66	9,014.41

(b) Total circuit length (in kilometres) of overhead electric lines

		400V	6.6kV	11kV	22kV	33kV	110kV	Total
2002	*	2,218.76	26.63	989.31	2.91	45.63	0.00	3,283.24
2001	*	2,219.50	30.34	987.70	0.00	45.63	21.07	3,304.24
2000	*	2,012.36	59.90	1,071.39	0.00	55.18	15.75	3,214.58
1999		1,800.60	91.99	1,177.86	0.00	64.66	5.25	3,140.36

(c) Total circuit length (in kilometres) of underground electric lines

		400V	6.6kV	11kV	22kV	33kV	110kV	Total
2002	*	3,099.85	38.84	1,733.32	123.59	235.11	64.84	5,295.55
2001	*	2,981.80	59.40	1,679.21	136.90	228.10	56.28	5,141.69
2000	*	2,940.32	199.19	1,861.44	189.76	237.64	68.35	5,496.68
1999		2,946.58	322.46	2,058.39	251.46	229.76	65.41	5,874.06

* Data from computerised mapping system (GIS), 1999 data from paper based systems.

VECTOR Limited
Electricity Lines Business

**Energy Delivery Efficiency Performance Measures And Statistics -
continued**

For the year ended 31 March 2002

FIRST SCHEDULE – PART 4 - CONTINUED

2. Statistics - continued

	2002	2001	2000	1999
(d) Transformer capacity (MVA)	2,349.45	2,240.28	2,276.80	2,537.61*
(e) Maximum demand (kW)	982,910	917,196	889,896	898,212
(f) Total electricity supplied (kWh)	4,884,940,018	4,765,457,410	4,423,646,932	4,363,866,868
(g) Total amount of electricity (kWh) conveyed through the system on behalf of each person that is an electricity retailer or generator, or both	5,115,120,438	4,990,007,759	4,632,091,028	4,507,455,757
Company A	2,857,329,792	3,243,838,139	3,596,656,415	
Company B	-	171,240,502	164,955,627	
Company C	39,556,705	26,621,668	753,622	
Company D	624,031,939	200,485,732	22,317,420	
Company E	409,134,715	100,565,025	59,134,908	
Company F	335,001,350	113,624,336	29,942,630	
Company G	-	-	151,262,287	
Company H	-	-	31,071,999	
Company I	353,048,546	361,220,090	148,461,144	
Company J	497,017,391	772,412,267	396,755,205	
Company K	-	-	30,726,946	
Company L	-	-	52,825	
(h) Total consumers	274,000	265,895	259,577	255,010

* Includes transformer capacity for customer owned transformers

VECTOR Limited
Electricity Lines Business

Reliability Performance Measures To Be Disclosed By Lines Owners (Other Than Transpower)

For the year ended 31 March 2002

FIRST SCHEDULE – PART 5

1. Interruptions

	2002	2001	2000	1999
Total number of interruptions according to class				
Class A	-	-	-	-
Class B	26	14	50	80
Class C	299	344	397	521
Class D	6	4	1	4
Class E	-	-	-	-
Class F	-	-	-	-
Class G	-	-	-	-
Class H	-	-	-	-
Class I	-	-	-	-
Total interruptions	331	362	448	605

2. Interruptions targets

	2003
(a) Planned (class B)	20
(b) Unplanned (class C)	308

3. Average interruptions targets

	2007	2006	2005	2004	2003
(a) Planned (class B)	10	11	13	17	23
(b) Unplanned (class C)	231	245	268	294	304

4. The proportion (expressed as a percentage) of the total number of class interruptions not restored within:

	2002
(a) 3 hours	2.67
(b) 24 hours	Nil

VECTOR Limited
Electricity Lines Business

Reliability Performance Measures To Be Disclosed By Lines Owners (Other Than Transpower) - continued

For the year ended 31 March 2002

FIRST SCHEDULE – PART 5 - CONTINUED

5. Faults per 100 circuit kilometres of prescribed voltage electric lines

		2002	2001	2000	1999		
(a)	The total number of faults	9.36	10.68	10.51	12.30		
						2003	
(b)	The targeted number of faults					9.30	
		2007	2006	2005	2004	2003	
(c)	The average number of faults	6.63	7.13	7.91	8.80	9.33	
(d)	Breakdown of (a) to (c) according to line voltage:						
		6.6kV	11kV	22kV	33kV	110kV	Total
(a)	2002	1.53	10.17	2.37	5.34	13.88	9.36
(b)	2003	3.05	10.32	4.74	2.85	6.17	9.30
(c)	2003	2.29	10.24	3.56	4.10	10.02	9.33
(c)	2004	3.05	9.75	5.14	2.67	6.17	8.80
(c)	2005	3.05	8.75	5.14	2.32	5.40	7.91
(c)	2006	1.53	7.92	4.35	2.14	4.63	7.13
(c)	2007	0.00	7.38	3.56	2.14	4.63	6.63

6. Number of faults per 100 kilometres of prescribed voltage underground cables

	6.6kV	11kV	22kV	33kV	110kV	Total
2002	0.00	7.90	2.43	4.68	6.17	7.06
2001	1.65	6.64	7.13	5.03	3.00	6.26
2000	1.00	7.84	5.27	2.52	1.46	6.45
1999	1.24	9.72	6.76	3.05	6.12	7.92

7. Number of faults per 100 kilometres of prescribed voltage overhead lines

	6.6kV	11kV	22kV	33kV	110kV	Total
2002	3.76	14.15	0.00	8.77	23.73	14.09
2001	3.54	20.22	0.00	13.15	23.73	19.56
2000	5.01	20.53	0.00	7.25	0.25	19.13
1999	4.35	23.69	0.00	10.83	0.22	21.87

VECTOR Limited
Electricity Lines Business

Reliability Performance Measures To Be Disclosed By Lines Owners (Other Than Transpower) - continued

For the year ended 31 March 2002

FIRST SCHEDULE – PART 5 - CONTINUED

SAIDI

8. The SAIDI for the total interruptions

	2002	2001	2000	1999
	56.32	49.55	59.17	82.26

9. SAIDI targets for the following financial year

	2003
(a) Planned (class B)	0.50
(b) Unplanned (class C)	44.50

10. Average SAIDI targets

	2007	2006	2005	2004	2003
(a) Planned (class B)	0.50	0.50	0.50	0.50	0.59
(b) Unplanned (class C)	33.73	36.73	39.83	42.95	47.49

11. The SAIDI for the total interruptions within each interruption class

	2002	2001	2000	1999
Class A	-	-	-	-
Class B	0.68	0.51	3.38	6.49
Class C	50.48	48.90	53.75	74.70
Class D	5.15	0.14	2.04	1.07
Class E	-	-	-	-
Class F	-	-	-	-
Class G	-	-	-	-
Class H	-	-	-	-
Class I	-	-	-	-

VECTOR Limited
Electricity Lines Business

Reliability Performance Measures To Be Disclosed By Lines Owners (Other Than Transpower) - continued

For the year ended 31 March 2002

FIRST SCHEDULE – PART 5 - CONTINUED

SAIFI

12. The SAIFI for the total interruptions

	2002	2001	2000	1999
	1.05	1.01	1.14	1.26

13. SAIFI targets for the following financial year

	2003
(a) Planned (class B)	0.00
(b) Unplanned (class C)	0.95

14. Average SAIFI targets

	2007	2006	2005	2004	2003
(a) Planned (class B)	0.00	0.00	0.00	0.00	0.00
(b) Unplanned (class C)	0.78	0.83	0.88	0.93	0.87

15. The SAIFI for the total interruptions within each interruption class

	2002	2001	2000	1999
Class A	0.01	0.00	0.02	0.03
Class B	0.79	0.99	0.99	1.16
Class C	0.25	0.02	0.13	0.07
Class D	-	-	-	-
Class E	-	-	-	-
Class F	-	-	-	-
Class G	-	-	-	-
Class H	-	-	-	-
Class I	-	-	-	-

VECTOR Limited
Electricity Lines Business

Reliability Performance Measures To Be Disclosed By Lines Owners (Other Than Transpower) - continued

For the year ended 31 March 2002

FIRST SCHEDULE – PART 5 - CONTINUED

CAIDI

16. The CAIDI for the total interruptions

	2002	2001	2000	1999
	53.89	49.00	52.08	65.45

17. CAIDI targets for the following financial year

	2003
(a) Planned (class B)	180.00
(b) Unplanned (class C)	49.30

18. Average CAIDI targets

	2007	2006	2005	2004	2003
(a) Planned (class B)	180.00	180.00	180.00	180.00	143.77
(b) Unplanned (class C)	43.50	44.50	45.50	46.42	55.54

19. The CAIDI for the total interruptions within each interruption class

	2002	2001	2000	1999
Class A	-	-	-	-
Class B	107.55	176.15	180.48	196.15
Class C	64.24	49.36	54.29	64.59
Class D	20.38	8.00	16.00	15.89
Class E	-	-	-	-
Class F	-	-	-	-
Class G	-	-	-	-
Class H	-	-	-	-
Class I	-	-	-	-

Description of interruption classes as per The Electricity (Information Disclosure) Regulations 1999

Class A	Planned Transpower interruption
Class B	Planned interruption by a line operator (other than Transpower)
Class C	Unplanned interruption origination within the principal line owners works
Class D	Unplanned Transpower interruption
Class E	Unplanned interruption origination within the principal line owners works (generation)
Class F	Unplanned interruption (as E above) by persons other than principal line owner (generation)
Class G	Unplanned interruption caused by another line owner
Class H	Planned interruption caused by another line owner
Class I	Other (an interruption not referred to above)

VECTOR Limited
Electricity Lines Business
 FOR THE YEAR ENDED 31 MARCH 2002

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

Derivation Table	Input and Calculations \$000	Symbol in formula	ROF \$000	ROE \$000	ROI \$000
Operating surplus before interest and income tax from financial statements	112,280				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	112,280				
Interest on cash, bank balances, and short-term investments (ISTI)	390				
OSBIT minus ISTI	111,884	a	111,884		111,884
Net surplus after tax from financial statements	62,860				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	62,860	n		62,860	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add
Subvention payment	0	e	add	0	add
Depreciation of BFA at BV (x)	23,940				
Depreciation of BFA at ODV (y)	23,940				
ODV depreciation adjustment	0	d	add	0	add
Subvention payment tax adjustment	0	s*	deduct	0	deduct
Interest tax shield	2,967	q			deduct
Revaluations	-1,888	r			add
Income tax	40,044	p			deduct
Numerator			111,884	62,860	98,984
			$OSBIT^{ADJ} = a + g + s + d$	$NSAT^{ADJ} = n + g + s + s^* + d$	$OSBIT^{ADJ} = a + g - q + r + s + d - p - s^*$
Fixed assets at end of previous financial year (FA _p)	927,689				
Fixed assets at end of current financial year (FA _c)	926,887				
Adjusted net working capital at end of previous financial year (ANWC _p)	-3,541				
Adjusted net working capital at end of current financial year (ANWC _c)	-6,240				
Average total funds employed (ATFE) (or regulation 33 time-weighted average)	922,368	c	922,368		822,368
Total equity at end of previous financial year (TE _p)	741,326				
Total equity at end of current financial year (TE _c)	739,300				
Average total equity (or regulation 33 time-weighted average)	739,314	k		739,314	
WUC at end of previous financial year (WUC _p)	33,027				
WUC at end of current financial year (WUC _c)	11,611				
Average total works under construction (or regulation 33 time-weighted average)	22,319	b	deduct	deduct	deduct
Revaluations	-1,888	t			
Half of revaluations	-945	i2			deduct
Intangible assets at end of previous financial year (IA _p)	0				
Intangible assets at end of current financial year (IA _c)	0				
Average total intangible asset (or regulation 33 time-weighted average)	0	m		add	0
Subvention payment at end of previous financial year (S _p)	0				
Subvention payment at end of current financial year (S _c)	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 _{bp})	854,218				
System fixed assets at end of current financial year at book value (SFA _{bc})	879,060				
Average value of system fixed assets at book value (or regulation 33 time-weighted average)	866,640	f	deduct	deduct	deduct
System Fixed assets at year beginning at ODV value (SFA _{bp})	854,218				
System Fixed assets at end of current financial year at ODV value (SFA _{bc})	879,060				
Average value of system fixed assets at ODV value (or regulation 33 time-weighted average)	866,640	h	add	add	add
Denominator			900,068	716,966	901,013
			$ATFE^{ADJ} = c - e - f + h$	$Ave TE^{ADJ} = k - b - m + v - f + h$	$ATFE^{ADJ} = c - e - 3i - f + h$
Financial Performance Measure:			12.4	8.8	7.4
			$ROF = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$	$ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$	$ROI = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$

1 = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprecial valuation subscript 'p' = end of the previous financial year
 subscript 'c' = end of the current financial year ROF = return on funds ROE = return on equity ROI = return on investment

VECTOR Limited
Electricity Lines Business

Annual Valuation Reconciliation Report

For the year ended 31 March 2002

FIRST SCHEDULE – PART 8

	2002 \$000	2001 \$000
System fixed assets at ODV – end of the previous financial year	854,219	707,582
Add system fixed assets acquired during the year at ODV	50,670	157,700
Less system fixed assets disposed of during the year at ODV	-	-
Less depreciation on system fixed assets at ODV	23,940	19,181
Add revaluation of system fixed assets	(1,889)	8,118
Equals system fixed assets at ODV – end of the financial year	879,060	854,219