



# New Zealand Gazette

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## ELECTRICITY ASHBURTON LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO  
SECTION 57T OF THE COMMERCE ACT 1986

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE  
MEASURES, AND STATISTICS DISCLOSED BY DISCLOSING ENTITIES  
(OTHER THAN TRANSPower)**

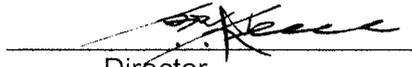
We, Edwin Glass and Gary Richard Leech, Directors of Electricity Ashburton Limited certify that, having made all reasonable enquiry, to the best of our knowledge -

- (a) The attached audited financial statements of Electricity Ashburton Limited, prepared for the purposes of regulation 6 of the Commerce Commission's Electricity Information Disclosure Requirements 2004 comply with those Requirements; 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 Electricity Ashburton Limited, and having been prepared for the purposes of requirements 14, 15, 20 and 21 of the Electricity Information Disclosure Requirements 2004, comply with those Requirements.

The valuations on which those financial performance measures are based are as at 31 March 2004.

Dated this 22<sup>nd</sup> day of December 2004

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 MARCH 2004**

|   | Note | 2004<br>\$       | 2003<br>\$       |
|---|------|------------------|------------------|
| <b>REVENUE</b>                                    |      |                  |                  |
| Line Charges                                      | 2    | 17,958,775       | 16,569,339       |
| Other   |      | <u>1,847,950</u> | <u>617,698</u>   |
|   |      | 19,806,725       | 17,187,037       |
| <b>OPERATING EXPENDITURE</b>                      |      |                  |                  |
|   | 3    |                  |                  |
| Transmission Charges                              |      | 5,130,031        | 4,696,763        |
| Other   |      | <u>7,897,791</u> | <u>7,837,285</u> |
|   |      | 13,027,822       | 12,534,048       |
| <b>OPERATING SURPLUS before Deferred Discount</b> |      | 6,778,903        | 4,652,989        |
| Customer Deferred Discount                        | 5    | <u>0</u>         | <u>2,936,582</u> |
| <b>OPERATING SURPLUS before Taxation</b>          |      | 6,778,903        | 1,716,407        |
| Taxation  | 4    | 2,768,421        | 1,373,171        |
|   |      | <hr/>            | <hr/>            |
| <b>NET SURPLUS after Taxation</b>                 |      | 4,010,482        | 343,236          |

**ELECTRICITY ASHBURTON LIMITED – LINES BUSINESS  
STATEMENT OF MOVEMENT IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2004**

|  |   |                   |               |
|--|---|-------------------|---------------|
| <b>EQUITY AT START OF YEAR</b>                       | 6 | 68,190,563        | 67,834,327    |
| Operating Surplus after Taxation                     |   | 4,010,482         | 343,236       |
| Prior Year Adjustment Deferred Taxation              |   |                   |               |
| Distribution System Revaluation                      | 9 | <u>12,735,748</u> | <u>0</u>      |
| Total Recognised Revenue and Expenses for the Period |   | 16,746,230        | 343,236       |
| <b>Other Movements</b>                               |   |                   |               |
| Provision for Dividend                               | 5 | (1,173,000)       | 0             |
| Share Issued   |   | <u>34,300</u>     | <u>13,000</u> |
|  |   | 83,798,093        | 68,190,563    |

The accompanying notes form part of these financial statements

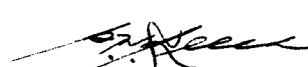
**ELECTRICITY ASHBURTON LTD – LINES BUSINESS  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2004**

|                                      | Note | 2004<br>\$           | 2003<br>\$          |
|--------------------------------------|------|----------------------|---------------------|
| <b>CURRENT ASSETS</b>                |      |                      |                     |
|                                      | 7    |                      |                     |
| Inventory                            |      | 1,808,515            | 2,230,324           |
| Receivables and Prepayments          |      | <u>1,980,128</u>     | <u>2,279,082</u>    |
| <b>Total Current Assets</b>          |      | 3,788,643            | 4,509,406           |
| <b>NON CURRENT ASSETS</b>            |      |                      |                     |
| <b>Investments</b>                   |      |                      |                     |
| Ashburton Aquatic Park Trust Loan    |      | 300,000              | 300,000             |
| <b>Fixed Assets</b>                  |      |                      |                     |
|                                      | 9    |                      |                     |
| Distribution System                  |      | 106,541,997          | 88,932,726          |
| Land & Buildings                     |      | 2,099,833            | 2,696,765           |
| Motor Vehicles                       |      | 116,472              | 121,589             |
| Plant, Furniture & Equipment         |      | 541,843              | 856,695             |
| Work in Progress                     |      | <u>735,568</u>       | <u>1,801,363</u>    |
| <b>Total Non Current Assets</b>      |      | 110,335,713          | 94,709,138          |
| <b>TOTAL ASSETS</b>                  |      | <u>\$114,124,356</u> | <u>\$99,218,544</u> |
| <b>CURRENT LIABILITIES</b>           |      |                      |                     |
|                                      | 8    |                      |                     |
| Bank Overdraft                       |      | 1,765,082            | 2,769,858           |
| Provision for Dividend               |      | 1,173,000            | 0                   |
| Provision for Taxation               |      | 985,139              | 0                   |
| Creditors                            |      | <u>1,953,215</u>     | <u>1,816,572</u>    |
| <b>Total Current Liabilities</b>     |      | 5,876,436            | 4,586,430           |
| <b>NON CURRENT LIABILITIES</b>       |      |                      |                     |
|                                      | 8    |                      |                     |
| Deferred Taxation                    | 4    | 10,199,827           | 8,691,551           |
| Bank Loan                            |      | <u>14,250,000</u>    | <u>17,750,000</u>   |
| <b>Total Non Current Liabilities</b> |      | 24,449,827           | 26,441,551          |
| <b>SHAREHOLDERS' FUNDS</b>           |      |                      |                     |
| Deferred Shares                      |      | 28,750,000           | 28,750,000          |
| Rebate Shares                        |      | 1,250,000            | 1,250,000           |
| Non Allocated Shares                 |      | (77,000)             | (111,300)           |
| Reserves                             |      | 47,479,654           | 34,743,906          |
| Retained Earnings                    |      | <u>6,395,439</u>     | <u>3,557,957</u>    |
| <b>Total Shareholders Funds</b>      |      | 83,798,093           | 68,190,563          |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <u>\$114,124,356</u> | <u>\$99,218,544</u> |

For and on behalf of the Board

Date: 22 December 2004

  
DIRECTOR

  
DIRECTOR

The accompanying notes form part of these financial statements

**ELECTRICITY ASHBURTON LIMITED – LINES BUSINESS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2004**

|  | Note | 2004<br>\$            | 2003<br>\$            |
|--|------|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>       |      |                       |                       |
| <b>Cash was Provided from:</b>                     |      |                       |                       |
| Receipts from Customers                            | 15   | 18,837,462            | 16,739,814            |
| Interest   |      | <u>10,435</u>         | <u>5,413</u>          |
|  |      | 18,847,897            | 16,745,227            |
| <b>Cash was Disbursed for:</b>                     |      |                       |                       |
| Payment to Suppliers & Employees                   |      | (7,991,480)           | (10,580,228)          |
| Interest Paid                                      |      | (1,016,029)           | (866,118)             |
| Net G S T Movement                                 |      | 48,018                | 203,110               |
| Taxation Expenses                                  |      | <u>(275,006)</u>      | <u>(40,411)</u>       |
|  |      | (9,234,497)           | (11,283,647)          |
| <b>Net Cash Flows from Operating Activities</b>    |      | 9,613,400             | 5,461,580             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>       |      |                       |                       |
| <b>Cash was Provided from:</b>                     |      |                       |                       |
| Sale of Fixed Assets                               |      | <u>1,997,588</u>      | <u>21,890</u>         |
|  |      | 1,997,588             | 21,890                |
| <b>Cash was Applied to:</b>                        |      |                       |                       |
| Distribution System Improvements                   |      | (6,621,716)           | (11,035,170)          |
| Other Fixed Asset Additions                        |      | <u>(518,796)</u>      | <u>(682,931)</u>      |
|  |      | (7,140,512)           | (11,718,101)          |
| <b>Net Cash Flows Used in Investing Activities</b> |      | (5,142,924)           | (11,696,211)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>       |      |                       |                       |
| <b>Cash was Provided from:</b>                     |      |                       |                       |
| Contribution from Owners                           |      | 34,300                | 13,000                |
| Loan Received                                      |      | <u>0</u>              | <u>5,750,000</u>      |
|  |      | 34,300                | 5,763,000             |
| <b>Cash was Applied to:</b>                        |      |                       |                       |
| Industry & Loan Repayments                         |      | (3,500,000)           | 0                     |
| Dividend   |      | <u>0</u>              | <u>0</u>              |
|  |      | (3,500,000)           | 0                     |
| <b>Net Cash Flows From Financing Activities</b>    |      | (3,465,700)           | 5,763,000             |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>        |      | 1,004,996             | (471,631)             |
| Opening Cash Brought Forward                       |      | <u>(2,769,858)</u>    | <u>(2,298,227)</u>    |
| Ending Cash Carried Forward                        |      | <u>(\$1,765,082)</u>  | <u>(\$2,769,858)</u>  |
| <b>REPRESENTED BY:</b>                             |      |                       |                       |
| Bank Account                                       |      | <u>\$ (1,765,082)</u> | <u>\$ (2,769,858)</u> |

The accompanying notes form part of these financial statements

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2004**

**1 STATEMENT OF ACCOUNTING POLICIES**

**Statutory Base**

Electricity Ashburton Limited is a Co-operative company registered under the Co-operative Companies Act 1996.

These financial statements have been prepared for the purpose of complying with the requirements of the Electricity Information Disclosure Requirements 2004 from the financial statements of Electricity Ashburton Limited as at 31 March 2004.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a modified historic cost basis have been followed.

**Accounting Policies**

**a) Revenue**

Line revenue is recognised as actual amounts invoiced during the period.  
Capital contributions are recognised as revenue in the year of receipt.

**b) Transmission Charges**

Transmission charges are recognised as a direct cost to the line business activity.

**c) Depreciation**

Depreciation has been provided on all tangible fixed assets other than freehold land on the following basis and at the following rates which amortise the cost of the asset over their economic lives.

Fixed Assets:

|                      |                                   |
|----------------------|-----------------------------------|
| Distribution Network | 1.4 % to 6.7% straight line       |
| Buildings            |                                   |
| - concrete           | 1% straight line                  |
| - brick              | 2% straight line                  |
| - wooden             | 2.5% straight line                |
| Motor Vehicles       | 14.4% to 31.2 % diminishing value |

Plant & Equipment 7.5% to 60.0% diminishing value

Depreciation has been charged on a monthly basis on assets acquired and which became operational during the month.

**d) Income Taxation**

The income taxation expense charged against the operating surplus for the year is the estimated liability in respect of that operating surplus and is calculated after allowance for permanent differences.

Deferred Taxation is calculated on the comprehensive basis using the liability method (see Note 4). Future tax benefits attributable to tax losses or timing differences are only realised when there is virtual certainty of realisation.

**e) Valuation of Assets**

Land is stated at cost, all other fixed assets (except distribution assets) are stated at cost less accumulated depreciation.

All distribution system assets were revalued on an Optimised Deprival Value (ODV) basis by PricewaterhouseCoopers as at 31 March 2004. All additions to the distribution network are recorded at cost. Distribution system assets will be revalued at least once every three years.

**f) Accounts Receivable**

Receivables are shown at net realisable value. All known bad debts have been written off during the year.

**g) Inventories**

Inventories are valued at the lower of cost, determined on a weighted average cost basis, and net realisable value.

**h) Goods and Services Tax (GST)**

These financial statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable, which are shown inclusive of GST.

**i) Allocation Methodologies**

Allocations of costs, revenues, assets and liabilities have been allocated in accordance with the Electricity Information Disclosure Requirements 2004.

**Changes in Accounting Policies**

There have been no material changes in accounting policies. All accounting policies have been applied on bases consistent with those used in the previous year.

|  | 2004             | 2003           |
|--|------------------|----------------|
|  | \$               | \$             |
| <b>2 REVENUE</b>   |                  |                |
| a) Revenue from line / access charges;                                   | 0                | 0              |
| i) Revenue invoiced to customers by electricity retailer                 | 17,204,593       | 16,013,596     |
| ii) Revenue invoiced to customers by line owner                          | 0                | 0              |
| b) Revenue for services carried out by the line business                 | 0                | 0              |
| c) Income from interest on cash, bank balance and short term investments | 10,435           | 5,413          |
| d) AC loss – rental rebates  | 754,182          | 555,743        |
| e) Other Revenue not listed in (a to d)                                  | <u>1,837,515</u> | <u>612,285</u> |
| f) Total Operating Revenue   | 19,806,725       | 17,187,037     |
| <br>   |                  |                |
| <b>3 OPERATING EXPENDITURE</b>   |                  |                |
| a) Transmission Charges  | 5,130,031        | 4,696,763      |
| b) Transfer Payments to "Other" Business                                 |                  |                |
| i) Asset Maintenance   | 862,560          | 1,471,873      |
| ii) Consumer Disconnection and Reconnection Services                     | 0                | 0              |
| iii) Meter Data  | 0                | 0              |
| iv) Consumer – based load control Services                               | 35,802           | 24,068         |
| v) Royalty and Patent expense  | 0                | 0              |
| vi) Avoided transmission charges for own generation                      | 0                | 0              |
| vi) Other Goods and Services not listed in (i to vi)                     | <u>0</u>         | <u>0</u>       |
| Total transfer payment to the "Other" Business                           | 898,362          | 1,495,941      |
| c) Expense to entities that are not related parties for -                |                  |                |
| i) Asset Maintenance   | 112,729          | 106,533        |
| ii) Consumer Disconnection and Reconnections Services                    | 0                | 0              |
| iii) Meter Data  | 0                | 0              |
| iv) Consumer – based load control Services                               | 11,775           | 21,061         |
| v) Royalty and Patent expense  | <u>0</u>         | <u>0</u>       |
| Total of specified expenses to non-related parties                       | 124,504          | 127,594        |

|  | 2004               | 2003             |
|--|--------------------|------------------|
|  | \$                 | \$               |
| d) Employee Salaries and Redundancies                                      | 1,497,123          | 1,332,860        |
| e) Consumer billing and information system expense                         | 0                  | 0                |
| f) Depreciation on-  |                    |                  |
| i) System fixed assets   | 3,093,161          | 2,918,427        |
| ii) Other system assets not listed in (i)                                  | 382,727            | 307,987          |
| Total Depreciation   | 3,475,888          | 3,226,414        |
| g) Amortised of-   |                    |                  |
| i) Goodwill  | 0                  | 0                |
| ii) Other Tangibles  | 0                  | 0                |
| iii) Total amortisation of Intangibles                                     | 0                  | 0                |
| h) Corporate and Administration  | 320,465            | 297,150          |
| i) Human Resource expenses   | 17,250             | 19,400           |
| j) Marketing and advertising   | 35,031             | 35,077           |
| k) Merger and acquisition expenses   | 0                  | 0                |
| l) Takeover defence expense  | 0                  | 0                |
| m) Research and development expenses                                       | 0                  | 0                |
| n) Consultancy and legal expenses  | 40,420             | 23,774           |
| o) Donations   | 0                  | 0                |
| p) Directors fees  | 185,344            | 170,284          |
| q) Auditors fees-  |                    |                  |
| i) Audit fees paid to principal auditors                                   | 17,823             | 17,260           |
| ii) Audit fees paid to other auditors:                                     | 16,069             | 0                |
| iii) Fees paid for other services provided by principal and other auditors | 0                  | 0                |
| iv) Total auditors fees  | 33,892             | 17,260           |
| r) Cost of offering credit-  |                    |                  |
| i) Bad debts written off   | 16,899             | 3,773            |
| ii) Increase in estimated doubtful debts                                   | 0                  | 0                |
| iii) Total cost of offering credit   | 16,899             | 3,773            |
| s) Local Authority rate expense  | 88,626             | 84,781           |
| t) AC loss - rental rebates (distribution to retailers) expense            | 0                  | 0                |
| u) Rebates to customers due to ownership interest                          | 0                  | 2,936,582        |
| v) Subvention payments   | 0                  | 0                |
| w) Unusual expenses  | 0                  | 0                |
| x) Other expenditure not listed in (a to x)                                | 174,489            | 61,999           |
| Total Operating Expenditure  | 12,038,684         | 14,529,652       |
| <b>Operating surplus before interest and income tax</b>                    | 7,768,041          | 2,657,385        |
| Interest Expense   |                    |                  |
| a) Interest expense on borrowings  | 989,138            | 940,203          |
| b) Financing charges related to finance lease                              | 0                  | 0                |
| c) Other interest expense not listed in (a to b)                           | 0                  | 775              |
| d) Total interest expense  | 0                  | 0                |
|  | 989,138            | 940,978          |
| <b>Operating surplus before income tax</b>                                 | 6,778,903          | 1,716,407        |
| Income Tax   | 2,768,421          | 1,373,171        |
| <b>Net Surplus after tax</b>   | <u>\$4,010,482</u> | <u>\$343,236</u> |

|  | 2004                     | 2003                    |
|--|--------------------------|-------------------------|
|  | \$                       | \$                      |
| <b>4 TAXATION</b>                        |                          |                         |
| Net Surplus before Taxation              | <u>6,778,903</u>         | <u>1,716,407</u>        |
| Prima facie taxation at 33%              | 2,237,038                | 566,414                 |
| Plus Tax effect on permanent differences | <u>531,383</u>           | <u>806,757</u>          |
| Total Taxation Expense                   | <u><u>2,768,421</u></u>  | <u><u>1,373,171</u></u> |
| The Taxation charge comprises:           |                          |                         |
| Current Taxation                         | 1,260,144                | 0                       |
| Deferred Taxation                        | <u>1,508,277</u>         | <u>1,373,171</u>        |
|  | <u><u>2,768,421</u></u>  | <u><u>1,373,171</u></u> |
| Deferred Taxation Liability:             |                          |                         |
| Opening Balance                          | 8,691,551                | 7,318,380               |
| Current Year Movement                    | 1,508,276                | 1,373,171               |
| Prior Year Adjustment                    | <u>0</u>                 | <u>0</u>                |
|  | <u><u>10,199,827</u></u> | <u><u>8,691,551</u></u> |

**5 CUSTOMER DEFERRED DISCOUNT AND DIVIDEND**

A fully imputed dividend of \$100 for each shareholder has been provided for in these accounts.

**6 EQUITY**

|                                       |                   |                   |
|---------------------------------------|-------------------|-------------------|
| a) Shareholders' equity-              |                   |                   |
| i) Share capital                      | 29,923,000        | 29,888,700        |
| ii) Retained earnings                 | 6,395,439         | 3,557,957         |
| iii) Reserves                         | <u>47,479,654</u> | <u>34,743,906</u> |
| iv) Total shareholders' equity        | 83,798,093        | 68,190,563        |
| b) Minority interests in subsidiaries | <u>0</u>          | <u>0</u>          |
| c) Total equity                       | 83,798,093        | 68,190,563        |
| d) Capital notes                      | <u>0</u>          | <u>0</u>          |
| e) Total capital funds                | 83,798,093        | 68,190,563        |

There are 28,750,000 deferred shares held by the Ashburton District Council and these have the following conditions attached to them:

- i) There is no right to distributions, dividends or rebates
- ii) There is a right to vote if the rights attached to the deferred shares are to be altered or there is a proposal which would change the control of the Company or the rights of the Council are not carried forward on amalgamation
- iii) The shares are not transferable except to another local authority or if 25% of the voting shares are controlled by one person.
- iv) The right to an equal distribution with the holders of the rebate shares on a winding up of the Company

The Share capital of \$29,923,000 is the total shareholding in Electricity Ashburton Limited

|   | 2004        | 2003       |
|---|-------------|------------|
|   | \$          | \$         |
| <b>7 CURRENT ASSETS</b>   |             |            |
| a) Cash and bank balances   | 0           | 0          |
| b) Short term investments   | 0           | 0          |
| c) Inventories  | 1,808,515   | 2,230,324  |
| d) Accounts receivable  | 1,980,128   | 2,279,082  |
| e) Other current assets not listed in (a to d)  | <u>0</u>    | <u>0</u>   |
| f) Total Current Assets   | 3,788,643   | 4,509,406  |
| <b>8 CURRENT LIABILITIES</b>  |             |            |
| a) Bank overdraft   | 1,765,082   | 2,769,858  |
| b) Short term borrowings  | 0           | 0          |
| c) Payables and accruals  | 1,953,215   | 1,816,572  |
| d) Provision for dividend payable   | 1,173,000   | 0          |
| e) Provision for income tax   | 985,139     | 0          |
| f) Other current liabilities not listed in (a to e)   | <u>0</u>    | <u>0</u>   |
| g) Total Current Liabilities  | 5,876,436   | 4,586,430  |
| <b>NON CURRENT LIABILITIES</b>  |             |            |
| a) Payroll and accruals   | 0           | 0          |
| b) Borrowings   | 14,250,000  | 17,750,000 |
| c) Deferred tax   | 10,199,827  | 8,691,551  |
| d) Other non current liabilities not listed in (a to c)   | <u>0</u>    | <u>0</u>   |
| e) Total Non Current Liabilities  | 24,449,827  | 26,441,551 |
| <b>9 FIXED ASSETS</b>   |             |            |
| a) System fixed assets  | 106,541,997 | 88,932,726 |
| c) Consumer billing and information system assets   | 124,451     | 241,187    |
| d) Motor Vehicles   | 116,472     | 121,589    |
| e) Office Equipment   | 417,392     | 615,508    |
| f) Land & Buildings   | 2,099,833   | 2,696,765  |
| g) Capital works under construction:  |             |            |
| i) Subtransmission assets (transfer payment)  | 0           | 0          |
| ii) Zone substations (transfer payments)  | 0           | 1,164,704  |
| iii) Distribution lines and cables (transfer payments)  | 525,293     | 367,917    |
| iv) Medium voltage switchgear (transfer payments)   | 0           | 0          |
| v) Distribution transformers  | 0           | 0          |
| vi) Distribution substations (transfer payments)  | 210,275     | 140,277    |
| vii) Low voltage lines and cables (transfer payments)   | 0           | 128,465    |
| viii) Other system fixed assets (transfer payments) as categorised in standard asset tables in the ODV Handbook | 0           | 0          |
| h) Other fixed assets not listed in (a to g)  | <u>0</u>    | <u>0</u>   |
| i) Total Fixed Assets   | 110,035,713 | 94,409,138 |
| j) Other tangible assets not listed above.  | 300,000     | 300,000    |

|  | 2004               | 2003              |
|--|--------------------|-------------------|
|  | \$                 | \$                |
| <b>Intangible Assets</b>                     |                    |                   |
| a) Goodwill                                  | 0                  | 0                 |
| b) Other intangible assets not listed in (a) | <u>0</u>           | <u>0</u>          |
| c) Total Intangible Assets                   | 0                  | 0                 |
| <br><b>FIXED ASSETS DEPRECIATION</b>         |                    |                   |
| Distribution System                          | 106,541,997        | 94,471,615        |
| Accumulated Depreciation                     | <u>0</u>           | <u>5,538,889</u>  |
|  | 106,541,997        | 88,932,726        |
| <br>Land & Buildings                         | <br>2,662,598      | <br>3,214,387     |
| Accumulated Depreciation                     | <u>562,765</u>     | <u>517,622</u>    |
|  | 2,099,833          | 2,696,765         |
| <br>Motor Vehicles                           | <br>620,624        | <br>593,336       |
| Accumulated Depreciation                     | <u>504,152</u>     | <u>471,747</u>    |
|  | 116,472            | 121,589           |
| <br>Plant, Furniture & Equipment             | <br>3,497,646      | <br>3,726,431     |
| Accumulated Depreciation                     | <u>2,955,803</u>   | <u>2,869,736</u>  |
|  | 541,843            | 856,695           |
| <br>Work in Progress                         | <br>735,568        | <br>1,801,363     |
|  | <u>110,035,713</u> | <u>94,409,138</u> |
| <b>Total Non Current Assets</b>              | <b>110,035,713</b> | <b>94,409,138</b> |

Distribution assets were revalued by PricewaterhouseCoopers as at 31 March 2004. The revaluation amount of \$12,735,748 is included in these disclosures.

The directors believe that rating valuation is a fair representation of the fair value of the company's land and buildings. The rating valuation of land and buildings at 1 July 2003 is \$2,367,750.

## 10 FINANCIAL INSTRUMENTS

Electricity Ashburton Limited estimates that in respect of the reported Financial Instruments being cash, bank deposits, account receivables, investments and industry loan reported in the financial statement:-

- a) Fair value is equivalent to carrying an amount as stated in the statement of financial position.
- b) Concentration of credit risk is minimised in respect of:-
  - i) Receivables, the company has exposure of credit risk by having six line customers. Credit risk with each of these customers is managed by a use of system agreement. The company performs credit evaluations where considered necessary.
  - ii) Bank deposits, by a specific policy of spreading investments between registered trading banks, Ashburton Building Society and the Loan and Building Society.
  - iii) Cash, by being held in minimal quantities.

## 11 COMMITMENTS

Estimated capital expenditure contracted for at balance date is \$1,431,252 (2003: \$690,494).

## 12 CONTINGENT LIABILITIES

As at 31 March 2004 there were no material contingent liabilities. (2003 Nil)

**13 SEGMENT INFORMATION**

The predominant activity of Electricity Ashburton Limited is the distribution of electricity. All operations are conducted in New Zealand.

**14 RELATED PARTIES**

Electricity Ashburton Limited has a contracting division that provides services to the Lines Business. The services provided are for the maintenance of the network and capital construction of System Assets. The services are provided in an ongoing capacity. The standard charge for these services are:

|                         |                       |
|-------------------------|-----------------------|
| Labour                  | \$22 to \$32 per hour |
| External Purchase       | Charged at cost       |
| Transport (light truck) | \$7.20 per hour       |
| Transport (heavy truck) | \$18 to \$27 per hour |

The contracting division of Electricity Ashburton Limited has provided the following services at cost, including overheads, for the period 1 April 2003 to 31 March 2004

|  | 2004      | 2003      |
|--|-----------|-----------|
|  | \$        | \$        |
| Construction of distribution lines & cables  | 3,236,950 | 5,890,467 |
| Construction of medium voltage switchgear    | 0         | 0         |
| Construction of distribution transformers    | 1,256,298 | 452,627   |
| Construction of distribution substations     | 1,727,960 | 2,224,146 |
| Construction of low voltage lines and cables | 94,955    | 514,101   |
| Construction of other system fixed assets    | 0         | 0         |
| Maintenance of assets                        | 862,560   | 1,471,873 |
| Consumer connections and reconnections       | 0         | 0         |
| Other services                               | 30,819    | 12,983    |

No amounts have been forgiven or written off, and no amounts remain outstanding at the end of the period.

**15 RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|  |                         |                         |
|--|-------------------------|-------------------------|
| Reported Net profit after tax                        | 4,010,482               | 343,236                 |
| Add Non Cash items:                                  |                         |                         |
| Movement in Deferred Taxation                        | 1,508,277               | 1,373,171               |
| Capital Gain on Assets                               | (1,087,003)             | 0                       |
| Loss on Sale of Assets                               | 774                     | 0                       |
| Depreciation Recovered                               | (137,562)               | 0                       |
| Depreciation   | 3,475,888               | 3,226,414               |
|  | <u>7,770,856</u>        | <u>4,942,821</u>        |
| Add (less) Movements in Working Capital Items:       |                         |                         |
| Decrease (Increase) in Receivables                   | 298,954                 | 187,937                 |
| Decrease (Increase) in Inventories                   | 421,808                 | 378,228                 |
| (Decrease) Increase in Accounts Payable              | 136,643                 | (6,995)                 |
| (Decrease) Increase in Tax Payable                   | 985,139                 | (40,411)                |
|  | <u>1,842,544</u>        | <u>518,759</u>          |
| Add (less) Items Classified as Investing Activities: |                         |                         |
|  | <u>0</u>                | <u>0</u>                |
|  | 0                       | 0                       |
| Net Cash Flows from Operating Activities             | <u><u>9,613,400</u></u> | <u><u>5,461,580</u></u> |

|  | <b>2004</b>       | <b>2003</b> |
|--|-------------------|-------------|
|  | \$                | \$          |
| <b>16 ANNUAL ODV VALUATION RECONCILIATION</b>                      |                   |             |
| System fixed assets at ODV – end of previous financial year        | 90,623,564        | 83,707,196  |
| <i>Add</i> system fixed assets acquired during the year at ODV     | 6,323,411         | 10,023,825  |
| <i>Less</i> system fixed assets disposed of during the year at ODV | (20,422)          | (189,030)   |
| <i>Less</i> depreciation on system fixed assets at ODV             | (3,093,161)       | (2,918,427) |
| <i>Add</i> revaluations of system fixed assets                     | <u>12,735,748</u> | <u>0</u>    |
| System fixed assets at ODV – end of financial year                 | 106,569,140       | 90,623,564  |

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                   | 7,768,041  |                   |  |  |  |
| Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT) | 7,768,041  |                   |  |  |  |
| Interest on cash, bank balances, and short-term investments (ISTI)                           | -10,435  |                   |  |  |  |
| OSBIIT minus ISTI  | 7,757,606  | a                 | 7,757,606                                    |  | 7,757,606  |
| Net surplus after tax from financial statements  | 4,010,482  |                   |  |  |  |
| Net surplus after tax adjusted pursuant to regulation 18 (NSAT)                              | 4,010,482  | n                 |  | 4,010,482                                      |  |
| 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)  | 3,093,161  |                   |  |  |  |
| Depreciation of SFA at ODV (y)   | 3,093,161  |                   |  |  |  |
| ODV depreciation adjustment  | 0  | d                 | add 0  | add 0  | add 0  |
| Subvention payment tax adjustment  | 0  | s't               |  | deduct 0                                       | deduct 0   |
| Interest tax shield  | 322,972  | q                 |  |  | deduct 322,972                                       |
| Revaluations   | 12,735,748   | r                 |  |  | add 12,735,748                                       |
| Income tax   | 2,768,421  | p                 |  |  | deduct 2,768,421                                     |
| <b>Numerator</b>   |  |                   | $OSBIIT^{ADJ} = a + g + s + d$               | $NSAT^{ADJ} = n + g + s \cdot s't + d$         | $OSBIIT^{ADJ} = a + g - q + r + s + d \cdot p - s't$ |
| Fixed assets at end of previous financial year (FA <sub>0</sub> )                            | 94,409,138   |                   |  |  |  |
| Fixed assets at end of current financial year (FA <sub>1</sub> )                             | 110,035,713  |                   |  |  |  |
| Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )          | 2,692,834  |                   |  |  |  |
| Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )           | 2,051,653  |                   |  |  |  |
| Average total funds employed (ATFE)  | 104,594,669  | c                 | 104,594,669                                  |  | 104,594,669  |
| Total equity at end of previous financial year (TE <sub>0</sub> )                            | 68,190,563   |                   |  |  |  |
| Total equity at end of current financial year (TE <sub>1</sub> )                             | 83,798,093   |                   |  |  |  |
| Average total equity   | 75,994,328<br>(or regulation 33 time-weighted average) | k                 |  | 75,994,328                                     |  |
| WUC at end of previous financial year (WUC <sub>0</sub> )                                    | 1,801,363  |                   |  |  |  |
| WUC at end of current financial year (WUC <sub>1</sub> )                                     | 735,566  |                   |  |  |  |
| Average total works under construction   | 1,268,466<br>(or regulation 33 time-weighted average)  | e                 | deduct 1,268,466                             | deduct 1,268,466                               | deduct 1,268,466                                     |
| Revaluations   | 12,735,748   | r                 |  |  |  |
| Half of revaluations   | 6,367,874  | r/2               |  |  | deduct 6,367,874                                     |
| Intangible assets at end of previous financial year (IA <sub>0</sub> )                       | 0  |                   |  |  |  |
| Intangible assets at end of current financial year (IA <sub>1</sub> )                        | 0  |                   |  |  |  |
| Average total intangible asset   | 0<br>(or regulation 33 time-weighted average)          | m                 |  | add 0  |  |
| Subvention payment at end of previous financial year (S <sub>0</sub> )                       | 0  |                   |  |  |  |
| Subvention payment at end of current financial year (S <sub>1</sub> )                        | 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 <sub>bv,0</sub> )   | 88,932,726   |                   |  |  |  |
| System fixed assets at end of current financial year at book value (SFA <sub>bv,1</sub> )    | 106,541,997  |                   |  |  |  |
| Average value of system fixed assets at book value   | 97,608,509<br>(or regulation 33 time-weighted average) | f                 | deduct 97,608,509                            | deduct 97,608,509                              | deduct 97,608,509                                    |
| System Fixed assets at year beginning at ODV value (SFA <sub>odv,0</sub> )                   | 90,603,564   |                   |  |  |  |
| System Fixed assets at end of current financial year at ODV value (SFA <sub>odv,1</sub> )    | 106,569,140  |                   |  |  |  |
| Average value of system fixed assets at ODV value  | 98,585,852<br>(or regulation 33 time-weighted average) | h                 | add 98,585,852                               | add 98,585,852                                 | add 98,585,852                                       |
| <b>Denominator</b>   |  |                   | $ATFE^{ADJ} = c \cdot e - f + h$             | $Ave TE^{ADJ} = k \cdot e - m + v \cdot f + h$ | $ATFE^{ADJ} = c \cdot e - \frac{1}{2}r \cdot f + h$  |
| <b>Financial Performance Measure:</b>  |  |                   | 7.4  | 5.3  | 17.8   |
|  |  |                   | $ROF = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$ | $ROE = NSAT^{ADJ} / ATE^{ADJ} \times 100$      | $ROI = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$         |

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

**ELECTRICITY ASHBURTON LIMITED - LINES BUSINESS  
PERFORMANCE MEASURES  
FOR THE YEAR ENDED 31 MARCH 2004**

**FINANCIAL PERFORMANCE MEASURES AND EFFICIENCY PERFORMANCE MEASURES**

|  | 2004  | 2003  | 2002 | 2001 |
|--|-------|-------|------|------|
| <b>1 Financial Performance Measures</b>          |       |       |      |      |
| (a) Return on funds                              | 7.4%  | 2.8%  | 1.2% | 3.0% |
| (b) Return on equity                             | 5.3%  | 0.5%  | 0.7% | 2.2% |
| (c) Return on investment                         | 17.8% | 1.0%  | 0.7% | 6.4% |
| <b>2 Efficiency Performance Measures</b>         |       |       |      |      |
| (a) Direct line costs per kilometre              | 934   | 1,107 | 822  | 846  |
| (b) Indirect line costs per electricity customer | 51    | 48    | 45   | 52   |

**ENERGY DELIVERY EFFICIENCY PERFORMANCE MEASURES AND STATISTICS**

**1 Energy Delivery Efficiency Performance Measures:**

|                          |        |        |        |        |
|--------------------------|--------|--------|--------|--------|
| (a) Load factor          | 50.16% | 55.57% | 52.43% | 57.49% |
| (b) Loss ratio           | 8.65%  | 8.20%  | 6.88%  | 6.55%  |
| (c) Capacity utilisation | 30.59% | 31.02% | 28.40% | 27.30% |

**2 Statistics**

|                                     |       |       |       |       |
|-------------------------------------|-------|-------|-------|-------|
| (a) Circuit Length (Total kms)      |       |       |       |       |
| 66 kV                               | 179   | 127   | 53    | 31    |
| 33 kV                               | 200   | 227   | 252   | 246   |
| 22 kV                               | 444   | 374   | 319   | 288   |
| 11 kV                               | 1,561 | 1,606 | 1,627 | 1,637 |
| 230/400 V                           | 346   | 337   | 328   | 318   |
|                                     | ----- | ----- | ----- | ----- |
| Total                               | 2,730 | 2,671 | 2,579 | 2,520 |
| (b) Circuit Length - Overhead (kms) |       |       |       |       |
| 66 kV                               | 178   | 126   | 52    | 30    |
| 33 kV                               | 194   | 221   | 246   | 240   |
| 22 kV                               | 440   | 371   | 317   | 286   |
| 11 kV                               | 1,467 | 1,517 | 1,543 | 1,560 |
| 230/400 V                           | 145   | 146   | 146   | 147   |
|                                     | ----- | ----- | ----- | ----- |
| Total Overhead                      | 2,424 | 2,381 | 2,304 | 2,263 |

|   | 2004        | 2003        | 2002        | 2001        |
|---|-------------|-------------|-------------|-------------|
| (c) Circuit Length - Underground (kms)                        |             |             |             |             |
| 66 kV   | 1           | 1           | 1           | 1           |
| 33 kV   | 6           | 6           | 6           | 6           |
| 22 kV   | 4           | 3           | 2           | 2           |
| 11 kV   | 94          | 89          | 84          | 77          |
| 230/400 V   | 201         | 191         | 182         | 171         |
|   | -----       | -----       | -----       | -----       |
| Total Underground   | 306         | 290         | 275         | 257         |
| (d) Transformer Capacity (kVA))                               | 298,165     | 270,503     | 262,739     | 253,786     |
| (e) Maximum Demand (kW)                                       | 91,206      | 83,918      | 74,622      | 69,288      |
| (f) Total electricity entering system before losses (kWh)     |             |             |             |             |
|   | 401,877,688 | 408,500,045 | 342,704,202 | 348,946,369 |
| (g) Total electricity supplied from system after losses (kWh) |             |             |             |             |
| Retailer A  | 190,751,776 | 221,466,356 | 206,946,451 | 215,299,174 |
| Retailer B  | 133,601,732 | 121,853,775 | 83,748,471  | 82,609,122  |
| Retailer C  | 8,059,288   | 3,099,157   | 3,751,917   | 5,508,125   |
| Retailer D  | 0           | 0           | 5,399,981   | 12,888,835  |
| Retailer F  | 34,030,383  | 27,449,843  | 18,521,786  | 9,117,533   |
| Retailer G  | 658,537     | 1,152,684   | 757,546     | 652,254     |
|   | -----       | -----       | -----       | -----       |
| Total   | 367,101,716 | 375,021,815 | 319,126,152 | 326,075,043 |
| (h) Total Customers   | 15,049      | 14,789      | 14,558      | 14,285      |

## RELIABILITY PERFORMANCE MEASURES

### 1 Total number of interruptions

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Class B - Planned by Line Owner          | 192   | 241   | 295   | 100   |
| Class C - Unplanned by Line Owner        | 214   | 293   | 153   | 188   |
| Class D - Unplanned by Transpower        | 0     | 2     | 0     | 0     |
| Class G - Unplanned by Other Line Owners | 0     | 0     | 0     | 0     |
|  | ----- | ----- | ----- | ----- |
| Total                                    | 406   | 536   | 448   | 288   |

### 2 Interruption targets for (next year)

|                                   |     |
|-----------------------------------|-----|
| Class B - Planned by Line Owner   | 190 |
| Class C - Unplanned by Line Owner | 210 |

### 3 Average interruption targets (5 years)

|                                   |     |
|-----------------------------------|-----|
| Class B - Planned by Line Owner   | 190 |
| Class C - Unplanned by Line Owner | 210 |

|  | 2004   | 2003   | 2002   | 2001   |
|--|--------|--------|--------|--------|
| <b>4 Fault Restoration Times (Class C) interruptions not restored within:</b>        |        |        |        |        |
| 3 Hours  | 17.29% | 24.57% | 32.68% | 20.21% |
| 24 Hours   | 0.00%  | 1.71%  | 0.65%  | 0%     |
| <b>5 Number of faults per 100 km of prescribed voltage line</b>                      |        |        |        |        |
| (a) Total number of faults   |        |        |        |        |
| 66 kV  | 0.0    | 3.1    | 3.8    | 6.5    |
| 33 kV  | 3.5    | 1.3    | 1.6    | 1.2    |
| 22 kV  | 18.0   | 16.3   | 14.1   | 13.9   |
| 11 kV  | 8.1    | 14.0   | 6.3    | 8.7    |
| Total  | 7.8    | 11.0   | 5.9    | 7.5    |
| (b) Target for (next year)   |        |        |        |        |
| 66 kV  | 2.0    |        |        |        |
| 33 kV  | 2.0    |        |        |        |
| 22 kV  | 7.0    |        |        |        |
| 11 kV  | 7.0    |        |        |        |
| Total  | 5.4    |        |        |        |
| (c) Average Target (5 years)   |        |        |        |        |
| 66 kV  | 2.0    |        |        |        |
| 33 kV  | 2.0    |        |        |        |
| 22 kV  | 7.0    |        |        |        |
| 11kV   | 7.0    |        |        |        |
| Total  | 5.4    |        |        |        |
| <b>6 The total number of faults per 100km of prescribed voltage underground line</b> |        |        |        |        |
| 66 kV  | 0      | 0      | 0      | 0      |
| 33 kV  | 0      | 0      | 0      | 0      |
| 22 kV  | 0      | 0      | 0      | 0      |
| 11kV   | 3.2    | 2.2    | 0      | 5.2    |
| Total  | 1.0    | 0.7    | 0      | 1.6    |
| <b>7 The total number of faults per 100km of prescribed voltage overhead line</b>    |        |        |        |        |
| 66 kV  | 0.0    | 3.2    | 3.8    | 6.7    |
| 33 kV  | 3.6    | 1.4    | 1.6    | 1.3    |
| 22 kV  | 18.2   | 16.4   | 14.2   | 14.0   |
| 11 kV  | 8.5    | 14.7   | 6.6    | 8.9    |
| Total  | 8.7    | 12.2   | 6.6    | 8.1    |
| <b>8 SAIDI for the total number of interruptions</b>                                 |        |        |        |        |
|  | 198.63 | 318.86 | 228.56 | 130.88 |
| <b>9 SAIDI targets (next year)</b>   |        |        |        |        |
| Class B - Planned by Line Owner  | 69     |        |        |        |
| Class C - Unplanned by Line Owner  | 106    |        |        |        |

|   | 2004   | 2003   | 2002   | 2001  |
|---|--------|--------|--------|-------|
| <b>10 Average SAIDI targets (5 years)</b>             |        |        |        |       |
| Class B - Planned by Line Owner                       | 69     |        |        |       |
| Class C - Unplanned by Line Owner                     | 106    |        |        |       |
| <b>11 SAIDI - Classification of interruptions</b>     |        |        |        |       |
| Class B - Planned by Line Owner                       | 88.61  | 103.80 | 151.13 | 41.09 |
| Class C - Unplanned by Line Owner                     | 110.02 | 201.37 | 77.43  | 87.79 |
| Class D - Unplanned by Transpower                     | 0.00   | 13.69  | 0      | 0     |
| <b>12 SAIFI for the total number of interruptions</b> | 1.47   | 2.40   | 1.55   | 1.21  |
| <b>13 SAIFI targets (next year)</b>                   |        |        |        |       |
| Class B - Planned by Line Owner                       | 0.25   |        |        |       |
| Class C - Unplanned by Line Owner                     | 1.35   |        |        |       |
| <b>14 Average SAIFI targets (5 years)</b>             |        |        |        |       |
| Class B - Planned by Line Owner                       | 0.25   |        |        |       |
| Class C - Unplanned by Line Owner                     | 1.35   |        |        |       |
| <b>15 SAIFI - Classification of interruptions</b>     |        |        |        |       |
| Class B - Planned by Line Owner                       | 0.30   | 0.38   | 0.44   | 0.13  |
| Class C - Unplanned by Line Owner                     | 1.17   | 1.51   | 1.11   | 1.09  |
| Class D - Unplanned by Transpower                     | 0.00   | 0.52   | 0      | 0     |
| <b>16 CAIDI for the total number of interruptions</b> | 135    | 133    | 147    | 108   |
| <b>17 CAIDI targets for (next year)</b>               |        |        |        |       |
| Class B - Planned by Line Owner                       | 276    |        |        |       |
| Class C - Unplanned by Line Owner                     | 78     |        |        |       |
| <b>18 Average CAIDI target (5 years)</b>              |        |        |        |       |
| Class B - Planned by Line Owner                       | 276    |        |        |       |
| Class C - Unplanned by Line Owner                     | 78     |        |        |       |
| <b>19 CAIDI - Classification of Interruptions</b>     |        |        |        |       |
| Class B - Planned by Line Owner                       | 295    | 275    | 340    | 317   |
| Class C - Unplanned by Line Owner                     | 94     | 134    | 70     | 83    |
| Class D - Unplanned by Transpower                     | 0      | 27     | 0      | 0     |

# Gabites, Sinclair & Partners

Chartered Accountants & Business Advisers

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## AUDITORS REPORT

To the readers of the Financial Statements of Electricity Ashburton Limited.

We have audited the accompanying financial statements of Electricity Ashburton Limited on pages two to twelve. The financial statements provide information about the past financial performance of Electricity Ashburton Limited and its financial position as at 31 March 2004. This information is stated in accordance with the accounting policies set out on pages five and six.

### Directors' Responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under Section 57T of the Commerce Act 1986 require the Directors to prepare financial statements which give a true and fair view of the financial position of Electricity Ashburton Limited as at 31 March 2004, and the results of operations and cash flows for the year ended 31 March 2004.

### 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 judgments made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Electricity Ashburton Limited's circumstances, consistently applied and adequately disclosed.

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

Our firm and the partners and employees of our firm, deal with the company on normal terms within the ordinary course of the business of the company. As part of these trading activities our firm and the partners and the employees are obliged to hold shares in the company. Our firm and the partners and employees have no other interests in the company.

### Unqualified Opinion

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

In our opinion:-

- proper accounting records have been maintained by Electricity Ashburton Limited as far as appears from our examination of those records; and
- the financial statements of Electricity Ashburton Limited on pages two to twelve:-
  - (a) comply with generally accepted accounting practice; and
  - (b) give a true and fair view of the financial position of the Company as at 31 March 2004 and the results of its operations and cash flows for the year then ended; and
  - (c) comply with the Electricity Information Disclosure Requirements 2004

Our audit was completed on 22 December 2004 and our opinion is expressed as at that date.

*Gabites Sinclair & Partners*  
**GABITES, SINCLAIR & PARTNERS**  
**ASHBURTON**

PARTNERS: Alistair J. Rooney C.A.  
Philip S. Quaid C.A.



Eric T. Parr B.Com., C.A.  
Ross S. Gibson B.Com., C.A.

## **Gabites Sinclair & Partners**

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### **AUDITOR'S OPINION OF PERFORMANCE MEASURES**

We have examined the attached information, being –

- (a) a derivation table; and
- (b) an annual ODV reconciliation report; and
- (c) time-weighted averages calculations (if they apply); and
- (d) financial performance measures; and
- (e) financial components of the efficiency performance measures

that were prepared by Electricity Ashburton Limited and dated 22 December 2004 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

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 Requirements 2004.

**GABITES, SINCLAIR & PARTNERS  
ASHBURTON**

22 December 2004

DIRECTORS: Alistair J. Rooney C.A.  
Philip S. Quaid C.A.



Eric T. Parr B.Com., C.A.  
Ross S. Gibson B.Com., C.A.