



# New Zealand Gazette

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## NETWORK TASMAN LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO  
SECTION 57T OF THE COMMERCE ACT 1986

## **NETWORK TASMAN LIMITED INFORMATION DISCLOSURE**

### **Information Disclosure Disclaimer**

The information disclosed has been prepared in accordance with and for the specific use intended in the Commerce Commission's Electricity Information Disclosure Requirements 2004. No responsibility will be accepted for any third party that may use or rely on this report or any part thereof without the express written permission of Network Tasman Limited.

Except as allowed for by the Commerce Act 1986 and information disclosure requirements promulgated by the Act, neither the whole or any part of the information disclosed or any reference thereto may be included in any published document, circular or statement or published in any way without Network Tasman's written approval of the form and context in which it may appear.

The information disclosed is for the line business as described in the Electricity Information Disclosure Requirements 2004. There are also additional activities of the company that are not required to be reported under the Requirements.

# NetworkTasman

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## IN ACCORDANCE WITH THE ELECTRICITY INFORMATION DISCLOSURE REQUIREMENTS 2004

### Requirement 31 (1)

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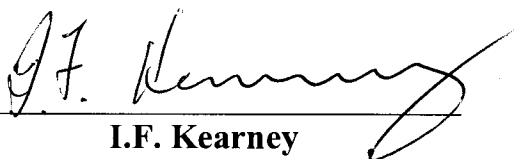
CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY DISCLOSING ENTITIES (OTHER THAN TRANSPower).

We, Ian Francis Kearney and Christopher Ian Menzies Turner, directors of Network Tasman Limited certify that, having made all reasonable enquiry, to the best of our knowledge,

- (a) The attached audited financial statements of Network Tasman Limited, prepared for the purposes of requirement 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 Network Tasman 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.

SIGNATURES OF DIRECTORS:

  
I.F. Kearney

C.I.M Turner

Dated 29<sup>th</sup> July 2005.

**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of financial performance**

*For the year ended 31 March 2005*

	<b>Note</b>	<b>2005 \$000</b>	<b>2004 \$000</b>
Total operating revenue	<b>2</b>	<b>27,279</b>	26,264
Total operating expenses	<b>3</b>	<b>(19,207)</b>	(17,320)
<b>Operating surplus before interest expense and income tax</b>		<b>8,072</b>	8,944
Interest expense		<b>(6)</b>	(8)
<b>Operating surplus before income tax</b>		<b>8,066</b>	8,936
Income tax	<b>4</b>	<b>(2,157)</b>	(2,581)
<b>Operating surplus</b>		<b>5,909</b>	6,355
 <b>Operating surplus comprises:</b>			
Operating surplus from continuing activities		<b>5,909</b>	6,355
Operating surplus from discontinued activities		<b>0</b>	0
		<b>5,909</b>	6,355

*The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.*

**Network Tasman Limited**  
**Line Business Financial Statements**

**Statement of movements in equity**

*For the year ended 31 March 2005*

	<b>Note</b>	<b>2005 \$000</b>	<b>2004 \$000</b>
<b>Total equity at beginning of year</b>	<b>6</b>	<b>131,261</b>	<b>88,947</b>
<b>Total recognised revenues and expenses</b>			
Operating surplus		<b>5,909</b>	6,355
Movement in property, plant & equipment revaluation reserve		<b>0</b>	37,716
<b>Total recognised revenues and expenses for the year</b>		<b>5,909</b>	<b>44,071</b>
<b>Other movements</b>			
Distributions to owners during the year	<b>5</b>	<b>(1,704)</b>	(1,843)
Transfer of property, plant & equipment from/(to) "Other" business		<b>(491)</b>	86
		<b>(2,195)</b>	<b>(1,757)</b>
<b>Total equity at end of year</b>	<b>6</b>	<b>134,975</b>	<b>131,261</b>

*The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.*

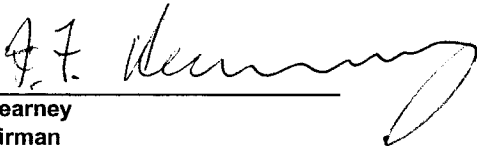
**Network Tasman Limited**  
**Line Business Financial Statements**


**Statement of financial position**

*As at 31 March 2005*

	Note	2005 \$000	2004 \$000
<b>Current assets</b>			
Cash and short term deposits		8,166	8,787
Receivables	8	3,013	2,672
<b>Total current assets</b>		11,179	11,459
<b>Non-current assets</b>			
Property, plant and equipment	9	126,326	121,812
Deferred taxation	10	64	59
<b>Total non-current assets</b>		126,390	121,871
<b>Total assets</b>		137,569	133,330
<b>Current liabilities</b>			
Payables and accruals	11	2,231	1,714
Provisions	12	189	198
<b>Total current liabilities</b>		2,420	1,912
<b>Non-current liabilities</b>			
Provisions	12	174	157
<b>Total non-current liabilities</b>		174	157
<b>Equity</b>			
Attributable to shareholders of the company	6	134,975	131,261
<b>Total equity</b>		134,975	131,261
<b>Total liabilities and equity</b>		137,569	133,330

For and on behalf of the Board of Directors:

  
 IF Kearney  
 Chairman  
 29 July 2005

  
 CIM Turner  
 Director  
 29 July 2005

# **Network Tasman Limited** **Line Business Financial Statements**

## **Statement of cash flows**

*For the year ended 31 March 2005*

	<b>Note</b>	<b>2005</b> <b>\$000</b>	<b>2004</b> <b>\$000</b>
<b>Cash flows from operating activities</b>			
<i>Cash was provided from:</i>			
Receipts from customers		<b>22,510</b>	20,535
Interest income received		<b>670</b>	607
Capital contributions from consumers		<b>0</b>	0
		<b>23,180</b>	21,142
<i>Cash was applied to:</i>			
Payments to suppliers and employees		<b>13,779</b>	11,736
Interest expense paid		<b>0</b>	0
Income tax paid		<b>2,157</b>	2,558
		<b>15,936</b>	14,294
<b>Net cash flows from operating activities</b>	<b>13</b>	<b>7,244</b>	6,848
<b>Cash flows from investing activities</b>			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		<b>13</b>	0
		<b>13</b>	0
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		<b>6,174</b>	7,771
		<b>6,174</b>	7,771
<b>Net cash flows from investing activities</b>		<b>(6,161)</b>	(7,771)
<b>Cash flows from financing activities</b>			
<i>Cash was applied to:</i>			
Dividends paid		<b>1,704</b>	1,843
Repayment of term loans		<b>0</b>	0
		<b>1,704</b>	1,843
<b>Net cash flows from financing activities</b>		<b>(1,704)</b>	(1,843)
<b>Net increase (decrease) in cash balances</b>		<b>(621)</b>	(2,766)
Cash balances at beginning of year		<b>8,787</b>	11,553
<b>Cash balances at end of year</b>		<b>8,166</b>	8,787

*The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.*

## **Network Tasman Limited Line Business Financial Statements**

### **Notes to and forming part of the financial statements For the year ended 31 March 2005**

#### **1. Statement of accounting policies**

##### **Reporting entity**

The reporting entity is Network Tasman Limited.

##### **Statutory base**

Network Tasman Limited is a company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Electricity Information Disclosure Requirements 2004.

##### **Measurement base**

The financial statements have been prepared on the basis of historical cost with the exception of distribution system assets, which are stated at valuation.

The financial statements comprise statements of financial performance, movements in equity, financial position, cash flows and notes to these statements.

##### **Accounting policies**

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. The accounting policies that materially affect the measurement of financial performance, financial position and cash flows are set out below:

##### **(a) Revenue**

###### *Line revenue*

Retailer-owned electricity meters are read on the basis of constant cycles each year. Line revenues include an estimated amount for accrued sales as at 31 March 2005.

###### *Customer contributions*

Distribution system assets vested from consumers to the company are credited to the statement of financial performance at fair value.

##### **(b) Property, plant and equipment**

###### *Recognition of property, plant and equipment*

The company has the following classes of property, plant and equipment:

###### **Distribution system assets**

- Primary distribution assets
- Secondary distribution assets
- Substation assets
- Load control plant
- Streetlights
- Consumer connection assets
- Communication assets



**Non-distribution system assets**

- Plant and equipment
- Computer equipment
- Motor vehicles

*Initial recording*

All owned items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment comprises its purchase price plus any other costs directly attributable to bringing the item to working condition for its intended use. Donated assets are recorded at fair value.

Distribution system assets are stated at valuation as determined every three years by an independent registered valuer. Plant and equipment, computer equipment and motor vehicles are recorded at cost.

*Asset components*

When the components of an item of property, plant and equipment have different useful lives, the cost of the item is allocated to its components and each component is accounted for separately in accordance with the company's Asset Management Plan (AMP).

*Subsequent expenditure*

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that the expenditure increases the economic benefits over the total life of the item beyond those most recently assessed in determining the basis of the item's carrying amount.

*Revaluations*

Distribution system assets are revalued every three years to fair value, or more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Fair value is determined using optimised depreciated replacement cost.

Distribution system assets were last revalued as at 31 March 2004 to optimised depreciated replacement cost (ODRC) as assessed by independent valuers PricewaterhouseCoopers.

Any revaluation increment or decrement is recognised in the statement of movements in equity. If the revaluation results in a revaluation deficit, the revaluation deficit is recognised in the statement of financial performance. To the extent that a revaluation reverses a previous revaluation deficit that was recognised in the statement of financial performance, such revaluation increment is recognised in the statement of financial performance.

*Disposal of property, plant and equipment*

Where an item of property, plant and equipment is disposed of, the difference between net disposal proceeds and the carrying amount is recognised in the statement of financial performance.

*Depreciation*

Depreciation of property, plant and equipment is calculated so as to expense the cost or revalued amount of the assets, less any residual value, over the assets useful lives.

The depreciation methods and depreciation rates used are as follows:

Asset class	Depreciation method	Depreciation rates
Primary distribution assets	Straight line	1.33% - 6.16%
Secondary distribution assets	Straight line	1.33% - 9.20%
Substation assets	Straight line	1.43% - 13.31%
Load control plant	Straight line	1.82% - 17.33%
Streetlights	Straight line	1.67% - 33.33%
Consumer connection assets	Straight line	2.22% - 33.33%
Communication assets	Straight line	4.00% - 5.00%
Plant and equipment	Diminishing value	20%
Motor vehicles	Diminishing value	20%
Computer equipment	Diminishing value	48%

The depreciation rates on distribution system assets in existence at the time of the previous revaluation (31 March 2004) are based on the assessed residual lives as determined in the calculation of the Optimised Depreciated Replacement Cost (ODRC).

New assets (as from 1 April 2004) were assessed based on the standard useful lives as contained in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses as issued by the Commerce Commission and dated 30 August 2004.

Pole structures, which have a physical life well in excess of the standard useful lives, were assessed by the company's qualified engineers.

#### (c) Income tax

Income tax expense is recognised on the operating surplus before taxation, adjusted for permanent differences between taxable and accounting income.

Deferred tax is calculated using the comprehensive basis under the liability method. This involves recognising the tax effect of all timing differences between accounting and taxable income as a deferred tax asset or liability on the statement of financial position.

A deferred tax asset is recognised only where there is virtual certainty that the benefit will be utilised.

#### (d) Receivables

Receivables are carried at estimated net realisable value after providing for debts where collection is in doubt.

#### (e) Impairment

Where the estimated recoverable amount of an asset is less than the carrying amount, the asset is written down. The impairment loss is recognised in the statement of financial performance.

#### (f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and investments in money market instruments.

#### (g) Employee entitlements

A provision for employee entitlements is recognised as a liability in respect of benefits earned by employees but not yet received at balance date. Employee benefits include annual leave and long service leave. The provision is the estimated amount expected to be paid out by the company.

**(h) Operating leases**

Payments made under operating leases are recognised in the statement of financial performance on a basis representative of the pattern of benefits expected to be derived from the leased asset.

**(i) Changes In accounting policies**

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

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

<b>2005</b>	<b>2004</b>
<b>\$000</b>	<b>\$000</b>

## 2. Operating revenue

### Continuing activities

#### Trading revenue

Line revenue (net of discounts)	22,447	21,273
Customer contributions	3,291	2,078
Gain on sale of assets	20	0
Other revenue	851	1,366
Non-recurring income	0	940

#### Investment revenue

Interest income	670	607
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#### Total operating revenue from continuing activities

27,279	26,264
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## 3. Operating expenses

### Operating expenses include:

#### Depreciation of property, plant & equipment

Primary distribution assets	190	100
Secondary distribution assets	3,291	2,236
Substation assets	285	223
Load control plant	58	132
Streetlights	43	4
Consumer connections	277	66
Communications	84	47
Plant and equipment	129	132
Computer equipment	145	186
Motor vehicles	34	27
<b>Total depreciation of property, plant &amp; equipment</b>	<b>4,536</b>	<b>3,153</b>

#### Auditors' fees

Audit fees	27	24
Other remuneration paid to auditor	4	0

#### Costs of offering credit

Bad debts written off	15	19
Change in provision for doubtful debts	(1)	(2)

#### Governance expenses

Directors' fees	129	129
Donations	2	2
Interest expense	6	8
Impairment loss to property, plant & equipment	0	72
Rental and operating lease costs	253	256

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

	2005 \$000	2004 \$000
<b>4. Income tax</b>		
Operating surplus before income tax	8,066	8,936
<b>Permanent differences:</b>		
Non-taxable customer contributions	(3,291)	(2,078)
Depreciation	1,756	887
Other permanent differences	6	76
	<u>(1,529)</u>	<u>(1,115)</u>
Taxable income	<u>6,537</u>	<u>7,821</u>
Tax expense @ 33%	2,157	2,581
Income tax (over) under provided in prior year	0	0
<b>Income tax expense recognised in statement of financial performance</b>	<u>2,157</u>	<u>2,581</u>
Comprising:		
Current period tax assessment	2,162	2,543
Deferred income tax liability	(5)	38
	<u>2,157</u>	<u>2,581</u>
<b>5. Dividends</b>		
Dividends during the year:		
Dividends paid	1,704	1,843
<b>Total dividends paid</b>	<u>1,704</u>	<u>1,843</u>
<b>6. Equity</b>		
Ordinary shares fully paid	14,280	14,280
Property, plant & equipment revaluation reserve	84,874	84,874
Share premium reserve	1,938	1,938
Retained earnings	33,883	30,169
<b>Total equity</b>	<u>134,975</u>	<u>131,261</u>
<b>7. Retained earnings</b>		
Retained earnings at beginning of year	30,169	25,571
Operating surplus	5,909	6,355
<b>Total available for appropriation</b>	<u>36,078</u>	<u>31,926</u>
Dividends paid	(1,704)	(1,843)
Transfer of property, plant & equipment from/(to) "Other" business	(491)	86
<b>Retained earnings at end of year</b>	<u>33,883</u>	<u>30,169</u>

# **Network Tasman Limited** **Line Business Financial Statements**

## **Notes to and forming part of the financial statements**

*For the year ended 31 March 2005*

**2005**      **2004**  
**\$000**      **\$000**

### **8. Receivables**

#### **Current receivables**

Trade receivables	<b>2,625</b>	2,275
Less doubtful debts	<b>3</b>	4
	<b>2,622</b>	2,271
Interest accrued	<b>100</b>	82
Tax refund due	<b>121</b>	132
Prepayments	<b>170</b>	187
<b>Total current receivables</b>	<b>3,013</b>	2,672

### **9. Property, plant & equipment**

	At cost	At valuation	Accum. depreciation	Carrying Amount
<b>Property, plant &amp; equipment - March 2005</b>				
Primary distribution assets	1,174	6,867	190	7,851
Secondary distribution assets	5,539	96,002	3,291	98,250
Substation assets	741	7,817	285	8,273
Load control plant	312	617	58	871
Streetlights	3	278	43	238
Consumer connections	38	6,242	277	6,003
Communications	86	2,044	84	2,046
Plant and equipment	1,739	0	1,202	537
Computer equipment	2,250	0	1,981	269
Motor vehicles	268	0	123	145
Assets under construction	1,843	0	0	1,843
<b>Total</b>	<b>13,993</b>	<b>119,867</b>	<b>7,534</b>	<b>126,326</b>

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

	At cost	At valuation	Accum. depreciation	Carrying Amount
<b>Property, plant &amp; equipment - March 2004</b>				
Primary distribution assets	0	6,867	0	6,867
Secondary distribution assets	0	96,002	0	96,002
Substation assets	0	7,817	0	7,817
Load control plant	0	617	0	617
Streetlights	0	278	0	278
Consumer connections	0	6,242	0	6,242
Communications	0	2,535	0	2,535
Plant and equipment	1,719	0	1072	647
Computer equipment	2,078	0	1836	242
Motor vehicles	267	0	120	147
Assets under construction	418	0	0	418
<b>Total</b>	<b>4,482</b>	<b>120,358</b>	<b>3,028</b>	<b>121,812</b>

#### Valuation information

The distribution system assets were last revalued as at 31 March 2004 to a net current value of \$120.4 million.

The valuation to optimised depreciated replacement cost (ODRC) was carried out by independent valuers, PricewaterhouseCoopers.

<b>2005</b>	2004
<b>\$000</b>	<b>\$000</b>

#### Review of useful lives of property, plant and equipment

Estimate of increase in depreciation charge following a review of useful lives	<b>1,312</b>	0
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#### 10. Deferred taxation

Balance at beginning of year	<b>59</b>	97
Deferred tax on timing differences	<b>5</b>	(38)
<b>Balance at end of year</b>	<b>64</b>	<b>59</b>

#### 11. Payables and accruals

##### Current

Trade payables and accruals	<b>2,231</b>	1,714
<b>Total current payables and accruals</b>	<b>2,231</b>	<b>1,714</b>

# **Network Tasman Limited** **Line Business Financial Statements**

## **Notes to and forming part of the financial statements**

*For the year ended 31 March 2005*

<b>2005</b>	<b>2004</b>
<b>\$000</b>	<b>\$000</b>

### **12. Provisions**

#### **Current**

Employee entitlements	<b>126</b>	113
Sundry provisions	<b>63</b>	85
<b>Total current provisions</b>	<b>189</b>	<b>198</b>

#### **Non-current**

Employee entitlements	<b>174</b>	157
Sundry provisions	<b>0</b>	0
<b>Total non-current provisions</b>	<b>174</b>	<b>157</b>

#### **Provision for employee entitlements**

Balance at beginning of year	<b>270</b>	336
Additional provisions made	<b>110</b>	105
Amount utilised	<b>(80)</b>	(152)
Provision reversed	<b>0</b>	(19)
<b>Balance at end of year</b>	<b>300</b>	<b>270</b>

The provision for employee entitlements relates to employee benefits such as accrued annual leave and long service leave.

#### **Sundry provisions**

Balance at beginning of year	<b>85</b>	126
Additional provisions made	<b>63</b>	0
Amount utilised	<b>0</b>	0
Provision reversed	<b>(85)</b>	(41)
<b>Balance at end of year</b>	<b>63</b>	<b>85</b>

Sundry provisions relate to contractor bonuses.



## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

<b>2005</b>	<b>2004</b>
<b>\$000</b>	<b>\$000</b>

#### 13. Reconciliation of operating surplus after income tax with net cash flows from operating activities

<b>Operating surplus after tax</b>	<b>5,909</b>	<b>6,355</b>
<b>Add (less) non-cash items and non-operating items:</b>		
Depreciation	4,536	3,153
Movement in deferred taxation	(5)	38
Customer contributions	(3,291)	(2,078)
Bad debts written-off	15	19
Change in provision for doubtful debts	(1)	(2)
Impairment loss to property, plant & equipment	0	72
Movement in capital expenditure in creditors	(103)	(164)
	<b>1,151</b>	<b>1,038</b>
<b>Movement in working capital:</b>		
Increase (decrease) in payables and provisions	525	(558)
(Increase) decrease in receivables	(352)	19
Increase (decrease) in taxation payable	11	(6)
	<b>184</b>	<b>(545)</b>
<b>Net cash flows from operating activities</b>	<b>7,244</b>	<b>6,848</b>

#### 14. Related parties

There were no related party transactions in relation to the following (2004: nil):

- Construction of subtransmission assets
- Construction of zone substations
- Construction of distribution lines and cables
- Construction of medium voltage switchgear
- Construction of distribution transformers
- Construction of distribution substations
- Construction of low voltage reticulation
- Construction of other system fixed assets
- Maintenance of assets
- Consumer connections and disconnections

#### Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% (2004: 100%) of the company's shares.

Refer to Note 5 for dividends paid to the holding entity.

#### Associate company

Network Tasman Limited has a 50% shareholding in Nelson Electricity Limited. Nelson Electricity Limited owns and operates the electricity distribution network in Nelson city.

Transmission costs charged by national grid operator Transpower NZ Limited for connection by Nelson Electricity Limited to the national grid are on-charged, at cost, by Network Tasman Limited to Nelson Electricity Limited.

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

	2005 \$000	2004 \$000
Net transmission costs on-charged (1 April 2004 to 31 March 2005)	1,666	1,528
Balance due from Nelson Electricity Limited as at 31 March 2005	154	138

#### Mr C Turner - Nelson Pine Industries Limited

Nelson Pine Industries Limited, a company in which Mr C Turner (a director of Network Tasman Limited) is General Manager, contracts directly on an arms length basis with Network Tasman Limited, for distribution services. The services amount to 5.2% of total net sales.

As at 31 March 2005, the balance owing by Nelson Pine Industries Limited was \$110,317 (2004: \$2,450).

No related party debts have been written off or forgiven during the year (2004: nil).

#### 15. Financial Instruments

The company estimates that in respect of the reported financial instruments, being cash, short-term investments and debtors, fair value is equivalent to the carrying amount as stated in the statement of financial position.

##### *Credit risk*

The company places short-term investments with registered banks only. The company has a credit policy which is used to manage this exposure to credit risk. As part of this policy, limits on the amount of surplus funds placed with any one banking institution have been set and approved by the Board of Directors.

##### *Concentrations of credit risk*

The company's customers are electricity retailers. The credit risk is not considered to be high. The company does not have any other significant concentrations of credit risk.

##### *Interest rate risk*

Short-term investments mature within the range of on-call to 180 days. The interest rates on these investments range from 6.68% to 6.97% (2004: 5.25% to 5.57%).

#### 16. Segmental Information

For reporting purposes the company operates predominantly in one industry - the distribution of electricity. The operations of the company are carried out in New Zealand and are therefore within one geographical segment for reporting purposes.

#### 17. Commitments

##### **Capital commitments**

Capital commitments as at 31 March 2005 were \$3,421,072 (2004: \$1,511,632).

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

#### Operating lease commitments

Lease commitments under non-cancellable operating leases are payable as follows:

Less than one year	253	253
Between one and two years	253	253
Between two and five years	758	758
Greater than five years	1,383	1,635

#### Total operating lease commitments

2,647	2,899
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#### 18. Contingencies

As at 31 March 2005 there were no material contingent liabilities or contingent assets (2004: nil).

#### 19. Events occurring after balance date

The directors of Network Tasman Limited are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment within the financial statements.

#### 20. Mandatory specific disclosures

Items required to be separately listed in the financial statements as required under the Electricity Information Disclosure Requirements 2004:

	2005 \$000	2004 \$000
<b>1. Current assets</b>		
(a) Cash & bank balances	312	978
(b) Short-term investments	7,854	7,809
(c) Inventories	0	0
(d) Accounts receivable	2,722	2,353
(e) Other receivables	0	0
(f) Prepayments	170	187
(g) Other current assets not listed in (a) to (f)	121	132
<b>(h) Total current assets</b>	<b>11,179</b>	<b>11,459</b>
<b>2. Fixed assets</b>		
(a) System fixed assets	123,532	120,358
(b) Consumer billing and information system assets	269	242
(c) Motor vehicles	145	147
(d) Office equipment	84	104
(e) Land and buildings	0	0
(f) Capital works under construction	1,843	418
(g) Other fixed assets not listed in (a) to (f)	453	543
<b>(h) Total fixed assets</b>	<b>126,326</b>	<b>121,812</b>
<b>3. Other tangible assets not listed above</b>	<b>64</b>	<b>59</b>
<b>4. Total tangible assets</b>	<b>137,569</b>	<b>133,330</b>

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

	2005 \$000	2004 \$000
<b>5. Intangible assets</b>		
(a) Goodwill	0	0
(b) Other intangibles not listed in (a) above	0	0
<b>(c) Total intangible assets</b>	<b>0</b>	<b>0</b>
<b>6. Total assets</b>	<b>137,569</b>	<b>133,330</b>
<b>7. Current liabilities</b>		
(a) Bank overdraft	0	0
(b) Short-term borrowings	0	0
(c) Payables & accruals	2,231	1,714
(d) Accrued payroll	126	113
(e) Provision for dividend payable	0	0
(f) Provision for income tax	0	0
(g) Other current liabilities not listed in (a) to (f)	63	85
<b>(h) Total current liabilities</b>	<b>2,420</b>	<b>1,912</b>
<b>8. Non-current Liabilities</b>		
(a) Payables & accruals	174	157
(b) Borrowings	0	0
(c) Deferred tax	0	0
(d) Other non-current liabilities not listed in (a) to (c) above	0	0
<b>(e) Total non-current liabilities</b>	<b>174</b>	<b>157</b>
<b>9. Equity</b>		
(a) Shareholders' equity		
(i) Share capital	14,280	14,280
(ii) Retained earnings	33,883	30,169
(iii) Reserves	86,812	86,812
(iv) Total shareholders equity	134,975	131,261
(b) Minority interests in subsidiaries	0	0
<b>(c) Total equity</b>	<b>134,975</b>	<b>131,261</b>
(d) Capital notes	0	0
<b>(e) Total capital funds</b>	<b>134,975</b>	<b>131,261</b>
<b>10. Total equity and liabilities</b>	<b>137,569</b>	<b>133,330</b>
<b>11. Operating revenue</b>		
(a) Revenue from line/access charges	27,120	25,876
(b) Line charge discounts to consumers	(4,673)	(4,603)
(c) Revenue from "other" business for services carried out by the line business	0	0
(d) Interest on cash, bank balances and short-term investments	670	607
(e) AC loss rental rebates	654	1,155
(f) Other revenue not listed in (a) to (e)	3,508	3,229
<b>(g) Total operating revenue</b>	<b>27,279</b>	<b>26,264</b>

## Network Tasman Limited

### Line Business Financial Statements

#### Notes to and forming part of the financial statements

For the year ended 31 March 2005

	2005 \$000	2004 \$000
<b>12. Operating expenditure</b>		
(a) Payment for transmission charges	8,500	8,197
(b) Transfer payments to the "other" business for:		
(i) Asset maintenance	0	0
(ii) Consumer disconnections/reconnection services	0	0
(iii) Meter data	0	0
(iv) Consumer-based load control services	0	0
(v) Royalty and patent expenses	0	0
(vi) Avoided transmission charges on account of own generation	0	0
(vii) Other goods and services not listed in (i) to (vi) above	63	63
<b>(viii) Total transfer payment to the "Other" business</b>	<b>63</b>	<b>63</b>
(c) Expense to entities that are not related parties for:		
(i) Asset maintenance	2,928	2,617
(ii) Consumer disconnections/reconnection services	0	0
(iii) Meter data	0	0
(iv) Consumer-based load control services	0	0
(v) Royalty and patent expenses	0	0
<b>(vi) Total of specified expenses to non-related parties</b>	<b>2,928</b>	<b>2,617</b>
(d) Employee salaries, wages and redundancies	1,566	1,479
(e) Consumer billing and information system expense	205	215
(f) Depreciation on:		
(i) System fixed assets	4,228	2,808
(ii) Other assets not listed in (i)	308	345
<b>(iii) Total depreciation</b>	<b>4,536</b>	<b>3,153</b>
(g) Amortisation of:		
(i) Goodwill	0	0
(ii) Other intangibles	0	0
<b>(iii) Total amortisation of intangibles</b>	<b>0</b>	<b>0</b>
(h) Corporate and administration	383	393
(i) Human resource expenses	54	44
(j) Marketing/advertising	73	73
(k) Merger and acquisition expenses	0	0
(l) Takeover defence expenses	0	0
(m) Research and development expenses	0	0
(n) Consultancy and legal expenses	164	201
(o) Donations	2	2
(p) Directors' fees	129	129
(q) Auditors' fees:		
(i) Audit fees paid to principal auditors	27	24
(ii) Audit fees paid to other auditors	0	0
(iii) Fees paid for other services provided by principal and other auditors	4	0
<b>(iv) Total auditors' fees</b>	<b>31</b>	<b>24</b>
(r) Costs of offering credit:		
(i) Bad debts written off	15	19
(ii) Increase in estimated doubtful debts	(1)	(2)
<b>(iii) Total cost of offering credit</b>	<b>14</b>	<b>17</b>
(s) Local authority rates expense	11	8
(t) AC loss-rentals rebates expense	264	464
(u) Rebates to consumers due to ownership interest	0	0
(v) Subvention payments	0	0
(w) Unusual expenses	0	0
(x) Other expenditure not listed in (a) to (w)	284	241
<b>13. Total operating expenditure</b>	<b>19,207</b>	<b>17,320</b>

**Network Tasman Limited**  
**Line Business Financial Statements**

**Notes to and forming part of the financial statements**

*For the year ended 31 March 2005*

	<b>2005</b>	<b>2004</b>
	<b>\$000</b>	<b>\$000</b>
<b>14. Operating surplus before interest and income tax</b>	<b>8,072</b>	<b>8,944</b>
<b>15. Interest expense</b>		
(a) Interest expense on borrowings	0	0
(b) Financing charges related to finance leases	0	0
(c) Other interest expense not listed in (a) or (b)	6	8
<b>(d) Total interest expense</b>	<b>6</b>	<b>8</b>
<b>16. Operating surplus before income tax</b>	<b>8,066</b>	<b>8,936</b>
<b>17. Income tax</b>	<b>2,157</b>	<b>2,581</b>
<b>18. Net surplus after tax</b>	<b>5,909</b>	<b>6,355</b>
<b>19. Annual valuation reconciliation report</b>		
System fixed assets at ODV - end of the previous financial year	<b>108,091</b>	73,721
Add system fixed assets acquired during the year at ODV	<b>9,487</b>	9,462
Less system fixed assets disposed of during the year at ODV	<b>0</b>	0
Less depreciation on system fixed assets at ODV	<b>(4,442)</b>	(2,947)
Add revaluations of system fixed assets	<b>0</b>	27,855
<b>System fixed assets at ODV - end of the financial year</b>	<b>113,136</b>	<b>108,091</b>

**Network Tasman Limited**  
**Line Business Performance Measures**

**Performance Measures and Statistics**  
**For the year ended 31 March 2005**

	2005	2004	2003	2002
<b>Financial performance measures</b>				
(a) Return on Funds	6.41%	8.88%	10.27%	10.08%
(b) Return on Equity	4.72%	6.06%	6.96%	6.59%
(c) Return on Investment	4.68%	42.93%	7.33%	6.93%
Return on Investment - as restated (excludes revaluation)		6.30%		
<b>Efficiency performance measures</b>				
(a) Direct Line Costs per Kilometre	\$1,318	\$1,258	\$1,232	\$934
(b) Indirect Line Costs per Consumer	\$48	\$43	\$42	\$38
<b>Energy delivery efficiency performance measures and statistics</b>				
<b>1. Energy delivery efficiency performance measures</b>				
(a) Load Factor	65.10%	64.39%	66.12%	63.30%
(b) Loss Ratio	4.40%	3.88%	4.25%	3.39%
(c) Capacity Utilisation	42.80%	42.50%	43.24%	44.67%
<b>2. Statistics</b>				
<b>(a) System Length</b>				
33 kV system	136.35	133.73	126.78	125.51
22 kV system	29.92	0.00	0.00	0.00
11 kV system	2012.20	2060.85	2001.64	1989.13
6.6 kV system	34.37	34.37	34.37	34.37
400 V system	1034.01	1015.33	998.00	972.70
<b>Total Kilometres</b>	<b>3246.85</b>	<b>3244.28</b>	<b>3160.79</b>	<b>3121.71</b>
<b>(b) System Length - Overhead</b>				
33 kV system	124.04	121.83	121.12	120.04
22 kV system	18.22	0.00	0.00	0.00
11 kV system	1858.61	1908.09	1873.27	1867.89
6.6 kV system	33.03	33.03	33.03	33.03
400 V system	575.63	581.08	589.69	604.88
<b>Total Kilometres</b>	<b>2609.53</b>	<b>2644.03</b>	<b>2617.11</b>	<b>2625.84</b>
<b>(c) System Length - Underground</b>				
33 kV system	12.31	11.90	5.66	5.47
22 kV system	11.70	0.00	0.00	0.00
11 kV system	153.59	152.76	128.37	121.24
6.6 kV system	1.34	1.34	1.34	1.34
400 V system	458.38	434.25	408.31	367.82
<b>Total Kilometres</b>	<b>637.32</b>	<b>600.25</b>	<b>543.68</b>	<b>495.87</b>
(d) Transformer Capacity (kVA)	315,001	304,205	291,626	276,450
(e) Maximum Demand (kW)		129,290	126,103	123,500
(f) Total electricity entering the system (before losses) (kWh)	770,267,682	729,267,287	730,401,537	684,837,910
<b>(g) Total amount of electricity supplied from the system (after losses of electricity) on behalf of each person (kWh)</b>				
Retailer A	469,201,721	412,727,633	304,463,864	286,066,967
Retailer B	63,899,825	102,072,527	9,507,894	6,774,941
Retailer C	186,074,455	174,954,119	1,042,196	931,754
Retailer D	1,581,408	673,561	191,883,213	165,792,163
Retailer E	15,330,318	10,574,262	192,477,170	187,190,919
Retailer F				13,127,997
Retailer G				39,774
Generator 1	1,822,725	1,835,341	1,631,325	1,670,828

	2005	2004	2003	2002
Generator 2	887,434	894,009	85,647	
Generator 3	3,769,506			
<b>Total</b>	<b>742,567,392</b>	<b>703,731,452</b>	<b>701,091,309</b>	<b>661,595,344</b>
<b>(h) Total Consumers</b>	<b>33,830</b>	<b>33,335</b>	<b>32,205</b>	<b>31,293</b>
<b>Reliability performance measures to be disclosed by line owners</b>				
<b>1. Total number of interruptions</b>				
Class A Transpower Planned	4.00	3.00	4.00	3.00
Class B Line Owner Planned	110.00	76.00	66.00	80.00
Class C Line Owner Unplanned	126.00	101.00	118.00	84.00
Class D Transpower Unplanned	3.00	3.00	1.00	0.00
<b>Total</b>	<b>243.00</b>	<b>183.00</b>	<b>189.00</b>	<b>167.00</b>
<b>2. Interruption Targets (next year)</b>				
(a) Planned Interruptions by Line Owner (Class B)	100.00	100.00	100.00	120.00
(b) Unplanned Interruptions by Line Owner (Class C)	130.00	130.00	130.00	128.00
<b>3. Average Interruption Targets (5 years)</b>				
(a) Planned Interruptions by Line Owner (Class B)	100.00	100.00	100.00	110.00
(b) Unplanned Interruptions by Line Owner (Class C)	130.00	130.00	130.00	128.00
<b>4. Fault Restoration Times (Class C) not restored within</b>				
(a) 3 hours	22%	23%	17%	14%
(b) 24 hours	0%	0%	0%	0%
<b>5. Number of faults per 100km of prescribed voltage line</b>				
(a) Total number of faults	5.69	4.53	5.45	3.91
<b>(b) Number of faults targeted (next year)</b>				
	2005/06	2004/05	2003/04	2002/03
	6.00	6.00	6.00	6.00
<b>(c) Average number of faults targeted (5 years)</b>				
	2006/10	2005/09	2004/08	2003/07
	6.00	6.00	6.00	6.00
<b>(d) Number of faults per nominal line voltages</b>				
<b>Total number of faults</b>				
33 kV system	2.21	2.24	1.58	1.59
22kV system	0.00	0.00	0.00	0.00
11 kV system	6.06	4.76	5.70	4.12
6.6 kV system	2.91	0.00	5.82	0.00
<b>Number of faults targeted (next year)</b>				
	2005/06	2004/05	2003/04	2002/03
33 kV system	1.50	1.50	1.50	1.50
22kV system	0.00	0.00	0.00	0.00
11 kV system	6.40	6.40	6.30	6.30
6.6 kV system	0.00	0.00	0.00	0.00
<b>Average number of faults targeted (5 years)</b>				
	2006/10	2005/09	2004/08	2003/07
33 kV system	1.50	1.50	1.50	1.50
22 kV system	0.00	0.00	0.00	0.00
11 kV system	6.40	6.40	6.30	6.30
6.6 kV system	0.00	0.00	0.00	0.00
<b>6. Number of faults per 100km of prescribed voltage underground line</b>				
33 kV system	0.00	0.00	0.00	0.00
22 kV system	0.00	0.00	0.00	0.00
11 kV system	4.56	6.54	4.67	2.47
6.6 kV system	0.00	0.00	0.00	0.00
<b>Total</b>	<b>3.91</b>	<b>6.02</b>	<b>4.43</b>	<b>2.34</b>
<b>7. Number of faults per 100km of prescribed voltage overhead line</b>				
33 kV system	2.42	2.46	1.65	1.67
22 kV system	0.00	0.00	0.00	0.00
11 kV system	6.21	4.61	5.87	4.28



	2005	2004	2003	2002
6.6 kV system	3.03	0.00	6.06	0.00
<b>Total</b>	<b>5.85</b>	<b>4.41</b>	<b>5.52</b>	<b>4.06</b>
<b>8. SAIDI for the total number of interruptions</b>	<b>210.15</b>	<b>164.10</b>	<b>151.23</b>	<b>114.68</b>
<b>9. SAIDI targets (next year)</b>	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>
(a) Planned Interruptions by Line Owner (Class B)	25.00	25.00	25.00	35.00
(b) Unplanned Interruptions by Line Owner (Class C)	59.00	60.00	60.00	60.00
<b>10. Average SAIDI targets (5 years)</b>	<b>2006/10</b>	<b>2005/09</b>	<b>2004/08</b>	<b>2003/07</b>
(a) Planned Interruptions by Line Owner (Class B)	25.00	25.00	25.00	32.00
(b) Unplanned Interruptions by Line Owner (Class C)	57.00	57.00	58.00	55.00
<b>11. Classification of SAIDI interruptions by Class</b>				
Class A Transpower Planned	55.25	35.73	43.29	43.92
Class B Line Owner Planned	28.04	25.92	16.77	21.39
Class C Line Owner Unplanned	118.30	95.26	90.96	49.37
Class D Transpower Unplanned	8.56	7.19	0.20	0.00
<b>Total</b>	<b>210.15</b>	<b>164.10</b>	<b>151.22</b>	<b>114.68</b>
<b>12. SAIFI for the total number of interruptions</b>	<b>2.47</b>	<b>1.73</b>	<b>1.86</b>	<b>1.14</b>
<b>13. SAIFI targets (next year)</b>	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>
(a) Planned Interruptions	0.18	0.18	0.18	0.27
(b) Unplanned Interruptions	0.98	1.00	1.00	1.33
<b>14. Average SAIFI targets (5 years)</b>	<b>2006/10</b>	<b>2005/09</b>	<b>2004/08</b>	<b>2003/07</b>
(a) Planned Interruptions by Line Owner (Class B)	0.18	0.18	0.18	0.23
(b) Unplanned Interruptions by Line Owner (Class C)	0.95	0.95	0.97	1.00
<b>15. Classification of SAIFI interruptions by Class</b>				
Class A Transpower Planned	0.23	0.14	0.17	0.14
Class B Line Owner Planned	0.23	0.15	0.19	0.13
Class C Line Owner Unplanned	1.48	1.07	1.30	0.87
Class D Transpower Unplanned	0.53	0.37	0.20	0.00
<b>Total</b>	<b>2.47</b>	<b>1.73</b>	<b>1.86</b>	<b>1.14</b>
<b>16. CAIDI for the total number of interruptions</b>	<b>85.08</b>	<b>94.30</b>	<b>81.25</b>	<b>100.59</b>
<b>17. CAIDI Targets (next year)</b>	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>
(a) Planned Interruptions	140.00	140.00	139.00	128.00
(b) Unplanned Interruptions	60.00	60.00	60.00	45.00
<b>18. Average CAIDI targets (5 years)</b>	<b>2006/10</b>	<b>2005/09</b>	<b>2004/08</b>	<b>2003/07</b>
(a) Planned Interruptions by Line Owner (Class B)	140.00	140.00	139.00	139.00
(b) Unplanned Interruptions by Line Owner (Class C)	60.00	60.00	60.00	55.00
<b>19. Classification of CAIDI interruptions by Class</b>				
Class A Transpower Planned	240.22	246.86	258.11	313.71
Class B Line Owner Planned	121.91	169.23	86.47	164.54
Class C Line Owner Unplanned	79.93	88.97	69.84	56.75
Class D Transpower Unplanned	16.15	19.35	1.00	0.00

## 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	8,071,806				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	8,071,806				
Interest on cash, bank balances, and short-term investments (ISTI)	670,438				
OSBIT minus ISTI	7,401,368	a	7,401,368		7,401,368
Net surplus after tax from financial statements	5,908,937				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	5,908,937	n		5,908,937	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	add	add
Subvention payment	0	s	add	add	add
Depreciation of SFA at BV (x)	4,227,730				
Depreciation of SFA at ODV (y)	4,442,370				
ODV depreciation adjustment	-214,640	d	add	add	add
Subvention payment tax adjustment	0	s <sup>t</sup>	deduct	deduct	deduct
Interest tax shield	-219,404	q			
Revaluations	0	r			
Income tax	2,157,293	p			
<b>Numerator</b>			OSBIT <sup>ADJ</sup> = a + g + s + d	NSAT <sup>ADJ</sup> = n + g + s - s <sup>t</sup> + d	SBIT <sup>ADJ</sup> = a + g - q + r + s + d - p - s <sup>t</sup>
	7,186,729			5,694,298	2,157,293
					5,248,840
Fixed assets at end of previous financial year (FA <sub>n</sub> )	121,811,538				
Fixed assets at end of current financial year (FA <sub>t</sub> )	126,326,446				
Adjusted net working capital at end of previous financial year (ANWC <sub>n</sub> )	677,479				
Adjusted net working capital at end of current financial year (ANWC <sub>t</sub> )	492,391				
Average total funds employed (ATFE)	124,653,927 (or regulation 33 time-weighted average)	c	124,653,927		124,653,927
Total equity at end of previous financial year (TE <sub>n</sub> )	131,260,743				
Total equity at end of current financial year (TE <sub>t</sub> )	134,974,714				
Average total equity	133,117,729 (or regulation 33 time-weighted average)	k		133,117,729	
WUC at end of previous financial year (WUC <sub>n</sub> )	418,067				
WUC at end of current financial year (WUC <sub>t</sub> )	1,842,532				
Average total works under construction	1,130,310 (or regulation 33 time-weighted average)	e	deduct	deduct	deduct
			1,130,310	1,130,310	1,130,310

[illegible]

t = maximum statutory income tax rate applying to corporate entities  
the previous financial year

bv = book value

ave = average

odv = optimised deprival valuation

subscript '0' = end of

**Audit New Zealand****REPORT OF THE AUDITOR-GENERAL****TO THE READERS OF THE FINANCIAL STATEMENTS OF NETWORK TASMAN  
LIMITED FOR THE YEAR ENDED 31 MARCH 2005**

We have audited the financial statements of Network Tasman Limited on pages 4 to 22. The financial statements provide information about the past financial performance of Network Tasman Limited and its financial position as at 31 March 2005. This information is stated in accordance with the accounting policies set out on pages 8 to 11.

**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 Network Tasman Limited as at 31 March 2005, and the results of its operations and cash flows for the year ended on that date.

**Auditor's responsibilities**

Section 15 of the Public Audit Act 2001 and Regulation 30 of the Electricity (Information Disclosure) Requirements 2004 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed Scott Tobin of Audit New Zealand to undertake the audit.

**Basis of opinion**

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

- ▲ the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- ▲ whether the accounting policies are appropriate to Network Tasman Limited's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with the Auditing Standards published by the Auditor-General, which incorporate the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in Network Tasman Limited.

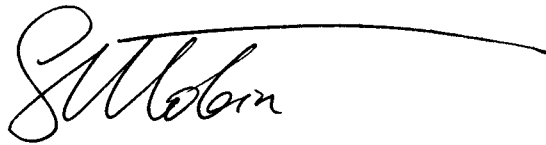
### Unqualified opinion

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

In our opinion:

- ▲ proper accounting records have been maintained by Network Tasman Limited as far as appears from our examination of those records; and
- ▲ the financial statements of Network Tasman Limited on pages 4 to 22:
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of Network Tasman Limited's financial position as at 31 March 2005 and the results of its operations and cash flows for the year ended on that date; and
  - comply with the Electricity (Information Disclosure) Requirements 2004.

Our audit was completed on 1 August 2005 and our unqualified opinion is expressed as at that date.



S M Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand



**Audit New Zealand****AUDITOR-GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF  
NETWORK TASMAN LIMITED**

We have examined the information on pages 22 to 25, being:

- a the derivation table in requirement 15;
- b the annual ODV reconciliation report in requirement 16;
- 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 Network Tasman Limited and dated 29 July 2005 for the purposes of the Commerce Commission's Electricity Information Disclosure Requirements 2004.

In our opinion, having made all reasonable enquiry, and to the best of our knowledge, that information has been prepared in accordance with those Electricity (Information Disclosure) Requirements 2004.

S M Tobin  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand  
1 August 2005