

# New Zealand Gazette

OF THURSDAY, 14 AUGUST 2003

WELLINGTON: WEDNESDAY, 20 AUGUST 2003 — ISSUE NO. 107

# NELSON ELECTRICITY LIMITED

### INFORMATION FOR DISCLOSURE

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

#### NELSON ELECTRICITY LIMITED

#### Statement of Financial Performance for the 12 Months Ended 31 March 2003

	Notes	2003 Line Business	2002 Line Business
INCOME		\$000	\$000
Interest received		87	78
Network revenue Other income		6,610 210	6,784 564
	_	6,907	7,426
EXPENDITURE			
Operations and maintenance		688	450
Transmission charges		1,797	1,684
Directors fees Audit fees		52 17	45 10
Other administration		656	351
Interest expense		65	63
Depreciation		575	606
Amortisation of lease buy-out	14	0	611
		3,850	3,820
SURPLUS BEFORE TAXATION		3,057	3,606
Provision for Taxation	3	1,180	1,522
SURPLUS AFTER TAXATION	_	1,877	2,084
Statement of Movements in Equity for the Year Ended 31 Ma	rch 2002		
		2003	2002
		Line	Line
		Business	Business
		\$000	\$000
Equity at Beginning of Year		14,426	3,323
Surplus and Revaluations			
Revaluations		0	11,219
Net Surplus for Period	_	1,877	2,084
Total Recognised Revenus and Expenses	_	1,877	13,303
Other Movements			
Distributions to Owners		(1,700)	(2,200)
Share Repurchase	<u></u>		
Total Other Movements	_	(1,700)	(2,200)
Equity at End of Year		14,603	14,426

The Accompanying Notes form an Integral part of These Financial Statements

14,603

14,426

#### NELSON ELECTRICITY LIMITED

Statement of Financial Position as at 31 March 2003

		2003	2002
		Line	Line
		Business	Business
EQUITY		\$000	\$000
Share Capital	5	1	1
Revaluation Reserves	7	11,219	11,219
Pre Acquisition Reserves		1,291	1,291
Retained Earnings	6	2,092	1,915

#### Represented by

#### **CURRENT ASSETS**

Bank and Cash	1,134	774
Accounts Receivable	716	542
Tax Refund Due	138	66
Inventories	101	102
	2,089	1,484

#### **CURRENT LIABILITIES**

Creditors and Accruals	564	389
	564	389
Working Capital	1,525	1,095

#### NON CURRENT ASSETS

Fixed Assets	8	14,378	14,489
		14,378	14,489

#### **NON CURRENT LIABILITIES**

Deferred Taxation	4	300	158
Term Loans	9	1,000	1,000
		1,300	1,158
NET ASSETS	<u> </u>	14,603	14,426

The Accompanying Notes form an Integral part of These Financial Statements

#### NELSON ELECTRICITY LIMITED

On the state of th		
Statement of Cash Flows for the Year Ended 31 March 2003	2003	2002
	Line	Line
CASH FLOWS FROM OPERATING ACTIVITIES	Business	Business
Cash was Provided From		
Receipts from Customers	6,468	6,960
Interest Received	87	78
	6,555	7,038
Cash was Applied to		
Payments to Suppliers	(2,892)	(2,313)
Interest Paid	(65)	(62)
Net GST Paid	60	12
Taxation Paid	(1,112)	(1,443)
ALLO LEL EL OLIVERA DE LA CONTRACTOR DE	(4,009)	(3,806)
Net Cash Flow From Operating Activities	2,546	3,232
CARL ELOW EDOM INVESTING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES  Cash was Provided From		
Proceeds From Sale of Fixed Assets	8	2
Floceeds Flotti dale of Fixed Assets	•	_
Cash was Applied to		
Purchase of Fixed Assets	(494)	(346)
Net Cash Flow From Investing Activities	(486)	(344)
-		
CASH FLOW FROM FINANCING ACTIVITIES		
Cash was Applied to		
Settlement Of Term Debt		
Payment of Dividends	(1,700)	(2,200)
Net Cash Flow From Financing Activities	(1,700)	(2,200)
		200
Net Increase in Cash Held	360	688
Opening Cash Bought Forward	774	774
Cash Balance at End of Year	1,134	774
Reconciliation of Surplus After Taxation With Cash Flow From Operating	Activities	
TECONOMICATION OF COMPTON THE PROPERTY OF COMPTON THE		
Net Surplus After Taxation	1,877	2,084
Add/(Less) Non Cash Items		
Depreciation	575	606
Amortisation of Lease Buy-out	0	611
Movement in Deferred Taxation	141	101
	716	1,318
Add/(Less) Movements in Working Capital	(174)	118
(Increase)/Decrease in Receivables	(174) 0	
(Increase)/Decrease in Inventories	175	(21) (156)
Increase/(Decrease) in Creditors and Accruals Increase/(Decrease) in Taxation	(73)	(21)
increase/(Decrease) in Taxation	(72)	(80)
Less Items Classified as Investing activities		(55)
Lead Rollia Oldasilled de litreating dentrines		
New Land Vested	0	(93)
Capital Expenditure in Creditors (net movement)	25	` 3
Net cash Flow from Operating Activities	2,546	3,232

#### Statement of Accounting Policies

#### 1. Entity Statement

Nelson Electricity Limited is a public company registered under the Companies Act 1993 and a reporting entity for the purposes of the Financial Reporting Act 1993

Nelson Electricity owns the electricity distribution network which serves the central Nelson City

Nelson Electricity owns the electricity distribution network which serves the central Nelson City area. The distribution network assets were leased to Citipower Ltd between December 1991 and March 1999. As a result of restructuring required in accord with the Energy Industry Reform Act the lease was terminated on 1 April 1999.

#### 2. Accounting Policies

#### 2.1 Authority

These financial statements have been prepared for the sole purpose of complying with the requirements of Regulation 6 of the Electricity (Information Disclosure) Regulations 1999. The general accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historic cost basis have been followed in the preparation of these financial statements.

#### 2.2 Measurement Base

Reliance has been placed on the fact that Nelson Electricity Limited remains a going concern and that its funds will continue to be available to maintain operations. The measurement base adopted is that of historic cost with the exception of certain items for which specific accounting policies are disclosed.

#### 2.3 Depreciation

depreciation has been provided on all major assets, excluding land, at the following rates.

Buildings 2% SL

Distribution System 1.43% to 6.67% SL Plant and Equipment 14.4% - 60% DV

#### 2.4 Taxation

The Company follows the liability method of accounting for deferred taxation and applies this on the comprehensive basis. A debit balance in the deferred taxation account arising from timing differences is recognised only where there is virtual certainty of realisation.

#### 2.5 Financial Instruments

The company is party to financial instruments as part of its every day operations. These financial instruments include cash and bank deposits, accounts receivable and payable, and loans which have been recognised in the statement of financial position.

Revenues and expenses in relation to all financial instruments are recognised in the Statement of financial performance.

Except for loans, which are recorded at cost and those items covered by a separate accounting policy all financial instruments are shown at their estimated fair value.

#### 2.6 Fixed Assets

Land assets were revalued as at 31 July 2001 in accord with values provided by Mr Tony Gowans, FNZIV of Telfer Young (Nelson ) Ltd

Distribution system assets were revalued as at 1 April 2001 to depreciated replacement cost (DRC) as assessed by independent valuers PricewaterhouseCoopers and certified in their advice of 25 march 2002. Revaluation surpluses are transferred directly to the asset revaluation reserve.

It is intended that network and land assets will be revalued five yearly. Subsequent additions are recorded at cost. All other assets are recorded at cost less depreciation.

#### 2.7 Operating Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses in the periods in which they occur.

#### 2.8 Network Revenue

The Company's principal source of revenue arises from the supply of network services to electricity traders who trade across the network. Terms and conditions for supply of these services are provided for in "use of system" agreements signed with the electricity retailers.

#### 2.9 Employee Entitlements

Provision is made in respect of the company's liability for employees annual leave. Annual leave is calculated on an actual entitlement basis at current rates of remuneration.

#### 2.10 Statement of Cash Flows

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the company invests as part of its day to day cash management.

Operating activities include all cash received from all income sources of the company and records the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non current assets Financing activities comprise the change in equity and debt capital structure of the company.

#### 2.11 Changes in Accounting Policies

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

	Year Ended	Year Ended
	31-Mar-03	31-Mar-02
3. Taxation	\$000	\$000
Surplus Before Taxation	3,057	3,606
Taxation @ 33 %	1,009	1,190
Under Provision from Prior Year	(2)	(10)
Timing Differences	173	342
Tax Expense as per Statement of Financial Performance Comprising:	1,180	1,522
Current Taxation	1,038	1,421
Deferred Taxation	142	101
	1,180	1,522
Imputation Credit Account		
Balance 1 April	451	92
Imputation Credits Attached to Dividends Paid in the Year	(837)	(1,084)
Income Tax Payments During the Year	1,111	1,450
Refunds Received From Inland Revenue	0	(7)
Balance 31 March	725	451
4. Deferred Taxation		
Balance 1 April	158	57
Deferred Tax Prior Period	0	0
Deferred Tax Current Period	142	101
Balance 31 March	300	158

5. Share Capital	31-Mar-03	31-Mar-02
	\$000	\$000
Authorised Issued and Paid up Share Capital	1	1

Subsequent to agreement of its two shareholders Nelson Electricity repurchased a total of 4,999,000 \$1 shares on 22 March 2001.

As at 31 March 2003 Marlborough Lines Ltd and Network Tasman Ltd each held 500 shares.

6. Retained Earnings	31-Mar-03	31-Mar-02
	\$000	\$000
Opening Balance 1 April	1,915	2,031
Net Surplus for Year	1,877	2,084
Dividends Paid	(1,700)	(2,200)
Closing Balance 31 March	2,092	1,915
7. Reserves	31-Mar-03	31-Mar-02
	\$000	\$000
Pre acquisition Reserves (Retained earnings accumulated to		
19.06.96 when the company was purchased by		
Marlborough Lines Ltd and Network Tasman Ltd)	1,291	1,291
Revaluation Reserves - Credits to Revaluation Reserves		
Land	665	665
Distribution System assets	10,554	10,554
·	11,219	11,219

Distribution system assets were revalued as at 1 April 2001 to depreciated replacement cost (DRC). The valuation was completed in accord with the requirements of FRS 3 by PricewaterhouseCoopers and their valuation report is dated 25 March 2002. The company's Haven Road land was also revalued to net current value as at 31 July 2001.

	As At	As At
	31-Mar-03	31-Mar-02
8. Fixed Assets	\$000	\$000
Land (at valuation)	773	773
Buildings (at cost)	175	175
Accumulated Depreciation	75	72
Book Value	100	103
Distribution System Assets (at valuation)		
Subtransmission Assets	1,372	1,362
Accumulated Depreciation	80	40
Book Value	1,292	1,322
Zone Substations	934	909
Accumulated Depreciation	122	70
Book Value	812	839
Distribution Assets	11,129	10,903
Accumulated Depreciation	832	414
Book Value	10,297	10,489
Other System Fixed Assets	1,027	902
Accumulated Depreciation	85	42
Book Value	942	860
Plant and Equipment (at cost)	176	157
Accumulated Depreciation	121	107
Book Value	55	50
Capital Work in Progress	107	53
Total Fixed Assets	14,378	14,489

#### Note 8 Continued

The most recent Optimised Deprival Valuation undertaken in respect of the Nelson Electricity Ltd network system assets was dated 31 March 2001 and the total value recorded was **\$14.166m**.

Land assets were revalued as at 31 July 2001 in accord with valuations provided by Telfer Young (Nelson) Ltd A Number of small parcels of land were bought into the company's books for the first time at net current value totalling \$92,800. These funds were credited to the Statement of Financial Performance. The directors consider that the above values represent fair value for land and buildings.

The current rating valuation for buildings is \$138,500 (2002 \$140,000)

9. Term Loans	As At	As At
	31-Mar-03	31-Mar-02
	\$000	\$000
Westpac Trust Multi Option Credit Facility	1,000	1,000

The effective interest rate at 31 March 2003 is 6.36% (2002, 6.53%) This is a three year revolving facility reviewed and able to be extended annually. The facility limit is \$1.8m and the company has granted a negative pledge as an alternative to issuing security. The agreement expires on 26 March 2005.

#### 10. Related Party Transactions

Marlborough Lines Limited and Network Tasman each own 50% of the shares in Nelson Electricity Limited and have in the past year provided management and administrative services to the following value:

	2003	2002
	\$	\$
Marlborough Lines Ltd	167,705	15,600
Network Tasman Ltd	132,502	9,760
Payable to Marlborough Lines at 31 March.	Nil	17,550
Payable to Network Tasman at 31 March.	11,042	10,980

Nelson Electricity reimburses Marlborough Lines for salaries paid to staff on their behalf. There were no amounts outstanding for salaries as at 31 March 2003. (2002 Nil)

Network Tasman oncharged to Nelson Electricity Transpower national grid charges during the year totalling \$1,797,674. (2002, \$1,271,618). As at 31 March 2003 Nelson Electricity owed Network Tasman \$134,547 for transmission charges. (2002, \$156,836)

	2003	2002
	\$	\$
Directors fees paid to Marlborough Lines in respect of Mr K Forrest	8,600	8,207

There were no related party transactions at nil or nominal value. There were no related party debts written off or forgiven during the year. (2002 Nil)

#### 11. Financial Instruments

#### Credit Risk

Credit risk is the risk that an outside party will not be able to meet its obligations to the company. The company places its cash deposits with high credit quality financial institutions. Credit risk in respect of accounts receivable is minimised through the company's ability to place bonding requirements on its major electricity retailing customers and the substantial financial nature of these businesses. The company does not have any other significant contrations of credit risk.

#### Interest Rate risk

Interest rate risk is the risk that interest rates will change, increasing or decreasing the cost of borrowing or lending. The company's short term deposits are at fixed interest rates and mature within one year. The company has the opportunity to vary interest rates on its non current borrowings on such terms as it selects. The interest rate applying to the company's current borrowings is disclosed in note 9.

#### **Currency Risk**

The company has no present exposure to risks arising from movement in exchange rates. (2002, Nil)

#### 12. Commitments and Contigent Liabilities

As at 31 March 2003 the company had no material commitments or contingent liabilities that are not included in these financial statements. (2002, Nil)

#### 13. Events Subsequent to Balance Date

There were no events subsequent to balance date requiring notification in these financial statements.

#### 14. Industry Restructuring

As a result of agreement reached on 1 April 1999 between Nelson ElectricityLtd, Trans Alta Ltd and Citipower Ltd, the Nelson Electricity Network lease in favour of Citipower was terminated on that date.

Nelson Electricity capitalised the costs of terminating the network lease. This cost was amortised over the remaining life of the original lease and was completed as at 31 March 2002.

Schedule 4 Part 8 Annual Valuation Reconciliation Report for Year ending 31 March 2002	31-Mar-03 \$000	31-Mar-02 \$000
System Fixed Assets at ODV at 31 March 2002	13,837	14,167
Add System Fixed Assets Acquired During the Year at ODV  Less System Fixed Assets Disposed of During the Year At ODV  Depreciation on System Fixed Assets  Add Revaluations of System Fixed Assets	297 (90) (513)	217 (21) (526)
Equals System Fixed Assets at ODV at 31 March 2002	13,531	13,837

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

para				2003	2002
				\$(000)	\$(000)
1	, .		Current assets		
	(a)		Cash and bank balances:	14	24
	(b)		Short-term investments:	1,120	750
	(c)		Inventories:	101	102
	(d)		Accounts receivable:	716	542
	(e)		Other current assets not listed in (a) to (d):	0	0
	(f)		Total current assets	1,951	1,418
2			Fixed assets		
	(a)		System fixed assets:	13,343	13,510
	(b)		Consumer billing and information system assets:	0	0
	(c)		Motor Vehicles	22	9
	(d)		Office equipment	33	41
	(e)		Land and buildings:	873	876
	(f)		Capital works under construction:	107	53
	(g)		Other fixed assets not listed in (a) to (f):	o	ol
	(h)		Total fixed assets	14,378	14,489
3			Other tangible assets not listed above	o	o
			Total tangible coasts	16,329	15,907
4			Total tangible assets	16,329	15,907
5			Intangible assets		1
	(a)		Goodwill:	0	0
	(b)		Other intangibles not listed in (a) above:	0	0
	(c)		Total intangible assets	0	0
6			Total assets	16,329	15,907
7			Current liabilities		
	(a)		Bank overdraft:	0	0
	(b)		Short-term borrowings:	0	o
	(c)		Payables and accruals:	544	365
	(d)		Provision for dividends payable:	o	0
	(e)		Provision for income tax:	-138	-66
	(f)		Other current liabilities not listed in (a) to (e) above:	20	24
	(g)		Total current liabilities	426	323
8			Non-current liabilities		
U	(a)		Payables and accruals:	o	o
	(a) (b)		Borrowings:	1,000	1,000
	(c)		Deferred tax:	300	158
				300	0
	(d) (e)		Other non-current liabilities not listed in (a) to (c) above:  Total non-current liabilities	1,300	1,158
_			<b>-</b>		
9			Equity		
	(a)		Shareholders' equity:		
		(i)	Share capital:	1	1
		(ii)	Retained earnings:	2,092	1,915
		(iii)	Reserves:	12,510	12,510
		(iv)	Total Shareholders' equity:	14,603	14,426
	(b)		Minority interests in subsidiaries:	0	0
	(c)		Total equity:	14,603	14,426
	(d)		Capital notes:	0	0
	(e)		Total capital funds:	14,603	14,426
10			Total equity and liabilities	16,329	15,907
			•		

para	Operating Revenue (Schedule 1, Part 2)	2003	2002
11		\$(000)	\$(000)
	Operating revenue		1
(a)	Revenue from line/access charges:	6,610	6,784
(b)	Revenue from "Other" business for services carried out by	0	0
	the line business (transfer payment):	0	0
(c)	Interest on cash, bank balances and short term investments:	87	78
(e)	AC loss-rental rebates:	176	413
(f)	Other revenue not listed in (a) to (d):	34	151
(g)	Total operating revenue	6,907	7,426

(i) Other awaren not listed in (s) to (ef) (g) Total operating exceeding (s) Personal operation of the Charler Dubinosis for (ii) Asset maintenance (iii) Asset maintenance (iii) Asset maintenance (iii) Asset maintenance (iii) Consumer disconnection/incommention services (iii) Consumer disconnection/incommention services (iii) Consumer disconnection/incommention services (iii) Consumer disconnection of a process (iii) Consumer disconnection/incomment of a process (iii) Consumer disconnection of a process (iii		(e)		AC loss-rental repates.	1/0	4.54
12   Deprating expenditure   Schedule 1, Part 2		(f)		Other revenue not listed in (a) to (d):	34	151
12   Operating expenditure   (a)   Payment for transmission changes   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,797   1,664   1,797		(g)		Total operating revenue	6,907	7,426
12   Operating expenditure   (a)   Payment for transmission changes   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,664   1,797   1,797   1,664   1,797						
2	oara			Expenditure (Schedule 1, Part 2)	2003	2002
1.684   Payment for transmission charges   1.797   1.684					\$(000)	\$(000)
1,787					3(000)	\$(000)
(a) Transfer payments to the "Other" flushness for: (b) Asset maintenance: (c) Consumer disconnection visconnection services: (d) Consumer based bad control services: (e) Consumer based bad control services: (v) Assignment search research services: (v) Assignment search research services: (v) Assignment search search services: (v) Assignment search search search services: (v) Assignment search search search services: (v) Assignment search	12	Oper	ating e	xpenditure		
(i) Asset maintenance: (ii) Mater data: (iv) Consumer disconnection/seconnection services: (iv) Consumer disconnection/seconnection services: (iv) Reystly and patent expenses: (iv) Another transmission charges to account of own generation (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools are described in (j) to (v) above (iv) Other pools are described and services of (j) Asset maintenances (ii) Occursimer disconnection/seconnection services (iv) Occursimer disconnection/seconnection services (iv) Occursimer data occursion o		(a)		Payment for transmission charges	1,797	1,684
(i) Asset maintenance: (ii) Mater data: (iv) Consumer disconnection/seconnection services: (iv) Consumer disconnection/seconnection services: (iv) Reystly and patent expenses: (iv) Another transmission charges to account of own generation (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools and services not issed in (j) to (v) above (iv) Other pools are described in (j) to (v) above (iv) Other pools are described and services of (j) Asset maintenances (ii) Occursimer disconnection/seconnection services (iv) Occursimer disconnection/seconnection services (iv) Occursimer data occursion o						
(ii) Consumer-based load control services: 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		(-/	(i)	· ·	ا ا	o
(ii) Mater data: (iv) Consumer-based bad control services: (iv) Royalty and patent expenses: (iv) Royalty and patent expenses: (iv) Avoided treamsisson charges on account of own generation (iv) Offers pools and services not lated in (i) to (iv) above (iv) Description of the patent services of the						1
Commenced   Comm						
V			(111)	Meter data:	1 1 1	
Management   Man			(iv)	Consumer-based load control services:	0	0
(wii) Other poors and services not listed in (i) to (iv) above (wiii) Total transfer payment to the "Other" business (0) (0) (0) (1) Expense to entitles that are not related parties for: (1) Asset maintenance. (1) (1) Asset maintenance. (1) (1) Asset maintenance. (1) (1) Communication services (1) (1) (1) Communication services (1) (1) (1) Meter data (1) (1) Communication services (1) (1) Meter data (1) Communication services (1) (1) Meter data (1) Communication services (1) (1) Communication services (1) (2) (2) Total of specified expenses to non-related parties (sum of (i) to (iv)) (3) (3) (4) Employee salaries, wages and redundancies (2) (6) Consumer billing and information system expense (1) Depreciation on: (1) System fined assets: (2) 552 (3) (4) (1) Consumer billing and information system expense (1) (1) Consumer and expense (1) (1) Consumer billing and information of intangibles (1) (1) Consumer billing and information of intangibles (1) Consumer and expenses (1) (1) Consultancy and expense			(v)	Royalty and patent expenses:	0	0
(vii) Other poots and services not listed in (i) to (iv) above (viii) Total transfer payment to the "Other" business (i) Expense to entitles that are not realed parties for: (ii) Consumer disconnection/reconnection services (iii) Meter data (iv) Consumer-based load control services (iv) Rystyls and patient expenses (v) Employee salantes, wages and redundancies (v) Consumer billing and information system expense (v) Employee salantes, wages and redundancies (v) Deproclation on: (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Deproclation on: (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Consumer billing and information system expense (v) Other assets not listed in (i) (v) Consumer billing and (ii) (v) Consumer billing and information of system expense (vi) Other intangibles: (v) Other assets not listed in (i) (v) Consumer and administration: (v) Consumer and administration: (v) Comporte and administration: (v) Comporte and administration: (v) Comporte and administration: (v) Manuer and acquisition expenses: (v) One consultancy and legal expenses: (v) One consultancy and l			(vi)	Avoided transmission charges on account of own generation	o	0
(vii) Total transfer payment to the "Other" business					0 1	0
(c) Express to entities that are not related parties for: (i) Asset maintenance: (ii) Meter data (iii) Meter data (iv) Consumer-based load control services (iv) Rystly and patent expresses (iv) Problem of the patent expresses (iv) Total of specified expresses to non-related parties (sum of (i) to (iv)) (id) Employee salanse, wages and redundancies (ie) Consumer billing and information system exponse (ii) Depreciation on: (i) System fixed assets: (ii) Other assets not listed in (i) (iii) Total depreciation (iii) Total anortisation of: (iii) Goodwill: (iii) Total amortisation of intangibles (iii) Other intangibles: (iii) Other intangibles: (iii) Other intangibles: (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iv) Meter and acquisition expenses: (iv) Takeover defence expenses: (iv) Consultancy and legal expenses: (iv) Consultancy and legal expenses: (iv) Directors' fees: (iv) Audit see paid to principal auditors: (iv) Audit see paid to principal auditors: (iv) Audit see paid to other auditors: (iv) Audit see paid to other auditors: (iv) Costs of offering credit: (iv) Audit see paid to other auditors: (iv) Expension payments: (iv) Costs of offering credit: (iv) Fine spinditure on tetaliers/customers) expenses: (iv) Costs of offering credit: (iv) Fine spinditure on tetaliers/customers) expenses: (iv) Costs of offering credit: (iv) Fine spinditure on tetaliers/customers) expenses: (iv) Costs of offering credit: (iv) Costs of of				•		
(i) Asset martenance. (ii) Coresumer descondection/econnection services (iii) Meter data (iv) Coresumer desconded control services (iv) Royalty and patent expenses to non-related parties (sum of (i) to (iv)) (iv) Total of specified expenses to non-related parties (sum of (i) to (iv)) (ii) Employee salaries, wages and redundancies (ii) Coresumer billing and information system expense (i) Depreciation on: (ii) System fixed assets: (iii) Other assets not isted in (i) (iii) Total adoptectation (iii) Total adoptectation (iii) Total adoptectation (iii) Codowlini (iii) Total amortisation of intangibles: (iii) Codowlini (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iii) Marketing advertissing: (iii) Amortisation expenses: (iii) Marketing advertissing: (iii) Active reference expenses: (iii) Marketing advertissing: (iii) Research and development expenses: (iii) Takeover defence expenses: (iii) Takeover defence expenses: (iii) Consultancy and edges expenses: (iii) Consultancy and edges expenses: (iv) Disconstitute; and edges expenses: (iv) Audition expenses: (iv) Disconstitute; and edges expenses: (iv) Audition expenses: (iv) Audition expenses: (iv) Costs of defining credit: (iv) Total auditors' fees: (iv) Audition expendence provided by principal and other auditors: (iv) Total auditors' fees: (iv) Audition expended to their auditions: (iv) Costs of defining credit: (iv) Costs of defining credit: (iv) Costs of defining credit: (iv) Disconstruction payments: (iv) Costs of defining credit: (iv) Disconstruction payments: (iv) Costs of defining credit: (iv) Disconstruction payments: (iv) Costs of defining credit: (iv) Costs of definin			(VIII)		<b>├</b>	
(ii) Consumer disconnoction/reconnection services (iii) Meter data (iv) Core-umer-based load control services (iv) Royaly and patient expenses (iv) Total of specified expenses to non-related parties (sum of (i) to (iv)) (iv) Total of specified expenses to non-related parties (sum of (i) to (iv)) (iv) Total of specified expenses to non-related parties (sum of (i) to (iv)) (iv) Total of specified expenses and redundancies (iv) Employee solaries, wages and redundancies (iv) Depreciation on: (iv) System fixed assets: (iv) Oberpreciation (iv) System fixed assets: (iv) Oberpreciation (iv) System fixed assets: (iv) Oberpreciation (iv) Total agreetation (iv) Oberpreciation (iv) Oberpre		(c)				
(iii) Meter data (iv) Consumer-based load control services (iv) Royally and patient expenses (iv) Total of specified expenses to non-related parties (sum of (i) to (iv)) (ii) Employee salinates, wages and redundancies (iii) Oppreciation on (iii) (iii) Total agreeitation (iii) System fixed assets: (iii) Other assets not listed in (i) (iii) Total depreciation (iii) Total depreciation (iii) Total depreciation (iii) Other intamplibles: (iiii) Other intamplibles: (iiii) Other intamplibl			(i)	Asset maintenance:	560	311
(iv)   Consumer-based load control services   0   0   0   0   0   0   0   0   0			(ii)	Consumer disconnection/reconnection services	0	0
(iv)         Consumer-based load control services         0         0         0           (v)         Royally and patent expenses         0         0         0           (v)         Total of specified expenses to non-related parties (sum of (i) to (v))         580         311           (d)         Employee salaries, wages and redundancies         266         272           (e)         Consumer billing and information system expense         0         0           (i)         System fixed assets:         552         566           (ii)         Observed fixed fi			(iii)	Meter data	0	o
(V)         Royalty and patent expenses to non-related parties (sum of (i) to (v))         5880         311           (d)         Employee salaries, wages and redundancies         268         272           (e)         Consumer billing and information system expense         0         0           (i)         Depreciation or         552         566           (ii)         Other assets for disted in (i)         23         40           (iii)         Total depreciation         575         606           (j)         Goodwill         0         0         0           (ii)         Other intangibles         0         611         0         611           (iii)         Total amortisation of intangibles         0         611         0         611           (i)         Coporate and administration:         424         146         0         611           (h)         Human resource expenses:         0         0         0         611           (i)         Markempadvertising:         0 <td></td> <td></td> <td></td> <td>Consumer-based load control services</td> <td>ا اه</td> <td>o</td>				Consumer-based load control services	ا اه	o
Total of specified expenses to non-related parties (sum of (i) to (v))   560   311					1 1 1	
(d) Employee salaries, wages and redundancies 266 2772 (e) Consumer billing and information system expense 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0						
(e) Consumer billing and information system expense (7) Depreciation on: (i) System fixed assets: 552 566 (ii) Other assets not listed in (7) 233 40 (iii) Total depreciation (7) 575 606 (g) Amortisation of: (i) Goodwill: 0 0 575 606 (ii) Other intrangibles: 0 0 511 (iii) Total amortisation of intangibles: 0 0 511 (iii) Total amortisation of intangibles: 0 0 511 (iii) Total amortisation of intangibles: 0 0 511 (iv) Other intrangibles: 0 0 511 (iv) Other intrangibles: 0 0 511 (iv) Other interest expense: 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			(vi)	Total of specified expenses to non-related parties (sum of (i) to (v))		
(i) Depreciation on: (i) System lixed assists: (ii) Cher assists not listed in (i) (iii) Total depreciation (j) Goodwill: (ii) Goodwill: (iii) Total amortisation of intangibles: (i) Cher intangibles: (i) Coporate and administration: (ii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iv) Cher intangibles: (iv) Coporate and administration: (iv) Coporate and administration: (iv) Marketing/advertising: (iv) Directors' fees: (iv) Advertising: (iv) Directors' fees: (iv) Directors' fees: (iv) Advertises: (iv) Advertises paid to principal auditors: (iv) Advertises paid to other auditors: (iv) Advertises paid to other auditors: (iv) Advertises paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Total auditors' fees: (iv) Advertise paid to other auditors: (iv) Advertise paid to other auditors: (iv) Advertise paid to other auditors: (iv) Subvertition partise sepense: (iv) Advertise paid to other auditors: (iv) Advertise paid to other auditors		(d)		Employee salaries, wages and redundancies	266	272
(i) System fixed assets:		(e)		Consumer billing and information system expense	0	0
(i) System fixed assets:		(f)		Depreciation on:		
(ii) Other assets not listed in (i)		` '	(i)	•	552	566
(iii) Total depreciation (i) Goodwil: (i) Goodwil: (ii) Other intangibles: (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iii) Total amortisation: (iii) Total amortisation: (iii) Amortisation of intangibles (iii) Total amortisation: (iii) Markening/advertising: (i) Markening/advertising: (i) Morger and acquisition expenses: (i) O O (iii) Takeover defence expenses: (iii) Takeover defence expenses: (iii) Total containcy and legal expenses: (iii) Total containcy and legal expenses: (iii) Audit less paid to principal auditors: (iii) Audit less paid to principal auditors: (iii) Audit less paid to other auditors: (iii) Audit less paid to other auditors: (iii) Audit less paid to other auditors: (iii) Fees paid for other services provided by principal and other auditors: (iii) Fees paid for other services provided by principal and other auditors: (iii) Fees paid for other auditors: (iv) Total auditors' fees: (iv) Total auditors' fees: (iv) Costs of offering credit: (iv) Total auditors' fees: (iv) O O (iv) Total auditors' fees: (iv) Auditors' fees: (iv) O O (iv) Total outlors' fees: (iv) O O				•	1 1	
(g) Amortisation of: (i) Goodwill: (ii) Other intangibles: (iii) Total amortisation of intangibles (iii) Total amortisation of intangibles (iv) Human resource expenses: (iv) Human resource expenses: (iv) Marketing/advertising: (iv) Marketing/advertising: (iv) Marketing/advertising: (iv) Takeover defence expenses: (iv) Total auditors' fees: (iv) Total						
(i)         Goodwill:         0         611           (iii)         Other intangibles:         0         611           (iii)         Total amortisation of intangibles         0         611           (i)         Human resource expenses:         0         0           (i)         Marketing/adventising:         0         0           (ii)         Marketing/adventising:         0         0           (i)         Marketing/adventising:         0         0           (i)         Marketing/adventising:         0         0           (ii)         Aldever and acquisition expenses:         0         0           (ii)         Research and development expenses:         0         0           (in)         Consultancy and legal expenses:         85         60           (i)         Consultancy and legal expenses:         52         45           (i)         Consultancy and legal expenses:         52         45           (i)         Donations:         0         0         0           (i)         Donations:         52         45           (ii)         Auditors:         13         6           (ii)         Audit fees paid to principal auditors:         13 <td></td> <td></td> <td>(111)</td> <td>Total depreciation</td> <td>5/5</td> <td>606</td>			(111)	Total depreciation	5/5	606
(ii)         Other intangibles:         0         611           (iii)         Total amortisation of intangibles         0         611           (i)         Corporate and administration:         424         146           (i)         Human resource expenses:         0         0           (ii)         Markeingradventising:         0         0           (i)         Markeingradventising:         0         0           (i)         Makeingrad adaquisition expenses:         0         0           (ii)         Askeover defence expenses:         0         0         0           (im)         Research and development expenses:         0         0         0         0           (im)         Research and development expenses:         0		(g)		Amortisation of:		
(iii)         Total amortisation of intangibles         0         611           (h)         Corporate and administration:         424         146           (i)         Human resource expenses:         0         0           (ii)         Marketing/advertising:         0         0           (k)         Merger and acquisition expenses:         0         0           (i)         Takeover defence expenses:         0         0           (i)         Takeover defence expenses:         0         0           (ii)         Aud depail expenses:         0         0           (i)         Consultancy and legal expenses:         0         0           (i)         Consultancy and legal expenses:         0         0           (i)         Consultancy and legal expenses:         52         45           (i)         Donations:         0         0           (i)         Duriscotor's fees:         52         45           (q)         Auditors' fees:         52         45           (ii)         Audit fees paid to principal auditors:         13         6           (iii)         Fees paid for other audinors:         0         0           (iii)         Fees paid for other services			(i)	Goodwill:	0	0
(iii)         Total amortisation of intangibles         0         611           (h)         Corporate and administration:         424         146           (i)         Human resource expenses:         0         0           (i)         Marketing/advertising:         0         0           (k)         Merger and acquisition expenses:         0         0           (i)         Takeover defence expenses:         0         0           (ii)         Accessarch and development expenses:         0         0           (in)         Consultancy and legal expenses:         0         0           (io)         Donations:         0         0           (i)         Donations:         0         0           (i)         Audit fees paid to principal auditors:         13         6           (ii)         Audit fees paid to principal auditors:         13         6           (iii)         Audit fees paid to other auditors:         13         6           (iii)         Audit fees paid to other auditors:         4         4           (iv)         Total auditors' fees:         17         10           (r)         Costs of offering credit:         0         0           (ii)			(ii)	Other intangibles:	o	611
(h)         Corporate and administration:         424         148           (i)         Human resource expenses:         0         0           (j)         Marketinjoadvertising:         0         0           (k)         Merger and acquisition expenses:         0         0           (i)         Takeover defence expenses:         0         0           (ii)         Research and development expenses:         0         0           (in)         Consultancy and legal expenses:         85         60           (o)         Donations:         0         0           (i)         Directors' fees:         52         45           (q)         Audit rese paid to principal auditors:         13         6           (ii)         Audit rese paid to other auditors:         0         0           (iii)         Fees paid for other services provided by principal and other auditors:         4         4           (iv)         Total auditors' fees:         17         10           (i)         Audit fees paid to other services provided by principal and other auditors:         4         4           (i)         Total auditors' fees:         17         10           (i)         Total auditors' fees:         0         0<					0	611
(i) Human resource expenses: (ii) Marketing/advertising: (ix) Merger and acquisition expenses: (i) Takeover defence expenses: (ii) Takeover defence expenses: (iii) Research and development expenses: (iv) Donations: (iv) Donations: (iv) Donations: (iv) Directors' fees: (iv) Audit fees paid to principal auditors: (iv) Audit fees paid to other auditors: (iv) Total auditors' fees: (iv) Total cost of offering credit: (iv) Total interest expenses (iv) Chere ex		/h)	(,			
(i)   Marketing/advertising:   0   0   0   0   0   0   0   0   0				·		
(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:         85         60           (o)         Donations:         0         0           (p)         Directors' fees:         52         45           (q)         Auditions' fees:         13         6           (ii)         Audit fees paid to other auditors:         0         0           (iii)         Fees paid for other services provided by principal and other auditors:         4         4           (iv)         Total auditors' fees:         17         10           (r)         Costs of offering credit:         0         0           (i)         Bad debts written off:         0         0           (ii)         Increase in estimated doubiful debts:         0         0           (iii)         Increase in estimated doubiful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (ii)         Accloss-rentals (distribution to retailers/customers) expense:         0         0 <td></td> <td>(1)</td> <td></td> <td>•</td> <td>1 1 1</td> <td></td>		(1)		•	1 1 1	
(i) Takeover defence expenses: (m) Research and development expenses: (n) Consultancy and legal expenses: (o) Donations: (o) Donations: (o) Donations: (o) Donations: (o) Donations: (o) Donations: (o) Auditors' fees: (ii) Audit fees paid to principal auditors: (iii) Audit fees paid to other auditors: (iii) Audit fees paid to other auditors: (iii) Auditors' fees: (iv) Total auditors' fees: (iv) Total auditors' fees: (i) Bad debts written off: (ii) Bad debts written off: (iii) Increase in estimated doubtful debts: (iii) Total cost of offering credit: (iv) Total auditors' fees: (iv) Auditors' fees: (iv) Total auditors' fees: (iv) Outherse in estimated doubtful debts: (iv) Total auditors' fees: (iv) Auditors' fees: (iv) Outherse in estimated doubtful debts: (iv) Outherse expense: (iv) Auditors' fees: (iv) Outher auditors' fees: (iv) Outher auditors' fees: (iv) Outher auditors' fees: (iv) Outher auditors: (iv) Outher audit		(j)		Marketing/advertising:	0 1	0
(m)         Research and development expenses:         0         0           (n)         Consultancy and legal expenses:         85         60           (o)         Donations:         0         0         0           (p)         Directors' fees:         52         45           (q)         Audit fees paid to principal auditors:         13         6           (ii)         Audit fees paid to other auditors:         0         0           (iii)         Audit fees paid to other services provided by principal and other auditors:         4         4         4           (iv)         Total auditors' fees:         17         10         0         0           (ii)         Fees paid for other services provided by principal and other auditors:         4         4         4           (iv)         Total auditors' fees:         17         10         0         0           (i)         Bad debts witten off:         0         0         0         0           (ii)         Increase in estimated doubtful debts:         0         0         0         0           (iii)         Total cost of offering credit:         0         0         0         0         0         0           (i)         AC loss-renta		(k)		Merger and acquisition expenses:	0	0
(m)         Research and development expenses:         0         0           (n)         Consultancy and legal expenses:         85         60           (p)         Directors' fees:         52         45           (q)         Auditors' fees:         52         45           (ii)         Audit fees paid to principal auditors:         0         0           (iii)         Audit fees paid to other auditors:         0         0           (iii)         Fees paid for other services provided by principal and other auditors:         4         4           (iv)         Total auditors' fees:         17         10           (r)         Costs of offering credit:         0         0           (i)         Bad debts written off:         0         0           (ii)         Increase in estimated doubtful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (iii)         Total cost of offering credit:         0         0           (iii)         Total cost of offering credit:         0         0           (b)         Accost authority rates expenses:         0         0           (c)         Accost authority rates expenses:         0         0		(1)		Takeover defence expenses:	0	0
(n) Consultancy and legal expenses: 85 60 (c) Donations: 0 0 0 0 (p) Directors' fees: 52 45 (q) Auditors' fees: 52 45 (q) Auditors' fees: 13					ا اه	0
(o) Donations:     (p) Directors' fees:     (q) Auditors' fees:     (i) Audit fees paid to principal auditors:     (ii) Audit fees paid to other auditors:     (ii) Audit fees paid to other auditors:     (iii) Audit fees paid to other auditors:     (iii) Fees paid for other services provided by principal and other auditors:     (iv) Total auditors' fees:     (iv) Total auditors' fees:     (i) Bad debts written off:     (i) Bad debts written off:     (ii) Increase in estimated doubtful debts:     (iii) Increase in estimated doubtful debts:     (iii) Total cost of offering credit:     (s) Local authority rates expense:     (i) AC loss-rentals (distribution to retailers/customers) expense:     (i) AC loss-rentals (distribution to retailers/customers) expense:     (ii) Rebates to consumers due to ownership interest:     (v) Subvention payments:     (v) Subvention payments:     (vi) Unusual expenses:     (vii) Unusual expenses:     (viii) Unusual expenses:     (viiii) Unusual expenses:     (viiiii) Unusual expenses:     (viiiiii) Unusual expenses:     (viiiiiiiiiiiiiiiiiiiiiiiiiiiiiiiii						
(p) Directors' fees: 52 45 (q) Auditors' fees: 7 (ii) Audit fees paid to principal auditors: 7 (iii) Audit fees paid to other auditors: 7 (iii) Audit fees paid to other auditors: 7 (iii) Fees paid for other services provided by principal and other auditors: 8 (iv) Total auditors' fees: 7 (r) Costs of offering credit: 7 (i) Bad debts written off: 7 (ii) Increase in estimated doubtful debts: 7 (iii) Increase in estimated doubtful debts: 7 (iii) Increase in estimated doubtful debts: 7 (iii) Total cost of offering credit: 7 (iv) AC loss-rentals (distribution to retailers/customers) expense: 7 (v) AC loss-rentals (distribution to retailers/customers) expense: 7 (u) Rebates to consumers due to ownership interest: 7 (v) Subvention payments: 7 (v) Subvention payments: 7 (v) Unusual expenses: 7 (v) Unusual expenses: 7 (v) Other expenditure not listed in (a) to (w) 7 (x) Other expenditure not listed in (a) to (w) 7 (x) Operating surplus before interest and income tax 7 (x) Operating surplus before interest and income tax 7 (x) Financing charges related to finance leases 7 (x) Other interest expense 8 (x) Other interest expense 9 (x) Other					1 1	i i
(q) Auditors' fees:		(0)			1 1	
(i)         Audit fees paid to principal auditors:         13         6           (ii)         Audit fees paid to other auditors:         0         0           (iii)         Fees paid for other services provided by principal and other auditors:         4         4           (iv)         Total auditors' fees:         17         10           (r)         Costs of offering credit:         0         0           (ii)         Bad debts written off:         0         0           (iii)         Increase in estimated doubtful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expenses:         0         0           (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)         0         0           (x)         Other expenditure not listed in (a) to (w)         0         0           15         Interest exp		(p)		Directors' fees:	52	45
(ii)       Audit fees paid to other auditors:       0       0         (iii)       Fees paid for other services provided by principal and other auditors:       4       4         (iv)       Total auditors' fees:       17       10         (r)       Costs of offering credit:       0       0         (ii)       Increase in estimated doubtful debts:       0       0         (iii)       Increase in estimated doubtful debts:       0       0         (iii)       Total cost of offering credit:       0       0         (s)       Local authority rates expense:       9       12         (t)       AC loss-rentals (distribution to retailers/customers) expenses:       0       0         (u)       Rebates to consumers due to ownership interest:       0       0         (v)       Subvention payments:       0       0         (v)       Subvention payments:       0       0         (w)       Unusual expenses:       0       0         (x)       Other expenditure not listed in (a) to (w)       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15 Interest e		(q)		Auditors' fees:		
(iii)       Audit fees paid to other auditors:       0       0         (iiii)       Fees paid for other services provided by principal and other auditors:       4       4         (iv)       Total auditors' fees:       17       10         (r)       Costs of offering credit:       0       0         (ii)       Increase in estimated doubtful debts:       0       0         (iii)       Total cost of offering credit:       0       0         (s)       Local authority rates expense:       9       12         (t)       AC loss-rentals (distribution to retailers/customers) expenses:       0       0         (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)       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15 Interest expense       0       0         (a)       Interest expense       0       0         (b)       Financing charges related to financ			(i)	Audit fees paid to principal auditors:	13	6
(iii)       Fees paid for other services provided by principal and other auditors:       4       4         (iv)       Total auditors' fees:       17       10         (r)       Costs of offering credit:       0       0         (ii)       Increase in estimated doubtful debts:       0       0         (iii)       Total cost of offering credit:       0       0         (s)       Local authority rates expense:       9       12         (t)       AC loss-rentals (distribution to retailers/customers) expense:       0       0         (u)       Rebates to consumers due to ownership interest:       0       0         (v)       Subvention payments:       0       0       0         (w)       Unusual expenses:       0       0       0         (x)       Other expenditure not listed in (a) to (w)       0       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15 Interest expense       0       0       0         (a)       Interest expense on borrowings       65       63         (b)       Financing charges related to finance leases       0       0					ا اه	0
(iv)         Total auditors' fees:         17         10           (r)         Costs of offering credit:         0         0           (i)         Bad debts written off:         0         0           (ii)         Increase in estimated doubtful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expense:         0         0           (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)         0         0           (x)         Other expenditure payenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         0         0         0           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases						4
(r)       Costs of offering credit:       0       0         (ii)       Increase in estimated doubtful debts:       0       0         (iii)       Total cost of offering credit:       0       0         (s)       Local authority rates expense:       9       12         (t)       AC loss-rentals (distribution to retailers/customers) expense:       0       0         (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)       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15 Interest expense       0       0         (a)       Interest expense on borrowings       65       63         (b)       Financing charges related to finance leases       0       0         (c)       Other interest expense       0       0         (d)       Total interest expense       65       63         16       Operating surplus before income tax       1,180						
(i)         Bad debts written off:         0         0           (ii)         Increase in estimated doubtful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expenses:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expenses:         0         0           (u)         Rebates to consumers due to ownership interest:         0         0         0           (v)         Subvention payments:         0         0         0         0         0           (w)         Unusual expenses:         0			(IV)		17	10
(ii)         Increase in estimated doubtful debts:         0         0           (iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expense:         0         0           (u)         Rebates to consumers due to ownership interest:         0         0           (v)         Subvention payments:         0         0           (w)         Unusual expenses:         0         0           (w)         Unusual expenses:         0         0           (x)         Other expenditure not listed in (a) to (w)         0         0           13         Total operating expenditure         3,785         3,785           14         Operating surplus before interest and income tax         3,122         3,669           15         Interest expense         0         0           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65		(r )		Costs of offering credit:		
(iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expense:         0         0           (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)         0         0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         0         0         0           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         1,180         1,522			(i)	Bad debts written off:	0	0
(iii)         Total cost of offering credit:         0         0           (s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expense:         0         0           (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)         0         0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         1,180         1,522			(ii)	Increase in estimated doubtful debts:	0	0
(s)         Local authority rates expense:         9         12           (t)         AC loss-rentals (distribution to retailers/customers) expense:         0         0           (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)         0         0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         65         63           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         1,180         1,522				Total cost of offering credit:	0	0
(t)       AC loss-rentals (distribution to retailers/customers) expense:       0       0         (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)       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15       Interest expense       0       0         (a)       Interest expense on borrowings       65       63         (b)       Financing charges related to finance leases       0       0         (c)       Other interest expense       0       0         (d)       Total interest expense       65       63         16       Operating surplus before income tax       3,057       3,606         17       Income tax       1,180       1,522		(c)	()	-		
(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)       0       0         13       Total operating expenditure       3,785       3,757         14       Operating surplus before interest and income tax       3,122       3,669         15       Interest expense       0       0         (a)       Interest expense on borrowings       65       63         (b)       Financing charges related to finance leases       0       0         (c)       Other interest expense       0       0         (d)       Total interest expense       65       63         16       Operating surplus before income tax       3,057       3,606         17       Income tax       1,180       1,522					1 1	
(v)         Subvention payments:         0         0           (w)         Unusual expenses:         0         0           (x)         Other expenditure not listed in (a) to (w)         0         0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0         0           (c)         Other interest expense         0         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522		(t)		•	1 1 1	
(w)         Unusual expenses:         0         0           (x)         Other expenditure not listed in (a) to (w)         0         0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         65         63           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522		(u)		Rebates to consumers due to ownership interest:	0	I
(x)         Other expenditure not listed in (a) to (w)         0 0 0 0           13         Total operating expenditure         3,785         3,757           14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense         65         63           (a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522		(v)		Subvention payments:	0	0
(x)         Other expenditure not listed in (a) to (w)         0 0 0 0           13         Total operating expenditure         3,785           14         Operating surplus before interest and income tax         3,122           15 Interest expense         3,669           15 Interest expense         65           (a)         Interest expense on borrowings         65           (b)         Financing charges related to finance leases         0           (c)         Other interest expense         0           (d)         Total interest expense         65           63           16         Operating surplus before income tax         3,057           17         Income tax         1,180		(w)		Unusual expenses:	0 1	o
13   Total operating expenditure   3,785   3,757					ا ام	اه
14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense		(^)		Other experience not noted in (a) to (ii)		
14         Operating surplus before interest and income tax         3,122         3,669           15 Interest expense	13			Total operating expenditure	3,785	3,757
15 Interest expense       65       63         (a) Interest expense on borrowings       65       63         (b) Financing charges related to finance leases       0       0         (c) Other interest expense       0       0         (d) Total interest expense       65       63         16 Operating surplus before income tax       3,057       3,606         17 Income tax       1,180       1,522						-,,,,,,
15 Interest expense       65       63         (a) Interest expense on borrowings       65       63         (b) Financing charges related to finance leases       0       0         (c) Other interest expense       0       0         (d) Total interest expense       65       63         16 Operating surplus before income tax       3,057       3,606         17 Income tax       1,180       1,522	14			Operating surplus before interest and income tax	3.122	3.669
(a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522						
(a)         Interest expense on borrowings         65         63           (b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522	15	Inter	est exp	ense		
(b)         Financing charges related to finance leases         0         0           (c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522					65	63
(c)         Other interest expense         0         0           (d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522					1 1 1	I
(d)         Total interest expense         65         63           16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522					1 1 1	I
16         Operating surplus before income tax         3,057         3,606           17         Income tax         1,180         1,522		(c)		Other interest expense	0	
17 Income tax 1,180 1,522		(d)		Total interest expense	65	63
17 Income tax 1,180 1,522						
<u> </u>	16			Operating surplus before income tax	3,057	3,606
<u> </u>					7 [	
18 Net surplus after tax 1,877 2,084	17			Income tax	1,180	1,522
18         Net surplus after tax         1,877         2,084					<u> </u>	
	18			Net surplus after tax	1,877	2,084

FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

FORM FOR THE DERIVATION C	Input and	Symbol in	LASONLSTA	OWIFINA	NOIAL STA	I CIVICIN I S	· ·	
Derivation Table	Calculations	formula	ROF	:		ROE		ROI
Operating surplus before interest and income tax from								
financial statements Operating surplus before interest and income tax	3,122						:	
adjusted pursuant to regulation 18 (OSBIIT)	3,122							
Interest on cash, bank balances, and short-term	9,						ļ	
investments (ISTI)	87							
OSBIIT minus ISTI	3,035	а		3,035				3,035
Net surplus after tax from financial statements	1,877							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	1,877	n				1,877		
Amortisation of goodwill and amortisation of other	1,077	''				1,071		
intangibles	-	g	add	0	add	0	add	0
Subvention payment	-	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	552							
Depreciation of SFA at ODV (y)	513 39	d	add	39	add	39	add	39
ODV depreciation adjustment Subvention payment tax adjustment	-	s*t	add	39	deduct	0	deduct	0
Interest tax shield	(7)	q				_	deduct	-7
Revaluations	- '	r					add	0
Income tax	1,180	р					deduct	1,180
Numerator			OSBIIT <sup>ADJ</sup> =	3,074	NEATADA	1,916		1,901 q+r+s+d-p-s*t
Fixed assets at end of previous financial year (FA <sub>0</sub> )	14,489		JODIII =	<u> y + s + d</u>	NOM1 = I	-y+3-31+0	, = a + g ·	ч т : т s + u • p • S ° С
Fixed assets at end of current financial year (FA <sub>1</sub> )	, i							
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	14,378							
	-							
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	_							
Average total funds employed (ATFE)	14,434	С		14,434				14,434
	(or regulation 33 time- weighted average)			,			:	·
Total equity at end of previous financial year (TE <sub>0</sub> )	44.400							
Total equity at end of current financial year (TE <sub>1</sub> )	14,426							
	14,603					44.545		
Average total equity	14,515 (or regulation 33 time- weighted average)	k				14,515		
WUC at end of previous financial year (WUC 0)	53							
WUC at end of current financial year (WUC <sub>1</sub> )	107			:				
Average total works under construction	80	е	deduct	80	deduct	80	deduct	80
	(or regulation 33 time-							
Revaluations	weighted average)	r						
Half of revaluations	-	r/2					deduct	o
		·						
Intangible assets at end of previous financial year (IA <sub>0</sub> )	-		i					
Intangible assets at end of current financial year (IA <sub>1</sub> )	-							
Average total intangible asset	-	m			add	0		
	(or regulation 33 time-							
Subvention payment at end of previous financial year (S <sub>i</sub> )	weighted average)							
Subvention payment at end of current financial year (S)								
Subvention payment tax adjustment at end of previous								
financial year	-							
Subvention payment tax adjustment at end of current								
financial year	-	.,			244	^		
Average subvention payment & related tax adjustment System fixed assets at end of previous financial year at	-	V	1		add	0		
book value (SFA <sub>bv0</sub> )	19 510							
System fixed assets at end of current financial year at	13,510		-					
book value (SFA <sub>bv1</sub> )	13,343							
Average value of system fixed assets at book value	13,343	f	deduct	13,427	deduct	13,427	deduct	13,427
and the state of t	(or regulation 33 time-	·				,		. 3, .=/
System Fixed assets at year beginning at ODV value	weighted average)							
(SFA <sub>odv0</sub> )	13,837							
System Fixed assets at end of current financial year at								
ODV value (SFA <sub>odv1</sub> )	13,531							
Average value of system fixed assets at ODV value	13,684	h	add	13,684	add	13,684	add	13,684
	(or regulation 33 time- weighted average)							
Denominator				14,611		14,692		14,611
			ATFE <sup>ADJ</sup> = c -		<sup>DJ</sup> = k - e - m		FE <sup>ADJ</sup> = c	-e-½r-f+h
Financial Performance Measure:			I	21.0		13.0		13.0
		F	ROF = OSBIIT <sup>ADJ</sup> /AT	FE <sup>ADJ</sup> x 100	ROE = NSATAL	<sup>11</sup> /ATE <sup>ADI</sup> x 100	ROI = OSBI	IT <sup>ADJ</sup> /ATFE <sup>ADJ</sup> x 100

### NELSON ELECTRICITY LIMITED PERFORMANCE MEASURES

PREPARED IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION DISCLOSURE) REGULATIONS 1999 and AMENDMENT REGULATIONS 2000 and 2001

		2003	2002	2001	2000				
1	Financial Performance Measures								
note	The Electricity conveyed through the system on liable data from retailers, the statistics including								
(a)	Return on Funds	21.0%	24.1%	17.4%	16.1%				
(b)	Return on Equity	13.0%	14.7%	10.6%	8.8%				
(c)	Return on Investment	13.0%	14.0%	8.8%	7.4%				
2	Efficiency Performance Measures								
(a)	Direct Line Costs per Kilometre	\$2,864	\$1,884	\$2,261	\$1,909				
(b)	Indirect line costs per Consumer	\$84	\$118	\$149	\$152				
1	Energy Delivery Efficiency Performance Measu	res							
(a)	Load Factor	57.7%	55.0%	58.7%	59.4%				
(b)	Loss Ratio	5.8%	2.5%	4.9%	4.6%				
(c)	Capacity Utilisation	37.6%	39.0%	37.6%	39.1%				
2	Statistics								
(a)	System Length Break Down in Kilometres								
()	33kV	17	17	21	21				
	11kV	78	78	77	74				
	LV	147	146	145	144				
	Total	242	241	243	239				
(b)	Circuit Length of Overhead System in Kilometr								
	33kV	7	8	11	11				
	11kV	9	9	9	8				
	LV	25	25	25	25				
	Total	41	42	45	44				
(c)	Circuit Length of Underground System in Kilor	netres							
	33kV	10	10	10	10				
	llkV	69	68	68	66				
	LV	122	121	120	119				
	Total	201	199	198	195				
(d)	Transformer Capacity in kVA	79,100	78,190	76,540	72,270				
(e)	Maximum demand in kW	29,767	30,470	28,800	28,225				
(f)	Total Electricity supplied from the System in k	Wh							
(-)	Total 2.00.00. July Supplies from the System in the	150,532,170	146,924,719	148,097,417	147,146,156				
(g)	Total Electricity Conveyed through the System	on behalf of each ge	nerator and retail	ler in kWh					
	Retailer A	110,038,068	116,967,198	126,945,263	109,650,064				
	Retailer B	20,725,835	17,346,953	7,793,122	4,363,289				
	Retailer C	8,381,913	3,294,004	4,463,743	1,750,965				
	Retailer D	1,969,082	2,723,393	1,390,788	416,420				
	Retailer E	1,219,138	3,049,344	298,065	24,197,830				
(h)	Total Consumers	8,614	8,575	8,579	8,476				

1	Number of interruption by class	2003	2002	2001	2000
	Class Description		number of interr	uptions	
	A Transpower Planned	_	-	-	_
	B Nelson Electricity Planned	22	9	9	22
	C Nelson Electricity Unplanned	13	7	6	8
	D Transpower Unplanned	-	<u>-</u>	•	-
	E ECNZ Unplanned	_	-	_	_
	F Other Generation	_	_	-	_
	G Unplanned Other Line Owner	-	_	_	_
	H Planned Other Line Owner	-	-	-	_
	I Other	_	_	_	_
	Total	35	16	15	30
2/3	Interruption targets for the average of the next five years			20	004 to 2008
		average num	ber of interruptio	ns each year over	this period
	Class Description				
(a)	B Nelson Electricity Planned				25
(b)	C Nelson Electricity Unplanned				8
4	Percentage of Class C interruptions not restored within-	2003	2002	2001	2000
		0/	of total class into	erruptions	
(a)	Three hours	7.7%	14.0%	0.0%	12.5%
(b)	24 hours	0.0%	0.0%	0.0%	0.0%
5	Faults (Class C) per 100 kilometres				
(a)	Total number of faults per 100 km				
	Voltage	2003	2002	2001	2000
	33 kV	11.5	-	4.8	9.7
	llkV	14.0	3.9	2.6	8.1
	Total	13.6	3.9	3.1	8.4
(b/c)	Average total number of faults per 100 km for the next fire	*			004 to 2008
		tal number of	f faults per 100 kr	ns each year over	this period
	Voltage				2.0
	33 kV				3.8
	11kV				3.8
	Total				3.8
6	Faults (Class C) per 100 kilometres underground				
	Voltage	2003	2002	2001	2000
	33 kV	-	-	-	10.3
	llkV	8.7	2.9	1.5	6.1
	Total	7.6	2.9	1.3	6.6
7	Faults (Class C) per 100 kilometres overhead				
	Voltage	2003	2002	2001	2000
	33 kV	26.8	-	9.1	9.1
	11kV	54.3	10.9	11.1	24.5
	Total	42.0	10.9	10.0	15.6
		. <del>-</del>	_ · • •		

8	SAIDI Customer Minutes	<b>2003</b> 99.6	<b>2002</b> 38.7	<b>2001</b> 41.0	<b>2000</b> 77.0
9/10	SAIDI target				004 to 2008
(0)	Class B		average SAIDI for ea	ich year ove	r this period
(a) (b)	Class C				25
11	SAIDI per interruption class Class Description	2003	2002 customer minutes	2001	2000
	A Transpower Planned	-	-	-	-
	<ul><li>B Nelson Electricity Planned</li><li>C Nelson Electricity Unplanned</li></ul>	27.4 72.1	0.6 38.1	13.0 28.0	16.0 60.0
	D Transpower Unplanned	-	30.1	-	-
	E ECNZ Unplanned	_	-	_	-
	F Other Generation	-	-	-	-
	G Unplanned Other Line Owner	-	-	-	-
	H Planned Other Line Owner	-	-	-	-
	I Other	-	-	-	-
12	SAIFI	2003	2002	2001	2000
	Total Interruptions	1.4	1.0	1.8	1.3
12/14	•			•	0014-2000
13/14	SAIFI target		average SAIFI for ea		004 to 2008
(a)	Class B Planned		average 5/ III / for et	ion your ove	0.3
(b)	Class C Unplanned				0.6
15	SAIFI per interruption class	2003	2002	2001	2000
•-	Class Description		customer minutes		
	A Transpower Planned	~	-	-	-
	B Nelson Electricity Planned	0.2	0.0	0.1	0.1
	C Nelson Electricity Unplanned	1.3	1.0	1.7	1.2
	D Transpower Unplanned	-	-	-	-
	E ECNZ Unplanned	-	-	-	-
	F Other Generation	-	-	-	-
	<ul><li>G Unplanned Other Line Owner</li><li>H Planned Other Line Owner</li></ul>	<del>-</del>	<u>-</u>	-	<del>-</del>
	I Other	- -	- -	-	-
	1 ome				
16	CAIDI	2003	2002	2001	2000
	Customer minutes	69.6	40.5	23.0	58.7
17	CAIDI target			2	004 to 2008
	<b>3</b>		average CAIDI for ea		
(a)	Class B Planned			-	33.3
(b)	Class C Unplanned				33.3
19	CAIDI per interruption class	2003	2002	2001	2000
	Class Description		customer minutes		
	A Transpower Planned	-	•	-	-
	B Nelson Electricity Planned	171.1	134.5	217.5	173.2
	C Nelson Electricity Unplanned	57.0	40.1	16.4	49.8
	D Transpower Unplanned	-	-	-	-
	E ECNZ Unplanned F Other Generation	-	-	_	-
	G Unplanned Other Line Owner	-	<del>-</del>	-	-
	H Planned Other Line Owner	-	-	_	_
	I Other	-	-	-	-

### Certification of Financial Statements, Performance Measures, and Statistics Disclosed by Line Owners other than Transpower.

We, Kenneth John Forrest and Geoffrey John Hoare, principals of Nelson Electricity Limited certify that, having made all reasonable enquiry, to the best of our knowledge,-

- (a) The attached audited financial statements of Nelson Electricity Limited prepared for the purposes of regulation 6 of the Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000 comply with the requirements of those regulations; and
- (b) The attached information, being from the derivation table, financial performance measures, efficiency performance measures, energy delivery efficiency performance measures, statistics, and reliability performance measures in relation to Nelson Electricity Limited, and having been prepared for the purposes of regulations 15, 16, 21, and 22 of the Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000, comply with the requirements of those regulations.

The valuations on which those financial performance figures are based as at 31 March 2001.

Dated this 11<sup>th</sup> day of August 2003.

K.J. Forrest

Director 3

G.J. Hoare

Company Secretary



#### REPORT OF THE AUDITOR GENERAL

# AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS OF NELSON ELECTRICITY LIMITED FOR THE YEAR ENDED 31 MARCH 2003

We have audited the financial statements of Nelson Electricity Limited on pages 1 to 10. The financial statements provide information about the past financial performance of Nelson Electricity Limited and its financial position as at 31 March 2003. This information is stated in accordance with the accounting policies set out on pages 4 and 5.

#### **Directors' Responsibilities**

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements that give a true and fair view of the financial position of Nelson Electricity Limited as at 31 March 2003, 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 31 of the Electricity (Information Disclosure) Regulations 1999 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report its opinion to you.

The Auditor-General has appointed Bede Kearney, 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 Nelson Electricity Limited 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 Nelson Electricity Limited.

#### **Unqualified Opinion**

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

In our opinion –

- proper accounting records have been kept by Nelson Electricity Limited as far as appears from our examination of those records; and
- the financial statements of Nelson Electricity Limited on pages 1 to 10:
  - (a) comply with generally accepted accounting practice in New Zealand; and
  - (b) give a true and fair view of Nelson Electricity Limited's financial position as at 31 March 2003 and the results of its operations and cash flows for the year ended on that date; and
  - (c) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 12 August 2003 and our unqualified opinion is expressed as at that date.

B F Kearney

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand

### AUDITOR- GENERAL'S OPINION ON THE PERFORMANCE MEASURES OF NELSON ELECTRICITY LIMITED

We have examined the information on pages 8, 11 and 12, being –

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

that were prepared by Nelson Electricity Limited and dated 31 March 2003 for the purposes of regulation 15 of the Electricity (Information Disclosure) Regulations 1999.

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

B F Kearney

Audit New Zealand

On behalf of the Auditor-General

Christchurch, New Zealand

12 August 2003



