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TOP ENERGY LIMITED

INFORMATION FOR DISCLOSURE


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

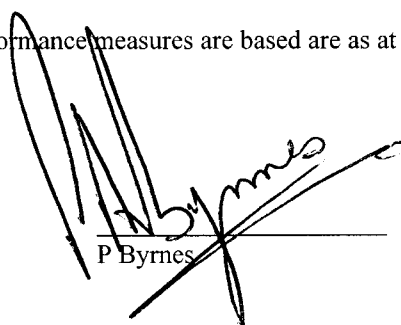
**CERTIFICATION OF FINANCIAL STATEMENTS,
PERFORMANCE MEASURES AND STATISTICS
DISCLOSED BY LINE OWNERS OTHER THAN TRANSPower**

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

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

The valuations on which those financial performance measures are based are as at 31 March 2003.



J P Poutsma

P Byrnes

Date: 11 August 2003

IMPORTANT NOTE

Information disclosed in this 2003 Information Disclosure package issued by Top Energy Limited has been prepared solely for the purposes of the Electricity (Information Disclosure) Regulations 1999.

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

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

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL PERFORMANCE
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2003	2002
Income - continuing activities	1	19,510,638	18,965,458
Less expenses, excluding finance costs	2	12,864,473	12,015,666
Profit before finance, abnormals and taxation		6,646,165	6,949,792
Less net finance costs	3	606,279	587,944
Profit before taxation		6,039,886	6,361,848
Less taxation	4	1,472,000	1,563,885
Profit after taxation		4,567,886	4,797,963

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE 12 MONTHS ENDED 31 MARCH 2003

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2003	2002
EQUITY AS AT 1 APRIL		73,884,330	73,436,367
Profit after taxation		4,567,886	4,797,963
Less revaluation of distribution asset		-	-
Total recognised revenue and expenses for the year		4,567,886	4,797,963
Less dividends	5	4,575,000	4,350,000
EQUITY AS AT 31 MARCH		73,877,216	73,884,330
Represented by:			
RETAINED EARNINGS			
Opening balance		16,297,035	16,297,173
Profit after taxation		4,567,886	4,797,963
Dividend paid	5	(4,575,000)	(4,350,000)
Transfer to capital contribution reserve		(380,615)	(448,101)
		15,909,306	16,297,035
CAPITAL CONTRIBUTIONS RESERVE	Policy 2		
Opening balance		2,151,022	1,702,921
Transferred from retained earnings		380,615	448,101
		2,531,637	2,151,022
ASSET REVALUATION RESERVE	Policy 5		
Opening balance		32,218,293	32,218,293
Revaluation of Distribution asset	10 (iii)		-
		32,218,293	32,218,293
PAID IN CAPITAL	6	23,217,980	23,217,980
		73,877,216	73,884,330

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2003**

	<i>Notes</i>	LINE BUSINESS	
		\$	
		2003	2002
SHAREHOLDERS' FUNDS		73,877,216	73,884,330
Represented by:			
TERM LIABILITIES	8	7,285,714	6,010,345
CURRENT LIABILITIES			
Creditors and accruals	9	1,473,516	1,488,584
Term Liabilities within 12 months	8	1,714,286	2,289,655
Taxation payable		1,472,000	1,563,885
		4,659,802	5,342,124
TOTAL EQUITY & LIABILITIES		85,822,732	85,236,799
FIXED ASSETS	10	78,754,773	75,967,327
CURRENT ASSETS			
Cash and bank balances	11	34,666	24,134
Interbusiness current account	12	4,485,222	7,109,949
Accounts receivable	13	2,548,071	2,135,389
		7,067,959	9,269,472
TOTAL ASSETS		85,822,732	85,236,799
		73,877,216	73,884,330

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

TOP ENERGY LIMITED**SPECIAL PURPOSE FINANCIAL STATEMENTS****FINANCIAL STATEMENTS****STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 31 MARCH 2003**

	LINE BUSINESS	
	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was provided from:		
Receipts from customers	19,097,956	18,911,502
Interest received		
Dividends received		
GST receivable		
	19,097,956	18,911,502
Cash was disbursed to:		
Payments to suppliers and employees	9,599,770	9,192,261
Interest paid	594,829	688,714
Taxation paid	1,563,885	1,402,430
GST Payable	478,239	1,206,472
	12,236,723	12,489,877
Net cash from operating activities	6,861,233	6,421,625
CASHFLOWS FROM INVESTING ACTIVITIES		
Cash was provided from:		
Sale of fixed assets		
Other businesses	2,624,728	3,676,362
Cash was applied to:		
Purchase and construction of fixed assets	5,600,429	4,544,713
Net cash used in investing activities	(2,975,701)	(868,351)
CASHFLOWS FROM FINANCING ACTIVITIES		
Cash was provided from:		
Proceeds of Term Loan	700,000	
Cash was applied to:		
Dividends paid	4,575,000	4,350,000
Repayment of loans		1,100,000
Net cash from financing activities	(3,875,000)	(5,450,000)
NET INCREASE/(DECREASE) IN CASH HELD	10,532	103,274
OPENING CASH	24,134	(79,140)
CLOSING CASH	34,666	24,134

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

TOP ENERGY LIMITED**FINANCIAL STATEMENTS****SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF CASH FLOW****FOR THE YEAR ENDED 31 MARCH 2003**

	LINE BUSINESS	
	2003 \$	2002 \$
CASH COMPRISES		
Cash on hand	343	123
BNZ current account	34,323	24,011
	34,666	24,134
RECONCILIATION OF NET PROFIT AFTER TAXATION TO CASHFLOW FROM OPERATING ACTIVITIES		
Reported Net Profit after Taxation	4,567,886	4,797,963
Add/(Less) items classified as investing or financing activities		
Net loss/(profit) on disposal of assets	19,493	(399)
Add/(Less) other non-cash items:		
Change in provisions for leave etc	85,891	3,804
Depreciation	2,793,489	2,603,461
	2,879,380	2,607,265
Add/(Less) movement in other working capital items		
Increase/(decrease) in tax payable	(91,885)	161,455
(Increase)/decrease in accounts receivable	(412,682)	(53,956)
Increase/(decrease) in accounts payable	(100,959)	(1,090,703)
	(605,526)	(983,204)
NET CASHFLOWS FROM OPERATING ACTIVITIES	6,861,233	6,421,625

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

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2003****STATEMENT OF ACCOUNTING POLICIES**

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

The period reported is 1 April 2002 to 31 March 2003.

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

GENERAL ACCOUNTING POLICIES

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

Methodology of Separation of Business

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

PARTICULAR ACCOUNTING POLICIES

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

1 Sales

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

2 Capital Contributions

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

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

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2003****3 Taxation**

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

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

4 Accounts Receivable

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

5 Fixed Assets

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

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

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

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

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

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

TOP ENERGY LIMITED

NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES FOR THE 12 MONTHS ENDED 31 MARCH 2003

6 Depreciation

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

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

7 Statement of Cash Flows

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

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

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

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

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

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****STATEMENT OF ACCOUNTING POLICIES
FOR THE 12 MONTHS ENDED 31 MARCH 2003****8 Financial Instruments**

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

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

Top Energy Ltd has entered into various financial instruments with off-balance sheet risk for the primary purpose of reducing its exposure to interest. While these financial instruments are subject to risk that market rates may change subsequent to acquisition, such changes would generally be offset by opposite effects on the items being hedged.

Changes in Accounting Policies

There were no material changes in accounting policy.

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

	LINE BUSINESS	
	\$	
	2003	2002
1 INCOME		
Electricity Line revenue	18,675,764	17,453,647
AC loss rental rebate	454,259	970,539
Capital contributions	380,615	541,272
Total income	19,510,638	18,965,458
2 NET PROFIT BEFORE TAXATION		
The net profit before tax is stated after charging:		
Loss/(Profit) on disposal of fixed assets	19,493	(399)
Depreciation	2,793,489	2,603,461
Buildings	4,440	4,436
Distribution System - Infrastructure	2,108,000	2,071,710
- Non Infrastructure	456,798	419,401
Centralised Load control equipment	12,632	4,290
Office equipment & furniture	7,571	6,002
Information system & billing assets	189,081	92,269
Vehicles	14,967	5,353
Auditors - audit services	30,400	28,080
- regulatory reporting & price control submission	15,640	14,464
Directors' fees	112,000	118,032
Bad debts	-	21,876

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

		LINE BUSINESS	
		\$	
		2003	2002
3	NET FINANCE COSTS		
	Comprise:		
	Interest - term debt	587,120	584,288
	Interest - other	19,159	3,656
	Net finance costs	606,279	587,944
4	TAXATION		
	The taxation provision has been calculated as follows:		
	Profit for the period	6,039,886	6,361,848
	Taxation for the period at 33%	1,993,162	2,099,410
	Plus/(Less) tax effect of:		
	Non taxable income	(125,603)	(178,619)
	Non deductible items	1,320	9,240
	Unrecognised timing differences	(261,879)	(366,146)
		1,607,000	1,563,885
	The taxation charge is represented by:		
	Taxation payable in respect of the current period	1,607,000	1,563,885
	Prior year overprovision	(135,000)	
		1,472,000	1,563,885
The Company has not recognised a deferred tax liability of \$3,507,233 (2002:\$3,245,354) on timing differences of \$10,633,390 (2002:\$9,839,818), as these are not expected to reverse in the foreseeable future.			
5	DIVIDENDS		
	Ordinary dividend paid (.183 cents per share)	4,575,000	
	Ordinary dividend paid (.174cents per share)		4,350,000
	Total dividends paid or provided	4,575,000	4,350,000

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

	LINE BUSINESS	
	\$	
	2003	2002
6 SHARE CAPITAL		
23,042,500 ordinary shares issued to the trustees of the Bay of Islands Electric Power Trust for a consideration of	23,217,980	23,217,980
Net assets vested in the Company 1 May 1993	23,217,980	23,217,980
7 IMPUTATION CREDIT ACCOUNT		
Opening balance	590,966	1,331,073
Plus income tax paid	1,563,885	1,402,430
Imputation credits attached to dividends paid	(2,253,358)	(2,142,537)
Closing Balance	(98,508)	590,966

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

				LINE BUSINESS	
				\$	
	Interest			2003	2002
	Rate %	Repayable	Fair Value		
8 TERM LIABILITIES					
Westpac Loans **					8,300,000
Borrowing 20.03.02	6.14	22.04.03	257,175	257,143	
Borrowing 25.03.02	6.14	22.04.03	214,313	214,286	
Borrowing 31.03.02	6.13	22.04.03	85,726	85,714	
Borrowing 20.03.02	6.76	18.12.03	1,165,283	1,157,143	
Borrowing 5.02.03	6.63*	08.08.05	2,143,576	2,142,857	
Borrowing 04.02.03	6.86*	07.08.07	2,143,618	2,142,857	
Borrowing 07.02.02	6.76*	04.05.12	1,714,762	1,714,286	
Borrowing 21.03.02	6.35*	21.03.11	1,286,438	1,285,714	
				9,000,000	8,300,000
Less current portion				1,714,286	2,289,655
Term liabilities				7,285,714	6,010,345
Repayable as follows:					
Due after 1 but before 2 years				-	1,103,941
Due after 2 but before 5 years				4,285,714	4,906,404
Due after 5 but before 10 years				3,000,000	
				7,285,714	6,010,345
* Effective interest rate under interest rate swap agreements					
** Under a Facility Agreement dated 26 October 2000.					
Westpac loans are secured by deed of guarantee from group companies.					

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

9 CREDITORS AND ACCRUALS		LINE BUSINESS	
		\$	
		2003	2002
Accounts payable and accruals		1,323,920	1,424,879
Payroll provisions		149,596	63,705
		1,473,516	1,488,584

10 FIXED ASSETS	Cost or Valuation		Acc. Depreciation		Net Book Value	
	2003	2002	2003	2002	2003	2002
Land & Buildings	396,054	380,984	(44,021)	(39,581)	352,033	341,403
Distribution system at valuation						
Infrastructure	68,602,316	64,859,009	(4,179,710)	(2,071,710)	64,422,606	62,787,299
- At Cost	7,280,273	3,536,966	(227,927)	(113,061)	7,052,346	3,423,905
- At Valuation	61,322,043	61,322,043	(3,951,783)	(1,962,939)	57,370,260	59,359,104
Non infrastructure	13,419,119	12,316,622	(888,831)	(419,401)	12,530,288	11,897,221
- At Cost	1,675,665	573,168	(28,110)	(5,493)	1,647,555	567,675
- At Valuation	11,743,454	11,743,454	(860,721)	(413,908)	10,882,733	11,329,546
Centralised load control equipment	258,600	85,800	(17,220)	(4,290)	241,380	81,510
Office equipment & furniture	117,255	90,678	(76,852)	(47,262)	40,403	43,416
Information system & billing assets	1,955,972	1,000,151	(1,138,222)	(676,516)	817,750	323,635
Vehicles	186,854	26,854	(20,320)	(5,353)	166,534	21,501
Capital work in progress	183,779	471,342			183,779	471,342
Total fixed assets	85,119,949	79,231,440	(6,365,176)	(3,264,113)	78,754,773	75,967,327

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

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

1-Sep-01	Land	Improvements	Total
	286,000	326,070	612,070

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

TOP ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003**

	LINE BUSINESS	
	\$	
	2003	2002
11 CASH AND BANK BALANCES		
CURRENT ASSETS		
Comprise		
Cash on hand	343	123
BNZ current account	34,323	24,011
Net cash & Bank position	34,666	24,134
12 INTERBUSINESS CURRENT ACCOUNT		
Represents notional net funds advanced from the Lines business to 'Other businesses',		
- Account receivable	4,987,424	7,577,525
- Account payable for March 2003 month	(502,202)	(467,576)
	4,485,222	7,109,949
13 ACCOUNTS RECEIVABLE		
Comprise:		
Trade debtors	2,422,516	2,027,723
Accruals and prepayments	125,555	107,666
	2,548,071	2,135,389

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

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

i. Top Energy Consumer Trust:

Top Energy Ltd is wholly owned by Top Energy Consumer Trust. For the period ended 31 March 2003, Top Energy Ltd paid \$4.575m (31 March 2001: \$4.35 m) in the form of a dividend to the above Trust. This payment is reflected in the Statement of movements in Equity of Top Energy Ltd.

During the period Top Energy processed transactions on an agency basis on behalf of the Trust in order to settle routine business dealings. As at 31 March 2003, a balance of \$22,430 (31 March 2002 \$2,589) owing by the Trust to the Company has been included in accounts receivable in the statement of financial position. All transactions with the Trust were made on normal business terms.

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

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

	Note	2003 (Income)/ cost	2002 (Income)/ cost
Transfer Payment Cost to Line:			
Asset maintenance services	a	2,038,000	1,709,608
Avoided transmission charges	b	468,000	336,000
Property rental	c	46,900	43,537
Payment for meter data		Nil	Nil
Consumer based load control		Nil	Nil
Disconnection/reconnection services		Nil	Nil
Asset construction	d		
Subtransmission assets		Nil	Nil
Zone substations		226,106	36,604
Distribution lines & cable		1,747,061	1,895,108
Medium voltage switchgear		27,394	-
Distribution transformers		73,024	71,916
Distribution substations		-	-
Low voltage lines & cables		1,362,778	1,398,339
Other system fixed assets		-	-

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003****14 RELATED PARTY TRANSACTIONS**

- a. Asset maintenance services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged at market rates on an arms length basis. Services were provided throughout the year. The outstanding balance at 31 March 2003 was \$169,833 (2002:\$142,467).
- b. Avoided Transmission charges are paid in respect of embedded generation provided by Ngawha Generation Limited. Charges are based on the Transpower market rate. The service was provided for the full year. The outstanding balance at 31 March 2003 was \$39,000 (2002: \$28,000).
- c. Property facilities are provided to the Line business by the Property Division. Rentals are at market rates for the specific sites. Services were provided throughout the year. The property rental includes cost recovery in respect of rates of \$12,015 (2002: \$11,443).
- d. Asset construction services are provided by the Contracting Division in respect of the System fixed asset. Services are provided as contracted by the Line business and are charged on a full cost recovery basis. Services were provided throughout the year. The outstanding balance at 31 March 2003 was \$289,461 (2002: \$283,497).

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

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

i. Currency

The Group has undertaken foreign currency transactions from time to time in connection with its activities. To manage the foreign currency risk the Group has used forward exchange contracts. There are no contracts in place at 31 March 2003.

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003****15 FINANCIAL INSTRUMENTS****ii. Interest Rate**

The Company has a \$25m revolving Facility Agreement with Westpac. This allows borrowings to be made over variable periods. At balance date \$9m was advanced to the Line business, and these advances will be renewed to coincide with funding requirements. The expected repayment dates are as disclosed in Note 8.

The notional principal or contract amounts of interest rate contracts outstanding at 31 March 2003 for the Line business are \$7.3m (2002: \$4.9m). The effective interest rates are disclosed in Note 8.

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

b. Concentration of Credit Risk

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

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

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

c. Fair Values

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

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

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

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

TOP ENERGY LIMITED**NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS****NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED 31 MARCH 2003****16 SEGMENT INFORMATION**

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

17 CAPITAL EXPENDITURE COMMITMENTS

Top Energy Ltd had commitments for capital expenditure at 31 March 2003 of \$670,524 (31 March 2002: \$606,669).

18 CONTINGENT LIABILITIES

The Company provides bank guarantees to its subsidiaries.

19 EVENTS OCCURRING AFTER BALANCE DATE

There are no events which have arisen after the balance sheet date that require disclosure.

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

para		2003 \$	2002 \$
1	Current assets		
(a)	Cash and bank balances:	34,666	24,134
(b)	Short-term investments:		
(c)	Inventories:		
(d)	Accounts receivable:	2,548,071	2,135,389
(e)	Other current assets not listed in (a) to (d):	4,485,222	7,109,949
(f)	Total current assets	7,067,959	9,269,472
2	Fixed assets		
(a)	System fixed assets:	77,546,307	75,107,433
(b)	Consumer billing and information system assets:	817,750	323,635
(c)	Motor vehicles:	166,534	21,501
(d)	Office equipment:	40,403	43,416
(e)	Land and buildings:		
(f)	Capital works under construction:	183,779	471,342
(g)	Other fixed assets not listed in (a) to (f):		
(h)	Total fixed assets	78,754,773	75,967,327
3	Other tangible assets not listed above	0	0
4	Total tangible assets	85,822,732	85,236,799
5	Intangible assets		
(a)	Goodwill:	0	0
(b)	Other intangibles not listed in (a) above:	0	0
(c)	Total intangible assets	0	0
6	Total assets	85,822,732	85,236,799
7	Current liabilities		
(a)	Bank overdraft:	0	0
(b)	Short-term borrowings:	1,714,286	2,289,655
(c)	Payables and accruals:	1,473,516	1,488,584
(d)	Provision for dividends payable:		
(e)	Provision for income tax:	1,472,000	1,563,885
(f)	Other current liabilities not listed in (a) to (e) above:		
(g)	Total current liabilities	4,659,802	5,342,124
8	Non-current liabilities		
(a)	Payables and accruals:	0	0
(b)	Borrowings:	7,285,714	6,010,345
(c)	Deferred tax:	0	0
(d)	Other non-current liabilities not listed in (a) to (c) above:	0	0
(e)	Total non-current liabilities	7,285,714	6,010,345
9	Equity		
(a)	Shareholders' equity:		
(i)	Share capital:	23,217,980	23,217,980
(ii)	Retained earnings:	15,909,306	16,297,035
(iii)	Reserves:	34,749,930	34,369,315
(iv)	Total Shareholders' equity:	73,877,216	73,884,330
(b)	Minority interests in subsidiaries:	0	0
(c)	Total equity:	73,877,216	73,884,330
(d)	Capital notes:	0	0
(e)	Total capital funds:	73,877,216	73,884,330
10	Total equity and liabilities	85,822,732	85,236,799

Operating Revenue (Schedule 1, Part 2)

	2003	2002 \$
Operating revenue		
(a) Revenue from line/access charges:	18,675,764	17,453,647
(b) Revenue from "Other" business for services carried out by the line business (transfer payment):		0
(c) Interest on cash, bank balances and short term investments:		0
(d) AC loss-rental rebates:	454,259	970,539
(e) Other revenue not listed in (a) to (d):	380,615	541,272
Total operating revenue	19,510,638	18,965,458

Expenditure (Schedule 1, Part 2)

	2003	2002 \$
Payment for transmission charges	4,156,059	3,488,670
Transfer payments to the "Other" business for:		
Asset maintenance:	2,038,000	1,709,608
Consumer disconnection/reconnection services:		0
Meter data:		0
Consumer-based load control services:		0
Royalty and patent expenses:		0
Avoided transmission charges on account of own generation	468,000	336,000
Other goods and services not listed in (i) to (vi) above		0
Total transfer payment to the "Other" business	2,506,000	2,045,608
Expense to entities that are not related parties for:		
Asset maintenance:		0
Consumer disconnection/reconnection services		0
Meter data		0
Consumer-based load control services		0
Royalty and patent expenses		0
Total of specified expenses to non-related parties (sum of (i) to (v))	0	0
Employee salaries, wages and redundancies	1,812,240	1,741,360
Consumer billing and information system expense	97,702	115,567
Depreciation on:		
System fixed assets:	2,577,430	2,495,401
Other assets not listed in (i)	216,059	108,060
Total depreciation	2,793,489	2,603,461
Amortisation of:		
Goodwill:		0
Other intangibles:		0
Total amortisation of intangibles	0	0

Expenditure (Schedule 1, Part 2)

	2003	2002
Corporate and administration:	333,294	310,898
Human resource expenses:	78,919	118,873
Marketing/advertising:	124,887	128,233
Merger and acquisition expenses:		
Takeover defence expenses:		
Research and development expenses:		
Consultancy and legal expenses:	203,760	207,109
Donations:		
Directors' fees:	112,000	118,032
Auditors' fees:		
Audit fees paid to principal auditors:	30,400	28,080
Audit fees paid to other auditors:		
Fees paid for other services provided by principal and other auditors:	15,640	14,464
Total auditors' fees:	46,040	42,544
Costs of offering credit:		
Bad debts written off:	0	21,876
Increase in estimated doubtful debts:		0
Total cost of offering credit:		21,876
Local authority rates expense:		
AC loss-rentals (distribution to retailers/customers) expense:	454,259	970,539
Rebates to consumers due to ownership interest:		0
Subvention payments:		0
Unusual expenses:		0
Other expenditure not listed in (a) to (w)	145,823	102,897
Total operating expenditure	12,864,473	12,015,667
Operating surplus before interest and income tax	6,646,165	6,949,792
Interest expense on borrowings	606,279	587,944
Financing charges related to finance leases		0
Other interest expense		0
Total interest expense	606,279	587,944
Operating surplus before income tax	6,039,886	6,361,848
Income tax	1,472,000	1,563,885
Net surplus after tax	4,567,886	4,797,963

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

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements					
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	6,646,165				
Interest on cash, bank balances, and short-term investments (ISTI)	0				
OSBIT minus ISTI	6,646,165	a	6,646,165		6,646,165
Net surplus after tax from financial statements	4,567,886				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	4,567,886	n		4,567,886	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0
Subvention payment	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	2,577,430				
Depreciation of SFA at ODV (y)	2,700,371				
ODV depreciation adjustment	-122,941	d	add -122,941	add -122,941	add -122,941
Subvention payment tax adjustment	0	s't		deduct 0	deduct 0
Interest tax shield	200,072	q			deduct 200,072
Revaluations	-284,000	r			add -284,000
Income tax	1,472,000	p			deduct 1,472,000
Numerator			6,523,224 OSBIT ^{ADJ} = a + g + s + d	4,444,945 NSAT ^{ADJ} = n + g + s - s't + d	4,567,152 OSBIT ^{ADJ} = a + g - q + r + s + d - p - s't
Fixed assets at end of previous financial year (FA ₀)	75,967,327				
Fixed assets at end of current financial year (FA ₁)	78,754,773				
Adjusted net working capital at end of previous financial year (ANWC ₀)	179,229				
Adjusted net working capital at end of current financial year (ANWC ₁)	572,353				
Average total funds employed (ATFE)	77,736,841 (or regulation 33 time-weighted average)	c	77,736,841		77,736,841
Total equity at end of previous financial year (TE ₀)	73,884,330				
Total equity at end of current financial year (TE ₁)	73,877,216				
Average total equity	73,880,773 (or regulation 33 time-weighted average)	k		73,880,773	
WUC at end of previous financial year (WUC ₀)	471,342				
WUC at end of current financial year (WUC ₁)	183,779				
Average total works under construction	327,561 (or regulation 33 time-weighted average)	e	deduct 327,561	deduct 327,561	deduct 327,561
Revaluations	-284,000	r			
Half of revaluations	-142,000	r/2			deduct -142,000
Intangible assets at end of previous financial year (IA ₀)	0				
Intangible assets at end of current financial year (IA ₁)	0				
Average total intangible asset	0 (or regulation 33 time-weighted average)	m		add 0	
Subvention payment at end of previous financial year (S ₀)	0				
Subvention payment at end of current financial year (S ₁)	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA _{bv0})	75,107,433				
System fixed assets at end of current financial year at book value (SFA _{bv1})	77,546,307				
Average value of system fixed assets at book value	76,326,870 (or regulation 33 time-weighted average)	f	deduct 76,326,870	deduct 76,326,870	deduct 76,326,870
System Fixed assets at year beginning at ODV value (SFA _{odv0})	73,705,000				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	76,065,000				
Average value of system fixed assets at ODV value	74,885,000 (or regulation 33 time-weighted average)	h	add 74,885,000	add 74,885,000	add 74,885,000
Denominator			75,967,411 ATFE ^{ADJ} = c - e - f + h	72,111,343 Ave TE ^{ADJ} = k - e - m + v - f + h	76,109,411 ATFE ^{ADJ} = c - e - ½r - f + h
Financial Performance Measure:			8.6 ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100	6.2 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	6.0 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100

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



Schedule 4 -part 8 of the Electricity Regulations 1999

Annual Valuation Reconciliation Report of System Fixed Assets

	\$'000
Year ending 31 March 2003	76,065
System fixed assets at ODV – 31 March 2002	73,705
Recalibration from Commerce Commission audit 2002	<u>(284)</u>
Restated System fixed assets at ODV – 31 March 2002	73,421
Add system fixed assets acquired during the year	5,407
Less system fixed assets disposed of during the year	(63)
Less depreciation on system fixed assets	(2,700)
Revaluations	-
Equals system fixed assets at ODV – 31 March 2003	<u>76,065</u>

July 2003

TOP ENERGY LIMITED

Performance Measures and Statistics
For the Year Ended 31 March 2003

Regulations 15 and 16

i. Financial Performance Measures

	2003	2002	2001	2000
a. Return on Funds	8.60%	9.30%	7.80%	7.10%
b. Return on Equity	6.20%	6.40%	4.60%	4.90%
c. Return on Investment	6.00%	6.90%	1.30%	6.20%
[Return on Investment - excluding revaluations]		[6.9%]	[5.5%]	

ii. Efficiency Performance Measures

	2003	2002	2001	2000
		\$	\$	\$
a. Direct Line Costs per kilometre	1097	1,036	1,034	932
b. Indirect Line Costs per Electricity Customer	63	62	63	64

Optimised Deprival Valuation

The Optimised Deprival Valuation as at 31 March 2003 is \$76,065,000

Regulation 21

i. Energy Delivery Efficiency Performance Measures

	2003	2002	2001	2000
	%	%	%	%
a. Load Factor	63.0	62.0	63.4	62.0
b. Loss Ratio	7.2	9.3	10.4	9.9
c. Capacity Utilisation	32.0	32.0	31.0	31.0

ii. Statistics

See table below for the following statistics:

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

		Kilometres							
		(c)				(b)			
		Overhead Circuit				Underground Circuit			
		2003	2002	2001	2000	2003	2002	2001	2000
33kV		245	245	245	245	0	0	0	0
11kV		3,115	3,101	3,092	3,067	75	67	60	54
400V		865	866	866	868	572	555	538	518
		<u>4,225</u>	<u>4,212</u>	<u>4,203</u>	<u>4,180</u>	<u>647</u>	<u>622</u>	<u>598</u>	<u>572</u>

		(a)			
		Total System			
		2003	2002	2001	2000
		245	245	245	245
		3,190	3,168	3,152	3,121
		<u>1,437</u>	<u>1,421</u>	<u>1,404</u>	<u>1,386</u>
		<u>4,872</u>	<u>4,834</u>	<u>4,801</u>	<u>4,752</u>

		2003	2002	2001	2000
d. Transformer Capacity (kVA)		187,228	180,899	176,304	166,134
e. Maximum Demand (kW)		59,000	58,000	55,000	52,000
f. Total Electricity supplied by System before losses [comparatives are after losses]		326,432,018	316,149,000	305,505,191	284,026,547
g. Total Elec' conveyed by System for other persons after losses [comparatives are before losses]		302,869,976	286,724,192	273,671,840	255,907,919
	Retailer 1	213,985,548	210,461,645	218,855,428	217,251,944
	Retailer 2	55,250,394	42,789,736	24,445,701	22,453,125
	Retailer 3	19,619,233	21,080,083	20,322,513	12,301,960
	Retailer 4	9,104,627	5,540,988	5,974,612	2,070,998
	Retailer 5	2,458,876	3,575,163	2,940,548	1,778,818
	Retailer 6	2,451,298	3,164,853	947,711	51,074
	Retailer 7		111,724	185,327	
h. Total Customers (average for year)		27,590	27,044	26,234	25,700

TOP ENERGY LIMITED

Performance Measures and Statistics
For the Year Ended 31 March 2003

Regulation 22

Reliability Performance Measures

i. Total number of interruptions and breakdowns by interruption class

Class Type of Interruption	5 Yr Average		Target 2004		2003 No	2002 No	2001 No	2000 No
A Planned - Transpower					0	2	0	2
B Planned - Top Energy					144	195	218	295
C Unplanned - Top Energy					249	244	235	192
D Unplanned - Transpower					0	6	0	0
E Unplanned - Embedded Generation					0	0	0	0
F Unplanned - Other Generation					0	0	0	0
G Unplanned - Another Line owner					0	0	0	0
H Planned - Another Line owner					0	0	0	0
I Any other interruption					0	0	0	0
Total - All interruptions					393	447	453	489
Class C Interruptions not restored:					%	%	%	%
a Within 3 hours					30%	34%	27%	10%
b Within 24 hours					0%	0%	0%	0%

ii. Number of faults per 100 circuit kms

Line Voltage	Total				Underground				Overhead			
	2003	2002	2001	2000	2003	2002	2001	2000	2003	2002	2001	2000
100kV												
66kV												
33kV	7.74	4.10	4.08	3.67	0	0	0.00	0.00	7.74	4.10	4.08	3.67
11kV	7.21	7.34	7.14	5.86	0	0	1.67	1.86	7.38	7.50	7.25	5.93
6.6kV												
3.3kV												
Total	7.25	7.11	6.92	5.70	0	0	1.67	1.86	7.41	7.25	7.01	5.77
Target Faults:	5 Yr Average		Target 2004		5 Yr Average		Target 2004		5 Yr Average		Target 2004	
33kV	3.8		4.0		0.0		0.0		3.8		4.0	
11kV	5.8		5.8		0.0		0.0		5.8		6.0	
Total	5.8		5.8		0.0		0.0		5.8		5.8	

iii. Breakdown of statistics by interruption class

Class Type of Interruption	SAIDI (Minutes)				SAIFI (Interruptions)				CAIDI (Minutes)			
	2003	2002	2001	2000	2003	2002	2001	2000	2003	2002	2001	2000
A Planned - Transpower	0.0	148.0	0.0	35.0	0.0	1.3	0.0	0.2	0.0	115.0	0.0	217.0
B Planned - Top Energy	37.0	48.0	83.0	185.0	0.3	0.3	0.6	1.3	136.0	150.0	145.0	138.0
C Unplanned - Top Energy	382.9	287.0	246.0	275.0	6.1	4.8	4.7	5.4	63.0	60.0	52.0	51.0
D Unplanned - Transpower	0.0	191.0	0.0	0.0	0.0	3.8	0.0	0.0	0.0	50.0	0.0	0.0
E Unplanned - Embedded Generation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
F Unplanned - Other Generation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
G Unplanned - Another Line owner	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
H Planned - Another Line owner	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
I Any other interruption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total - All interruptions	419.9	674.0	329.0	495.0	6.4	10.2	5.3	6.9	66.0	66.0	62.0	72.0
Targets:	5 Yr Average		Target 2004		5 Yr Average		Target 2004		5 Yr Average		Target 2004	
B Planned - Top Energy	50		50		0.3		0.3		170		166	
C Unplanned - Top Energy	250		265		4.7		4.7		53		56	



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Report of the Auditor-General

To the readers of the special purpose financial statements of Top Energy Limited for the year ended 31 March 2003

We have audited the accompanying financial statements of Top Energy Limited. The financial statements provide information about the past financial performance of Top Energy Limited and its financial position as at 31 March 2003. This information is stated in accordance with the accounting policies set out in the Statement of Accounting Policies.

Directors' responsibilities

The Electricity (Information Disclosure) Regulations 1999 require the Directors to prepare financial statements which give a true and fair view of the financial position of Top Energy Limited as at 31 March 2003, and the results of operations and cash flows for the year ended on that date.

Auditors' responsibilities

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

The Auditor-General has appointed Andy Britton of PricewaterhouseCoopers to undertake the audit.

Basis of Opinion

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

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

We conducted our audit in accordance with 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 and providing other professional services from time to time, we have no relationship with or interests in Top Energy Limited.



Unqualified Opinion

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

In our opinion –

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

Our audit was completed on 11 August 2003 and our unqualified opinion is expressed as at that date.

A handwritten signature in black ink, appearing to read 'Andy Britton', is written over the printed name.

Andy Britton
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland, New Zealand



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

We have examined the attached information, being -

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

that were prepared by Top Energy Limited and dated 31 March 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.

A handwritten signature in black ink, appearing to read 'Andy Britton', with a stylized, flowing script.

Andy Britton
PricewaterhouseCoopers
On behalf of the Auditor-General
Auckland, New Zealand

11 August 2003