



# New Zealand Gazette

OF THURSDAY, 5 JUNE 2003

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## NETWORK TASMAN LIMITED

### INFORMATION FOR DISCLOSURE

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

## **NETWORK TASMAN LIMITED INFORMATION DISCLOSURE**

### **Information Disclosure Disclaimer**

The information disclosed has been prepared in accordance with and for the specific use intended in the Electricity Act and information disclosure regulations. No responsibility will be accepted for any third party that may use or rely on this report or any part thereof without the express written permission of Network Tasman Limited.

Except as allowed for by the Electricity Act 1992 and information disclosure regulations promulgated by the Act, neither the whole or any part of the information disclosed or any reference thereto may be included in any published document, circular or statement or published in any way without Network Tasman's written approval of the form and context in which it may appear.

The information disclosed is for the line business as described in the Electricity (Information Disclosure) Regulations 1999 and the Electricity (Information Disclosure) Amendment Regulations 2000 & 2001. There are also additional activities of the company that are not required to be reported under the Regulations.

**NetworkTasman**

Network Tasman Limited

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**IN ACCORDANCE WITH THE ELECTRICITY (INFORMATION  
DISCLOSURE) REGULATIONS 1999 (AS AMENDED BY THE  
ELECTRICITY (INFORMATION DISCLOSURE) AMENDMENT  
REGULATIONS 2000 & 2001)**

**Reg. 32 (2)**

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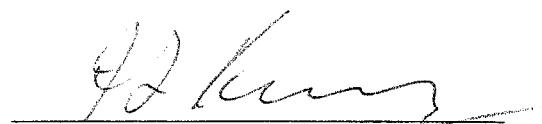
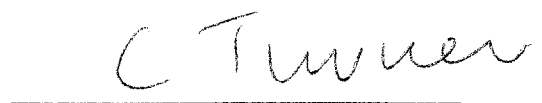
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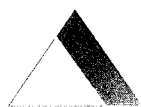
CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES, AND STATISTICS DISCLOSED BY LINE OWNERS OTHER THAN TRANS POWER FOR THE YEAR ENDING 31 MARCH 2003.

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

- (a) The attached audited financial statements of Network Tasman Limited, prepared for the purposes of 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 Network Tasman 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 2001.

**SIGNATURES OF DIRECTORS:****I.F. Kearney****Date: 30<sup>th</sup> May 2003****C.I.M Turner****Date: 30<sup>th</sup> May 2003**



Audit New Zealand

## **REPORT OF THE AUDITOR GENERAL**

### **AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS OF NETWORK TASMAN LIMITED FOR THE YEAR ENDED 31 MARCH 2003**

We have audited the financial statements of Network Tasman Limited on pages 4 to 22. The financial statements provide information about the past financial performance of Network Tasman Limited and its financial position as at 31 March 2003. This information is stated in accordance with the accounting policies set out on pages 8 to 11.

#### **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 Network Tasman Limited as at 31 March 2003, and the results of its operations and cash flows for the year then 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 presented by the Directors 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 and performance information. It also includes assessing:

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

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

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

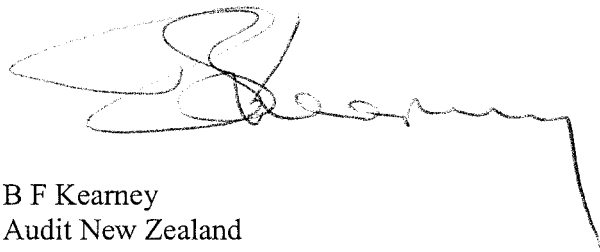
### Unqualified Opinion

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

In our opinion –

- proper accounting records have been kept by Network Tasman Limited as far as appears from our examination of those records; and
- the financial statements of Network Tasman Limited on pages 4 to 22:
  - (a) comply with generally accepted accounting practice in New Zealand; and
  - (b) give a true and fair view of the financial position of Network Tasman Limited as at 31 March 2003 and the results of its operations and cash flows for the year then ended; and
  - (c) comply with the Electricity (Information Disclosure) Regulations 1999.

Our audit was completed on 30 May 2003 and our 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  
NETWORK TASMAN LIMITED**

We have examined the information on pages 23 to 25, 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 Network Tasman 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  
30 May 2003



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

**Statement of financial performance**

*For the year ended 31 March 2003*

	<b>Note</b>	<b>2003</b> <b>\$000</b>	<b>2002</b> <b>\$000</b>
Total operating revenue	<b>2</b>	<b>25,107</b>	23,270
Total operating expenses	<b>3</b>	<b>(16,575)</b>	(15,287)
<b>Operating surplus before interest expense and income tax</b>		<b>8,532</b>	7,983
Interest expense		<b>(15)</b>	(13)
<b>Operating surplus before income tax</b>		<b>8,517</b>	7,970
Income tax	<b>4</b>	<b>(2,431)</b>	(2,503)
<b>Operating surplus</b>		<b>6,086</b>	5,467
<b>Operating surplus comprises:</b>			
Operating surplus from continuing activities		<b>6,086</b>	5,467
Operating surplus from discontinued activities		<b>0</b>	0
		<b>6,086</b>	5,467

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

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

**Statement of movements in equity**

*For the year ended 31 March 2003*

	<b>Note</b>	<b>2003 \$000</b>	<b>2002 \$000</b>
<b>Total equity at beginning of year</b>	<b>6</b>	<b>84,459</b>	81,545
<b>Total recognised revenues and expenses</b>			
Operating surplus		<b>6,086</b>	5,467
Adjustment to property, plant & equipment from previous year		<b>0</b>	(575)
<b>Total recognised revenues and expenses for the year</b>		<b>6,086</b>	4,892
<b>Other movements</b>			
Distributions to owners during the year	<b>5</b>	<b>(1,598)</b>	(1,497)
Transfer of land & buildings to "Other" business		<b>0</b>	(481)
		<b>(1,598)</b>	(1,978)
<b>Total equity at end of year</b>	<b>6</b>	<b>88,947</b>	84,459



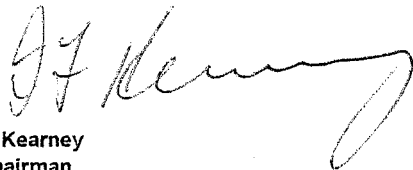
**Network Tasman Limited**  
**Line Business Financial Statements**

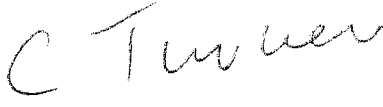
**Statement of financial position**

*As at 31 March 2003*

	Note	2003 \$000	2002 \$000
<b>Current assets</b>			
Cash and short term deposits		11,553	11,771
Receivables	8	2,685	2,517
<b>Total current assets</b>		<u>14,238</u>	<u>14,288</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	77,239	72,586
Deferred taxation	10	97	115
<b>Total non-current assets</b>		<u>77,336</u>	<u>72,701</u>
<b>Total assets</b>		<u>91,574</u>	<u>86,989</u>
<b>Current liabilities</b>			
Payables and accruals	11	2,165	2,009
Provisions	12	319	379
<b>Total current liabilities</b>		<u>2,484</u>	<u>2,388</u>
<b>Non-current liabilities</b>			
Provisions	12	143	142
<b>Total non-current liabilities</b>		<u>143</u>	<u>142</u>
<b>Equity</b>			
Attributable to shareholders of the company	6	88,947	84,459
<b>Total equity</b>		<u>88,947</u>	<u>84,459</u>
<b>Total liabilities and equity</b>		<u>91,574</u>	<u>86,989</u>

For and on behalf of the Board of Directors:

  
 IF Kearney  
 Chairman  
 30 May 2003

  
 CIM Turner  
 Director  
 30 May 2003

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

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

## **Statement of cash flows**

*For the year ended 31 March 2003*

	Note	2003 \$000	2002 \$000
<b>Cash flows from operating activities</b>			
<i>Cash was provided from:</i>			
Receipts from customers		20,478	19,920
Interest income received		785	583
Capital contributions from consumers		0	0
		<u>21,263</u>	<u>20,503</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		11,952	11,147
Interest expense paid		15	0
Income tax paid		2,825	2,020
		<u>14,792</u>	<u>13,167</u>
<b>Net cash flows from operating activities</b>	13	<u>6,471</u>	<u>7,336</u>
<b>Cash flows from investing activities</b>			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		16	10
		<u>16</u>	<u>10</u>
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		5,107	2,357
		<u>5,107</u>	<u>2,357</u>
<b>Net cash flows from investing activities</b>		<u>(5,091)</u>	<u>(2,347)</u>
<b>Cash flows from financing activities</b>			
<i>Cash was applied to:</i>			
Dividends paid		1,598	1,497
Repayment of term loans		0	0
		<u>1,598</u>	<u>1,497</u>
<b>Net cash flows from financing activities</b>		<u>(1,598)</u>	<u>(1,497)</u>
<b>Net increase (decrease) in cash balances</b>		(218)	3,492
Cash balances at beginning of year		11,771	8,279
<b>Cash balances at end of year</b>		<u>11,553</u>	<u>11,771</u>

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

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

### **Notes to and forming part of the financial statements For the year ended 31 March 2003**

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

##### **Reporting entity**

The reporting entity is Network Tasman Limited.

##### **Statutory base**

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

The financial statements have been prepared in accordance with, and for the purposes of, complying with the requirements of the Electricity (Information Disclosure) Regulations 1999, the Electricity (Information Disclosure) Amendment Regulations 2000 and the Electricity (Information Disclosure) Amendment Regulations 2001.

##### **Measurement base**

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

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

##### **Accounting policies**

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

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

###### *Line revenue*

Retailer-owned electricity meters are read on the basis of constant cycles each year. Line revenues include an estimated amount for accrued sales as at 31 March 2003.

###### *Customer contributions*

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

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

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

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

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

**Non-distribution system assets**

- Plant and equipment
- Computer equipment
- Motor vehicles

*Initial recording*

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

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

*Asset components*

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

*Subsequent expenditure*

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

*Revaluations*

Distribution system assets are revalued every three years to fair value, or more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Fair value is determined using optimised depreciated replacement cost. The distribution system assets were last revalued by an independent registered valuer as at 31 March 2001.

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

*Disposal of property, plant and equipment*

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

*Depreciation*

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

The depreciation methods and depreciation rates used are as follows:

Asset class	Depreciation method	Depreciation rates
Primary distribution assets	Straight line	1.43% - 3.66%
Secondary distribution assets	Straight line	1.33% - 10.31%
Substation assets	Straight line	2.22% - 14.58%
Load control plant	Straight line	5.00% - 36.39%
Streetlights	Straight line	1.67% - 2.55%
Consumer connection assets	Straight line	1.82% - 6.59%
Communication assets	Straight line	1.43%
Plant and equipment	Diminishing value	20%
Motor vehicles	Diminishing value	20%
Computer equipment	Diminishing value	48%

The depreciation rates on distribution system assets in existence at the time of the last revaluation (31 March 2001) are based on the assessed residual lives as determined in the calculation of the Optimised Depreciated Replacement Cost (ODRC).

New assets (as from 1 April 2001) are assessed based on the standard useful lives as contained in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (4<sup>th</sup> edition) as issued by the Ministry of Economic Development and dated October 2000.

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

#### (c) Income tax

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

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

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

#### (d) Receivables

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

#### (e) Financial instruments

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

#### *Credit risk*

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

#### *Concentrations of credit risk*

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

*Interest rate risk*

Short-term investments mature within the range of on-call to 180 days. The interest rates on these investments range from 5.75% to 5.86%.

**(f) Impairment**

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

**(g) Cash and cash equivalents**

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

**(h) Employee entitlements**

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

**(i) Operating leases**

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

**(j) Changes in accounting policies**

Uniform accounting policies have been applied on a consistent basis with those of the previous year.

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

	2003 \$000	2002 \$000
<b>2. Operating revenue</b>		
<b>Continuing activities</b>		
<b>Trading revenue</b>		
Line revenue (net of discounts)	21,043	19,549
Customer contributions	2,279	1,332
Gain on sale of assets	17	0
Other revenue	963	1,765
<b>Investment revenue</b>		
Interest income	805	624
<b>Total operating revenue from continuing activities</b>	<b>25,107</b>	<b>23,270</b>
<b>3. Operating expenses</b>		
<b>Operating expenses include:</b>		
<b>Depreciation of property, plant &amp; equipment</b>		
Freehold buildings	0	0
Primary distribution assets	89	86
Secondary distribution assets	2,145	2,079
Substation assets	204	196
Load control plant	130	122
Streetlights	5	4
Consumer connections	66	65
Communications	2	0
Plant and equipment	110	121
Computer equipment	217	257
Motor vehicles	22	11
Total depreciation of property, plant & equipment	2,990	2,941
<b>Auditors' fees</b>		
Audit fees	24	26
Other remuneration paid to auditor	0	0
<b>Costs of offering credit</b>		
Bad debts written off	3	1
Change in provision for doubtful debts	3	2
<b>Governance expenses</b>		
Directors' fees	129	129
Donations	1	1
Interest expense	15	13
Net loss on sale of property, plant & equipment	0	2
Rental and operating lease costs	263	238

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

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

*For the year ended 31 March 2003*

	2003 \$000	2002 \$000
<b>4. Income tax</b>		
Operating surplus before income tax	8,517	7,970
<b>Permanent differences:</b>		
Non-taxable customer contributions	(2,279)	(1,332)
Depreciation	1,113	1,182
Other permanent differences	15	(237)
	<u>(1,151)</u>	<u>(387)</u>
Taxable income	<u>7,366</u>	<u>7,583</u>
Tax expense @ 33%	2,431	2,503
Income tax (over) under provided in prior year	0	0
<b>Income tax expense recognised in statement of financial performance</b>	<u>2,431</u>	<u>2,503</u>
Comprising:		
Current period tax assessment	2,413	2,550
Deferred income tax liability	18	(47)
	<u>2,431</u>	<u>2,503</u>
<b>5. Dividends</b>		
Dividends during the year:		
Dividends paid	1,598	1,497
<b>Total dividends paid</b>	<u>1,598</u>	<u>1,497</u>
<b>6. Equity</b>		
Ordinary shares fully paid	14,280	14,280
Property, plant & equipment revaluation reserve	47,158	47,158
Share premium reserve	1,938	1,938
Retained earnings	25,571	21,083
<b>Total equity</b>	<u>88,947</u>	<u>84,459</u>
<b>7. Retained earnings</b>		
Retained earnings at beginning of year	21,083	18,169
Operating surplus	6,086	5,467
Adjustment to property, plant & equipment from previous year	0	(575)
<b>Total available for appropriation</b>	<u>27,169</u>	<u>23,061</u>
Dividends paid	(1,598)	(1,497)
Transfer of land & buildings to "Other" business	0	(481)
<b>Retained earnings at end of year</b>	<u>25,571</u>	<u>21,083</u>



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

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

*For the year ended 31 March 2003*

**2003**      2002  
**\$000**      \$000

**8. Receivables**

**Current receivables**

Trade receivables	<b>2,346</b>	2,318
Less doubtful debts	<b>5</b>	2
	<b>2,341</b>	2,316
Interest accrued	<b>69</b>	113
Tax refund due	<b>126</b>	0
Prepayments	<b>149</b>	88
<b>Total current receivables</b>	<b>2,685</b>	2,517

**9. Property, plant & equipment**

**Property, plant & equipment - March 2003**

	At cost	At valuation	Accum. depreciation	Carrying Amount
Primary distribution assets	606	2,590	176	3,020
Secondary distribution assets	6,523	60,793	4,224	63,092
Substation assets	811	5,109	402	5,518
Load control plant	439	810	252	997
Streetlights	0	169	9	160
Consumer connections	179	948	131	996
Communications	76	0	1	75
Plant and equipment	1,543	0	940	603
Computer equipment	2,004	0	1,653	351
Motor vehicles	221	0	93	128
Assets under construction	2,299	0	0	2,299
<b>Total</b>	<b>14,701</b>	<b>70,419</b>	<b>7,881</b>	<b>77,239</b>

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

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

*For the year ended 31 March 2003*

	At cost	At valuation	Accum. depreciation	Carrying Amount
<b>Property, plant &amp; equipment - March 2002</b>				
Primary distribution assets	198	2,589	86	2,701
Secondary distribution assets	2,761	60,793	2,079	61,475
Substation assets	358	5,109	196	5,271
Load control plant	292	810	122	980
Streetlights	0	169	4	165
Consumer connections	179	948	65	1,062
Plant and equipment	1,369	0	834	535
Computer equipment	1,788	0	1,436	352
Motor vehicles	144	0	99	45
<b>Total</b>	<b>7,089</b>	<b>70,418</b>	<b>4,921</b>	<b>72,586</b>

### Valuation information

The distribution system assets were last revalued as at 31 March 2001 to a net current value of \$70.418 million.

The valuation to optimised depreciated replacement cost (ODRC) was carried out by independent valuers, PricewaterhouseCoopers and Meritec Limited. The valuation report is dated 25 May 2001. The valuation was undertaken in accordance with the methodology detailed in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses (4th edition) as issued by the Ministry of Economic Development and dated October 2000.

	<b>2003</b>	2002
	<b>\$000</b>	\$000
<b>Review of useful lives of property, plant and equipment</b>		
Estimate of increase in depreciation charge following a review of useful lives	<b>0</b>	705

### 10. Deferred taxation

Balance at beginning of year	<b>115</b>	68
Deferred tax on timing differences	<b>(18)</b>	47
<b>Balance at end of year</b>	<b>97</b>	115

### 11. Payables and accruals

#### Current

Trade payables and accruals	<b>2,165</b>	1,723
Taxation payable	<b>0</b>	286
<b>Total current payables and accruals</b>	<b>2,165</b>	2,009

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

	2003	2002
	\$000	\$000

#### 12. Provisions

##### Current

Employee entitlements	208	210
Sundry provisions	111	169
<b>Total current provisions</b>	<b>319</b>	<b>379</b>

##### Non-current

Employee entitlements	128	142
Sundry provisions	15	0
<b>Total non-current provisions</b>	<b>143</b>	<b>142</b>

##### Provision for employee entitlements

Balance at beginning of year	352	337
Additional provisions made	183	222
Amount utilised	(175)	(184)
Provision reversed	(24)	(23)
<b>Balance at end of year</b>	<b>336</b>	<b>352</b>

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

##### Sundry provisions

Balance at beginning of year	169	46
Additional provisions made	86	139
Amount utilised	(2)	(9)
Provision reversed	(127)	(7)
<b>Balance at end of year</b>	<b>126</b>	<b>169</b>

Sundry provisions relate to easements in progress and allowances for revenue wash-ups.

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

	2003 \$000	2002 \$000
<b>13. Reconciliation of operating surplus after income tax with net cash flows from operating activities</b>		
<b>Operating surplus after tax</b>	<b>6,086</b>	<b>5,467</b>
<b>Add (less) non-cash items and non-operating items:</b>		
Depreciation	2,990	2,941
Movement in deferred taxation	18	(47)
Customer contributions	(2,279)	(1,332)
Bad debts written-off	3	1
Change in provision for doubtful debts	3	2
(Gain) loss on sale of fixed assets	(17)	2
Movement in capital expenditure in creditors	(262)	(289)
	<b>456</b>	<b>1,278</b>
<b>Movement in working capital:</b>		
Increase (decrease) in payables and provisions	383	(324)
(Increase) decrease in receivables	(42)	372
Increase (decrease) in taxation payable	(412)	543
	<b>(71)</b>	<b>591</b>
<b>Net cash flows from operating activities</b>	<b>6,471</b>	<b>7,336</b>

#### 14. Related parties

There were no related party transactions in relation to the following (2002: nil):

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

#### Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% (2002: 100%) of the company's shares.

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

#### Associate company

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

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

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

	2003 \$000	2002 \$000
Net transmission costs on-charged (1 April 2002 to 31 March 2003)	1,620	1,401
Balance due from Nelson Electricity Limited as at 31 March 2003	151	127

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

Nelson Pine Industries Limited, a company in which Mr C Turner (a director of Network Tasman Limited) is General Manager, contracts directly on an arms length basis with Network Tasman Limited, for distribution services. The services amount to 4.8% of total net line revenue.

As at 31 March 2003, the balance owing by Nelson Pine Industries Limited was \$116,355.

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

#### 15. Segmental Information

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

#### 16. Commitments

##### Capital commitments

Capital commitments as at 31 March 2003 were \$1,924,756 (2002: \$181,763).

##### Operating lease commitments

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

Less than one year	265	254
Between one and two years	265	254
Between two and five years	796	763
Greater than five years	1,983	2,156
<b>Total operating lease commitments</b>	<b>3,309</b>	<b>3,427</b>

#### 17. Contingencies

Network Tasman Limited issued court proceedings against Transpower New Zealand Limited in respect of the Output Connection Contract.

There is no adverse financial exposure to Network Tasman Limited except for associated legal costs.

As at 31 March 2003 there were no material contingent liabilities.

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

#### 18. Events occurring after balance date

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

#### 19. Mandatory specific disclosures

Items required to be separately listed in the financial statements as required under regulation 6 (1) of the Electricity (Information Disclosure) Regulations 1999 are as follows:

	2003 \$000	2002 \$000
<b>1. Current assets</b>		
(a) Cash & bank balances	3	132
(b) Short-term investments	11,550	11,639
(c) Inventories	0	0
(d) Accounts receivable	2,410	2,429
(e) Other receivables	0	0
(f) Prepayments	149	88
(g) Other current assets not listed in (a) to (f)	126	0
<b>(h) Total current assets</b>	<b>14,238</b>	<b>14,288</b>
<b>2. Fixed assets</b>		
(a) System fixed assets	73,858	71,654
(b) Consumer billing and information system assets	351	352
(c) Motor vehicles	128	45
(d) Office equipment	128	160
(e) Land and buildings	0	0
(f) Capital works under construction	2,299	0
(g) Other fixed assets not listed in (a) to (f)	475	375
<b>(h) Total fixed assets</b>	<b>77,239</b>	<b>72,586</b>
<b>3. Other tangible assets not listed above</b>	<b>97</b>	<b>115</b>
<b>4. Total tangible assets</b>	<b>91,574</b>	<b>86,989</b>

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

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

*For the year ended 31 March 2003*

	2003 \$000	2002 \$000
<b>5. Intangible assets</b>		
(a) Goodwill	0	0
(b) Other intangibles not listed in (a) above	0	0
<b>(c) Total intangible assets</b>	<b>0</b>	<b>0</b>
<b>6. Total assets</b>	<b>91,574</b>	<b>86,989</b>
<b>7. Current liabilities</b>		
(a) Bank overdraft	0	0
(b) Short-term borrowings	0	0
(c) Payables & accruals	2,165	1,723
(d) Accrued payroll	208	210
(e) Provision for dividend payable	0	0
(f) Provision for income tax	0	286
(g) Other current liabilities not listed in (a) to (f)	111	169
<b>(h) Total current liabilities</b>	<b>2,484</b>	<b>2,388</b>
<b>8. Non-current Liabilities</b>		
(a) Payables & accruals	143	142
(b) Borrowings	0	0
(c) Deferred tax	0	0
(d) Other non-current liabilities not listed in (a) to (c) above	0	0
<b>(e) Total non-current liabilities</b>	<b>143</b>	<b>142</b>
<b>9. Equity</b>		
(a) Shareholders' equity		
(i) Share capital	14,280	14,280
(ii) Retained earnings	25,571	21,083
(iii) Reserves	49,096	49,096
(iv) Total shareholders equity	88,947	84,459
(b) Minority interests in subsidiaries	0	0
<b>(c) Total equity</b>	<b>88,947</b>	<b>84,459</b>
(d) Capital notes	0	0
<b>(e) Total capital funds</b>	<b>88,947</b>	<b>84,459</b>
<b>10. Total equity and liabilities</b>	<b>91,574</b>	<b>86,989</b>
<b>11. Operating revenue</b>		
(a) Revenue from line/access charges	25,552	23,960
(b) Line charge discounts to consumers	(4,509)	(4,411)
(c) Revenue from "other" business for services carried out by the line business	0	0
(d) Interest on cash, bank balances and short-term investments	805	624
(e) AC loss rental rebates	836	1,760
(f) Other revenue not listed in (a) to (e)	2,423	1,337
<b>(g) Total operating revenue</b>	<b>25,107</b>	<b>23,270</b>

## Network Tasman Limited

### Line Business Financial Statements

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

For the year ended 31 March 2003

	2003 \$000	2002 \$000
<b>12. Operating expenditure</b>		
(a) Payment for transmission charges	8,019	7,507
(b) Transfer payments to the "other" business for:		
(i) Asset maintenance	0	0
(ii) Consumer disconnections/reconnection services	0	0
(iii) Meter data	0	0
(iv) Consumer-based load control services	0	0
(v) Royalty and patent expenses	0	0
(vi) Avoided transmission charges on account of own generation	0	0
(vii) Other goods and services not listed in (i) to (vi) above	56	53
<b>(viii) Total transfer payment to the "Other" business</b>	<b>56</b>	<b>53</b>
(c) Expense to entities that are not related parties for:		
(i) Asset maintenance	2,572	1,878
(ii) Consumer disconnections/reconnection services	4	5
(iii) Meter data	0	0
(iv) Consumer-based load control services	0	1
(v) Royalty and patent expenses	0	0
<b>(vi) Total of specified expenses to non-related parties</b>	<b>2,576</b>	<b>1,884</b>
(d) Employee salaries, wages and redundancies	1,365	1,213
(e) Consumer billing and information system expense	128	96
(f) Depreciation on:		
(i) System fixed assets	2,641	2,552
(ii) Other assets not listed in (i)	349	389
<b>(iii) Total depreciation</b>	<b>2,990</b>	<b>2,941</b>
(g) Amortisation of:		
(i) Goodwill	0	0
(ii) Other intangibles	0	0
<b>(iii) Total amortisation of intangibles</b>	<b>0</b>	<b>0</b>
(h) Corporate and administration	396	355
(i) Human resource expenses	65	40
(j) Marketing/advertising	86	77
(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	280	132
(o) Donations	1	1
(p) Directors' fees	129	129
(q) Auditors' fees:		
(i) Audit fees paid to principal auditors	24	26
(ii) Audit fees paid to other auditors	0	0
(iii) Fees paid for other services provided by principal and other auditors	0	0
<b>(iv) Total auditors' fees</b>	<b>24</b>	<b>26</b>
(r) Costs of offering credit:		
(i) Bad debts written off	3	1
(ii) Increase in estimated doubtful debts	3	2
<b>(iii) Total cost of offering credit</b>	<b>6</b>	<b>3</b>
(s) Local authority rates expense	6	6
(t) AC loss-rentals rebates expense	338	728
(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)	110	96
<b>13. Total operating expenditure</b>	<b>16,575</b>	<b>15,287</b>



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

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

*For the year ended 31 March 2003*

	<b>2003</b>	<b>2002</b>
	<b>\$000</b>	<b>\$000</b>
<b>14. Operating surplus before interest and income tax</b>	<b>8,532</b>	<b>7,983</b>
<b>15. Interest expense</b>		
(a) Interest expense on borrowings	0	0
(b) Financing charges related to finance leases	0	0
(c) Other interest expense not listed in (a) or (b)	15	13
<b>(d) Total interest expense</b>	<b>15</b>	<b>13</b>
<b>16. Operating surplus before income tax</b>	<b>8,517</b>	<b>7,970</b>
<b>17. Income tax</b>	<b>2,431</b>	<b>2,503</b>
<b>18. Net surplus after tax</b>	<b>6,086</b>	<b>5,467</b>
<b>19. Annual valuation reconciliation report</b>		
System fixed assets at ODV - end of the previous financial year	71,654	70,418
Add system fixed assets acquired during the year at ODV	4,846	3,788
Less system fixed assets disposed of during the year at ODV	0	0
Less depreciation on system fixed assets at ODV	(2,779)	(2,552)
Add revaluations of system fixed assets	0	0
<b>System fixed assets at ODV - end of the financial year</b>	<b>73,721</b>	<b>71,654</b>

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

**Performance Measures and Statistics**  
**For the year ended 31 March 2003**

	2003	2002	2001	2000
<b>Financial performance measures</b>				
(a) Return on Funds	10.27%	10.08%	7.90%	5.47%
(b) Return on Equity	6.96%	6.59%	5.23%	3.61%
(c) Return on Investment	7.33%	6.93%	-13.97%	3.62%
Return on Investment - as restated (excludes revaluation)			5.13%	
<b>Efficiency performance measures</b>				
(a) Direct Line Costs per Kilometre	\$1,232	\$934	\$1,181	\$993
(b) Indirect Line Costs per Consumer	\$42	\$38	\$39	\$41
<b>Energy delivery efficiency performance measures and statistics</b>				
<b>1. Energy delivery efficiency performance measures</b>				
(a) Load Factor	66.12%	63.30%	65.28%	63.65%
(b) Loss Ratio	4.25%	3.39%	4.12%	5.01%
(c) Capacity Utilisation	43.24%	44.67%	43.24%	42.95%
<b>2. Statistics</b>				
<b>(a) System Length</b>				
33 kV system	126.78	125.51	125.24	124.89
11 kV system	2001.64	1989.13	1983.89	1977.04
6.6 kV system	34.37	34.37	34.37	34.37
400 V system	998.00	972.70	978.42	977.46
<b>Total Kilometres</b>	<b>3160.79</b>	<b>3121.71</b>	<b>3121.92</b>	<b>3113.76</b>
<b>(b) System Length - Overhead</b>				
33 kV system	121.12	120.04	120.55	121.13
11 kV system	1873.27	1867.89	1864.96	1863.08
6.6 kV system	33.03	33.03	33.03	33.03
400 V system	589.69	604.88	626.19	638.21
<b>Total Kilometres</b>	<b>2617.11</b>	<b>2625.84</b>	<b>2644.73</b>	<b>2655.45</b>
<b>(c) System Length - Underground</b>				
33 kV system	5.66	5.47	4.69	3.76
11 kV system	128.37	121.24	118.93	113.96
6.6 kV system	1.34	1.34	1.34	1.34
400 V system	408.31	367.82	352.23	339.25
<b>Total Kilometres</b>	<b>543.68</b>	<b>495.87</b>	<b>477.19</b>	<b>458.31</b>
<b>(d) Transformer Capacity (kVA)</b>				
	291,626	276,450	272,605	271,270
<b>(e) Maximum Demand (kW)</b>				
	126,103	123,500	117,886	116,520
<b>(f) Total electricity entering the system (before losses) (kWh)</b>				
	730,401,537	684,837,910	646,403,247	624,462,165
<i>(Comparative figures for 2000 &amp; 2001 are for total electricity supplied from the system after losses of electricity)</i>				
<b>(g) Total amount of electricity supplied from the system (after losses of electricity) on behalf of each person (kWh)</b>				
Retailer A	304,463,864	286,066,967	318,775,514	18,489,649
Retailer B	9,507,894	6,774,941	15,607,381	9,503,102
Retailer C	1,042,196	931,754	8,813,481	53,538,368
Retailer D	191,883,213	165,792,163	140,099,112	389,318,020
Retailer E	192,477,170	187,190,919	10,223,036	151,458,083
Retailer F		13,127,997	178,900,081	2,154,944

	2003	2002	2001	2000
Retailer G		39,774	105,660	
Generator 1	1,631,325	1,670,828	1,650,939	1,947,361
Generator 2	85,647			
<b>Total</b>	<b>701,091,309</b>	<b>661,595,344</b>	<b>674,175,204</b>	<b>626,409,527</b>
<i>(Comparative figures for 2000 &amp; 2001 are for the total amount of electricity conveyed through the system before losses of electricity)</i>				
<b>(h) Total Consumers</b>	<b>32,205</b>	<b>31,293</b>	<b>30,790</b>	<b>30,246</b>
<b>Reliability performance measures to be disclosed by line owners</b>				
<b>1. Total number of Interruptions</b>				
Class A Transpower Planned	4.00	3.00	4.00	2.00
Class B Line Owner Planned	66.00	80.00	138.00	185.00
Class C Line Owner Unplanned	118.00	84.00	112.00	124.00
Class D Transpower Unplanned	1.00	0.00	0.00	1.00
<b>Total</b>	<b>189.00</b>	<b>167.00</b>	<b>254.00</b>	<b>312.00</b>
<b>2. Interruption Targets (next year)</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>	<b>2000/01</b>
(a) Planned Interruptions by Line Owner (Class B)	100.00	120.00	160.00	180.00
(b) Unplanned Interruptions by Line Owner (Class C)	130.00	128.00	120.00	125.00
<b>3. Average Interruption Targets (5 years)</b>	<b>2004/08</b>	<b>2003/07</b>	<b>2002/06</b>	<b>2001/05</b>
(a) Planned Interruptions by Line Owner (Class B)	100.00	110.00	124.00	140.00
(b) Unplanned Interruptions by Line Owner (Class C)	130.00	128.00	120.00	121.00
<b>4. Fault Restoration Times (Class C) not restored within</b>				
(a) 3 hours	17%	14%	13%	24%
(b) 24 hours	0%	0%	0%	0%
<b>5. Number of faults per 100km of prescribed voltage line</b>				
(a) Total number of faults	5.45	3.91	5.22	5.80
<b>(b) Number of faults targeted (next year)</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>	<b>2000/01</b>
	6.00	6.00	6.00	6.00
<b>(c) Average number of faults targeted (5 years)</b>	<b>2004/08</b>	<b>2003/07</b>	<b>2002/06</b>	<b>2001/05</b>
	6.00	6.00	6.00	6.00
<b>(d) Number of faults per nominal line voltages</b>				
<b>Total number of faults</b>				
33 kV system	1.58	1.59	1.59	3.20
11 kV system	5.70	4.12	5.39	6.07
6.6 kV system	5.82	0.00	8.75	0.00
<b>Number of faults targeted (next year)</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>	<b>2000/01</b>
33 kV system	1.50	1.50	1.50	1.50
11 kV system	6.30	6.30	6.30	6.30
6.6 kV system	0.00	0.00	0.00	0.00
<b>Average number of faults targeted (5 years)</b>	<b>2004/08</b>	<b>2003/07</b>	<b>2002/06</b>	<b>2001/05</b>
33 kV system	1.50	1.50	1.50	1.50
11 kV system	6.30	6.30	6.30	6.30
6.6 kV system	0.00	0.00	0.00	0.00
<b>6. Number of faults per 100km of prescribed voltage underground line</b>				
33 kV system	0.00	0.00	0.00	52.63
11 kV system	4.67	2.47	8.31	3.51
6.6 kV system	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4.43</b>	<b>2.34</b>	<b>7.86</b>	<b>5.04</b>
<b>7. Number of faults per 100km of prescribed voltage overhead line</b>				
33 kV system	1.65	1.67	1.67	1.65

	2003	2002	2001	2000
11 kV system	5.87	4.28	5.21	6.23
6.6 kV system	6.06	0.00	9.09	0.00
<b>Total</b>	<b>5.52</b>	<b>4.06</b>	<b>5.06</b>	<b>5.85</b>
 <b>8. SAIDI for the total number of interruptions</b>	 <b>151.23</b>	 <b>114.68</b>	 <b>172.57</b>	 <b>215.00</b>
 <b>9. SAIDI targets (next year)</b>	 <b>2003/04</b>	 <b>2002/03</b>	 <b>2001/02</b>	 <b>2000/01</b>
(a) Planned Interruptions by Line Owner (Class B)	25.00	35.00	40.00	75.00
(b) Unplanned Interruptions by Line Owner (Class C)	60.00	60.00	90.00	134.00
 <b>10. Average SAIDI targets (5 years)</b>	 <b>2004/08</b>	 <b>2003/07</b>	 <b>2002/06</b>	 <b>2001/05</b>
(a) Planned Interruptions by Line Owner (Class B)	25.00	32.00	35.00	56.00
(b) Unplanned Interruptions by Line Owner (Class C)	58.00	55.00	77.00	111.80
 <b>11. Classification of SAIDI interruptions by Class</b>				
Class A Transpower Planned	43.29	43.92	67.28	19.00
Class B Line Owner Planned	16.77	21.39	34.86	62.00
Class C Line Owner Unplanned	90.96	49.37	70.14	122.00
Class D Transpower Unplanned	0.20	0.00	0.29	12.00
<b>Total</b>	<b>151.22</b>	<b>114.68</b>	<b>172.57</b>	<b>215.00</b>
 <b>12. SAIFI for the total number of interruptions</b>	 <b>1.86</b>	 <b>1.14</b>	 <b>1.92</b>	 <b>2.94</b>
 <b>13. SAIFI targets (next year)</b>	 <b>2003/04</b>	 <b>2002/03</b>	 <b>2001/02</b>	 <b>2000/01</b>
(a) Planned Interruptions	0.18	0.27	0.29	0.54
(b) Unplanned Interruptions	1.00	1.33	1.50	2.23
 <b>14. Average SAIFI targets (5 years)</b>	 <b>2004/08</b>	 <b>2003/07</b>	 <b>2002/06</b>	 <b>2001/05</b>
(a) Planned Interruptions by Line Owner (Class B)	0.18	0.23	0.25	0.40
(b) Unplanned Interruptions by Line Owner (Class C)	0.97	1.00	1.29	1.86
 <b>15. Classification of SAIFI interruptions by Class</b>				
Class A Transpower Planned	0.17	0.14	0.23	0.05
Class B Line Owner Planned	0.19	0.13	0.29	0.65
Class C Line Owner Unplanned	1.30	0.87	1.34	2.01
Class D Transpower Unplanned	0.20	0.00	0.06	0.23
<b>Total</b>	<b>1.86</b>	<b>1.14</b>	<b>1.92</b>	<b>2.94</b>
 <b>16. CAIDI for the total number of interruptions</b>	 <b>81.25</b>	 <b>100.59</b>	 <b>90.27</b>	 <b>73.00</b>
 <b>17. CAIDI Targets (next year)</b>	 <b>2003/04</b>	 <b>2002/03</b>	 <b>2001/02</b>	 <b>2000/01</b>
(a) Planned Interruptions	139.00	128.00	138.00	140.00
(b) Unplanned Interruptions	60.00	45.00	60.00	60.09
 <b>18. Average CAIDI targets (5 years)</b>	 <b>2004/08</b>	 <b>2003/07</b>	 <b>2002/06</b>	 <b>2001/05</b>
(a) Planned Interruptions by Line Owner (Class B)	139.00	139.00	141.00	140.00
(b) Unplanned Interruptions by Line Owner (Class C)	60.00	55.00	60.00	59.97
 <b>19. Classification of CAIDI interruptions by Class</b>				
Class A Transpower Planned	258.11	313.71	296.57	391.00
Class B Line Owner Planned	86.47	164.54	120.29	95.00
Class C Line Owner Unplanned	69.84	56.75	52.38	60.00
Class D Transpower Unplanned	1.00	0.00	5.10	54.00

## Schedule 1 - Part 7

## Form for the Derivation of Financial Performance Measures from Financial Statements

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	8,531,871				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	8,531,871				
Interest on cash, bank balances, and short-term investments (ISTI)	804,744				
OSBIT minus ISTI	7,727,127	a	7,727,127		7,727,127
Net surplus after tax from financial statements	6,085,614				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	6,085,614	n		6,085,614	
Amortisation of goodwill and amortisation of other intangibles	0	g	add	add	add
Subvention payment	0	s	add	add	add
Depreciation of SFA at BV (x)	2,640,680				
Depreciation of SFA at ODV (y)	2,778,828				
ODV depreciation adjustment	-138,146	d	add	add	add
Subvention payment tax adjustment	0	s <sup>†</sup>			
Interest tax shield	-260,474	q	deduct	deduct	deduct
Revaluations	0	r			
Income tax	2,430,828	p			
<b>Numerator</b>			OSBIT <sup>ADJ</sup> = a + g + s + d	NSAT <sup>ADJ</sup> = n + g + s - s <sup>†</sup> + d	SBIT <sup>ADJ</sup> = a + g - q + r + s + d - p - s <sup>†</sup>
			7,588,981	5,947,468	5,418,627
Fixed assets at end of previous financial year (FA <sub>0</sub> )	72,586,414				
Fixed assets at end of current financial year (FA <sub>1</sub> )	77,238,763				
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	301,667				
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	131,565				
Average total funds employed (ATFE)	75,129,205 (or regulation 33 time-weighted average)	c	75,129,205		75,129,205
Total equity at end of previous financial year (TE <sub>0</sub> )	84,458,607				
Total equity at end of current financial year (TE <sub>1</sub> )	88,947,136				
Average total equity	86,702,871 (or regulation 33 time-weighted average)	k		86,702,871	
WUC at end of previous financial year (WUC <sub>0</sub> )	0				
WUC at end of current financial year (WUC <sub>1</sub> )	2,398,858				
Average total works under construction	1,149,429 (or regulation 33 time-weighted average)	e	deduct 1,149,429	deduct 1,149,429	deduct 1,149,429

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

bv = book value

ave = average

odv = optimised deprival valuation

subscript '0' = end of