Electricity Invercargill Limited

Annual Report 2006

Contents

Directory

Directors

Neil Boniface (Chairman)
Philip Mulvey
Geoffrey Piercy
Ross Smith

Registered Office

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Invercargill
New Zealand

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Facsimile: 03 214 9404
Website: www.eil.co.nz

Principal Bankers

Westpac Banking Corporation

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General

Solicitors

Preston Russell Law

Board of Directors

Left to Right: Philip Mulvey *(Deputy Chairman)*, Geoffrey Piercy, Ross Smith, Neil Boniface *(Chairman)*

The Year In Review

1. General

It has been another successful year for Electricity Invercargill Limited.

Its financial and network performance ensures it maintains its position as one of the best performing networks in the country.

2. Financial

The Group net surplus after tax for the year ended 31 March 2006 of $5.563 million (2005: $5.285 million) has enabled the Company to declare an increased ordinary dividend of $3.3 million at the end of the financial year (2005: $3.1 million). In addition, $1 million of the dividend of $1.650 million due in September 2006 was paid in March 2006 and a subvention payment of $147,000 was made to the Invercargill City Council.

The result reflects the continuing growth occurring in Invercargill and Bluff, the continued cost savings achieved through the management of the Company by PowerNet Limited and the investment in the OtagoNet Joint Venture.

The total equity of the Group is now $58.031 million (2005: $55.768 million).

The investments in OtagoNet Joint Venture and Otago Power Services Limited have met expectations both financially and operationally; the positive cash flow again contributing to the very satisfactory performance of these investments.

Electricity Invercargill Limited's share of the jointly acquired Otago Power Limited electricity distribution network assets was funded through a shareholder loan from Invercargill City Holdings Limited. This enabled the Company to access the competitive funding abilities of its shareholder. The debt has now been reduced to $19 million.

Goodwill arising from the acquisition has been recognised in the Statement of Financial Position and is amortised over 20 years as prescribed by the New Zealand Financial Reporting Standards.

As detailed in Note 12 to the financial statements, the opportunity to replace this write down with an impairment test will be welcomed through the introduction of the International Financial Reporting Standards when adopted in 2007. The Directors support this approach as it more appropriately recognises the long-term nature of the infrastructural assets acquired.

Electricity Invercargill Limited continues to promote Invercargill activities to the extent of $25,000 through the erection of festival lights and a contribution to the City's Summer Festival.

The operating results supported by the strong financial position and operating cashflow, together with continued growth prospects in the Invercargill City, has the Company well positioned for the future.

The consolidated result for the Group is:

	31 March 2006 $000	31 March 2005 $000
Operating Surplus before Taxation	**6,652**	**6,154**
Less Taxation Expense	(1,089)	(869)
Net Surplus	**5,563**	**5,285**

3. Industry Environment

The major concern of the Directors continues to be the impact on sound business management by a regulatory regime which has the potential to suppress investment in a vital national infrastructural asset and divert the focus of management and governance from the business to increasing bureaucratic compliance.

Electricity Invercargill Limited has maintained a regular investment in its distribution network which has not only met its customer requirements in price and reliability but has also contributed to increased public safety and enhanced the visual environment through its undergrounding policy. The Company has completed over 95% of the Invercargill City undergrounding programme.

The Company did not breach the March 2006 Price Path or Quality Thresholds. The reliability of the network for the year again exceeded expectations and is a tribute to the aggressive undergrounding policy and asset stewardship of the past 30 years.

4. Line Business Performance

The net contribution is attributable to the Use Charge received from PowerNet Limited for the lease of the network assets and the profit from the Company's investment in OtagoNet Joint Venture.

This Use Charge calculation takes into account a specified rate of return on the book value of the assets, depreciation and the corporate costs of the Company.

The target and actual SAIFI and SAIDI reliability indices are shown below.

The Company remains one of the best performers in New Zealand.

SAIFI – System Average Interruption Frequency Index

(the average number of times each customer connected to the network is without supply)

Target	Actual
1.00	0.54

SAIDI – System Average Interruption Duration Index

(the average total time in minutes each customer connected to the network is without supply)

Target	Actual
35.00 minutes	19.08 minutes

Metering assets and load control relays were also retained by the Company and managed by PowerNet Limited during this period.

The Year In Review *continued*

5. PowerNet Limited

Electricity Invercargill Limited retained its 50% shareholding in PowerNet Limited, a joint venture with The Power Company Limited. PowerNet is responsible for managing the Company's network, meter assets and business interests.

This management is executed through a capital and maintenance works programme which constitutes the major part of the Business Plan approved by the PowerNet Limited and Electricity Invercargill Limited Directors.

PowerNet publishes its own annual report and as it is a break-even company its performance is reflected in the reliability statistics and line charges for each of the respective networks that it manages. In this regard, PowerNet has shown a further overall improvement on its previous years' performances and kept line charges within the Commerce Commission price path threshold limits.

6. Investment and Development

All investigations to increase investment and development have been channelled through the joint venture company Electricity Southland Limited, particularly those with a view to obtaining further economies of scale and improved efficiencies of network management.

The 50% investment in Electricity Southland Limited with The Power Company Limited (50%) continues to meet its projections on the first embedded network in Frankton.

Electricity Invercargill Limited completed its third year of its 24.5% investment in the electricity network owner OtagoNet Joint Venture and similar investment in the electrical contracting company Otago Power Services Limited with its neighbour The Power Company Limited (24.5%) and Marlborough Lines Limited (51%).

The Otago based investments performed as anticipated, contributing a positive cash flow in addition to the benefits of a strategic partnership and acquisition. Directors are pleased with the third year's performance and the shareholders are projected to benefit further from increased dividends and growth in value in the years to come. The agreement to defer line charge increases for three years following the purchase of Otago Power Limited terminated on 30 June 2005 and the OtagoNet Joint Venture Directors resolved to increase line charges from 1 July 2005. The increased revenue has enabled higher expenditure on renewing and upgrading network assets, increasing the value of the network and improving supply quality to the customers.

Electricity Invercargill Limited is also a 25% shareholder in the electrical contracting company Continuity Contracting Limited. The other shareholders in this company are The Power Company Limited (25%) and Netcon Limited (50%), itself a joint venture company owned by Alpine Energy Limited and Network Waitaki Limited. Continuity Contracting Limited has the lines and technical field service contracts for the Electricity Invercargill Limited network.

Electricity Invercargill Limited is keen to develop its relationships with its joint venture partners in the interest of its stakeholders.

7. Acknowledgement

Directors wish to acknowledge the ongoing support of the Directors of Invercargill City Holdings Limited throughout the year.

The Directors also acknowledge the ongoing partnership with The Power Company Limited which is continuing to reap benefits for both Companies.

Directors are pleased with the successful relationship with Marlborough Lines Limited following the joint venture investment in OtagoNet and are looking forward to developing similar relationships with Alpine Energy Limited and Network Waitaki Limited through their joint association with Continuity Contracting Limited.

Finally the Directors wish to record their appreciation to the staff of PowerNet Limited, who have successfully managed the business for another year.

Neil Boniface
Chairman

Philip Mulvey
Deputy Chairman

Major Projects

The following major projects on the Electricity Invercargill Limited network were completed by PowerNet Limited during the year.

Project	Approximate Expenditure
Inglewood Road Area, Invercargill - Undergrounding	$820,000
Newcastle Street Area, Invercargill - Undergrounding	$415,000
New Customer Connections	$292,000
Doon Street Substation Protection Upgrade	$103,000
Ring Main Unit Replacements	$51,000

Network Details

	31 March 2006	31 March 2005
Length of overhead line	89km	91km
Length of underground cable	605km	604km
Number of distribution transformers	440	450
Distribution transformer capacity (does not include customer owned transformers)	145MVA	144MVA
Consumer connections (ICP's)	16,889	16,842

Directors' Report

The Directors have pleasure in presenting their Annual Report and Financial Statements for the year ended 31 March 2006.

Principal Activities

The principal activity of the parent entity, Electricity Invercargill Limited is the provision of electricity distribution services. The company is a wholly owned subsidiary of Invercargill City Holdings Limited. The group consists of Electricity Invercargill Limited, its subsidiary, joint ventures and associate companies.

Result and Distribution

The Directors' report that the Group's profit after tax and interest for the year under review was $5,563,000. A dividend of $3,300,000 has been declared, of which $1,000,000 was paid in March 2006, $650,000 payable in September 2006 and $1,650,000 payable in March 2007. The dividend will carry full imputation credits.

State of Company's Affairs

The Directors consider the state of the Company's affairs to be satisfactory.

Directors

The Directors are appointed by the Shareholder.

Directors' Interests

The following entries were made in the Interests Register of the Company with regard to the Directors:

General:

All Directors are interested in transactions with the Company involving the supply of standard network services, on standard terms and conditions, to premises in which they may have one or more of the following interests:

(a) Owner, either alone or jointly with others.

(b) Parent, child or spouse of another person who may have a material interest in a property.

(c) Director, officer or shareholder of a body corporate which may have a material interest in a property.

(d) Trustee or beneficiary of a trust which may have a material interest in a property.

Because the interest which Directors may have in such transactions is no different in kind, quality, benefit or obligation from transactions which the Company has with other network services customers, it is not intended to list such premises or properties in the Interests Register.

Director	**Company**	**Position**
Neil Boniface		
	Electricity Southland Ltd	Director
	PowerNet Ltd	Director
	Invercargill Licensing Trust	Member
	Invercargill City Council	Deputy Mayor
	Southland Driving School	Director
	Pylon Ltd	Director
	OtagoNet Ltd	Director
	OtagoNet Joint Venture	Member, Management Committee
Philip Mulvey		
	Cook Adam and Co	Managing Partner
	Cook Adam and Co Ltd	Director
	PowerNet Ltd	Chairman
	Bond Contracts Ltd	Director
	Forest Dynamics Ltd	Director
	Zak Holdings Ltd	Chairman
	Southland Outdoor Stadium Trust	Trustee
	United Pacific Energy Ltd	Director
	Focus Computer Consultants Ltd	Director
	Investor Group New Zealand Ltd	Director
	Incompass Ltd	Director
	Pylon Ltd	Director
	ABCO Meats Ltd	Director
	Electricity Southland Ltd	Director
Geoffrey Piercy		
	Invercargill City Council	Councillor
	Pylon Ltd	Director
	Electricity Southland Ltd	Director
	PowerNet Ltd	Director
	Invercargill Te Ara a Kewa Primary Health Organisation	Director
	Grey Power Southland	President
Ross Smith		
	Southland Building Society	Director, Chief Executive Officer
	Southsure Assurance Ltd	Director
	Finance Now Ltd	Director
	Funds Administration NZ Ltd	Director
	Fraser Properties Ltd	Director
	James Hargest High School	Trustee
	PowerNet Ltd	Director
	Pylon Ltd	Director
	Electricity Southland Ltd	Director
	Continuity Contracting Ltd	Director

Directors' Report *continued*

Remuneration of Directors

The following Directors held office during the year under review and were paid fees accordingly:

Neil Boniface	-	Chairman
Philip Mulvey	-	Director
Geoffrey Piercy	-	Director
Ross Smith	-	Director

Remuneration paid or due and payable to Directors for services as a Director and in any other capacity for Electricity Invercargill Limited, during the year was:

Neil Boniface	$26,000	Geoffrey Piercy	$14,000
Philip Mulvey	$14,000	Ross Smith	$14,000

Remuneration paid or due and payable to Directors for services as a Director and in any other capacity for PowerNet Limited during the year was:

Neil Boniface	$15,000	Geoffrey Piercy	$15,000
Philip Mulvey	$30,000	Ross Smith	$15,000

Employee Remuneration

No employees or former employees received remuneration to the value of $100,000 or greater during the year.

Donations

Donations of $301 were made during the year.

Use of Company Information

During the year the Board received no notices from the Directors of the Company requesting to use Company information received in their capacity as Directors which would not otherwise have been made available to them.

Directors' and Employees' Indemnity and Insurance

Liability Insurance was effected for Directors of the Company.

Accounting Policies

There have been no changes in accounting policies during the year. These have been applied on a basis consistent with those used in the previous year.

Auditor Remuneration

It is proposed that the Auditor, Audit New Zealand on behalf of the Controller and Auditor-General, continues in office in accordance with Section 70 of the Local Government Act 2002.

Refer to Note 3 of the Consolidated Financial Statements for Auditor remuneration.

For and on behalf of the Directors.

Neil Boniface
Chairman

Philip Mulvey
Deputy Chairman

Approval By Directors

The Directors have approved for issue the Consolidated Financial Statements of Electricity Invercargill Limited for the year ended 31 March 2006 on pages 5 to 20.

Neil Boniface
Chairman

Philip Mulvey
Deputy Chairman

For and on behalf of the Board of Directors 19 June 2006

Statement of Service Performance *for the year ended 31 March 2006*

The objectives of Electricity Invercargill Limited for this financial year are clearly specified in the Statement of Intent, which was approved by the Shareholder. The performance targets and measures identified in the Statement of Intent, along with the performance achieved during the financial year, are detailed below.

Performance Targets

	Target	Achievement	
	Year Ended 31 March 2006 $000	Year Ended 31 March 2006 $000	Year Ended 31 March 2005 $000
Financial Measures			
Operating Profit Before Tax	6,423	6,652	6,154
Earnings Before Interest and Tax (EBIT%)	9.57%	9.87%	9.41%
Return on Equity %	9.11%	9.59%	9.48%
Equity to Total Assets %	70.53%	70.97%	68.23%

Network Reliability Performance

	Target	Achievement 2006	Achievement 2005
System Average Interruption Duration Index (SAIDI)			
The average total time in minutes each customer connected to the network is without supply.			
SAIDI	35.00	19.08	15.00
System Average Interruption Frequency Index (SAIFI)			
The average number of times each customer connected to the network is without supply.			
SAIFI	1.00	0.54	0.28
Other Network Reliability Performance Measures			
Total number of interruptions		24.00	20.00
Faults per 100km of line		10.04	20.90

The Directors have reasonable assurance that the performance data of the company is free from material misstatement and is a reliable measure of the network's performance. However, there is an inherent risk as there is no independent evidence to verify the accuracy of the information recorded.

Supplementary Information

	2006	2005
Network Statistics		
Length of overhead line	89km	91km
Length of underground cable	605km	604km
Transformer capacity MVA	145	144
Maximum demand kW	57,859	60,610
Energy into network GWh	277	283
Total consumers	16,889	16,842

Consolidated Statement of Financial Performance *for the year ended 31 March 2006*

	Note	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Operating Revenue	(2)	19,184	18,376	10,283	10,422
Operating Expenses	(3)	(12,532)	(12,222)	(4,143)	(4,116)
Operating Surplus Before Taxation		**6,652**	**6,154**	**6,140**	**6,306**
Less Taxation Expense	(4)	(1,089)	(869)	(898)	(787)
Net Surplus After Taxation		**5,563**	**5,285**	**5,242**	**5,519**

Consolidated Statement of Movements in Equity *for the year ended 31 March 2006*

	Note	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Total Recognised Revenues and Expenses					
Net Surplus for the Period		5,563	5,285	5,242	5,519
Revaluation of Assets		-	111	-	111
		5,563	5,396	5,242	5,630
Distributions to Shareholders					
- Dividend Declared and Paid		(3,300)	(3,100)	(3,300)	(3,100)
		(3,300)	(3,100)	(3,300)	(3,100)
Movements in Equity for the Period		**2,263**	**2,296**	**1,942**	**2,530**
Equity at Beginning of Period		**55,768**	**53,472**	**56,476**	**53,946**
Equity at End of Period	(5)	**58,031**	**55,768**	**58,418**	**56,476**

The accompanying notes on pages 9 to 20 form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Financial Position *as at 31 March 2006*

	Note	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Equity					
Share Capital	(5)	13,000	13,000	13,000	13,000
Reserves	(5)	30,740	30,740	30,740	30,740
Retained Earnings	(5)	14,291	12,028	14,678	12,736
Total Equity		**58,031**	**55,768**	**58,418**	**56,476**
Represented By:					
Current Assets					
Cash and Bank Deposits	(6)	1,774	2,469	416	964
Receivables & Prepayments	(7)	2,013	1,657	895	1,311
Inventories		36	31	-	-
Construction Work in Progress		17	81	-	-
Provision for Tax		-	584	33	550
Total Current Assets		**3,840**	**4,822**	**1,344**	**2,825**
Non Current Assets					
Investments in Associates	(8)	1,747	1,108	1,171	743
Investment in Joint Venture		-	-	1,650	1,250
Investments in Subsidiaries	(9)	-	-	26,971	26,901
Property, Plant and Equipment	(11)	72,041	71,666	49,090	48,873
Capital Work in Progress		1,133	937	878	721
Intangibles	(12)	3,014	3,199	-	-
Total Non Current Assets		**77,935**	**76,910**	**79,760**	**78,488**
Total Assets		**81,775**	**81,732**	**81,104**	**81,313**
Current Liabilities					
Creditors and Accruals	(13)	2,316	2,242	1,386	1,237
Provision for Employee Entitlements	(14)	122	122	-	-
Provision for Dividend	(14)	2,300	3,100	2,300	3,100
Provision for Taxation		6	-	-	-
Shareholder Advance	(15)	1,000	1,500	1,000	1,500
Total Current Liabilities		**5,744**	**6,964**	**4,686**	**5,837**
Non Current Liabilities					
Shareholder Advance	(15)	18,000	19,000	18,000	19,000
Total Non Current Liabilities		**18,000**	**19,000**	**18,000**	**19,000**
Total Liabilities		**23,744**	**25,964**	**22,686**	**24,837**
Net Assets		**58,031**	**55,768**	**58,418**	**56,476**

The accompanying notes on pages 9 to 20 form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows *for the year ended 31 March 2006*

	Note	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Was Provided From:					
Receipts from Customers		18,538	17,762	9,012	8,131
Interest Received		329	200	347	191
Dividends Received		-	376	1,294	1,492
Taxation Refunds		504	17	471	2
		19,371	18,355	11,124	9,816
Cash Was Disbursed To:					
Payments to Suppliers and Employees		7,804	7,074	422	294
Income Tax Paid		1,003	1,309	920	1,196
Interest Paid		1,449	1,532	1,449	1,532
		10,256	9,915	2,791	3,022
Net Cash Flows From Operating Activities	(16)	**9,115**	**8,440**	**8,333**	**6,794**
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash Was Provided From:					
Sale of Property, Plant and Equipment		19	17	16	17
Associates Advances Repaid		500	-	500	-
		519	17	516	17
Cash Was Applied To:					
Purchase of Property, Plant and Equipment		3,590	2,662	2,399	1,917
Investments in Associates		211	54	-	-
Advances to Associates		928	301	1,398	301
Investments		-	58	-	58
		4,729	3,075	3,797	2,276
Net Cash Flows Used in Investing Activities		**(4,210)**	**(3,058)**	**(3,281)**	**(2,259)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash Was Provided From:					
Shareholder Advance		-	-	-	-
		-	-	-	-
Cash Was Applied To:					
Dividend Payment		4,100	2,600	4,100	2,600
Repayment of Shareholder Advance		1,500	1,500	1,500	1,500
		5,600	4,100	5,600	4,100
Net Cash Flows From/(Used in) Financing Activities		**(5,600)**	**(4,100)**	**(5,600)**	**(4,100)**
Net Increase/(Decrease) in Cash Held		(695)	1,282	(548)	435
Add Opening Cash Brought Forward		2,469	1,187	964	529
Closing Cash To Be Carried Forward		**1,774**	**2,469**	**416**	**964**

The accompanying notes on pages 9 to 20 form part of and should be read in conjunction with these financial statements.

1. Statement of Accounting Policies

Reporting Entity

The parent entity, Electricity Invercargill Limited was incorporated on 30 June 1991 and is registered under the Companies Act 1993. The Company is a wholly owned subsidiary of Invercargill City Holdings Limited. The group consists of Electricity Invercargill Limited, its subsidiaries and associates (refer to note 8 and note 9).

The financial statements have been prepared in accordance with the requirements of the Energy Companies Act 1992, the Companies Act 1993 and the Financial Reporting Act 1993.

The principal activity of Electricity Invercargill Limited is the provision of electricity distribution services.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis are followed by the Group, with the exception that certain property, plant and equipment have been revalued.

Specific Accounting Policies

All policies relate to both Group and Parent.

a) Principles of Consolidation

The Parent financial statements are prepared from the financial statements of Electricity Invercargill Limited.

The Group financial statements include the parent company (as outlined above), its subsidiaries, joint ventures and associates using both the line-by-line and equity methods where appropriate.

All significant inter-company transactions have been eliminated on consolidation.

b) Revenue

Network Charges

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Investment Income

Interest and dividend income are accounted for as earned.

Customer Contributions

Contributions from customers in relation to the construction of new lines for the network are accounted for as income in the year in which they are received.

c) Receivables

Receivables are stated at their estimated realisable value. All known losses are written off in the period in which it becomes apparent that the debts are not collectable.

d) Inventories

Inventories are stated at the lower of cost at weighted average cost price, and net realisable value. Obsolete items of inventory (if any) have been written off.

e) Investments

Investments are stated at cost.

f) Property, Plant and Equipment

All property, plant and equipment is initially recorded at cost less accumulated depreciation. The cost of purchased property, plant and equipment is the fair 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.

Revaluation

The Electricity Invercargill Limited network assets were revalued as at 31 March 2004 to Depreciated Replacement Cost (DRC) as assessed by independent valuers PricewaterhouseCoopers. Previously these assets were recorded at cost less accumulated depreciation

Network assets are revalued on a cyclical basis with no asset being recognised at a valuation undertaken more than five years previously. Revaluation increments are transferred to the Asset Revaluation Reserve.

g) Depreciation

Depreciation is provided on a combination of straight line and diminishing value on all tangible property, plant and equipment with the exception of land easements and information systems data, at rates calculated to allocate the costs of the assets, less any estimated residual value, over their estimated useful lives.

The primary annual rates used are:

Buildings	1.0-15%	Straight Line/Diminishing Value
Network Assets	1.4-15.0%	Straight Line
Plant and Equipment	5.0-48%	Straight Line/Diminishing Value
Motor Vehicles	18.0-31.2%	Diminishing Value
Office Furniture and EDP Equipment	5.0-60.0%	Straight Line/Diminishing Value

h) Impairment

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the Statement of Financial Performance.

i) Capital Work in Progress

Capital Work In Progress is stated at cost and is not depreciated. It includes an accrual for the proportion of work completed at the end of the period.

j) Intangibles

Goodwill arising on the acquisition of a business represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired. The carrying value will be reviewed annually by the Directors and adjusted for impairment where it is considered necessary.

Goodwill is amortised to the Statement of Financial Performance over 20 years.

k) Income Tax

The income tax expense charged against the profit for the year is the estimated liability in respect of that profit and is calculated after allowance for permanent differences and timing differences not expected to reverse in future periods. This is the partial basis for the calculation of deferred taxation. The Company uses the liability method of accounting for deferred taxation. Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

l) Goods and Services Tax

All amounts in the financial statements have been shown exclusive of Goods and Services Tax, with the exception of receivables and payables which are shown inclusive of Goods and Services Tax.

m) Financial Instruments

The Group is party to financial instrument arrangements as part of its everyday operations. Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance on an accrual basis.

The Group has no off-balance sheet exposures. The Group values all financial instruments at fair value in the Statement of Financial Position.

n) Operating Leases

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

o) Employee Entitlements

Provision is made in respect of the Company's liability for annual and long service leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Changes in Accounting Policies

There have been no changes in accounting policies during the year ended 31 March 2006.

	GROUP		PARENT	
	2006 $000	2005 $000	2006 $000	2005 $000
2. Operating Revenue				
Network Charges	17,737	16,909	8,604	8,645
Interest Revenue	384	204	345	206
Share of Retained Surplus of Associates	284	179	-	-
Dividends Received	-	376	1,294	1,492
Other Income	779	708	40	79
	19,184	**18,376**	**10,283**	**10,422**
3. Operating Expenses				
Operating Expenses Include:				
Amortisation of Goodwill	186	244	-	58
Auditors Remuneration				
• Audit of Financial Report				
- Audit New Zealand	27	30	27	30
- PricewaterhouseCoopers	11	11	-	-
- Deloitte	8	7	-	-
• Other Services				
- PricewaterhouseCoopers	28	20	16	16
- Audit New Zealand	8	11	8	11
- Deloitte	-	2	-	-
Bad Debts Written Off	3	1	-	-
Depreciation				
• Buildings	12	14	-	-
• Office Equipment & EDP Equipment	69	76	-	-
• Motor Vehicles	-	-	-	-
• Plant & Equipment	23	31	-	-
• Metering Assets	281	314	281	314
• Network Assets	2,562	2,512	1,707	1,676
	2,947	2,947	1,988	1,990
Directors' Fees	149	126	68	60
Donations	-	3	-	-
Interest Expense	1,415	1,540	1,415	1,540
Operating Lease Expenses:				
- Tenancy and Repeater Site Leases	26	20	-	-
- Motor Vehicle Leases	36	30	-	-
- Office Equipment Leases	4	5	-	-
Loss on Disposal of Property, Plant and Equipment	52	25	22	20
Subvention Payment	147	32	147	14

4. Taxation

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Operating Surplus Before Taxation	**6,652**	**6,154**	**6,140**	**6,306**
Timing Differences	(703)	(756)	234	295
Permanent Differences:				
- Group Loss Offsets	(2,250)	(2,000)	(2,250)	(2,258)
- Other	(168)	10	(1,176)	(1,182)
Taxable Income	**3,531**	**3,408**	**2,948**	**3,161**
Prima Facie Taxation at 33%	1,165	1,125	973	1,043
Imputation Credits	-	-	-	-
Under/(Over) Provisions in Prior Years	(76)	(256)	(75)	(256)
Taxation Expense for Year	**1,089**	**869**	**898**	**787**

Tax Losses Transferred Within the Group

The tax expense is calculated on the assumption that:

- Tax losses of $2,250,000 (31 March 2005: $2,000,000) with a tax benefit of $743,000 (31 March 2005: $660,000) have been transferred from Invercargill City Holdings Limited Group by way of group loss offset.
- Tax losses of Nil (31 March 2005: $258,000) with a tax benefit of Nil (31 March 2005: $85,000) have been transferred from Pylon Limited Group by way of group loss offset.

The Parent and Group tax liability in relation to the 2005 year was reduced by actual losses transferred from other group companies, as follows:

• Loss offset from ICC Group	$1,928,639
• Loss offset from Pylon Limited Group	$258,412
• Subvention payment to ICC Group	$147,435

The Group has an unrecorded deferred tax liability of $9,849,000 (31 March 2005: $8,844,000). The Parent has an unrecorded deferred tax liability of $7,577,000 (31 March 2005: $7,146,000).

	PARENT 2006 $000	PARENT 2005 $000
Imputation Credit Account:		
Credit Balance at Beginning of Period	1,129	1,327
Credits:		
Income Tax Payments During Period	920	1,196
Imputation Credits on Dividend Received	-	34
Imputation Credits Transferred	360	-
Debits:		
Imputation Credits on Dividend Paid	(2,019)	(1,428)
Imputation Credits prior period adjustment on Dividends paid	149	-
Imputation Credits on Tax Refund	(469)	-
Imputation Credits Transferred	(70)	-
Credit Balance at End of Period	**-**	**1,129**

The Imputation Credit Account relates to Electricity Invercargill Limited only.

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
5. Equity				
Paid up Capital				
Authorised and fully paid up share capital of 13,000,000 ordinary shares	13,000	13,000	13,000	13,000
Reserves				
General Reserve	2,800	2,800	2,800	2,800
Revaluation Reserve Opening Balance	27,940	27,829	27,940	27,829
Network Revaluation	-	111	-	111
Revaluation Reserve Closing Balance	27,940	27,940	27,940	27,940
Total Reserves	30,740	30,740	30,740	30,740
Retained Earnings				
Opening Balance	12,028	9,843	12,736	10,317
Net Surplus	5,563	5,285	5,242	5,519
Dividend Declared and Paid	(3,300)	(3,100)	(3,300)	(3,100)
Closing Balance	14,291	12,028	14,678	12,736
Total Equity	**58,031**	**55,768**	**58,418**	**56,476**
6. Cash and Bank Deposits				
Current Account	144	375	6	24
Bank Deposits (Short term)	1,630	2,094	410	940
Total Cash and Bank Deposits	**1,774**	**2,469**	**416**	**964**
7. Receivables & Prepayments				
Trade Debtors	1,924	1,587	879	1,310
Prepayments	89	70	16	1
Total Receivables & Prepayments	**2,013**	**1,657**	**895**	**1,311**

8. Associate Companies

	Percentage Held By Group 2006	2005	Balance Date	Principal Activity
Otago Power Services Limited	24.5%	24.5%	31 March	Electricity Contracting Business
Electricity Southland Limited	50%	50%	31 March	Electricity Lines Business
Continuity Contracting Limited	25%	25%	31 March	Electricity Contracting Business

	GROUP 2006 $000	GROUP 2005 $000
The Group Share of the results of its associate entities are as follows:		
Share of Surplus before Taxation	440	178
Less Taxation Expense	(156)	(60)
Total Recognised Revenues and Expenses	**284**	**118**
The Group's Interests in associate entities are as follows:		
Carrying Amount at Beginning of Period	1,108	753
Investments in Associates	-	10
Total Recognised Revenue and Expenses	284	118
Increase in Advances to Associates	429	301
Dividends from Associates	(74)	(74)
Carrying Amount at End of Period	**1,747**	**1,108**

9. Investment in Subsidiaries

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Shares in Subsidiaries	-	-	26,901	26,901
Advances to Subsidiaries	-	-	70	-
Total Investment in Subsidiary	**-**	**-**	**26,971**	**26,901**

Subsidiaries:

	Percentage Held By Group 2006	2005	Balance Date
Pylon Limited	100%	100%	31 March

10. Investments in Joint Ventures

The Group has a participating interest in the following Joint Ventures through its wholly owned subsidiary Pylon Limited.

	Percentage Held By Group 2006	Percentage Held By Group 2005	Balance Date
PowerNet Limited	50%	50%	31 March
OtagoNet Joint Venture	24.5%	24.5%	31 March

	GROUP 2006 $000	GROUP 2005 $000
Financial Performance		
The Group's operating revenues and share of expenses for the period, consolidated on a line-by-line basis was:		
Revenue	18,146	17,598
Expenses	8,004	8,127
Financial Position		
The Group's share of assets and liabilities consolidated on a line-by-line basis was:		
Current Assets	2,529	1,963
Non Current Assets	26,221	26,207
Current Liabilities	1,957	1,775
Non Current Liabilities	-	-

11. Property, Plant and Equipment

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Land (At Cost)	54	54	-	-
Buildings (At Cost)	473	471	-	-
Accumulated Depreciation	(138)	(125)	-	-
	335	346	-	-
Office Equipment & EDP (At Cost)	1,225	1,157	-	-
Accumulated Depreciation	(844)	(786)	-	-
	381	371	-	-
Motor Vehicles (At Cost)	-	2	-	-
Accumulated Depreciation	-	(2)	-	-
	-	-	-	-
Plant and Equipment (At Cost)	548	567	-	-
Accumulated Depreciation	(422)	(396)	-	-
	126	171	-	-
Metering Assets (At Cost)	6,220	7,039	6,220	7,039
Accumulated Depreciation	(2,763)	(3,439)	(2,763)	(3,439)
	3,457	3,600	3,457	3,600
Network Assets (At Valuation and Cost)	74,186	71,070	49,021	46,959
Accumulated Depreciation	(6,498)	(3,946)	(3,388)	(1,686)
	67,688	67,124	45,633	45,273
Total Property, Plant and Equipment	**72,041**	**71,666**	**49,090**	**48,873**

Network Assets

The network assets of Electricity Invercargill Limited were revalued as at 31 March 2004 to Depreciated Replacement Cost as assessed by independent valuers PricewaterhouseCoopers.

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
12. Intangibles				
Goodwill on Acquisition	3,768	3,768	58	58
Amortised During Period	(186)	(244)	-	(58)
Previously Amortised	(568)	(325)	(58)	-
Total Amortised	(754)	(569)	(58)	(58)
Total Intangibles	**3,014**	**3,199**	**-**	**-**

Goodwill arising on the acquisition of a business represents the balance of the purchase consideration in addition to the fair value for financial reporting purposes of the identifiable net assets acquired.

This valuation approach, while generally being more objective for financial reporting purposes, does have limitations. This is due to certain assets of the infrastructure purchased, such as easements, consents, existing use rights and information system data, not being recognised.

Goodwill arising on the acquisition of the Otago Power Limited electricity distribution network has been amortised over 20 years as prescribed by FRS36 Accounting for Acquisitions Resulting in Combinations of Entities.

It is the view of the Directors that amortisation of goodwill as prescribed by FRS36 is inappropriate. The assets purchased have an average life of 53 years and were valued and purchased on the basis that they would continue in perpetuity. The Directors believe that amortisation of goodwill over a 20-year period results in the understatement of the operating surplus in these accounts by an amount of $186,000 (31 March 2005: $186,000).

There is considerable industry concern that the acquisition of monopoly assets is not appropriately treated under FRS36, particularly in relation to the establishment of goodwill and the minimum amortisation requirements for goodwill. The adoption of international accounting standards (optional from 2005) will require amortisation on the basis of an annual impairment test.

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
13. Creditors & Accruals				
Trade Creditors & Accruals	2,213	2,132	1,374	1,163
GST Payable	103	110	12	74
Total Creditors & Accruals	**2,316**	**2,242**	**1,386**	**1,237**
14. Provisions				
Provision for Employee Entitlements				
Balance at Beginning of Period	122	105	-	-
Additional Provision Made	104	99	-	-
Amount Utilised	(104)	(82)	-	-
Balance at End of Period	**122**	**122**	**-**	**-**

The provision for employee entitlements relates to employee benefits such as accrued annual leave and long service leave and has been calculated on an actual entitlement basis at current rates of pay. The provision may be affected by the timing of benefits being taken. The liability is expected to be incurred during the next year.

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Provision for Dividend				
Balance at Beginning of Period	3,100	2,600	3,100	2,600
Additional Provision Made	3,300	3,100	3,300	3,100
Amount Utilised	(4,100)	(2,600)	(4,100)	(2,600)
Balance at End of Period	**2,300**	**3,100**	**2,300**	**3,100**

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000

15. Shareholder Advance

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Invercargill City Holdings				
- Current Portion	1,000	1,500	1,000	1,500
- Non Current Portion	18,000	19,000	18,000	19,000
Total Shareholder Advance	**19,000**	**20,500**	**19,000**	**20,500**

This advance is subject to interest at 7%. The advance has no specified repayment Terms.

16. Reconciliation of Net Surplus After Taxation with Net Operating Cash Flows

The following is a reconciliation between the net surplus after taxation shown in the Statement of Financial Performance and the Net Cash Flows From Operating Activities.

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Net Surplus After Taxation	5,563	5,285	5,242	5,519
Plus/(Less) Non Cash Items:				
Depreciation	2,947	2,947	1,988	1,990
Amortisation of Goodwill	185	244	-	58
	3,132	3,191	1,988	2,048
Plus/(Less) Items Classified as Investing:				
Loss on Sale of Property, Plant and Equipment	52	25	21	20
	52	25	21	20
Plus/(Less) Movements in Working Capital:				
Increase/(Decrease) in Creditors, Accruals & Provisions	74	481	149	296
(Increase)/Decrease in Receivables	(355)	(113)	416	(682)
(Increase)/Decrease in Inventories	59	(7)	-	-
Increase/(Decrease) in Provision for Taxation	590	(422)	517	(407)
	368	(61)	1,082	(793)
Net Cash Flows From Operating Activities	**9,115**	**8,440**	**8,333**	**6,794**

17. Commitments

Capital Commitments

Capital Expenditure contracted for at balance date, but not provided for in the Financial Statements totals $192,000 (31 March 2005: Nil).

	GROUP 2006 $000	GROUP 2005 $000	PARENT 2006 $000	PARENT 2005 $000
Operating Lease Commitments				
Operating lease commitments are payable as follows:				
- Not later than one year	41	22	-	-
- Later than one year and not later than two years	17	10	-	-
- Later than two years and not later than five years	16	10	-	-
- Later than five years	-	-	-	-
Total Operating Lease Commitments	**74**	**42**	**-**	**-**

18. Contingent Liabilities

There are no Contingent Liabilities as at 31 March 2006 (31 March 2005: Nil).

19. Financial Instruments

Off Balance Sheet Financial Instruments -

The Group does not have any off balance sheet financial instruments.

Credit Risk -

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

Financial instruments which potentially subject the Group to credit risk principally consist of cash, short-term deposits and accounts receivable. Bank deposits are placed with high credit quality financial institutions. The Group performs credit evaluations on all customers requiring credit and generally does not require collateral.

Maximum exposures to credit risk at balance date are:

	GROUP		PARENT	
	2006 $000	2005 $000	2006 $000	2005 $000
Current Account	144	375	6	24
Short Term Deposits	1,630	2,094	410	940
Receivables	1,924	1,587	879	1,310
	3,698	**4,056**	**1,295**	**2,274**

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Concentrations of Credit Risk -

The Group is exposed to a concentration of credit risk by one significant energy retailer. This entity is considered to be a high quality entity.

Foreign Exchange Risk -

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is not exposed to any foreign exchange risk.

Interest Rate Risk -

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to normal fluctuations in market interest rates except for an arrangement to fix the interest rates through Electricity Invercargill Limited's parent company Invercargill City Holdings Limited.

Fair Values -

The estimated fair value of the Group's financial instruments are represented by the carrying values.

20. Segmental Reporting

Electricity Invercargill Limited operates predominantly in one segment, being the management of assets involved in the distribution of electricity in New Zealand.

21. Transactions with Related Parties

Electricity Invercargill Limited is 100% owned by Invercargill City Holdings Limited. Invercargill City Holdings Limited is a wholly owned subsidiary of the Invercargill City Council.

Electricity Invercargill Limited has an interest in the PowerNet Limited joint venture, OtagoNet Joint Venture, Electricity Southland Limited, Otago Power Services Limited and Continuity Contracting Limited through their wholly owned subsidiary Pylon Limited.

All transactions between Electricity Invercargill Limited and related parties relate to the normal trading activities of Electricity Invercargill Limited and have been conducted on a commercial basis.

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

Material transactions Electricity Invercargill Limited has had with the above-mentioned parties during the period are as follows:

	2006 $000	2005 $000
Supplied to:		
PowerNet Limited	8,705	8,728
Electricity Southland Limited	49	20
Otago Power Services Limited	14	-
Continuity Contracting Limited	34	-
Receivables Outstanding at Balance Date		
PowerNet Limited	840	1,293
Electricity Southland Limited	26	5
Otago Power Services Limited	4	-
Continuity Contracting Limited	8	-
Supplied by:		
PowerNet Limited	2,598	2,027
Electricity Southland Limited	-	-
Invercargill City Holdings Limited	1,514	1,694
Invercargill City Council	204	66
Creditors Outstanding at Balance Date		
PowerNet Limited	654	502
Invercargill City Holdings Limited	342	9
Invercargill City Council	56	-

Other Related Parties

There have been no material transactions with Directors with the exception of the following:

Electricity Invercargill Limited, through its joint venture interest in PowerNet Limited, uses AWS Legal as its solicitors, of which Alan Harper is a Partner. Electricity Invercargill Limited's share of fees paid to AWS Legal during the year amounted to $6,000 (31 March 2005: $16,000) of which $1,000 (incl GST) (31 March 2005: $500 (incl GST)) is owing at balance date.

All transactions between PowerNet Limited and AWS Legal relate to normal trading activities and have been conducted on a commercial basis.

Electricity Invercargill Limited has held term investments with Southland Building Society of which Ross Smith is Chief Executive.

Electricity Invercargill Limited received $77,000 interest (paid and accrued) during the year from Southland Building Society (31 March 2005: $13,000) but holds no term investment at balance date (31 March 2005: $500,000).

22. Disclosing the Impact of Adopting NZ International Financial Reporting Standards (NZ IFRS)

At the date of this report a project group has been established which will assess the impact of adopting the New Zealand equivalents to New Zealand International Financial Reporting Standards (NZ IFRS) on Electricity Invercargill Limited.

The project team has commenced a process of identifying those standards likely to impact on the Group's accounting policies, financial position, financial performance and disclosure but has not yet quantified the effect. The standards identified as likely to have some impact are as follows:

NZ IFRS 1 – First Time Adoption of New Zealand Equivalents to International Financial Reporting Standards
NZ IFRS 3 – Business Combinations
NZ IAS 12 – Income Taxes
NZ IAS 16 – Property, Plant & Equipment
NZ IAS 17 – Leases
NZ IAS 18 – Revenue
NZ IAS 19 – Employee Benefits
NZ IAS 38 – Intangible Assets

Until the project team has completed the quantification phase of this exercise it is unable to conclude if the impact of adoption of NZ IFRS will result in a material variation in the Company's accounting policies and financial statements.

Electricity Invercargill Limited is required to adopt NZ IFRS no later than for the year ending 31 March 2008. However, because of local government involvement in the wider group of companies, Electricity Invercargill Limited is required to adopt at the earlier date of 31 March 2007. The project team is confident it will be able to achieve its plan for NZ IFRS implementation by that date.

The above differences from current accounting policy have not been quantified as, at this stage, Electricity Invercargill Limited is unable to reliably quantify the effects. On adoption of NZ IFRS the majority of the transitional adjustments required will be made, retrospectively, against opening equity.

The areas identified above should not be taken as an exhaustive list of all the differences between New Zealand Financial Reporting Standards (NZ FRS) and NZ IFRS.

The impacts discussed are based on management's current interpretation of the standards that have been released to date. There is potential for the significance of the impact to change when Electricity Invercargill Limited prepares its first set of NZ IFRS financial statements due to changes in the standards, changes in our business, or changes in management's interpretation of the standards.

Electricity Invercargill Limited intends to provide further information, including quantifying the impacts of transitioning to NZ IFRS in the Group's interim financial statements for the period ending 30 September 2006.

Report of the Auditor-General

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

TO THE READERS OF ELECTRICITY INVERCARGILL LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2006

The Auditor-General is the auditor of Electricity Invercargill Limited (the Company) and Group. The Auditor-General has appointed me, Tony Uttley, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company, on his behalf, for the year ended 31 March 2006.

Unqualified Opinion

In our opinion:

- The financial statements of the Company and Group on pages 3 to 21:
  - — comply with generally accepted accounting practice in New Zealand; and
  - — give a true and fair view of:
    - the Company and Group's financial position as at 31 March 2006; and
    - the results of its operations and cash flows for the year ended on that date.
- The performance information of the Company and Group on page 2 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 31 March 2006
- Based on our examination the Company and Group kept proper accounting records.

The audit was completed on 19 June 2006, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must give a true and fair view of the financial position of the Company and Group as at 31 March 2006. They must also give a true and fair view of the results of its operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 31 March 2006. The Board of Directors' responsibilities arise from the Energy Companies Act 1992 and the Financial Reporting Act 1993.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45(1) of the Energy Companies Act 1992.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Company and Group.

A. Uttley

A Uttley
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Electricity Invercargill Limited and Group for the year ended 31 March 2006 included on Electricity Invercargill Limited's website. Electricity Invercargill Limited's Board is responsible for the maintenance and integrity of Electricity Invercargill Limited's website. We have not been engaged to report on the integrity of Electricity Invercargill Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 19 June 2006 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.