

MARLBOROUGH LINES LIMITED - LINES BUSINESS

Financial Statements Prepared in Accord with The Electricity Information Disclosure Requirements 2004

<u>STATEMENT OF FINANCIAL PERFORMANCE</u>	Notes	2004	2003
For the Year Ended 31 March 2004		\$000	\$000
Operating Revenue			
Revenue from line/access charges		16,316	15,554
Revenue from "Other" business for services carried out by the line business		109	460
Interest on cash, bank balances and short term investments		378	228
AC loss-rental rebates		524	391
Other operating revenue	2	2,234	264
Total Operating Revenue		19,561	16,897
Operating Expenditure			
Payment for transmission charges		3,229	3,315
Transfer payments to the "Other" business for:			
Asset maintenance		1,103	1,268
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		43	35
Royalty and patent expenses		-	-
Avoided transmission charges on account of own generation		-	-
Other goods and services		625	407
Total transfer payment to the "Other" business		1,771	1,710
Expense to entities that are not related parties for:			
Asset maintenance		658	630
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		-	-
Royalty and patent expenses		-	-
Total of specified expenses to non-related parties		658	630
Employee salaries, wages and redundancies		1,585	1,429
Consumer billing and information system expense		307	142
Depreciation on:			
System fixed assets		3,794	1,408
Other assets		387	300
Total depreciation	10	4,181	1,708
Amortisation of:			
Goodwill		-	-
Other intangibles		-	-
Total amortisation of intangibles		-	-
Corporate and administration		470	582
Human resource expenses		240	221
Marketing/advertising		79	111
Merger and acquisition expenses		-	-
Takeover defence expenses		-	-
Research and development expenses		-	-
Consultancy and legal expenses		92	118
Donations		31	10
Directors' fees		150	149

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL PERFORMANCE (continued)		Notes	2004	2003
For the Year Ended 31 March 2004			\$000	\$000
Auditors' fees:				
	Audit fees paid to principal auditors		42	38
	Audit fees paid to other auditors		-	-
	Fees paid for other services provided by principal and other auditors		8	9
	Total auditors' fees		50	47
Costs of offering credit:				
	Bad debts written off		(3)	(3)
	Increase in estimated doubtful debts		-	-
	Total cost of offering credit		(3)	(3)
	Local authority rates expense		69	67
	AC loss-rentals rebates expense		-	-
	Discount to consumers		4,000	4,001
	Subvention payments		-	-
	Unusual expenses		-	-
	Other expenditure		381	775
	Total Operating Expenditure		17,290	15,012
	Operating Surplus Before Interest and Income Tax		2,271	1,885
Interest Expense				
	Interest expense on borrowings		-	-
	Financing charges related to finance leases		-	-
	Other interest expense		-	2
	Total Interest Expense		-	2
	Operating Surplus Before Income Tax		2,271	1,883
Income Tax		3	1,159	605
	Net Surplus After Tax		1,112	1,278

STATEMENT OF MOVEMENTS IN EQUITY		Notes	2004	2003
For the Year Ended 31 March 2004			\$000	\$000
Equity At Beginning Of Year				
			23,984	22,946
	Net Surplus For Year		1,112	1,278
	Revaluations	6	89,819	-
	Total Recognised Revenues And Expenses For The Period		90,931	1,278
	Dividend Provided		(150)	-
	Transfer Of Non Lines Assets		839	(240)
	Equity At End Of Year		115,604	23,984

The accompanying notes form an integral part of these financial statements.