

REPORT OF THE AUDITOR-GENERAL

TO THE READERS OF THE FINANCIAL STATEMENTS OF MARLBOROUGH LINES LIMITED – LINES BUSINESS FOR THE YEAR ENDED 31 MARCH 2005

We have audited the attached financial statements of Marlborough Lines Limited Lines Business. The financial statements provide information about the past financial performance of Marlborough Lines Limited and its financial position as at 31 March 2005. This information is stated in accordance with the accounting policies.

Directors' Responsibilities

The Commerce Commission's Electricity Information Disclosure Requirements 2004 made under section 57T of the Commerce Act 1986 require the Directors to prepare financial statements which give a true and fair view of the financial position of Marlborough Lines Limited – Lines Business as at 31 March 2005 and the results of its operations and cash flows for the year ended on that date.

Auditor's Responsibilities

Section 15 of the Public Audit Act 2001 and Requirement 30 of the Electricity (Information Disclosure) Requirements 2004 require the Auditor-General to audit the financial statements. It is the responsibility of the Auditor-General to express an independent opinion on the financial statements and report that opinion to you.

The Auditor-General has appointed G R Mitchell of Deloitte to undertake the audit.

Basis of Opinion

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

- the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- whether the accounting policies are appropriate to Marlborough Lines Limited – Lines Business' 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 Marlborough Lines Limited.

Unqualified Opinion

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

In our opinion:

- proper accounting records have been maintained by Marlborough Lines Limited as far as appears from our examination of those records; and
- the attached financial statements of Marlborough Lines Limited – Lines Business;
 - a) comply with generally accepted accounting practice; and
 - b) give a true and fair view of Marlborough Lines Limited – Lines Business' financial position as at 31 March 2005 and the results of its operations and cash flows for the year ended on that date; and
 - c) comply with the Electricity (Information Disclosure) Requirements 2004.

Our audit was completed on 16 August 2005 and our unqualified opinion is expressed as at that date.



G. R. Mitchell
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand