

MARLBOROUGH LINES LIMITED - LINES BUSINESS

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

<u>STATEMENT OF FINANCIAL PERFORMANCE</u> For the Year Ended 31 March 2006	Notes	2006 \$000	2005 \$000
Operating Revenue			
Revenue from line/access charges		21,465	18,771
Revenue from "Other" business for services carried out by the line business (transfer payment)		-	-
Interest on cash, bank balances and short term investments		367	481
AC loss-rental rebates		597	267
Other operating revenue	2	4,008	2,440
Total Operating Revenue		26,437	21,959
Operating Expenditure			
Payment for transmission charges		3,392	3,413
Transfer payments to the "Other" business for:			
Asset maintenance		1,406	1,191
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		12	36
Royalty and patent expenses		-	-
Avoided transmission charges on account of own generation		-	-
Other goods and services		474	499
Total transfer payment to the "Other" business		1,892	1,726
Expense to entities that are not related parties for:			
Asset maintenance		495	694
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		-	-
Royalty and patent expenses		-	-
Total of specified expenses to non-related parties		495	694
Employee salaries, wages and redundancies		2,224	1,870
Consumer billing and information system expense		280	114
Depreciation on:			
System fixed assets		4,025	3,889
Other assets		1,020	726
Total depreciation	9	5,045	4,615
Amortisation of:			
Goodwill		-	-
Other intangibles		-	-
Total amortisation of intangibles		-	-
Corporate and administration		722	952
Human resource expenses		514	325
Marketing/advertising		42	83
Merger and acquisition expenses		-	-
Takeover defence expenses		-	-
Research and development expenses		-	-
Consultancy and legal expenses		87	92
Donations		26	14
Directors' fees		181	166
Auditors' fees:			
Audit fees paid to principal auditors		60	35
Audit fees paid to other auditors		-	-
Fees paid for other services provided by principal and other auditors		8	8
Total auditors' fees		68	43

Costs of offering credit:			
Bad debts written off		-	-
Increase in estimated doubtful debts		1	1
	Total cost of offering credit	1	1
Local authority rates expense		66	61
AC loss-rentals rebates expense		-	-
Discount to consumers		4,170	4,100
Subvention payments		-	-
Unusual expenses		-	-
Other expenditure		648	532
	Total Operating Expenditure	19,853	18,801
	Operating Surplus Before Interest and Income Tax	6,584	3,158
Interest Expense			
Interest expense on borrowings		-	-
Financing charges related to finance leases		-	-
Other interest expense		1	1
	Total Interest Expense	1	1
	Operating Surplus Before Income Tax	6,583	3,157
Income Tax			
		3	1,589
	Net Surplus After Tax	4,994	1,781

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