

**MARLBOROUGH LINES LIMITED - LINES BUSINESS**

**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	2,271				
Operating surplus before interest and income tax adjusted pursuant to requirement 18 (OSBIIT)	2,271				
Interest on cash, bank balances, and short-term investments (ISTI)	378				
<b>OSBIIT minus ISTI</b>	1,893	a	1,893		1,893
Net surplus after tax from financial statements	1,112				
Net surplus after tax adjusted pursuant to requirement 18 (NSAT)	1,112	n		1,112	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0
<b>Subvention payment</b>	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	3,794				
Depreciation of SFA at ODV (y)	3,847				
<b>ODV depreciation adjustment</b>	-53	d	add -53	add -53	add -53
<b>Subvention payment tax adjustment</b>	0	s*t		deduct 0	deduct 0
<b>Interest tax shield</b>	-125	q			deduct -125
<b>Revaluations</b>	22,483	r			add 22,483
<b>Income tax</b>	1,159	p			deduct 1,159
<b>Numerator</b>			<b>1,840</b>	<b>1,059</b>	<b>23,289</b>
			$OSBIIT^{ADJ} = a+g+s+d$	$NSAT^{ADJ} = n+g+s-s^*+d$	$OSBIIT^{ADJ} = a+g-q+r+s+d-p-s^*t$
Fixed assets at end of previous financial year (FA <sub>0</sub> )	18,971				
Fixed assets at end of current financial year (FA <sub>1</sub> )	114,660				
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	662				
Adjusted net working capital at end of current financial year	325				
<b>Average total funds employed (ATFE)</b>	67,309	c	67,309		67,309
Total equity at end of previous financial year (TE <sub>0</sub> )	23,984				
Total equity at end of current financial year (TE <sub>1</sub> )	115,604				
<b>Average total equity</b>	69,794	k		69,794	
WUC at end of previous financial year (WUC <sub>0</sub> )	383				
WUC at end of current financial year (WUC <sub>1</sub> )	585				
<b>Average total works under construction</b>	484	e	deduct 484	deduct 484	deduct 484
Revaluations	22,483	r			
<b>Half of revaluations</b>	11,241	r/2			deduct 11,241
Intangible assets at end of previous financial year (IA <sub>0</sub> )	0				
Intangible assets at end of current financial year (IA <sub>1</sub> )	0				
<b>Average total intangible asset</b>	0	m		deduct 0	
Subvention payment at end of previous financial year (S <sub>0</sub> )	0				
Subvention payment at end of current financial year (S <sub>1</sub> )	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
<b>Average subvention payment &amp; related tax adjustment</b>	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA <sub>bv0</sub> )	15,539				
System fixed assets at end of current financial year at book value (SFA <sub>bv1</sub> )	108,037				
<b>Average value of system fixed assets at book value</b>	61,788	f	deduct 61,788	deduct 61,788	deduct 61,788
System Fixed assets at year beginning at ODV value (SFA <sub>odv0</sub> )	76,992				
System Fixed assets at end of current financial year at ODV value (SFA <sub>odv1</sub> )	100,396				
<b>Average value of system fixed assets at ODV value</b>	88,694	h	add 88,694	add 88,694	add 88,694
<b>Denominator</b>			<b>93,731</b>	<b>96,216</b>	<b>82,490</b>
			$ATFE^{ADJ} = c-e-f+h$	$AveTE^{ADJ} = k-e-m+v-$	$ATFE^{ADJ} = c-e-1/2r-f+h$
			<b>1.96</b>	<b>1.10</b>	<b>28.23</b>
			$ROF = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$	$ROE = NSAT^{ADJ} / ATE^{ADJ} \times 100$	$ROI = OSBIIT^{ADJ} / ATFE^{ADJ} \times 100$
<b>Financial Performance Measure:</b>					

t = maximum statutory income tax rate applying to corporate entities    bv = book value    ave = average    odv = optimised deprival valuation    subscript '0' = end of the previous financial year    subscript '1' = end of the current financial year    ROF = return on funds    ROE = return on equity    ROI = return on investment

Note: In 2004, Marlborough Lines changed its accounting policy in respect of the recognition of distribution assets vested from consumers, crediting the fair value of these assets together with capital contributions received to the Statement of Financial Performance. The derivation table has been calculated using opening balances that have not been adjusted for this change in accounting policy