

MARLBOROUGH LINES LIMITED - LINES BUSINESS

Financial Statements Prepared in Accord with The Electricity (Information Disclosure) Regulations 1999 and Amendment Regulations 2000 and 2002

STATEMENT OF FINANCIAL PERFORMANCE**For the Year Ended 31 March 2003**

#	#	Notes	2002 \$000	2002 \$000
Operating Revenue				
			24,642	13,952
			460	446
			255	310
			684	821
			905	104
		Total Operating Revenue	26,946	15,633
Operating Expenditure				
			6,535	3,075
			-	-
			1,268	1,411
			-	-
			-	-
			35	28
			-	-
			-	-
			407	556
		Total transfer payment to the "Other" business	1,710	1,995
			-	-
			1,866	517
			-	-
			-	-
			-	-
			-	-
		Total of specified expenses to non-related parties	1,866	517
			1,429	1,466
			142	136
			-	-
			3,886	1,178
			310	282
		Total depreciation	4,196	1,460
			-	-
			567	-
			-	-
		Total amortisation of intangibles	567	-
			966	465
			221	210
			132	180
			600	-
			-	-
			-	-
			149	95
			10	17
			183	100

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

STATEMENT OF FINANCIAL PERFORMANCE (continued)**For the Year Ended 31 March 2003**

#	#	Notes	2002 \$000	2002 \$000
			-	-
		Auditors' fees:		
		Audit fees paid to principal auditors	67	26
		Audit fees paid to other auditors	-	-
		Fees paid for other services provided by principal and other auditors	9	9
		Total auditors' fees	76	35
		Costs of offering credit:		
		Bad debts written off	(3)	26
		Increase in estimated doubtful debts	-	-
		Total cost of offering credit	(3)	26
		Local authority rates expense	93	57
		AC loss-rentals rebates expense	-	-
		Discount to consumers	4,001	4,999
		Subvention payments	-	-
		Unusual expenses	-	-
		Other expenditure	814	1,281
		Total Operating Expenditure	23,687	16,114
			-	-
		Operating Surplus Before Interest and Income Tax	3,259	(481)
		Interest Expense		
		Interest expense on borrowings	1,143	-
		Financing charges related to finance leases	-	-
		Other interest expense	18	24
		Total Interest Expense	1,161	24
		Operating Surplus Before Income Tax	2,098	(505)
		Income Tax ²	754	(161)
		Net Surplus After Tax	1,344	(344)

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

STATEMENT OF MOVEMENTS IN EQUITY**For the Year Ended 31 March 2003**

	Notes	2002 \$000	2002 \$000
		-	-
Equity At Beginning Of Year		22,946	23,364
Net Surplus For Year		1,344	(344)
Less Minority Interest Share of Profits	3.3	(989)	-
Less Dividend		-	-
Total Recognised Revenues And Expenses For The Period		355	(344)
Movements in Minority Interests	3.3	52,733	-
Contributions from Owners	3.4	28,235	-
Removal Of Non Lines Assets		(240)	(74)
Equity At End Of Year		<u>104,029</u>	<u>22,946</u>

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

STATEMENT OF FINANCIAL POSITION				
as at 31 March 2003		Notes	2002	2002
			\$000	\$000
Current Assets				
Cash and bank balances			(97)	4,641
Short-term investments			40	-
Inventories	5		287	260
Accounts receivable	4		2,845	1,378
Other current assets			13	-
		Total Current Assets	3,088	6,279
Fixed Assets				
System fixed assets			106,657	14,413
Consumer billing and information system assets			110	169
Motor vehicles			79	89
Office equipment			380	175
Land and buildings			3,325	2,602
Capital works under construction			1,191	214
Other fixed assets			43	150
		Total Fixed Assets	111,785	17,812
Other Tangible Assets				
			-	-
		Total Tangible Assets	114,873	24,091
Intangible Assets				
Goodwill	8		14,572	-
Other intangibles			-	-
		Total Intangible Assets	14,572	-
		Total Assets	129,445	24,091
Current Liabilities				
Bank overdraft			-	-
Short-term borrowings			-	-
Payables and accruals	6		2,165	1,317
Provision for dividends payable			-	-
Provision for income tax			(281)	(144)
Other current liabilities			-	-
		Total Current Liabilities	1,884	1,173
Non-current Liabilities				
Payables and accruals	6		102	52
Borrowings			23,000	-
Deferred tax			430	(80)
Other non-current liabilities			-	-
		Total Non-current Liabilities	23,532	(28)
Equity				
Shareholders' equity				
Share capital	3		8,736	8,736
Retained earnings			42,560	14,210
Reserves			-	-
		Total Shareholders' Equity	51,296	22,946
Minority interests in subsidiaries			52,733	-
		Total Equity	104,029	22,946
Capital notes			-	-
		Total Capital Funds	104,029	22,946
		Total Equity and Liabilities	129,445	24,091

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

STATEMENT OF CASH FLOWS**For the Year Ended 31 March 2003**

Notes

2002
\$000**2002**
\$000

#

Cash Flows from Operating Activities

Cash Was Provided From:

Receipts from customers
Interest Received25,196
255

25,45116,685
310

16,995

Cash was applied to:

Payments to Suppliers, Employees and Customers
Income Tax Paid
Interest Paid(18,053)
(381)
(1,161)

(19,595)(14,726)
(12)
(24)

(14,762)**Net Cash Flows from Operating Activities**

5,856

2,233**Cash Flows from Investing Activities**

Cash was provided from:

Proceeds From Sale of Fixed Assets

27

3

Cash was Applied To:

Purchase of Share in Joint Venture
Purchase of Fixed Assets(113,561)

(113,561)(3,153)

(3,153)**Net Cash Flows from Investing Activities**

(113,534)

(3,150)**Cash Flows from Financing Activities**

Cash was provided from:

External Loan
Contributions from Owners including Minority Interests23,000
81,400

104,400-
-

-

Cash Was Applied to:

Payment of Dividend to Minority

(1,420)

(100)

Net Cash Flows from Financing Activities

102,980

(100)**Net Decrease in Cash Held**

(4,698)

(1,017)

Cash at Beginning of Year

4,641

5,658

Cash at End of Year

(57)

4,641**Cash Comprises**Cash and Bank Balances
Short Term Investments(97)
404,641
-

(57)

4,641**Reconciliation of Operating Surplus after Taxation with Cash Flows from Operating Activities****Operating Surplus after Taxation**

1,344

(344)

Non Cash ItemsDepreciation
Amortisation
Change in Future Income Tax Benefits
Change in Non Current Employee Entitlements
(Profit) / Loss on Sale of Fixed Assets4,196
567
510
50
(14)

6,6531,460
-
(10)
10
22

1,138**Movements in Working Capital Items**(Increase) / Decrease in Accounts Receivable
(Increase) in Inventories
Increase in Accounts Payable
(Decrease) in Taxation Payable(1,480)
(27)
848
(138)

(797)1,362
(151)
46
(162)

1,095**Net Cash Flows from Operating Activities**

5,856

2,233*The accompanying notes form an integral part of these financial statements.*