

MARLBOROUGH LINES LIMITED - LINES BUSINESS

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

STATEMENT OF FINANCIAL PERFORMANCE	Notes	2005	2004
For the Year Ended 31 March 2005		\$000	\$000
Operating Revenue			
Revenue from line/access charges		18,771	16,316
Revenue from "Other" business for services carried out by the line business		-	109
Interest on cash, bank balances and short term investments		481	378
AC loss-rental rebates		267	524
Other operating revenue	2	2,440	2,234
Total Operating Revenue		21,959	19,561
Operating Expenditure			
Payment for transmission charges		3,413	3,229
Transfer payments to the "Other" business for:			
Asset maintenance		1,191	1,103
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		36	43
Royalty and patent expenses		-	-
Avoided transmission charges on account of own generation		-	-
Other goods and services		499	625
Total transfer payment to the "Other" business		1,726	1,771
Expense to entities that are not related parties for:			
Asset maintenance		694	658
Consumer disconnection/reconnection services		-	-
Meter data		-	-
Consumer-based load control services		-	-
Royalty and patent expenses		-	-
Total of specified expenses to non-related parties		694	658
Employee salaries, wages and redundancies		1,870	1,585
Consumer billing and information system expense		114	307
Depreciation on:			
System fixed assets		3,889	3,794
Other assets		726	387
Total depreciation	9	4,615	4,181
Amortisation of:			
Goodwill		-	-
Other intangibles		-	-
Total amortisation of intangibles		-	-
Corporate and administration		952	470
Human resource expenses		325	240
Marketing/advertising		83	79
Merger and acquisition expenses		-	-
Takeover defence expenses		-	-
Research and development expenses		-	-
Consultancy and legal expenses		92	92
Donations		14	31
Directors' fees		166	150

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

STATEMENT OF FINANCIAL PERFORMANCE (continued)		Notes	2005	2004
For the Year Ended 31 March 2005			\$000	\$000
Auditors' fees:				
	Audit fees paid to principal auditors		35	42
	Audit fees paid to other auditors		-	-
	Fees paid for other services provided by principal and other auditors		8	8
	Total auditors' fees		43	50
Costs of offering credit:				
	Bad debts written off		-	(3)
	Increase in estimated doubtful debts		1	-
	Total cost of offering credit		1	(3)
	Local authority rates expense		61	69
	AC loss-rentals rebates expense		-	-
	Discount to consumers		4,100	4,000
	Subvention payments		-	-
	Unusual expenses		-	-
	Other expenditure		532	381
	Total Operating Expenditure		18,801	17,290
	Operating Surplus Before Interest and Income Tax		3,158	2,271
Interest Expense				
	Interest expense on borrowings		-	-
	Financing charges related to finance leases		-	-
	Other interest expense		1	-
	Total Interest Expense		1	-
	Operating Surplus Before Income Tax		3,157	2,271
Income Tax		3	1,376	1,159
	Net Surplus After Tax		1,781	1,112

STATEMENT OF MOVEMENTS IN EQUITY		Notes	2005	2004
For the Year Ended 31 March 2005			\$000	\$000
Equity At Beginning Of Year				
			115,604	23,984
	Net Surplus For Year		1,781	1,112
	Revaluations	6	-	89,819
	Total Recognised Revenues And Expenses For The Period		1,781	90,931
	Dividend Provided		(150)	(150)
	Transfer Of Non Lines Assets			839
	Equity At End Of Year		117,235	115,604

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