

## **AUDITOR'S REPORT**

### **TO THE READERS OF THE FINANCIAL STATEMENTS OF MARLBOROUGH LINES LIMITED LINES BUSINESS FOR THE YEAR ENDED 31 MARCH 2006**

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 Lines Business and its financial position as at 31 March 2006. This information is stated in accordance with the statement of 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 2006 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 Michael Wilkes 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 New Zealand Institute of Chartered Accountants. 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.

In addition to issuing audit certificates pursuant to the Electricity Information Disclosure Requirements 2004 we have carried out other audit assignments for Marlborough Lines Limited. This involved issuing an audit opinion on the annual financial statements for the year ended 31 March 2006. This assignment is compatible with those independence requirements. Other than this assignment we have no relationship with or interest in the 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 Lines Business 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 2006 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 22 November 2006 and our unqualified opinion is expressed as at that date.



**Michael Wilkes**  
**Deloitte**  
**Appointed Auditor**  
**On behalf of the Auditor-General**  
**Wellington, New Zealand**

This audit report relates to the financial statements of Marlborough Lines Limited Lines Business for the year ended 31 March 2006 included on Marlborough Lines Limited's website. The Board of Directors is responsible for the maintenance and integrity of Marlborough Lines Limited's website. We have not been engaged to report on the integrity of Marlborough Lines Limited's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 22 November 2006 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.