



New Zealand Gazette

OF THURSDAY, 25 NOVEMBER 2004

WELLINGTON: FRIDAY, 26 NOVEMBER 2004 — ISSUE NO. 154

WANGANUI GAS LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION
DISCLOSURE) REGULATIONS 1997



**FINANCIAL STATEMENTS PREPARED
FOR THE GAS (Information Disclosure)
REGULATIONS 1997**


Reg. 32 (2)


Form 4

**CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE
MEASURES AND STATISTICS**

We, Charles Ernest POYNTER and Patrick Arthur BULLOCK, Directors of Wanganui Gas Limited, certify that, having made all reasonable enquiry, to the best of our knowledge

- (a) The attached audited financial statements of Wanganui Gas Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and
- (b) The attached information, being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to Wanganui Gas Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.


.....
C E Poynter, QSO, JP


.....
P A Bullock

Date: 18th NOVEMBER 2004

Statement of Financial Performance*For the Year ended 30 June 2004*

	Note	Distribution		Retail	
		2004 \$	2003 \$	2004 \$	2003 \$
REVENUE		\$ 3,635,415	\$ 3,409,408	\$23,164,189	\$ 16,788,836
NET SURPLUS BEFORE TAXATION	2	\$ 1,490,958	\$ 1,471,353	\$ 1,449,800	\$ 529,246
Taxation expense	3	\$ 494,781	\$ 444,525	\$ 479,377	\$ 178,390
NET SURPLUS AFTER TAXATION		\$ 996,177	\$ 1,026,828	\$ 970,423	\$ 350,856

Statement of Movement in Equity*For the Year ended 30 June 2004*

	Note	Distribution		Retail	
		2004 \$	2003 \$	2004 \$	2003 \$
EQUITY AS AT 1 JULY 2003		\$ 13,487,845	\$ 10,989,151	\$ 908,320	\$ 829,142
Net surplus after tax		\$ 996,177	\$ 1,026,828	\$ 970,423	\$ 350,856
Increase in revaluation reserve		\$ -	\$ 2,100,186	\$ -	\$ -
Total recognised revenue and expenses for the year		\$ 996,177	\$ 3,127,014	\$ 970,423	\$ 350,856
Dividend to shareholders		\$ 1,954,527	\$ 628,320	\$ 1,245,473	\$ 271,678
EQUITY AS AT 30 JUNE 2004		\$ 12,529,495	\$ 13,487,845	\$ 633,270	\$ 908,320

Statement of Financial Position*As at 30 June 2004*

	Note	Distribution		Retail	
		2004 \$	2003 \$	2004 \$	2003 \$
NON CURRENT ASSETS					
Fixed assets	4	\$ 18,758,545	\$ 18,371,769	\$ 314,253	\$ 119,973
Investments (Loan to Artex)		\$ 2,848	\$ 5,000	\$ 2,848	\$ 5,000
Total non-current assets		\$ 18,761,393	\$ 18,376,769	\$ 317,101	\$ 124,973
CURRENT ASSETS					
General bank account		\$ -	\$ 416,433	\$ 941,851	\$ -
Accounts receivable	5	\$ 373,912	\$ 305,627	\$ 3,536,940	\$ 2,729,554
Prepayments		\$ -	\$ -	\$ -	\$ -
Inventories		\$ 174,944	\$ 173,837	\$ -	\$ -
Provisional tax		\$ 75,059	\$ 124,762	\$ 62,830	\$ 37,490
Total current assets		\$ 623,915	\$ 1,020,659	\$ 4,541,621	\$ 2,767,044
TOTAL ASSETS		\$ 19,385,308	\$ 19,397,428	\$ 4,858,722	\$ 2,892,017
EQUITY					
Retained earnings	6	\$ 5,264,435	\$ 5,264,435	\$ 199,835	\$ 199,835
Asset revaluation reserve		\$ 680,192	\$ 1,638,542	\$ 433,435	\$ 708,485
Asset revaluation reserve		\$ 6,584,868	\$ 6,584,868	\$ -	\$ -
Total equity		\$ 12,529,495	\$ 13,487,845	\$ 633,270	\$ 908,320
TERM LIABILITIES					
Credit line facility	7	\$ 6,307,224	\$ 5,720,780	\$ 1,721,813	\$ 177,091
Non-current finance lease	8	\$ 20,424	\$ -	\$ 24,583	\$ -
		\$ 6,327,648	\$ 5,720,780	\$ 1,746,396	\$ 177,091
CURRENT LIABILITIES					
General bank account		\$ 293,666	\$ -	\$ -	\$ 71,667
Accounts payable & accruals		\$ 149,010	\$ 118,766	\$ 2,272,890	\$ 1,549,640
Provision for employee entitlements		\$ 71,767	\$ 70,037	\$ 47,108	\$ 45,744
Consumer deposits		\$ -	\$ -	\$ 142,543	\$ 139,555
Current finance lease	8	\$ 13,722	\$ -	\$ 16,515	\$ -
Taxation payable		\$ -	\$ -	\$ -	\$ -
Provision for dividend		\$ -	\$ -	\$ -	\$ -
Total current liabilities		\$ 528,165	\$ 188,803	\$ 2,479,056	\$ 1,806,606
TOTAL LIABILITIES & EQUITY		\$ 19,385,308	\$ 19,397,428	\$ 4,858,722	\$ 2,892,017

Notes to the Financial Statements

For the Year ended 30 June 2004

1. Statement of Accounting Policies**Reporting Entity**

Wanganui Gas Limited is a company formed in accordance with the Energy Companies Act 1992 and registered under the Companies Act 1993. For the purpose of preparing Disclosure accounts in accordance with the Gas (Information Disclosure) Regulations 1997 the annual accounts of Wanganui Gas Limited have been divided into two entities, Distribution and Retail. The balance of Wanganui Gas Limited's accounts have not been disclosed as it pertains to appliance trading activity.

As required by the Gas (Information Disclosure) Regulations 1997, 'Distribution' involves the ownership, and maintenance of a gas distribution system, and conveyance of gas via the system. 'Retail' involves supply of gas to consumers.

The gas information disclosure and financial statements of Wanganui Gas Limited have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

Methodology of Separation of Business

The Methodology used in relation to the allocation of costs, revenue, assets and liabilities between Retail and Distribution businesses will be available for public inspection no later than 30 November 2004

General Accounting Policies

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis have been followed, with the exception of distribution network assets which have been valued at optimised deprival value. Accrual accounting is used to match expenses and revenues. Reliance is placed on the fact that the company is a going concern.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of results and financial position have been applied:

Accrued Gas Sales

Gas sales include an accrual for gas supplied but not invoiced at the end of the financial period.

Capital Contributions

Capital contributions received from customers are recognised as income in the period received.

Revenue

Revenue is derived from the Sale of Energy and Distribution Services. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Goods and Service Tax

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable which are stated with GST included.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventories on hand at balance date using weighted average cost.

Investments

Investments are stated at cost price or net realisable value.

Property Plant and Equipment

The distribution network is valued at the most recent optimised deprival value, adjusted by additions (at cost), disposals and depreciation. Revaluations are carried out every three years and reviewed by independent experts. All other fixed assets are recorded at cost.

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets, at rates calculated to allocate the assets cost, or optimised deprival value, less estimated residual life, over their estimated useful lives.

Major depreciation rates are:

Mains & Services	1-10% S.L
Condition Renewals	2% S.L
Meters & Customer Station Rebuilds	1-10% S.L
Vehicles, Plant, Office Equipment & Furniture and Fittings	20% S.L
Computer Hardware & Software	33% S.L
Leasehold Improvements	10-15% S.L

Financial Instruments

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, debtors, creditors and loans. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Employee Entitlements

Provision is made in respect of the Company's liability for annual leave and long service leave. Annual leave and long service leave have been calculated on an accrual entitlement basis, at current rates of pay.

Income Tax

The taxation charge against the profit for the period is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the foreseeable future. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to the ownership of the leased item are classified as finance leases. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the company is expected to benefit from their use.

Changes in Accounting Policies

There have been no changes in accounting policy. All policies have been applied on bases consistent with those used in the previous period.

2. Surplus Before Taxation

	Distribution		Retail	
	2004 \$	2003 \$	2004 \$	2003 \$
After Charging:				
Audit Fees	\$ 13,219	\$ 11,713	\$ 15,910	\$ 13,105
Audit Fees Other Services	\$ 1,421	\$ 3,196	\$ 1,711	\$ -
Depreciation : Distribution Network	\$ 553,173	\$ 543,197	\$ -	\$ -
Leasehold Improvements	\$ 6,755	\$ 14,147	\$ 2,393	\$ 8,963
Vehicles	\$ 10,925	\$ 5,064	\$ 5,155	\$ 5,224
Office Equipment	\$ 4,835	\$ 3,803	\$ 3,377	\$ 3,341
Furniture & Fittings	\$ 2,455	\$ 2,251	\$ 1,798	\$ 1,106
Plant & Equipment	\$ 14,817	\$ 13,192	\$ 204	\$ 200
Computer H/Ware & S/Ware	\$ 102,766	\$ 34,932	\$ 63,475	\$ 24,338
	\$ 695,726	\$ 616,586	\$ 76,402	\$ 43,172
Directors' Fees	\$ 29,050	\$ 28,273	\$ 34,965	\$ 31,633
Interest: Fixed Loans	\$ 297,057	\$ 338,387	\$ 46,897	\$ 14,568
Rental & Operating Lease Costs	\$ 71,189	\$ 71,058	\$ 25,725	\$ 22,997
Movements in provision for Doubtful Debts	\$ -	\$ -	\$ -	\$ 8,827
Bad debts written off	\$ -	\$ -	\$ 40,872	\$ 36,314
After Crediting:				
Interest From Short Term Deposits	\$ 4,020	\$ 58,613	\$ 28,493	\$ 2,052
Profit On Sales Of Assets	\$ 3,431	\$ 8,661	\$ 1,959	\$ 2,698

3. Taxation Expense

Net Profit Before Taxation	\$ 1,490,958	\$ 1,471,353	\$ 1,449,800	\$ 529,246
Prima Facie Taxation	\$ 492,016	\$ 485,546	\$ 478,436	\$ 174,651
Plus (Less):				
Non Deductible Items	\$ 70,758	\$ 6,908	\$ 225	\$ 22
Non Taxable Income	\$ -	\$ -	\$ -	\$ -
Unrecognised Timing Differences	-\$ 67,993	-\$ 47,929	\$ 716	\$ 3,717
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
TAXATION EXPENSE FOR THE PERIOD	\$ 494,781	\$ 444,525	\$ 479,377	\$ 178,390
The Taxation Charge Is Represented By:				
Current Taxation	\$ 494,781	\$ 444,525	\$ 479,377	\$ 178,390

The Company has not recognised the deferred tax liability on timing differences which are not expected to reverse in the foreseeable future. The tax liability in respect of these timing differences at 33% is \$2,325,516 (2003: \$1,734,669) for Distribution and a future tax benefit to Retail of \$166,849 (2003: \$32,558), subsequent realisation of which is subject to the requirements of the Income Tax Act 1994.

4. Fixed Assets

	Distribution					
	2004			2003		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Revalued Assets:						
Distribution Network	\$18,761,495	\$ 553,173	\$ 18,208,322	\$17,986,660	\$ -	\$ 17,986,660
	<u>\$18,761,495</u>	<u>\$ 553,173</u>	<u>\$ 18,208,322</u>	<u>\$17,986,660</u>	<u>\$ -</u>	<u>\$ 17,986,660</u>
Fixed Assets at cost:						
Leasehold Improvements	\$ 338,119	\$ 290,653	\$ 47,466	\$ 379,361	\$ 322,092	\$ 57,269
Vehicles	\$ 185,573	\$ 114,100	\$ 71,473	\$ 184,545	\$ 129,053	\$ 55,492
Office Equipment	\$ 50,545	\$ 44,259	\$ 6,286	\$ 56,042	\$ 47,031	\$ 9,011
Furniture & Fittings	\$ 43,885	\$ 34,538	\$ 9,347	\$ 44,958	\$ 35,997	\$ 8,961
Plant & Equipment	\$ 207,530	\$ 130,578	\$ 76,952	\$ 190,668	\$ 137,401	\$ 53,267
Leased Assets	\$ 86,335	\$ 14,268	\$ 72,067	\$ -	\$ -	\$ -
Computer H/ware & S/w	\$ 568,655	\$ 302,023	\$ 266,632	\$ 473,625	\$ 272,516	\$ 201,109
	<u>\$ 1,480,642</u>	<u>\$ 930,419</u>	<u>\$ 550,223</u>	<u>\$ 1,329,199</u>	<u>\$ 944,090</u>	<u>\$ 385,109</u>
Total Assets	<u>\$20,242,137</u>	<u>\$ 1,483,592</u>	<u>\$ 18,758,545</u>	<u>\$19,315,859</u>	<u>\$ 944,090</u>	<u>\$ 18,371,769</u>

	Retail					
	2004			2003		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Revalued Assets:						
Distribution Network	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fixed Assets at cost:						
Leasehold Improvements	\$ 193,113	\$ 166,003	\$ 27,110	\$ 118,182	\$ 100,341	\$ 17,841
Vehicles	\$ 105,988	\$ 65,167	\$ 40,821	\$ 57,491	\$ 40,204	\$ 17,287
Office Equipment	\$ 28,868	\$ 25,278	\$ 3,590	\$ 17,459	\$ 14,652	\$ 2,807
Furniture & Fittings	\$ 25,065	\$ 19,727	\$ 5,338	\$ 14,006	\$ 11,214	\$ 2,792
Plant & Equipment	\$ 118,528	\$ 74,578	\$ 43,950	\$ 59,399	\$ 42,804	\$ 16,595
Leased Assets	\$ 49,309	\$ 8,149	\$ 41,160	\$ -	\$ -	\$ -
Computer H/ware & S/w	\$ 324,781	\$ 172,497	\$ 152,284	\$ 147,549	\$ 84,898	\$ 62,651
	<u>\$ 845,652</u>	<u>\$ 531,399</u>	<u>\$ 314,253</u>	<u>\$ 414,086</u>	<u>\$ 294,113</u>	<u>\$ 119,973</u>
Total Assets	<u>\$ 845,652</u>	<u>\$ 531,399</u>	<u>\$ 314,253</u>	<u>\$ 414,086</u>	<u>\$ 294,113</u>	<u>\$ 119,973</u>

The distribution network is valued at optimised deprival value, as at 30 June 2003 by James Coe B.Sc, B.E (Electrical), M.B.A, Registered Engineer, and Member of IPENZ and reviewed in accordance with the draft Gas ODV handbook 2000 (Ministry of Economic Development) by Bruce Wattie, CA, BCA, Partner -Financial Advisory Services, of PricewaterhouseCoopers, and Guenter Wabnitz, Dip.Ing (German), VDI, MIPENZ, Senior Consultant - Meritec Limited.

5. Accounts Receivable

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Trade Debtors	\$ 373,912	\$ 305,627	\$ 3,579,584	\$ 2,772,484
Provision for Doubtful Debts	\$ -	\$ -	-\$ 42,644	-\$ 42,930
	<u>\$ 373,912</u>	<u>\$ 305,627</u>	<u>\$ 3,536,940</u>	<u>\$ 2,729,554</u>
	<u>\$ 373,912</u>	<u>\$ 305,627</u>	<u>\$ 3,536,940</u>	<u>\$ 2,729,554</u>

6. Share Capital

Authorised Capital:

	2004	2003
	\$	\$
Distribution - 5,264,435 Ordinary shares of \$1 each Fully Paid Up	\$ 5,264,435	\$ 5,264,435
Retail - 199,835 Ordinary shares of \$1 each Fully Paid Up	\$ 199,835	\$ 199,835

7. Long Term Liabilities

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Westpac Banking Corporation Multi Option Credit Line Facility	\$ 6,307,224	\$ 5,720,780	\$ 1,721,813	\$ 177,091
Less Current Portion	\$ -	\$ -	\$ -	\$ -
Long-Term Portion	<u>\$ 6,307,224</u>	<u>\$ 5,720,780</u>	<u>\$ 1,721,813</u>	<u>\$ 177,091</u>

Term: Three years to December 2005 and extended by 1 year to 2006.

Repayments: No Further Repayments Required Until December 2006.

Security: First ranking debenture providing for fixed and floating charges over all assets.

Average Interest Rate Over Year: 6.05% (2003 : 6.38%)

8. Finance Lease Liabilities

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Not later than one year	\$ 15,739	\$ -	\$ 18,944	\$ -
Later than one year and not later than two years	\$ 14,274	\$ -	\$ 17,179	\$ -
Later than two year and not later than five years	\$ 9,593	\$ -	\$ 11,546	\$ -
Later than five years	\$ -	\$ -	\$ -	\$ -
	<u>\$ 39,606</u>	<u>\$ -</u>	<u>\$ 47,669</u>	<u>\$ -</u>
Future Finance Charges Recognised as a liability	\$ 5,460	-	6,571	-
	<u>\$ 34,146</u>	<u>\$ -</u>	<u>\$ 41,098</u>	<u>\$ -</u>
Representing lease liabilities				
Current	\$ 13,722	\$ -	\$ 16,515	\$ -
Non-current	\$ 20,424	\$ -	\$ 24,583	\$ -
	<u>\$ 34,146</u>	<u>\$ -</u>	<u>\$ 41,098</u>	<u>\$ -</u>

9. Imputation Credit Account

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Opening Balance	\$ 1,000,590	\$ 917,391	\$ 128,539	\$ 178,266
PLUS:				
Income tax paid	\$ 518,899	\$ 650,418	\$ 434,356	\$ 195,446
Imputations on dividends received	\$ 90	\$ 149	\$ 90	\$ 149
LESS:				
Terminal tax refund	\$ -	\$ -	\$ -	\$ -
Imputations attached to dividends paid	-\$ 962,682	-\$ 567,368	-\$ 613,444	-\$ 245,323
Balance 30 June 2004	<u>\$ 556,897</u>	<u>\$ 1,000,590</u>	<u>-\$ 50,459</u>	<u>\$ 128,538</u>

10. Financial Instruments

Financial Instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. Generally the Company does not require collateral. Maximum exposure to credit risk is the amount stated in the financial statements and is net of any recognised provision for losses on these financial instruments. An amount of \$142,543 (2003 : \$139,555) is included in Retail's current liabilities which is the value of consumer deposits held. No other collateral is held on these amounts.

The Company is not exposed to any concentrations of risk or currency risk.

The methods and assumptions used are that the carrying amount in the financial statements reflects the estimated fair value of the financial instruments including receivables, bank and investments and accounts payable.

The Company has long term borrowings which are used to fund ongoing activities.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investments.

The interest rates on the Company's investments are 4.90% to 5.71%.(2003: 5.02% to 5.89%).

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Short term deposits	\$ -	\$ -	\$ 250,000	\$ -

The Directors do not consider there is any significant exposure to interest rate risk on the Company's investments.

The interest rates on the Company's borrowings are disclosed in note 7. Interest rates are reviewed regularly.

There are no interest rate options or interest rate swap agreements in place as at 30 June 2004 (2003 : Nil).

Currency Risk

No currency risk.

11. Related Party Transactions

The following transactions occurred during the period with Related Parties:

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
<u>Wanganui District Council (74.9% Shareholder):</u>				
(C E Poynter, Mayor) (P A Bullock, Councillor)				
Rent	\$ 71,189	\$ 71,058	\$ 25,725	\$ 22,997
Information Services Support	\$ 58,823	\$ 130,143	\$ 48,179	\$ 84,667
Plant hire	\$ 4,984	\$ -	\$ 6,097	\$ -
Rates	\$ 28,086	\$ 15,638	\$ 4,406	\$ 765
Other	\$ 7,159	\$ 2,985	\$ 8,758	\$ 3,814
	<u>\$ 170,241</u>	<u>\$ 219,824</u>	<u>\$ 93,165</u>	<u>\$ 112,243</u>
<u>NGC (25.1% Shareholder):</u>				
(S L Bielby, General Counsel, K M Baker, Chief Financial Officer, R J Bentley, Director)				
Gas Purchases & Transmission Services	\$ -	\$ -	\$ 7,299,281	\$ 5,226,433
Other	\$ 4,291	\$ -	\$ 5,250	\$ -
	<u>\$ 4,291</u>	<u>\$ -</u>	<u>\$ 7,304,531</u>	<u>\$ 5,226,433</u>

Amounts Owed to Related Parties at Balance date were:

Wanganui District Council	\$ 2,806	\$ 6,253	\$ 1,535	\$ 3,193
Natural Gas Corporation	\$ 409	\$ -	\$ 695,471	\$ 223,810

All Transactions were conducted on normal commercial terms.

NGC Shares purchased following Rights Issue

12. Prescribed Business Relationships

Under Regulation 22 of the Gas (Information Disclosure) Regulations 1997 total costs and revenue must be disclosed for goods and services provided between entities in prescribed business relationships. 'Distribution' and 'Retail' fall within the Gas (Information Disclosure) Regulations 1997 definition of a prescribed business relationship (Regulation 3).

	2004	2003
	\$	\$
<u>Distribution Revenue from Retail</u>		
Gas Distribution Tariffs *	\$ 3,270,859	\$ 3,035,837
<u>Distribution Debtors from Retail</u>		
Wanganui Gas Ltd - Distribution *	\$ 335,965	\$ 280,365

* Tariff represents revenue to Distribution for the transportation of gas through its distribution network. The value of transactions is calculated by applying current published Distribution tariffs to actual Retail throughput gas volumes and connection numbers. Transactions represent a book entry only. Debtor represents June revenue - assumed to be paid in the subsequent month.

13. Commitments

Lease commitments under non-cancellable operating leases:

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Not later than one year	\$ -	\$ -	\$ -	\$ -
Later than one year and not later than two years	\$ -	\$ -	\$ -	\$ -
Later than two years and not later than five years	\$ -	\$ -	\$ -	\$ -

There are no capital commitments at the balance date.

14. Contingent Liabilities

	Distribution		Retail	
	2004	2003	2004	2003
	\$	\$	\$	\$
Contingent Liabilities	\$ -	\$ -	\$ -	\$ -

Statement of Performance Measures*For the Year ended 30 June 2004**For the purposes of the Gas (Information Disclosure) Regulations 1997
Regulations 15, 17, & 18*

	Reference	Distribution				
		2004	2003	2002	2001	2000
1. Financial Performance Measures						
Accounting Return on Total Assets	Sch 1 Pt 2 1(a)	9.39%	10.19%	12.78%	12.95%	12.66%
Accounting Return on Equity	Sch 1 Pt 2 1(b)	7.66%	8.39%	10.87%	10.67%	11.12%
Accounting Rate of Profit Including Network Revaluation	Sch 1 Pt 2 1(c)	6.92%	18.83%	8.61%	8.87%	25.12%
Accounting Rate of Profit Excluding Network Revaluation		6.92%	6.69%	8.61%	8.87%	10.46%
Note: The Accounting Rate of Profit Excluding Network Revaluation is not required by the Gas (Information Disclosure) Regulations 1997.						
2. Efficiency Performance Measures						
Direct Line Costs per Kilometre	Sch 1 Pt 2 2(a)	\$ 1,990	\$ 1,518	\$ 1,157	\$ 1,231	\$ 1,666
Indirect Line Costs per Gas Customer	Sch 1 Pt 2 2(b)	\$ 40	\$ 41	\$ 39	\$ 37	\$ 37
3. Energy Delivery Efficiency Performance Measures						
Load Factor	Sch 1 Pt 3 1(a)	70.80%	80.77%	76.99%	80.23%	75.06%
Unaccounted for Gas Ratio	Sch 1 Pt 3 1(b)	1.80%	1.81%	1.81%	1.90%	1.90%
4. Statistics						
System Length (km)	Sch 1 Pt 3 2(a)	357	354	349	348	348
Maximum Monthly Amount of Gas Entering System (GJ)	Sch 1 Pt 3 2(b)	131,678	114,280	117,079	108,297	108,079
Total Annual Amount of Gas Conveyed through System (GJ)	Sch 1 Pt 3 2(c)	1,118,772	1,107,666	1,081,694	1,042,587	973,447
Total Annual Amount of Gas Conveyed through System for Persons not in a Prescribed Business Relationship (GJ/pa)	Sch 1 Pt 3 2(d)	253,888	283,047	274,253	278,994	238,977
Total Number of Customers	Sch 1 Pt 3 2(e)	10,874	10,921	10,810	10,670	10,251
5. Reliability Performance Measures						
Unplanned Transmission System Interruptions (hours)	Sch 1 Pt 4 1	11,096	nil	nil	nil	nil
Unplanned Distribution System Interruptions not related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(a)	0.1096	0.0557	0.0198	0.0157	0.0158
Unplanned Distribution System Interruptions related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(b)	1.0084	nil	nil	nil	nil
Unplanned Distribution System Interruptions as a result of third party damage (hours/customer).		0.0092	0.0416	0.0144	0.0103	0.0071
Unplanned Distribution System Interruptions not as a result of third party damage (hours/customer).		0.1004	0.0141	0.0054	0.0054	0.0087

Note: The last two performance measures are not required by the Gas (Information Disclosure) Regulations 1997.



Certification by Auditor in Relation to Financial Statements

Report of the Auditor-General

We have examined the attached financial statements prepared by Wanganui Gas Limited and dated 30 June 2004 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

We certify that, having made all reasonable enquiry, to the best of our knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

R L Tomlinson
Audit New Zealand
On behalf of the Auditor-General
19 November 2004
Wellington, New Zealand



Certification of Performance Measures by Auditor

Report of the Auditor-General

We have examined the attached information, being-

- a) Financial performance measures specified in clause 1 of Part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997; and
- b) Financial components of the efficiency performance measures specified in clause 2 of Part 2 of that Schedule, —

and having been prepared by Wanganui Gas Limited and dated 30 June 2004 for the purposes of regulations 15 and 16 of those regulations.

We certify that, having made all reasonable enquiry, to the best of our knowledge, that information has been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

R L Tomlinson
Audit New Zealand
On behalf of the Auditor-General
19 November 2004
Wellington, New Zealand