



Half Year Results


Interim Report and Unaudited Financial Statements for the half year to 30 September 2004

Director's Report

- Electra Limited is the electricity network company that owns and operates the electricity lines in Kapiti and Horowhenua.
- Six monthly sales discounts on your power bill come from Electra.
- Electra also owns:
 - Electra Contracting which trades as:
 - Linework - providing electricity lines construction and maintenance services and
 - Stones Electrical Contractors - specialising in new residential, commercial and industrial electrical contracting.
 - Oxford Finance Limited - provides a range of consumer and commercial financial services.
- All shares in Electra Limited are held by the Electra Trust on behalf of the electricity consumers in the Kapiti and Horowhenua region.

Highlights for the six months to 30th September 2004 are:

- Another Sales Discount of \$3.6 million including GST returned to the community
- Increased revenue from electricity sales without the impact of the winter 2003 electricity crisis.
- Subsidiary profits have increased showing the benefits of the restructurings in 2003.
- Operating surplus up 15%
- Total network asset value increased by \$22.3 million.
- Shareholder funds increased by \$23.14 million to 57%
- 22 local apprentices and trainees employed by Linework and Stones Electrical.
- Increasing contracting work being won in the Wellington area.
- Oxford Finance Corporation Limited maintaining strong growth with continued support from local investors.


 Warren Thessman
 Chairman

PS. Congratulations to Horowhenua Learning Centre - winner of the 2004 Electra Business Awards

Summary of financial performance & equity (In \$000s)

	Six months to September	
	2004	2003
Revenue	21,443	18,548
Group Operating surplus	① 5,002	4,337
Consumer sales discount	② 3,157	3,048
Net profit after taxation	③ 1,845	1,289
Equity at start of year	95,058	72,317
Equity as at 30 September	④ 96,749	73,606

Summary of financial position (In \$000s)

	2004	2003
Share capital	18,000	18,000
Reserves	64,582	39,918
Retained earnings	14,167	15,689
Total shareholder's equity	④ 96,749	73,607
Long term liabilities	30,380	21,208
Current liabilities	⑤ 42,905	50,702
Total shareholders' funds and liabilities	⑥ 170,034	145,517
Non-Current assets	139,846	104,276
Current assets	30,188	41,241
Total assets	⑦ 170,034	145,517

Summary of cash flows (In \$000s)

	2004	2003
Net cash flows from operations	⑧ 2,074	1,446
Net cash flows for investing	⑨ (1,200)	(9,963)
Net cash flows from financing	⑩ (610)	8,099
Net increase (decrease) in cash held	264	(418)
Add opening cash at start of year	1,789	1,485
Cash as at 30 September	⑪ \$2,053	\$1,067

- ① This is the amount that is left over after meeting all the costs of running the business.
- ② Represents sales discount paid to all consumers connected to the Electra network. The policy of the company is to pay out the highest discount possible while leaving sufficient cash in the business for growth and renewing assets.
- ③ The amount added to shareholders' funds at the end of the period.
- ④ This is the total amount invested by shareholders' in the company. It is made up of \$18 million shares, plus accumulated reserves, retained earnings less dividends paid to Electra Trust.
- ⑤ Current liabilities include amounts owing within one year. These comprise accounts payable and debenture stock.
- ⑥ This total shows the total funding of the business and how the assets of the business are financed, 57% (2003 51%) by shareholders' equity and 43% (2003 49%) by borrowings and other liabilities.
- ⑦ The total assets of the business comprises the electricity network (e.g. lines, transformers and sub-stations) plus other assets such as vehicles, computer equipment and loan advances.
- ⑧ The net cash flow from operations is the cash generated from the day-to-day activities of the company.
- ⑨ This figure is the amount of cash spent on buying new assets (e.g. new network transformers and lines) and loans advanced by the Finance Business.
- ⑩ The net cash flows from financing includes borrowing to fund new network assets and debenture funding for the Finance Business.
- ⑪ Cash balances fluctuate during the year as payments for assets are made, operating cash received and consumer sales discounts are declared.