



**Interim Report and Unaudited Financial
Statements for the half year to
30 September 2005**

Directors Report

- Electra Limited is the electricity network company that owns and operates the electricity lines in Kapiti and Horowhenua.
- Annual 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 30 September 2005 are:

- Increased revenue from electricity sales due to growth within the region.
- Subsidiary profits continue to make significant contributions.
- Operating surplus up 18%.
- Shareholder funds increased by \$6.27million to \$102.3million which is 60% of total assets.
- 20 local apprentices and trainees employed by Linework and Stones Electrical.
- Increasing contracting work being won in the Wellington area.
- Oxford Finance Corporation Limited maintaining market share with continued support from local investors.

Warren Thessman
Chairman

Summary of financial performance & equity

(In \$000s)

	Six months to September	
	2005	2004
Revenue	22,946	21,443
Group Operating surplus	5,915	5,002
Consumer sales discount (now paid annually)	-	3,157
Net profit after taxation	5,915	1,845
Equity at start of year	96,527	95,058
Equity as at 30 September	102,342	96,749

Summary of financial position

(In \$000s)

	2005		2004	
	Share capital	18,000	18,000	
Reserves	64,846	64,582		
Retained earnings	19,496	14,167		
Total shareholder's equity	102,342	96,749		
Long term liabilities	31,752	30,380		
Current liabilities	35,144	42,905		
Total shareholders' funds and liabilities	169,238	170,034		
Non-Current assets	135,093	139,846		
Current assets	34,145	30,188		
Total assets	169,238	170,034		

Summary of cash flows

(In \$000s)

	2005		2004	
	Net cash flows from operations	3,927	2,074	
Net cash flows for investing	1,807	(1,200)		
Net cash flows from financing	(4,552)	(610)		
Net increase (decrease) in cash held	1,182	264		
Add opening cash at start of year	2,156	1,789		
Cash as at 30 September	3,338	2,053		

- ① This is the amount that is left over after meeting all the costs of running the business.
- ② From now on sales discount will be paid once a year in February. 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, 60% (2004 57%) by shareholders' equity and 40% (2004 43%) 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 the 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.