Electra TRUST

Annual Report

for the year ended
31st March 2014

Profile

Electra Trust (formerly known as "Horowhenua Energy Trust") owns 100% of the shares in Electra Limited on behalf of 42,810 beneficiaries as defined in its Trust Deed dated 30th April 1993 and amended December 1998. Electra Limited operates as an electricity line owner and operator in the Kapiti and Horowhenua region on the west coast of the lower North Island, New Zealand. At 31 March 2014, the Group had total assets of $260 million and shareholders' funds of $134 million and employed 181 (full-time-equivalent) people. Electra owns 100% of DataCol NZ Limited and Datacol Group Pty Limited, which are data collection, monitoring and management companies; Oxford Finance Limited, which specialises in financial services and Sky Communications Limited, a telecommunications contracting services company.

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All values in this report are in thousands (000's) of New Zealand dollars (rounded) and are for years ended 31 March unless otherwise stated.

'This year' means the year ended 31 March 2014
'Last year' means the year ended 31 March 2013
'Next year' means the year ending 31 March 2015

Deloitte.

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF
ELECTRA TRUST AND GROUP'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

The Auditor-General is the auditor of Electra Trust (the "Trust") and group. The Auditor-General has appointed me, Trevor Deed, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the Trust and group on her behalf.

We have audited the financial statements of the Trust and group on pages 8 to 51, that comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion on the financial statements

In our opinion, the financial statements of the Trust and group on pages 8 to 51:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- fairly reflect the Trust and group's:
    - financial position as at 31 March 2014; and
    - financial performance and cash flows for the year ended on that date.

Our audit was completed on 13 June 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust and group's financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. Also we did not evaluate the security and controls over the electronic publication of the financial statements.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Trustees

The Trustees are responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Trust and group's financial position, financial performance and cash flows.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

The Trustees' responsibilities arise from the Energy Industry Act 2010.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 103 of the Energy Industry Act 2010.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit of the Trust, we have carried out an assignment in the area of tax compliance of the Electra Limited Group entities, which is comparable with those independence requirements.

Other than the audit and this assignment, we have no relationship with or interests in the Trust or any of its subsidiaries.

Trevor Deed
Deloitte
On behalf of the Auditor-General
Wellington, New Zealand

ELECTRA TRUST – 2014 ANNUAL REPORT

The Electra Trust has marked 21 years of consumer ownership of electricity supply in Kapiti and Horowhenua with a total $144 million so far pumped back into the local economies through discounts on power.

Electra is wholly-owned by its 42,908 consumers through its elected Trust under a model which requires that all surplus funds generated from the operations of the Electra Limited lines company have to be returned to the owners.

This has meant an average annual discount worth at least one month's free power for every consumer with the savings effectively recirculated back into the local economies.

Local consumer ownership has meant:

- the discount has not being used to make profits for commercial investors outside our districts or provide big payouts for overseas owners
- Electra has become embedded in the social and economic fabric of our Kapiti and Horowhenua communities as an essential service

Electra has one of the highest satisfaction levels in the country and the Company's performance is a credit to the strategic planning of our Board of Directors and operational capabilities of our Management.

That strategic planning includes diversification into profitable subsidiaries which materially help Electra maintain the level of discounts and these are set out in the Company's annual report.

The two critical markers of success for our company, Electra Limited, are the rate of return and the ability to limit cost increases.

The most obvious marker against which consumers can measure the rate of return is the annual discount – the share consumers get from the annual surplus the Company has generated after paying all costs, maintaining our extensive lines network to ensure safety and reliability, and investing in the future.

This year the discount increased to more than $8 million.

Cost containment by the Company can be measured against an average annual increase in costs to consumers of just under one percent a year over the last 13 years and our distribution charges are among the lowest in the country.

It's a major accomplishment by any company to not only hold cost increases to well below the rate of inflation but generate sufficient surpluses to pay an annual discount to its owners.

Electra maintains its lines network over 1,400 square kilometres of Kapiti and Horowhenua, employs 167 local staff, buys local products and services, strongly supports local business development, and contributes to energy efficiency programmes.

Of the power bills paid by all consumers, 8 percent is the cost of supply from the national grid, 21 percent after discount is the cost of distribution to our consumers by Electra, and the remaining 71 percent are retailer charges, including gst.

During the year the big retailers attempted to deflect attention from their own price increases by claiming that lines company increases were largely responsible.

The Electra Trust, together with other Trusts and our umbrella organisation Energy Trusts of New Zealand, vigorously opposed these claims as deliberately misleading and the Electricity Authority announced an investigation.

I am again grateful for the support of my five colleagues on the Trust who bring a wide range of knowledge and skills to our table and to the professionalism of our Secretary Heather Birrell.

The Trust would like to record its deep appreciation for the leadership and industry knowledge of Chief Executive John Yeoman who has retired after 12 years in a role which saw many progressive changes.

The Trust welcomes his successor Neil Simmonds, formerly Chief Executive of Counties Power.

On Behalf of Trustees:

Chris Turver JP
Chairman
Electra Trust

Trustees' Statutory Report

The Trustees take pleasure in presenting their statutory report for the year ended 31 March 2014.

Principal activities

The Group's principal activities during the year were:

- to be a successful electricity line owner and operator maximising value for owners through competitive prices, quality and efficient operations;
- to operate a successful electricity network construction and maintenance contracting business; and
- to invest in business activities and projects that add value to the Group.

Group results and distributions

	2014 $000	2013 $000
Operating revenue from continuing operations	**62,757**	65,857
Discount to consumers	**(7,628)**	(6,947)
Group (loss)/profit before tax for the financial year	**(271)**	2,684
Taxation	**997**	(1,830)
Profit after tax from continuing operations	**726**	854
Profit after tax from discontinued operations	**2,653**	1,555
Net profit after taxation	**3,379**	2,409
Retained earnings brought forward	**63,350**	60,941
Retained earnings carried forward	**66,729**	63,350

Trustees' interests

Trustees have no direct interest in equity securities issued by the Company. Trustees may be beneficiaries of Electra Trust, which holds the shares in the Company for end-customers of the day.

Retirement of Trustees

In accordance with the Trust Deed of the Trust Messrs L Burnell and G Sue retire by rotation at the annual general meeting of the Trust. Messrs L Burnell and G Sue being eligible, offer themselves for re-election.

Auditor

Trevor Deed of Deloitte was appointed as Auditor on behalf of the Auditor-General, in accordance with Section 45 of the Electricity Companies Act 1992.

For and on behalf of the Board

C R Turver
Trustee

13 June 2014

L R Burnell
Trustee

13 June 2014

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Notes to the Financial Statements

Statement of Comprehensive Income

for the year ended 31 March 2014

	Note	Group		Parent	
		2014	2013	**2014**	2013
		$000	$000	**$000**	$000
Continuing operations					
Sales and interest revenue		**62,069**	64,951	**1**	1
Dividends from subsidiaries		**-**	-	**320**	275
Other revenue		**688**	906	**-**	-
Total operating revenue	*2*	**62,757**	65,857	**321**	276
Discount paid to consumers		**(7,628)**	(6,947)	**-**	-
Finance expenses		**(2,181)**	(2,715)	**-**	-
Other expenses		**(53,219)**	(53,511)	**(288)**	(265)
Total expenses	*2*	**(63,028)**	(63,173)	**(288)**	(265)
Profit/(loss) before taxation		**(271)**	2,684	**33**	11
Income tax benefit/(expense)	*3*	**997**	(1,830)	**-**	-
Profit from continuing operations		**726**	854	**33**	11
Discontinued operations					
Profit after tax from discontinued operations	*27*	**2,653**	1,555	**-**	-
Profit for the year		**3,379**	2,409	**33**	11
Other comprehensive income					
Foreign exchange reserve decrement		**(28)**	-	**-**	-
Asset revaluation decrement		**(4,053)**	-	**-**	-
Increment/(decrement) on disposal of revalued assets		**668**	(424)	**-**	-
Income tax benefit relating to components of other comprehensive income	*3*	**655**	119	**-**	-
Other comprehensive loss for the year net of tax		**(2,758)**	(305)	**-**	-
Total comprehensive income/(loss) for the year net of tax		**621**	2,104	**33**	11

The notes on pages 13 to 51 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2014

GROUP	*Note*	Trust capital $000	Reserves $000	Retained Earnings $000	Attributable to owners of the parent $000	Non-controlling interest $000	Total $000
Balance at 1 April 2013		**18,000**	**51,812**	**63,350**	**133,162**	-	**133,162**
Profit for the year		-	-	**3,379**	**3,379**	-	**3,379**
Other comprehensive income for the year net of tax		-	**(2,758)**	-	**(2,758)**	-	**(2,758)**
Total comprehensive (loss)/income		-	**(2,758)**	**3,379**	**621**	-	**621**
Capital issued		-	-	-	-	-	-
Balance at 31 March 2014		**18,000**	**49,054**	**66,729**	**133,783**	-	**133,783**

GROUP	*Note*	Trust capital $000	Reserves $000	Retained Earnings $000	Attributable to owners of the parent $000	Non-controlling interest $000	Total $000
Balance at 1 April 2012		18,000	52,117	60,941	131,058	-	131,058
Profit for the year		-	-	2,409	2,409	-	2,409
Other comprehensive income for the year net of tax		-	(305)	-	(305)	-	(305)
Total comprehensive (loss)/income		-	(305)	2,409	2,104	-	2,104
Capital issued		-	-	-	-	-	-
Balance at 31 March 2013		**18,000**	**51,812**	**63,350**	**133,162**	-	**133,162**

The notes on pages 13 to 51 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2014 (contd)

PARENT	Note	Trust capital $000	Reserves $000	Retained Earnings $000	Total $000
Balance at 1 April 2013		**18,000**	**-**	**(3)**	**17,997**
Profit and total comprehensive income		**-**	**-**	**33**	**33**
Balance at 31 March 2014		**18,000**	**-**	**30**	**18,030**

PARENT	Note	Trust capital $000	Reserves $000	Retained Earnings $000	Total $000
Balance at 1 April 2012		18,000	-	(14)	17,986
Profit and total comprehensive income		-	-	11	11
Balance at 31 March 2013		**18,000**	**-**	**(3)**	**17,997**

The notes on pages 13 to 51 form part of these financial statements.

Statement of Financial Position

as at 31 March 2014

	Note	Group		Parent	
		2014 $000	2013 $000	**2014 $000**	2013 $000
Equity					
Trust capital	17	**18,000**	18,000	**18,000**	18,000
Retained earnings		**66,729**	63,350	**30**	(3)
Reserves	18	**49,054**	51,812	**-**	-
Total equity		**133,783**	133,162	**18,030**	17,997
Attributable to:					
Parent entity interest		**133,783**	133,162	**18,030**	17,997
Total equity		**133,783**	133,162	**18,030**	17,997
Non-current liabilities					
Debt finance	15	**18,220**	49,650	**-**	-
Other financial liabilities	16	**43**	260	**-**	-
Deferred tax	3	**35,786**	36,047	**-**	-
Total non-current liabilities		**54,049**	85,957	**-**	-
Current liabilities					
Debt finance	15	**16,439**	31,384	**-**	-
Other financial liabilities	16	**22**	9	**-**	-
Trade and other payables	14	**8,949**	10,753	**10**	18
Total current liabilities		**25,410**	42,146	**10**	18
Liabilities of disposal group classified as held for sale	27	**47,047**	-	**-**	-
Total equity and liabilities		**260,289**	261,265	**18,040**	18,015
Non-current assets					
Property, plant and equipment	11	**179,195**	183,858	**-**	-
Investments in subsidiaries	12	**-**	-	**18,000**	18,000
Goodwill	13	**6,511**	10,279	**-**	-
Intangible assets	13	**2,112**	1,965	**-**	-
Finance receivables	7	**-**	25,880	**-**	-
Total non-current assets		**187,818**	221,982	**18,000**	18,000
Current assets					
Cash and cash equivalents	21	**988**	4,099	**14**	15
Receivables and prepayments	6	**11,893**	9,251	**26**	-
Finance receivables	7	**2,711**	24,598	**-**	-
Inventories	8	**603**	626	**-**	-
Work in progress	8	**973**	709	**-**	-
Total current assets		**17,168**	39,283	**40**	15
Assets of disposal group classified as held for sale	27	**55,303**	-	**-**	-
Total assets		**260,289**	261,265	**18,040**	18,015

The notes on pages 13 to 51 form part of these financial statements.

The Trustees of the Electra Trust authorised these financial statements for issue on 13 June 2014.

For and on behalf of the Trust

C R Turver
Chair

L R Burnell
Trustee

Statement of Cash Flows

for the year ended 31 March 2014

	Note	Group		Parent	
		2014	2013	**2014**	2013
		$000	$000	**$000**	$000
Cash flows from operating activities					
Cash was received from:					
Receipts from customers (net of discount)		**50,970**	64,864	**-**	-
Dividends received		**-**	-	**-**	275
Finance receivables - interest received		**6,698**	6,528	**320**	-
Proceeds from HP contracts and loan advances		**43,511**	49,597	**-**	-
Income tax refund		**362**	159	**-**	-
Other interest received		**52**	62	**1**	1
		101,593	121,210	**321**	276
Cash was applied to:					
Payments to suppliers and employees		**(41,614)**	(50,759)	**(322)**	(274)
Secured debenture stock - interest paid		**-**	(899)	**-**	-
Finance loans advanced		**(46,216)**	(49,733)	**-**	-
Interest paid		**(5,097)**	(5,106)	**-**	-
Income tax paid		**(1,921)**	(2,075)	**-**	-
		(94,848)	(108,572)	**(322)**	(274)
Net cash flows from operating activities	22	**6,745**	12,638	**(1)**	2
Cash flows to investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment and intangible assets		**87**	2,141	**-**	-
Sale of investment		**-**	669	**-**	-
		87	2,810	**-**	-
Cash was applied to:					
Purchase of property, plant and equipment and intangible assets		**(8,427)**	(4,859)	**-**	-
Purchase / Capital introduced into investments		**-**	-	**-**	-
		(8,427)	(4,859)	**-**	-
Net cash flows to investing activities		**(8,340)**	(2,049)	**-**	-
Cash flows from financing activities					
Cash was provided from:					
Loans raised		**109,968**	34,720	**-**	-
Advance from subsidiary		**-**	-	**-**	-
Loan repaid by subsidiary		**-**	-	**-**	-
		109,968	34,720	**-**	-
Cash was applied to:					
Advance to subsidiary		**-**	-	**-**	-
Repayment of debenture funds		**-**	(16,809)	**-**	-
Repayment of loans		**(110,218)**	(28,359)	**-**	-
		(110,218)	(45,168)	**-**	-
Net cash flows from financing activities		**(250)**	(10,448)	**-**	-
Net (decrease)/increase in cash and cash equivalents held		**(1,845)**	141	**(1)**	2
Add opening cash and cash equivalents brought forward		**4,099**	3,958	**15**	13
Ending cash and cash equivalents carried forward	21	**2,254**	4,099	**14**	15

The notes on pages 13 to 51 form part of these financial statements.

1. Summary of Significant Accounting Policies

1.1 Statement of compliance

The financial statements of the Parent, Electra Trust, formerly the Horowhenua Energy Trust (the Trust), are for a trust established in terms of a trust deed dated 30 April 1993 and amended December 1998. The Trust is a Public Benefit Entity (PBE).

The 'Group' for financial reporting purposes comprises:

Electra Trust and its fully owned subsidiaries Electra Limited, Oxford Finance Limited, Electra Finance Limited, DataCol NZ Limited, Datacol Group Pty Limited and Sky Communications Limited. Non-trading subsidiaries of the Group include Electra Generation Limited, DeFrost Limited and Horowhenua Wind Energy Limited. The ultimate parent of the Group is the Electra Trust.

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Energy Companies Act 1992. The financial statements have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS).

1.2 Basis of preparation

The financial statements have been prepared on the basis of historical and deemed cost except for the revaluation of certain non-current assets.

Separate accounting policies are outlined below.

Cost is based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in New Zealand dollars (NZD), rounded to the nearest thousand, as both the functional and presentation currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

1.3 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at 31 March 2014 that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are disclosed below. The assumptions are based on existing knowledge and outcomes that within the next financial year may differ from these assumptions and could require a material adjustment to the carrying amount of the asset or liability affected.

Electra Limited invoices its customers (predominantly electricity retailers) monthly for electricity delivery services on an estimation of usage based on certain metering data from electricity retailers. As final wash-up metering data is not available for periods in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating assets with which the goodwill is associated. This is undertaken by estimating the future cashflows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows.

A key area of estimation is the doubtful debt collective provision reflecting the non-performance of the counterparties to finance receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan portfolio. The historical loss experience is adjusted based on the current observable data and events and discounted future cash flow projections.

In carrying out the revaluation of the network distribution assets a number of assumptions and estimates were used where complete or accurate data was not available.

Other areas where judgement has been exercised in preparing these financial statements are assessing the level of any unrecoverable work in progress and calculating provisions for employee benefits.

1.4 Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

1.4.1 Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the parent entity, and its subsidiaries as defined in NZ IAS 27: 'Consolidated and Separate Financial Statements'.

Subsidiaries
Subsidiaries are all those entities over which the Group has control.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the excess is credited to profit or loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Trust obtains control and until such time as the Trust ceases to control the subsidiary.

In preparing consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

1.4.2 Goods and Services Tax (GST)

Revenues, expenses, cash flows, assets and liabilities are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expenses. Cash flows in respect of payments to and receipts from the Inland Revenue Department are shown net in the Statement of Cash Flows.

1.4.3 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, excluding GST, rebates and discounts (not excluding discount to consumers) and after eliminating sales within the Group.

Revenue is recognised as follows:

(i) Distribution revenue
Distribution revenue is the electricity lines revenue. Electricity lines revenue is based on actual and assessed readings.

(ii) Contracting revenue
Contracting revenue is recognised by reference to the stage of completion at balance date measured by progress invoices calculated on the basis of the percentage of the contract completed compared to the total estimated cost. Refer also to note 1.4.7.

(iii) Dividend revenue
Dividend revenue is recognised when the shareholders' right to receive payment is established.

(iv) Interest income
Interest income is recognised as it accrues at the effective interest rate.

(v) Sale of goods
Revenue from the sale of goods is recognised when an entity in the Group has delivered to the buyer the significant risks and rewards of ownership of the goods and services.

(vi) Lending fees
Fees and direct costs relating to loan origination, financing or restructuring and to loan commitments are deferred and amortised to interest over the life of the loan using the effective interest method.

(vii) Commission and other fees
Where fees are received on an ongoing basis and represent the recoupment of the costs of maintaining and administering existing loans, these fees are taken to income on an accrual basis as the service is provided.

(viii) Rental income
Rental income is recognised on an accrual basis in accord with the underlying rental agreement.

(ix) Administrative income
Administrative income written into contracts but not yet earned has been excluded from gross income.

(x) Unearned income
Unearned income is reflected as a reduction of finance receivables.

(xi) Transfer of assets from customers
Transfer of assets from customers relates to connection to the network and the revenue is recognised when the connection to the network is completed.

Revenues (v) to (xi) above are included in the classification 'Other revenue' in note 2.

1.4.4 Income tax
Current tax is based on the net profit for the period adjusted for non-deductible expenditure and non-assessable income, plus any adjustments to income tax payable in respect of prior years. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

Deferred tax is accounted for in accordance with IFRS, which requires that the full impact of accounting adjustments, including revaluations are accounted for in calculation of the total liability.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company or Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the current or deferred tax is also recognised directly in equity or where it arises from the initial accounting for a business combination in which case it is taken into account in the determination of goodwill or excess.

1.4.5 Offsetting

Offsetting of assets and liabilities does not occur unless there is a legally enforceable right or it is expressly permitted by a standard.

1.4.6 Inventory and work in progress

Inventories predominantly comprise network system spares and materials and are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average of purchase costs. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

1.4.7 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

1.4.8 Property, plant and equipment and depreciation

The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers, based on an income (present value) approach. The fair values are recognised in these financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of the electricity distribution network is not materially different from fair value. Consideration is given as to whether the assets are impaired as detailed in note 1.4.9.

All other land and buildings, property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. The cost of assets constructed by the Group includes the cost of materials and direct labour and an allowance for overheads.

Any revaluation increase arising on the revaluation of land and buildings and the electricity distribution network is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings and the electricity distribution network is charged as an expense in the Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation is provided on plant, property and equipment, including freehold buildings but excluding land.

Depreciation on revalued buildings and the electricity distribution system is charged to the Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

Depreciation is calculated for buildings and electricity distribution assets so as to write off the cost of each asset over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated so as to expense the cost of the assets over their useful lives.

The following rates are used in the calculation of depreciation:

Category

Distribution plant and equipment	1% - 50%	straight line or
	10% - 25%	diminishing value
Other buildings at cost	2% - 36%	straight line
Other plant and equipment	7.8% - 50%	straight line or
	10% - 39.6%	diminishing value
Motor vehicles	10% - 33.3%	diminishing value

1.4.9 Impairment of assets

The Group reviews the carrying value of its tangible assets (primarily the electricity distribution network and investments) at balance date to determine whether there is any indication that the assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cashflows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The Group considers that the electricity network represents a single cash generating unit for the purposes of impairment assessment, and the individual subsidiaries are cash generating units as they each derive their own cash flows.

Goodwill and other intangible assets are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

The recoverable amount is the higher of fair value (less the costs to sell) and value in use. In assessing value in use, the estimated future cash flows over a five year period are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, then the carrying amount is reduced to its recoverable amount. An impairment loss other than goodwill is recognised in the Statement of Comprehensive Income immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.4.10 Intangible assets

(i) Goodwill
Goodwill representing the excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and is not amortised but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the Statement of Comprehensive Income and not subsequently reversed. Refer also to note 1.4.9.

(ii) Software
Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and it is amortised over its expected useful economic life on a diminishing value basis. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

(iii) Easements
Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

1.4.11 Research and Development Costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense as incurred.

An intangible asset arising from development activity is recognised only if all of the following conditions are met: an asset is created that can be recognised; it is probable that the asset created will generate future economic benefits; and the cost can be measured reliably. Development costs that meet these criteria are amortised on a straight-line basis over their useful lives. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Development costs incurred that cannot be separately identified from the physical asset are included in the item of property, plant and equipment being developed and depreciated over the useful life of the asset. If the recognition criteria are not met, development expenditure is recognised as an expense as incurred.

1.4.12 Employee benefits

Provision is made for employee entitlements accruing in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Provisions made in relation to employee benefits, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to reporting date. In relation to retirement gratuities the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Contributions to defined contribution superannuation schemes are expensed when incurred.

1.4.13 Financial instruments

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

1.4.14 Financial assets

(i) Investments
Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned.

(ii) Loans and receivables
Accounts receivable are initially measured at fair value and are subsequently recognised at amortised cost less impairment using the effective interest method. All known bad debts are written off during the financial year. Inter-group balances due from subsidiaries are stated at amortised cost less impairment.

(iii) Finance receivables
Finance receivables, comprising hire purchase contracts, mortgage advances and dealer floorplans are initially measured at fair value at trade date and are subsequently measured at amortised cost under the effective interest method plus any directly attributable transaction costs, less impairment.

Finance receivables include:
<u>Impaired assets:</u>
-'Non-accrual loans' being loans where we do not expect to be able to collect all the amounts owing in terms of the contract and therefore impairment is required under NZ IAS 39 (but is not a restructured asset).
- 'Assets acquired through security enforcement' being assets acquired in full or partial satisfaction of outstanding loans.

<u>Restructured assets:</u>
- an impaired asset for which the original contracted loan terms have been concessionally modified due to the counterparty's difficulties in complying with the original terms; and
- the revised terms of the facility are not comparable with the terms of new facilities with comparable risks; and
- the yield on the loan following restructuring is equal to, or greater than, the Company's average cost of funds.

<u>Past due assets:</u>
- finance receivables where a counterparty has failed to make a payment when contractually due and is not a restructured asset or impaired asset.

<u>90 day past due assets:</u>
- finance receivables which have not been operated by the counterparty within the key terms of the agreement for at least 90 days but which are not impaired assets.

An impairment loss is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the Statement of Comprehensive Income.

(iv) Bad debts and doubtful debts provisioning
Finance receivables are written down, by way of a specific write-off or collective provision, to their expected net collectable amounts with the amount written off or provided recognised as an expense in the Statement of Comprehensive Income, comprising:

- Specific provisions: these are raised when there is objective evidence (identified on a counterparty by counterparty basis) that an impairment loss has been incurred. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows using the original effective interest rate. The

Company identifies impaired assets where the security has been repossessed and sold due to a breach of agreement. Also where the security has become damaged or written off.

- Collective provisions: Loans that are not known to be impaired are grouped together according to their risk characteristics and are then assessed for objective evidence of impairment of the balance at reporting date. The appropriate collective provision is raised based on historical loss data and current available information for assets with similar risk characteristics. From analysis undertaken, this benchmark has been consistent with the historical level of bad debts experienced in these portfolios.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or allowance is reversed through the Statement of Comprehensive Income.

1.4.15 Financial liabilities

(i) Payables

Trade payables and other accounts payable are recognised at fair value when the Trust or Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are subsequently recognised at amortised cost.

(ii) Borrowings

Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in Statement of Comprehensive Income over the period of the borrowing using the effective interest method. Borrowings are classified as non-current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting period at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest method. No borrowing costs have been capitalised.

(iii) Intercompany payables

These payables are initially recognised at fair value and are subsequently recognised at amortised cost using the effective interest method. In preparing the Group financial statements they are eliminated in full.

(iv) Interest rate swaps

The Group enters into derivative financial instrument contracts to manage its exposure to interest rates risk arising from financing activities.

Derivative financial liabilities are recognised initially at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the profit or loss immediately in the Statement of Comprehensive Income as the financial instrument meets the definition of a derivative.

The derecognition of derivatives financial instruments takes place when the Company or Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold or all cash flows attributable to the instrument are passed through to an independent party.

1.4.16 Foreign currency transactions

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates ruling at the date when the fair value is determined.

Exchange differences on foreign currency balances are recognised in the Statement of Comprehensive Income in the period in which they arise.

1.4.17 Statement of cash flows

Cash and cash equivalents comprise cash on hand, cash in banks (including bank overdrafts), demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group including finance lending and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Trust or Group.

1.4.18 Provisions

Provisions are recognised when the Company or Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be reliably measured.

1.4.19 Fund management activities

The Company or Group does not manage funds on behalf of other parties or engage in other fiduciary activities.

1.4.20 Operating leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term. There are no leases classified as finance leases.

1.4.21 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not amortised or depreciated.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable and the asset is available for immediate sale in its present condition.

1.4.22 Changes in accounting policy

The same accounting policies, presentation and methods of computation have been followed in these financial statements as were applied in the preparation of the financial statements for the year ended 31 March 2013.

1.5 Standards and Interpretations on issue not yet adopted - Public Benefit Entities (PBE's)

The External Reporting Board (XRB) has introduced a revised Accounting Standards Framework. The revised framework intends to introduce Public Benefit Entity Accounting Standards (PAS) comprising International Public Sector Accounting Standards (IPSAS), modified as appropriate for New Zealand circumstances.

The Financial Reporting Act 2013 was enacted in December 2013 and will bring the revised framework into law. As a result the financial reporting requirements for PBE's are frozen in the short-term and that all NZ IFRS with a mandatory effective date for annual reporting commencing on or after 1 January 2012 are not applicable to public benefit entities. Therefore the group has not adopted IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and consequential amendments to IAS 28 Investments in Associates and Joint Ventures and IAS 27 Consolidated and Separate Financial Statements. In addition, the Group has not adopted IAS 19 (amended 2011) Employee Benefits and IFRS 13 Fair Value Measurement.

Accordingly no disclosure has been made about new or amended NZ IFRS that exclude PBE's from their scope.

Under the revised Accounting Standards Framework the Parent and Group is expected to prepare annual financial statements in accordance in IPSAS based standards for the first-time for the year ended 31 March 2016.

The Governing Body is currently assessing the impact of IPSAS adoption on the annual financial statements of the Parent and Group. While changes in presentation and additional disclosures are expected, significant changes to the measurement of the financial performance and position are not, based on a preliminary assessment.

2. Net Profit/(Loss) Before Taxation

Operating revenue from continuing operations

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Sales - distribution	**36,165**	35,099	**-**	-
Sales - contracting	**25,858**	29,790	**-**	-
Interest revenue - other	**46**	62	**1**	1
Dividend revenue - subsidiaries	**-**	-	**320**	275
Other revenue	**688**	906	**-**	-
Total operating revenue from continuing operations	**62,757**	65,857	**321**	276

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Net profit/(loss) before taxation from continuing operations	**(271)**	2,684	**33**	11
After charging/(crediting)				
Auditor's remuneration:				
Audit services	**121**	108	**5**	6
Other services	**62**	25	**-**	-
Bad debts	**139**	47	**-**	-
Change in provision for doubtful debts	**80**	21	**-**	-
Depreciation	**8,291**	8,500	**-**	1
Impairment of property, plant and equipment	**-**	15	**-**	-
Intangible assets amortisation	**200**	174	**-**	-
Goodwill impairment	**500**	756	**-**	-
Directors' fees	**263**	272	**-**	-
Trustees' fees	**84**	70	**84**	70
Defined contribution plan expense	**287**	373	**-**	-
Employee costs	**12,519**	16,191	**-**	-
Impairment of investment	**49**	-	**-**	-
Loss on disposal of investment	**-**	217	**-**	-
Interest - other	**2,181**	2,715	**-**	-
Loss/(Gain) on sale of property, plant and equipment	**1,116**	(495)	**-**	-
Contracting inventory expense	**7,782**	4,616	**-**	-
Rental and lease costs	**732**	688	**-**	-
Repairs and maintenance	**710**	658	**-**	-
Vehicle	**426**	845	**-**	-
Contractors	**5,987**	6,438	**-**	-
Discount to consumers	**7,628**	6,947	**-**	-
Other expenses	**13,871**	13,992	**199**	188
Total expenses from continuing operations	**63,028**	63,173	**288**	265

Consumer sales discount

A total of $7.6m plus GST was credited to consumers during the year to 31 March 2014 ($6.9m plus GST during the year to 31 March 2013).

3. Taxation

The income taxation expense on pre-tax accounting profit/(loss) reconciles to the income tax expense as follows:

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Profit/(loss) for the year before taxation from continuing operations	**16**	2,966	**33**	11
Income taxation for the period at 28%	**4**	830	**9**	3
Taxation effect of				
- Permanent / Timing differences	**276**	264	**(9)**	(3)
- Prior period adjustment	**(1,277)**	736	**-**	-
Taxation (benefit)/expense for continuing operations	**(997)**	1,830	**-**	-
Taxation (benefit)/expense comprises of:				
Current tax expense	**(625)**	3,054	**-**	-
Deferred tax (benefit)	**(372)**	(1,224)	**-**	-
Total (benefit)/expense for continuing operations	**(997)**	1,830	**-**	-

Deferred tax

Group *31 March 2014*	Opening Balance $000	Charged to Income – Continuing Operations $000	Charged to Income – Discontinued Operations $000	Charged to Other Comprehensive Income $000	Acquisitions/ Disposals $000	Closing Balance $000
Gross deferred tax liabilities						
Provisions	796	(39)	-	-	(490)	267
Doubtful debts and impairment	768	-	9	-	(748)	29
Property, plant and equipment	(37,611)	411	(3)	655	466	(36,082)
	(36,047)	**372**	**6**	**655**	**(772)**	**(35,786)**

Group *31 March 2013*	Opening Balance $000	Charged to Income – Continuing Operations $000	Charged to Income – Discontinued Operations $000	Charged to Other Comprehensive Income $000	Acquisitions/ Disposals $000	Closing Balance $000
Gross deferred tax liabilities						
Provisions	360	431	5	-	-	796
Doubtful debts and impairment	432	5	331	-	-	768
Property, plant and equipment	(38,519)	788	1	119	-	(37,611)
	(37,727)	**1,224**	**337**	**119**	**-**	**(36,047)**

Parent *31 March 2014*	**Opening Balance $000**	**Charged to Income $000**	**Charged to Other Comprehensive Income $000**	**Acquisitions / Disposals $000**	**Closing Balance $000**
Gross deferred tax liabilities					
Provisions	-	-	-	-	-
Doubtful debts and impairment	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
	-	-	-	-	-

Parent *31 March 2013*	**Opening Balance $000**	**Charged to Income $000**	**Charged to Other Comprehensive Income $000**	**Acquisitions/ Disposals $000**	**Closing Balance $000**
Gross deferred tax liabilities					
Provisions	-	-	-	-	-
Doubtful debts and impairment	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-
	-	-	-	-	-

Imputation credit account

	Group		Parent	
	2014 $000	2013 $000	**2014 $000**	2013 $000
Closing balance	**10,526**	11,489	-	-

4. Rental and Leases

	Group		Parent	
	2014 $000	2013 $000	**2014 $000**	2013 $000
No later than one year	**551**	560	-	-
Later than one year and not later than five years	**1,668**	1,204	-	-
Greater than five years	**1,674**	-	-	-
	3,893	1,764	-	-

The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of the Company.

5. Remuneration of Auditor

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Audit of the financial statements	**121**	180	**5**	6
Audit related services or review of the financial statements not reported above	**45**	12	**-**	-
Taxation services	**17**	31	**-**	-
	183	223	**5**	6

The auditor of Electra Limited and its subsidiaries is Trevor Deed of Deloitte on behalf of the Auditor-General.

Audit related services comprise the review of Electra Limited's regulatory disclosures in accordance with the Electricity (Information Disclosure) Requirements under Part 4A of the Commerce Act 1986 and amendment notices.

Taxation services include a charge for providing taxation compliance assistance.

6. Receivables and Prepayments

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Trade receivables	**11,475**	8,752	**-**	-
Intercompany receivable	**-**	-	**24**	-
GST receivable	**495**	345	**-**	-
Prepayments	**62**	274	**2**	-
	12,032	9,371	**26**	-
Less provision for doubtful debts	**(139)**	(120)	**-**	-
	11,893	9,251	**26**	-

7. Finance Receivables

Finance lending is provided to clients in the form of HP contracts, mortgages and dealer floorplans.

	Group	
	2014	2013
	$000	$000
Finance receivables	**2,711**	53,158
Less provision for unearned interest	**-**	(57)
Total	**2,711**	53,101
Less provision for doubtful debts	**-**	(2,623)
Total finance receivables	**2,711**	50,478

Due for repayment	Group	
	2014	2013
	$000	$000
Current	**2,711**	24,598
Non-current	**-**	25,880
Total	**2,711**	50,478

8. Inventories and Work in Progress

	Group	
	2014	2013
	$000	$000
Inventory – finished goods	**603**	626
Work in progress	**973**	709
	1,576	1,335

9. Financial Instruments

For specifics relating to Oxford Finance Limited, refer to note 10.

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss.

Financial assets which potentially subject the Company and Group to credit risk principally consist of bank balances, accounts receivable and in the case of the Company, advances to subsidiaries.

The Company and the Group manages their principal credit risk by having Use of System Agreements with its major customers to maintain a minimum credit rating of BBB or better and performing credit evaluations on customers requiring advances.

The status of trade receivables and intercompany loan receivable as at reporting date is as follows:

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Trade and Intercompany receivables				
Not past due	**10,354**	7,936	**24**	-
Past due 0 – 30 days	**712**	362	**-**	-
Past due 31- 60 days	**30**	(35)	**-**	-
Past due more than 60 days	**379**	489	**-**	-
	11,475	8,752	**24**	-

The above maximum exposures exclude any recognised provision for losses on these financial assets. No collateral is held on the above amounts. The trade and intercompany receivables are within their contractual terms and are considered to be collectible.

In accordance with the Group's Treasury policy Bank balances in short term deposits are made with registered banks. The registered banks currently have a credit rating of AA-.

Concentrations of credit risk

Electra Limited has exposure to concentration of credit risk by having ten electricity retailer customers. This is managed as mentioned above through the Use of System Agreements.

Foreign currency risk

The Trust and Group have no material exposure to foreign exchange risk.

Interest rate risk

Liabilities
The interest rate risk exposure is limited to bank borrowings.

Fair values
The carrying amounts recorded in the Statement of Financial Position are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings, investments in subsidiaries and amounts which are not able to be determined because there is no available market data.

INTEREST RATE RISK PROFILE OF FINANCIAL ASSETS AND LIABILITIES

The interest rate risk profile in relation to continuing activities of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier.

Financial Instrument Carrying Values by Category – Group

As at 31 March 2014 $000	Int Rate %	Total	0-12 Mths	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents	2.25	988	988	-	-	-
Trade receivables	-	11,475	11,475	-	-	-
Finance receivables	-	2,711	2,711	-	-	-
Total financial assets		**15,174**	**15,174**			
Financial liabilities						
Trade and other payables	-	8,939	8,939	-	-	-
Debt finance	5.98	34,659	16,439	5,320	12,900	-
Other financial liabilities	-	65	22	-	43	-
Total financial liabilities		**43,663**	**25,400**	**5,320**	**12,943**	**-**

Financial Instrument Carrying Values by Category – Group

As at 31 March 2013 $000	Int Rate %	Total	0-12 Mths	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents	3.00	4,099	4,099	-	-	-
Trade receivables	-	8,752	8,752	-	-	-
Finance receivables	14.76	50,478	24,598	16,182	9,585	113
Total financial assets		**63,329**	**37,449**	**16,182**	**9,585**	**113**
Financial liabilities						
Trade and other payables	-	10,753	10,753	-	-	-
Debt finance	6.24	81,034	31,384	27,930	21,720	-
Other financial liabilities	-	269	9	90	170	-
Total financial liabilities		**92,056**	**42,146**	**28,020**	**21,890**	**-**

Financial Instrument Carrying Values by Category – Parent

As at 31 March 2014 $000	Int Rate %	Total	0-12 Mths	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents	-	14	14	-	-	-
Intercompany receivables	-	24	24	-	-	-
Total financial assets		**38**	**38**	-	-	-
Financial liabilities						
Trade and other payables	-	10	10	-	-	-
Total financial liabilities		**10**	**10**	-	-	-

Financial Instrument Carrying Values by Category – Parent

As at 31 March 2013 $000	Int Rate %	Total	0-12 Mths	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents	-	15	15	-	-	-
Intercompany receivables	-	-	-	-	-	-
Total financial assets		**15**	**15**	-	-	-
Financial liabilities						
Trade and other payable	-	18	18	-	-	-
Total financial liabilities		**18**	**18**	-	-	-

Fair Value Measurements Recognised through Statement of Comprehensive Income

The table below shows the fair value hierarchy of financial assets and liabilities recognised at fair value. The fair value hierarchy is based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs or other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable data (unobservable inputs).

Derivative Financial Instruments

	Group and Parent 2014			
	Level one $'000	Level two $'000	Level three $'000	Total $'000
Interest Rate Swaps	-	(65)	-	(65)
Total	-	**(65)**	-	**(65)**

	Group and Parent 2013			
	Level one $'000	Level two $'000	Level three $'000	Total $'000
Interest Rate Swaps	-	(269)	-	(269)
Total	-	**(269)**	-	**(269)**

The table below shows the changes in fair value of financial instruments recognised in the profit and (loss) component of the Statement of Comprehensive Income.

	Group and Parent	
	2014	2013
	$'000	$'000
Interest Rate Swaps	**204**	114
Total	**204**	114

Liquidity risk

Liquidity risk represents the risk that the Company and Group may not have the financial ability to meet its contractual obligations. The Company and Group evaluates its liquidity requirements on an ongoing basis. While total financial liabilities exceed total financial assets, facilities of $99.85m (2013: $97.35m) exist with the Bank of New Zealand, of which amounts are drawn down to cover shortfalls in liquidity. At balance date $80.7m had been drawn down (2013: $82.95m).

The following table outlines undiscounted cash flows including any accrued interest based on contractual maturities however actual repayments may differ. While most commercial loans are showing in the table with contractual maturities of 0-6 months it is expected some of these will be rolled over at the discretion of the Board.

Contractual Maturity Analysis – Continuing Operations

Financial Instrument Maturity Values by Category - Group

As at 31 March 2014 $000	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial assets										
Cash and cash equivalents	-	988	988	-	-	-	-	-	-	-
Trade and other receivables	-	11,475	-	11,475	-	-	-	-	-	-
Finance receivables	-	2,711	-	414	2,297	-	-	-	-	-
Total financial assets		**15,174**	**988**	**11,889**	**2,297**	-	-	-	-	-
Financial liabilities										
Trade and other payables	-	8,939	-	8,939	-	-	-	-	-	-
Debt finance	6.30	37,669	-	17,087	588	6,226	5,461	6,296	2,011	-
Other financial liabilities	-	481	-	114	62	123	123	59	-	-
Total financial liabilities		**47,089**	-	**26,140**	**650**	**6,349**	**5,584**	**6,355**	**2,011**	

Financial Instrument Maturity Values by Category - Group

As at 31 March 2013 $000	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial assets										
Cash and cash equivalents	3.00	4,099	4,099	-	-	-	-	-	-	-
Trade and other receivables	-	8,752	-	8,752	-	-	-	-	-	-
Finance receivables	14.76	66,149	1,521	16,587	15,738	22,985	7,344	1,619	286	69
Total financial assets		**79,000**	**5,620**	**25,339**	**15,738**	**22,985**	**7,344**	**1,619**	**286**	**69**
Financial liabilities										
Trade and other payables	-	10,753	-	10,753	-	-	-	-	-	-
Debt finance	6.24	84,843	-	25,730	7,209	28,997	13,028	5,240	4,639	-
Other financial liabilities	-	757	-	148	129	175	123	123	59	-
Total financial liabilities		**96,353**	**-**	**36,631**	**7,338**	**29,172**	**13,151**	**5,363**	**4,698**	**-**

Financial Instrument Maturity Values by Category - Parent

As at 31 March 2014 $000	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial assets										
Cash and cash equivalents	-	14	14	-	-	-	-	-	-	-
Intercompany receivables	-	24	-	24	-	-	-	-	-	-
Total financial assets		**38**	**14**	**24**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade and other payables	-	10	-	10	-	-	-	-	-	-
Total financial liabilities		**10**	**-**	**10**	**-**	**-**	**-**	**-**	**-**	**-**

Financial Instrument Maturity Values by Category - Parent

As at 31 March 2013 $000	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial assets										
Cash and cash equivalents	-	15	15	-	-	-	-	-	-	-
Intercompany receivables	-	-	-	-	-	-	-	-	-	-
Total financial assets		**15**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade and other payables		18	-	18	-	-	-	-	-	-
Total financial liabilities		**18**	**-**	**18**	**-**	**-**	**-**	**-**	**-**	**-**

Capital management

The Group's capital includes share capital, asset revaluation reserve and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Electra Limted Group is subject to the following capital requirements and covenants:

(a) The Statement of Corporate Intent imposes a restriction that the Parent will maintain shareholder funds at not less than 40% (2013:40%) of total assets.

(b) Bank Covenants:

- (i) Ratio of EBIT (Group earnings before interest, taxation and customer discounts) to interest paid to be no less than 2.0 times
- (ii) Annual Balance Sheet and Profit and Loss account to be provided within 120 days of balance date
- (iii) Interim accounts to be provided upon request
- (iv) Cash flow forecasts/budgets for the ensuing year to be provided to the bank upon request
- (v) Group equity to be maintained at no less than 35% of total tangible assets at all times

(c) Oxford Finance Limited is subject to further covenants as detailed in Note 10.

The Group has complied with all covenants during the year.

10. Financial Instruments – Oxford Finance Limited (OFL)

The assets and liabilities related to Oxford Finance Limited (OFL) and Oxford Finance Corporation Limited (OFC) have been presented as held for sale following the approval of the Group's management and shareholders on 28 March 2014 to sell assets of both former entities (Note 27).

In preparation for the sale of OFL, on 31 March 2014 OFC sold certain commercial loans to Electra Finance Limited. On the same date OFC was amalgamated into OFL (Note 12.2). The amalgamation was accounted for as a commonly controlled acquisition.

Management Policies
Interest rate risks are monitored on a regular basis and advice taken on likely trends. Oxford Finance Limited's (OFL) policy is to match interest rate risk, and interest rate exposures are reported to and reviewed regularly by the Board of Directors.

Credit Risk
The nature of the OFL's activities as a financial institution necessitates OFL dealing in financial instruments that contain an inherent element of credit risk.

Financial instruments which potentially subject OFL to credit risk principally consist of hire purchase contracts, mortgage advances, dealer floorplans and bank deposits.

For all customers requiring advances and hire purchase loans, OFL performs credit evaluations. The approval process considers a number of factors including; borrower's past performance, ability to repay, amount of money to be borrowed against the security and the substance of the guarantor/co-borrower involved.

Hire purchase contracts are principally made through motor vehicle dealer clients. Dealer floorplans are secured by first charges taken over vehicle stock. All other motor vehicle lending is secured by first charges over vehicle stock. Exposure to land and buildings are secured by way of mortgage over the property.

Maximum exposures to credit risk as at balance date are:

($'000)	31 March 2014	31 March 2013
Cash and Cash Equivalents	**1,266**	1,015
Finance Receivables	**50,053**	50,478
Related Party Receivable	**86**	2
Trade and Other Receivables	**7**	3,655
Other Credit Risk	**598**	480
Total Exposure to credit risk	**52,010**	55,630
Amounts neither past due nor impaired:		
Cash and Cash Equivalents	**1,266**	1,015
Finance Receivables	**48,598**	41,715
Related Party Receivable	**86**	4,590
Trade and Other Receivables	**7**	3,657
Other Credit Risk	**598**	480
Total	**50,555**	51,547

The above maximum exposures are net of any recognised provision for doubtful debts in these financial statements.

Fair Values
Carrying Amount and Fair Value

	31 March 2014	
($'000)	Carrying Value	Fair Value
Cash and Cash Equivalents	**1,266**	1,266
Hire Purchase and Mortgage Advances	**49,270**	49,616
Dealer Floorplans	**2,142**	2,142
Total Finance Receivables	**51,412**	51,758
Other Liabilities	**(2,236)**	(2,236)
Debt Finance	**(46,100)**	(46,100)
Total Finance Liabilities	**(48,336)**	(48,336)

($'000)	31 March 2013 Carrying Value	Fair Value
Cash and Cash equivalents	1,015	1,015
Hire Purchase and Mortgage Advances	50,005	52,648
Dealer Floorplans	1,521	1,521
Total Finance Receivables	**51,526**	**54,169**
Other Liabilities	(1,273)	(1,882)
Debt Finance	(44,600)	(44,600)
Total Finance Liabilities	**(45,873)**	**(46,482)**

The carrying value of trade and other payables and other receivables approximates their fair value due to the short term nature of the financial instrument.

The fair value of loans and advances are calculated using discounted cash flow models based on the interest rate re-pricing and maturity of the financial assets. Discount rates applied in this calculation are based on current market interest rates for loans and advances with similar credit profiles. At 31 March 2014 the discount rate used for loans and advances was 13.50% (31 March 2013: 13.50%).

The carrying value of debt finance has been assessed as an appropriate measure of fair value.

OFL is not involved in any off balance sheet financial instruments.

Financial Assets and Liabilities by classification ($'000)	**As at 31 March 2014**	**As at 31 March 2013**
Loans and Receivables		
Cash	1,266	1,015
Finance Receivables	50,053	50,478
Trade and Other Receivables	93	3,657
Total Loans and Receivables	**51,412**	55,150
Financial Liabilities held at amortised cost		
Trade and Other Payables	(1,302)	(1,228)
Debt Finance	(46,100)	(44,600)
Total Financial Liabilities held at amortised cost	**(47,402)**	(45,828)

INTEREST RATE RISK PROFILE OF FINANCIAL ASSETS AND LIABILITIES

The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier.

Interest rate risk is the risk that the value of OFL's assets and liabilities will fluctuate due to changes in market interest rates. OFL is exposed to interest rate risk by lending and borrowing at fixed interest rates for differing terms. OFL manages this risk by matching, as far as possible, maturities on funding facilities with maturities on finance receivables.

Financial Instrument Carrying Values by Category

As at 31 March 2014 ($'000)	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial Assets										
Trade and other receivables	-	7	-	7	-	-	-	-	-	-
Cash and cash equivalents	2.25	1,266	1,266	-	-	-	-	-	-	-
Finance receivables	15.65	50,053	2,142	12,131	10,428	15,604	7,462	1,963	303	20
Intercompany finance receivable	-	86	-	86	-	-	-	-	-	-
Financial commitments	-	598	-	598	-	-	-	-	-	-
Total Financial Assets		**52,010**	**3,408**	**12,822**	**10,428**	**15,604**	**7,462**	**1,963**	**303**	**20**
Financial Liabilities										
Trade and other payables	-	1,302	-	1,302	-	-	-	-	-	-
Debt finance	5.75	46,100	-	19,450	17,650	7,000	2,000	-	-	-
Total Financial Liabilities		**47,402**	-	**20,752**	**17,650**	**7,000**	**2,000**	-	-	-

As at 31 March 2013 ($'000)	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial Assets										
Trade and other receivables	-	26	-	26	-	-	-	-	-	-
Cash and cash equivalents	2.25	1,015	1,015	-	-	-	-	-	-	-
Finance receivables	15.07	50,478	1,521	12,987	10,090	16,182	7,739	1,726	220	13
Intercompany finance receivable	-	3,616	-	-	-	3,616	-	-	-	-
Financial commitments	-	480	-	480	-	-	-	-	-	-
Total Financial Assets		**55,615**	**2,536**	**13,493**	**10,090**	**19,798**	**7,739**	**1,726**	**220**	**13**
Financial Liabilities										
Trade and other payables	-	1,228	-	1,228	-	-	-	-	-	-
Debt finance	5.91	44,600	-	13,900	4,000	19,700	7,000	-	-	-
Total Financial Liabilities		**45,828**	-	**15,128**	**4,000**	**19,700**	**7,000**	-	-	-

The balances in the tables above are net of any recognised provision for losses in these financial statements.

Sensitivity Analysis

In managing interest rate risks OFL aims to reduce the impact of short-term fluctuations on OFL's earnings. The impact on profit of future funding interest rate changes would be mitigated by increasing the rates charged to borrowers on future borrowings.

Potential impact of interest rate change:

If either the funding or lending rate increased but with no corresponding increase in either funding or the lending rates the impact on profit and equity would be as follows:

Funding ($'000)	**Profit and Equity Impact per annum**	**31 March 2014**	31 March 2013
Increase 1%	Decrease	**(461)**	(446)
Decrease 1%	Increase	**461**	446
Lending			
Increase 1%	Increase	**500**	538
Decrease 1%	Decrease	**(500)**	(538)

LIQUIDITY RISK

Liquidity risk is the potential for OFL to encounter difficulty meeting its financial obligations as they fall due. Policies are in place to manage liquidity on a day to day basis based on expected cash flow arising from contractual maturities and any restructured loans terms. The following table outlines undiscounted cash flows including any accrued interest based on contractual maturities however actual repayments may differ. While most commercial loans are showing in the table with contractual maturities of 0-6 months it is expected some of these will be rolled over at the discretion of the Board.

Contractual Maturity Analysis As at 31 March 2014 ($'000)	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial Assets										
Trade and other receivables	-	7	-	7	-	-	-	-	-	-
Cash and cash equivalents	2.25	1,266	1,266	-	-	-	-	-	-	-
Finance receivables	15.65	61,609	2,142	17,219	13,882	18,973	7,416	1,684	259	34
Intercompany receivables	-	86	-	86	-	-	-	-	-	-
Financial commitments	-	598	598	-	-	-	-	-	-	-
Total Financial Assets		**63,566**	**4,006**	**17,312**	**13,882**	**18,973**	**7,416**	**1,684**	**259**	**34**
Financial Liabilities										
Trade and other payables	-	1,302	-	1,302	-	-	-	-	-	-
Debt finance	5.75	48,081	-	20,332	18,257	7,451	2,041	-	-	-
Total Financial Liabilities		**49,383**	**-**	**21,634**	**18,257**	**7,451**	**2,041**	**-**	**-**	**-**

Contractual Maturity Analysis As at 31 March 2013 ($'000)	Int Rate %	Total	On Call	0-6 Mths	6-12 Mths	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years
Financial Assets										
Trade and other receivables	-	26	-	26	-	-	-	-	-	-
Cash and cash equivalents	2.25	1,015	1,015	-	-	-	-	-	-	-
Finance receivables	14.74	66,149	1,521	16,587	15,738	22,985	7,344	1,619	286	69
Intercompany receivables	-	3,616	-	-	-	3,616	-	-	-	-
Financial commitments	-	480	-	480	-	-	-	-	-	-
Total Financial Assets		**71,286**	**2,536**	**17,093**	**15,738**	**26,601**	**7,344**	**1,619**	**286**	**69**
Financial Liabilities										
Trade and other payables	-	1,228	60	1,168	-	-	-	-	-	-
Debt finance	5.91	48,421	-	15,162	4,865	21,067	7,327	-	-	-
Total Financial Liabilities		**49,649**	**60**	**16,330**	**4,865**	**21,067**	**7,327**	**-**	**-**	**-**

OFL's policy for managing liquidity is to structure its investment rates offered to attract investment funds for periods that match the contractual lending maturity portfolio as displayed in the above tables.

OFL is subject to cashflow liquidity risk by borrowing funds on floating interest rates.

OFL has the ability to borrow up to $5m from Electra Limited through their committed cash facility with the Bank of New Zealand. The facility is secured by way of a general security agreement over Electra Limited assets. As at 31 March 2014 the facility had not been utilised (31 March 2013: $Nil).

Overdues

The finance receivable balance includes Impaired Assets comprising as follows:

As at 31 March 2014 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Non-Accrual Loans and Assets Acquired Through Enforcement of Security			
Carrying value at beginning of year	781	3,701	4,482
Additions of individually impaired assets	531	-	531
Reduction of individually impaired assets	(127)	(3,701)	(3,828)
Bad debts written off during the year	(354)	-	(354)
Closing carrying value	**831**	**-**	**831**
Less:			
Provision for Doubtful Debts – opening	(303)	(1,764)	(2,067)
Additions to impaired assets	(35)	1,764	1,729
Provision for Doubtful Debts – closing	**(338)**	**-**	**(338)**
Closing carrying value – net of provision	**493**	**-**	**493**

As at 31 March 2013 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Non-Accrual Loans and Assets Acquired Through Enforcement of Security			
Carrying value at beginning of year	466	3,793	4,259
Additions of individually impaired assets	606	247	853
Reduction of individually impaired assets	(125)	(331)	(456)
Bad debts written off during the year	(166)	(8)	(174)
Closing carrying value	**781**	**3,701**	**4,482**
Less:			
Provision for Doubtful Debts – opening	(87)	(815)	(902)
Additions to impaired assets	(216)	(949)	(1,165)
Provision for Doubtful Debts – closing	**(303)**	**(1,764)**	**(2,067)**
Closing carrying value – net of provision	**478**	**1,937**	**2,415**

Assets are identified as impaired in accordance with the accounting policy. Some loans have been identified as impaired at balance date, but the security has yet to be sold. Once the security is seized OFL's policy is to issue notices (under the Credit Contracts Act) and at the expiration of those notices put the security up for sale. Seized securities are not used in OFL's day to day operations.

The finance receivable balance includes Restructured Loans comprising:

As at 31 March 2014 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Restructured Loans			
Carrying value at beginning of year	168	-	168
Additions to restructured loans	167	-	167
Repayment of restructured loans	(110)	-	(110)
Closing carrying value	**225**	**-**	**225**

As at 31 March 2013 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Restructured Loans			
Carrying value at beginning of year	207	-	207
Additions to restructured loans	97	-	97
Repayment of restructured loans	(136)	-	(136)
Closing carrying value	**168**	**-**	**168**

The finance receivable balance also includes 90+ days Past Due Assets comprising:

As at 31 March 2014 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Past Due Assets (90+days)			
Carrying value at beginning of year	241	1,745	1,986
Additions to past due assets	183	-	183
Repayment of past due assets	(216)	(1,348)	(1,564)
Closing carrying value	**208**	**397**	**605**
Less:			
Carrying value at beginning of year	(27)	(192)	(219)
Additions to past due assets	(5)	-	(5)
Repayment of past due assets	10	148	158
Provision for Doubtful Debts – closing	**(22)**	**(44)**	**(66)**
Closing carrying value – net of provision	**186**	**353**	**539**

As at 31 March 2013 ($'000)	Motor Vehicle Plant and Equip Other	Land and Buildings	Total
Past Due Assets (90+days)			
Carrying value at beginning of year	551	1,375	1,926
Additions to past due assets	126	538	664
Repayment of past due assets	(436)	(168)	(604)
Closing carrying value	**241**	**1,745**	**1,986**
Less			
Carrying value at beginning of year	(61)	(151)	(212)
Additions to past due assets	(6)	(41)	(47)
Repayment of past due assets	40	-	40
Provision for Doubtful Debts – closing	**(27)**	**(192)**	**(219)**
Closing carrying value – net of provision	**214**	**1,553**	**1,767**

The disclosure of past due assets in the tables below recognises the entire loan balance as past due when an instalment has not been made within the terms of its agreement.

Past Due Assets ($'000)	91-120 days	121-150 days	150+ days	Total
31 March 2014	**121**	**21**	**481**	**623**
31 March 2013	72	437	1,477	1,986

The proportion of loans in arrears 3 months and over is 1.2% being total overdue loan balances as a proportion of total loan ledger (31 March 2013: 3.9%).

Past Due Assets ($'000)	1-30 days	31-60 days	61-90 days	Total
31 March 2014	**1,961**	**847**	**195**	**3,003**
31 March 2013	3,817	817	312	4,946

For all customers requiring advances and hire purchase loans OFL performs credit evaluations. The approval process considers a number of factors including; borrowers past performance, ability to repay, amount of money to be borrowed against the security and the substance of the guarantor/co-borrower involved.

Hire purchase contracts are principally made through the motor vehicle dealer clients.

There are no indicators to suggest that credit quality of these assets is impaired.

The finance receivables include mortgage advances secured by a registered mortgage over the property. It also includes personal and hire purchase advances whereby OFL holds a secured charge over a motor vehicle.

Concentrations of lending

The majority of OFL's funds are advanced through motor vehicle dealers on hire purchase agreements. These dealers are throughout the North Island of New Zealand. OFL also provides finance on hire purchase and advances, mortgage advances, business lending and motor vehicle floorplans. OFL's credit exposure concentrations of finance receivables are as follows:

	31 March 2014	31 March 2013
Land and Buildings	**2%**	11%
• Residential	**2%**	7%
• Commercial	-	1%
• Industrial	-	3%
Plant and Equipment	**6%**	1%
Motor Vehicles	**89%**	74%
Other	**3%**	14%
Land and Buildings		
• 1st Mortgage	-	56%
• 2nd Mortgage	**100%**	44%

<u>Credit exposure concentrations within New Zealand are as follows:</u>

	31 March 2014	31 March 2013
Auckland/Northland	**8%**	6%
Waikato/Bay of Plenty	**24%**	23%
Hawkes Bay/Gisborne	**6%**	6%
Taranaki/Manawatu/Horowhenua	**30%**	32%
Wellington/Wairarapa	**26%**	29%
Canterbury/Westland/South Island	**6%**	4%

<u>All credit risks are in New Zealand.</u>

Concentrations of Credit Exposure are as follows:

	31 March 2014	31 March 2013
Accommodation, Cafes and Restaurants	**3%**	2%
Agriculture, Forestry, Fishing and Mining	**9%**	7%
Construction	**9%**	9%
Education, Health and Community Services	**18%**	20%
Electricity, Gas and Water	**2%**	1%
Finance and Insurance	**2%**	3%
Manufacturing	**2%**	3%
Property and Business Services	**9%**	13%
Transport, Storage and Communication	**9%**	7%
Wholesale and Retail Trade	**19%**	20%
Other Services	**18%**	15%

Industry categories have been identified using the Australian and New Zealand Standard Industrial Classification (ANZSIC) codes.

Large counterparties

OFL had the following numbers of counterparties and groups of closely related counterparties with credit exposure equalling or exceeding 10% of equity:

Percentage of Equity	**Number of Counterparties** **As at 31 March 2014**	As at 31 March 2013
10-20%	**1**	1
21-30%	**1**	3

Capital management

OFL maintains capital in the form of ordinary issued shares and retained profits held within OFL. OFL's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

OFL has access to the undrawn portion of the $50m facility it has with the BNZ (31 March 2013: $47m). This facility is secured by a perfected first ranking General Security Agreement granting the BNZ a security interest in all present and after acquired property of Oxford Finance Limited, and an unlimited inter-company guarantee from Electra Limited, Oxford Finance Limited, DataCol NZ Limited, Linework and Stones Limited, and Sky Communications Limited.

OFL is subject to the following financial and reporting covenants:
(i)The value of top 10 borrowers (excluding any short-term advances for cash management purposes to Electra Limited), are to be no more than 20% of net finance receivables.
(ii)The net carrying value of 90 day plus days past due loans to net finance receivables is to be no more than 3%.
(iii)OFL and subsidiaries (on a consolidated basis) are to maintain net assets/tangible assets at no less than 8%.
(iv)To provide to the bank its annual balance sheet and profit and loss account within 120 days of balance date.
(v)To provide a copy of monthly financial reporting to the bank within 15 days of sign-off by the Board of Directors.

OFL has complied with all covenants during the year.

11. Property, Plant and Equipment

Group	Distribution Plant & Equip (incl. Land and Buildings) at Valuation $000	Other Land and Buildings at Cost $000	Other Plant and Equipment at Cost $000	Motor Vehicles at Cost $000	Other Capital Work in Progress at Cost $000	Total $000
Cost						
Balance as at 1 April 2012	186,433	2,520	4,779	7,120	8,000	208,852
Additions	292	167	256	292	6,247	7,254
Disposals	(1,292)	(1,022)	(886)	(2,788)	-	(5,988)
Transfer to/(from) capital work in progress	9,939	-	-	-	(9,958)	(19)
Balance as at 31 March 2013	**195,372**	**1,665**	**4,149**	**4,624**	**4,289**	**210,099**
Balance as at 1 April 2013	195,372	1,665	4,149	4,624	4,289	210,099
Additions	228	-	283	216	7,832	8,559
Disposals	(479)	(1)	(187)	(317)	-	(984)
Transfer to/(from) capital work in progress	4,209	7	44	-	(4,260)	-
Reclassified as 'Held for Sale'	-	(311)	(161)	(89)	-	(561)
Revaluation	(32,210)	-	-	-	-	(32,210)
Balance as at 31 March 2014	**167,120**	**1,360**	**4,128**	**4,434**	**7,861**	**184,903**
Depreciation and impairment losses						
Balance as at 1 April 2012	(14,084)	(413)	(2,527)	(2,736)	-	(19,760)
Depreciation charge	(7,248)	(80)	(638)	(534)	-	(8,500)
Write back on disposals	113	204	568	1,149	-	2,034
Impairment losses (charged to profit)	-	-	(15)	-	-	(15)
Balance as at 31 March 2013	**(21,219)**	**(289)**	**(2,612)**	**(2,121)**	**-**	**(26,241)**
Balance as at 1 April 2013	(21,219)	(289)	(2,612)	(2,121)	-	(26,241)
Depreciation charge	(7,485)	(22)	(438)	(346)	-	(8,291)
Write back on disposals	89	1	155	252	-	497
Impairment losses (charged to profit)	-	-	-	-	-	-
Reclassified as 'Held for Sale'	-	72	62	32	-	166
Revaluation	28,161	-	-	-	-	28,161
Balance as at 31 March 2014	**(454)**	**(238)**	**(2,833)**	**(2,183)**	**-**	**(5,708)**
Carrying amounts						
At 31 March 2013	174,153	1,376	1,537	2,503	4,289	183,858
At 31 March 2014	**166,666**	**1,122**	**1,295**	**2,251**	**7,861**	**179,195**

Parent	Distribution Plant & Equip (incl. Land and Buildings) at Valuation $000	Other Land and Buildings at Cost $000	Other Plant and Equipment at Cost $000	Motor Vehicles at Cost $000	Other Capital Work in Progress at Cost $000	Total $000
Cost						
Balance as at 1 April 2012	-	-	2	-	-	2
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	
Balance as at 31 March 2013	**-**	**-**	**2**	**-**	**-**	**2**
Balance as at 1 April 2013	-	-	2	-	-	2
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**-**	**2**	**-**	**-**	**2**
Depreciation and impairment losses						
Balance as at 1 April 2012	-	-	(1)	-	-	(1)
Depreciation charge	-	-	(1)	-	-	(1)
Write back on disposals	-	-	-	-	-	-
Balance as at 31 March 2013	**-**	**-**	**(2)**	**-**	**-**	**(2)**
Balance as at 1 April 2013	-	-	(2)	-	-	(2)
Depreciation charge	-	-	-	-	-	-
Write back on disposals	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**-**	**(2)**	**-**	**-**	**(2)**
Carrying amounts						
At 31 March 2013	-	-	-	-	-	-
At 31 March 2014	**-**	**-**	**-**	**-**	**-**	**-**

Revaluation and impairment review

The Group's distribution assets (excluding land and buildings) and the electricity distribution network were revalued to a fair value of $167,349,712 as at 31 March 2014 by Richard Krogh, of independent valuers Energia Limited, using an income (present value) approach. This approach was considered to be the most appropriate valuation technique given the current electricity industry environment and the availability of input data.

All other Group property, plant and equipment are recorded at cost less accumulated depreciation.

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any items of property, plant and equipment might be impaired. Based on evidence from asset disposals, the Group does not believe that any such carrying values are materially impaired at 31 March 2014 (31 March 2013: $Nil).

12. Investments

13.1 Interest held by Group

The Trust owns 100% of Electra Limited. Electra Limited has the following subsidiaries:

Name of Entity	Principal Activities	2014	2013
Linework and Stones Limited	Electrical Contracting	-	Amalgamated 1 July 2012
Oxford Finance Limited	Financial Services	**100%**	100%
DataCol NZ Limited	Metering Services	**100%**	100%
DataCol Group Pty Limited	Metering Services	**100%**	100%
Sky Communications Limited	Telecommunication Contracting	**100%**	100%
Electra Finance Limited	Management Services	**100%**	100%
Electra Generation Limited	Non Trading	**100%**	100%
DeFrost Limited	Non Trading	**100%**	100%
Horowhenua Wind Energy Limited	Non Trading	**100%**	100%

The effective ownership and the voting interests in the above investments are the same.

All subsidiaries and associates have a balance date of 31 March and are incorporated in New Zealand, with the exception of DataCol Group Pty Limited which is incorporated in Australia.

12.2 Amalgamation of a subsidiary

On 31 March 2014, Oxford Finance Corporation Limited (OFC) was amalgamated into Oxford Finance Limited.

The profit for the period prior to the amalgamation is analysed as follows:

	2014 $000
Profit for the period	459

The results for the relevant periods were as follows:

	2014 $000
Revenue	1,004
Operating costs	(356)
Finance costs	(38)
Profit before tax	610
Income tax expense	(151)
Profit after tax	459

The net assets of OFC at the date of amalgamation were as follows:

	2014 $000
Non-current assets	391
Current assets	3,408
Total assets	3,799
Non-current liabilities	-
Current liabilities	(23)
Total liabilities	(23)
Net assets on amalgamation	3,776

No tax charge or credit arose on the transaction.

13. Goodwill and Intangible Assets

Group	Software $000	Goodwill $000	Other $000	Total $000
Gross carrying amount				
Balance as at 1 April 2012	5,371	13,105	175	18,651
Additions	95	-	-	95
Disposals	(425)	-	-	(425)
Balance as at 31 March 2013	**5,041**	**13,105**	**175**	**18,321**
Balance as at 1 April 2013	5,041	13,105	175	18,321
Additions	414	-	-	414
Disposals	-	-	-	-
Reclassified as 'Held for Sale'	(99)	(3,268)	-	(3,367)
Revaluation	(100)	-	-	(100)
Balance as at 31 March 2014	**5,256**	**9,837**	**175**	**15,268**
Accumulated amortisation and impairment losses				
Balance as at 1 April 2012	(3,471)	(2,070)	(31)	(5,572)
Amortisation expenses	(165)	-	(9)	(174)
Disposals	425	-	-	425
Impairment losses (charged to profit)	-	(756)	-	(756)
Balance as at 31 March 2013	**(3,211)**	**(2,826)**	**(40)**	**(6,077)**
Balance as at 1 April 2013	(3,211)	(2,826)	(40)	(6,077)
Amortisation expenses	(192)	-	(8)	(200)
Disposals	-	-	-	-
Impairment losses (charged to profit)	-	(500)	-	(500)
Reclassified as 'Held for Sale'	36	-	-	36
Revaluation	96	-	-	96
Balance as at 31 March 2014	**(3,271)**	**(3,326)**	**(48)**	**(6,645)**
Carrying amounts				
At 31 March 2013	1,830	10,279	135	12,244
At 31 March 2014	**1,985**	**6,511**	**127**	**8,623**

Parent – nil (2013: nil)

Impairment

Goodwill has been allocated at the cash generating unit (CGU) level. As each subsidiary derives its own cash inflows, goodwill impairment is determined by reference to the cash generating unit. The recoverable amount of the subsidiary is its value in use.

Electra has performed impairment testing on the subsidiary business operations and has recognised the following impairment losses because the financial results have not returned what was expected; therefore the future cash flows of the current business activities have been reassessed.

	Group		Parent	
	2014 $000	2013 $000	**2014 $000**	2013 $000
DataCol NZ Limited	-	-	-	-
Linework and Stones Limited	-	235	-	-
Oxford Finance Limited	-	-	-	-
Sky Communications Limited	**500**	521	-	-
Impairment Loss Reported	**500**	756	-	-

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating assets with which the goodwill is associated. This is undertaken by estimating the future cash flows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows.

Cash flow projections during the budget period are based on similar expected gross margins throughout the budget period. The cash flows beyond that five year period have been extrapolated using a steady 2% (2013: 2%) per annum average growth rate. The directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

Datacol NZ Limited
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five year period, and a discount rate of 10.8% (2013: 10.8%) per annum.

Linework and Stones Limited
Linework and Stones Limited was amalgamated into its parent, Electra Limited on 1 July 2012. Consequently the balance of goodwill of $235,000 was written off as at that date.

Oxford Finance Limited
The recoverable amount of this CGU is determined based on the agreed disposal value.

Sky Communications Limited
The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a five year period, and a discount rate of 10.8% (2013: 10.8%) per annum.

Sky Communications Limited has performed impairment testing on its goodwill which has resulted in an impairment of $500,125 in the current year.

14. Trade and Other Payables

	Group 2014 $000	Group 2013 $000	Parent 2014 $000	Parent 2013 $000
Trade payables	**7,373**	4,502	**10**	18
Other payables	**216**	348	**-**	-
Intercompany payables	**-**	-	**-**	-
Accruals	**439**	4,976	**-**	-
Accrued employee entitlements	**921**	927	**-**	-
	8,949	10,753	**10**	18

15. Debt Finance

	Group 2014 $000	Group 2013 $000
Bank and other borrowings	**34,659**	81,034
Intercompany borrowings	**-**	-
Total debt funding	**34,659**	81,034
Less current borrowings	**(16,439)**	(31,384)
Non-current borrowings	**18,220**	49,650
Repayable as follows:		
Within one year	**16,439**	31,384
Within two years	**5,320**	27,930
Beyond two years	**12,900**	21,720
	34,659	81,034

All bank borrowings are secured by a 'General Securities Agreement' over the assets of the Electra Limited Group excluding Datacol Group Pty Limited.

Interest rates
Interest rates payable on the Electra Limited bank facilities range from 4.98-7.88% pa. (2013: 4.87-7.99% pa.).

16. Other Financial Liabilities

The Group and the Company enter into New Zealand dollar floating interest rate swap agreements to reduce the impact of changes in the floating interest rates on its borrowings and thus reduce the variability in its cash flows.

Derivative financial instruments are initially recognised at fair value on the contract date and subsequently measured at fair value on each balance date. All interest rate swaps are valued at fair value through profit and loss and are not hedge accounted. Therefore, changes in the fair value of the interest rate swaps are recognised immediately in the profit or loss component of the Statement of Comprehensive Income.

	Average Contracted fixed interest rate		**Group and Parent Notional Principal**		**Group and Parent Fair value**	
	2014 %	2013 %	**2014 $000**	2013 $000	**2014 $000**	2013 $000
Interest Rate Swaps	**5.10**	5.00	**5,000**	7,400	**65**	269

17. Trust Capital

The Trust capital was settled on the formation of the Trust and is subject to the terms of the Trust Deed. No changes to the amount of Trust capital or Trust Deed have been made during the year (2013: nil)

18. Reserves

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Asset revaluation reserve	**49,082**	51,812	-	-
Foreign exchange reserve	**(28)**	-	-	-
	49,054	51,812	-	-

	Group		Parent	
Asset revaluation reserve	**2014**	2013	**2014**	2013
	$000	$000	**$000**	$000
Opening balance at beginning of financial year	**51,812**	52,117	-	-
Revaluation decrements	**(3,678)**	(424)	-	-
Deferred tax liability arising on revaluation	**948**	119	-	-
Closing balance at end of financial year	49,082	51,812	-	-

The asset revaluation reserve arises on the revaluation of the Company and Group's distribution network land and buildings and the electricity distribution network. Where a revalued asset is disposed of that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained profits.

	Group		Parent	
Foreign exchange reserve	**2014**	2013	**2014**	2013
	$000	$000	**$000**	$000
Opening balance at beginning of financial year	-	-	-	-
Decrement	**(28)**	-	-	-
Deferred tax liability arising	-	-	-	-
Closing balance at end of financial year	(28)	-	-	-

The foreign exchange reserve arises from converting the Statement of Financial Position of Datacol Group Pty Limited from its functional currency of Australian dollars to its presentation currency of New Zealand dollars.

19. Commitments

Capital Commitments

At balance date, there was $1,968,178 unaccrued expenditure contracted for and approved by the Group (2013: $1,691,838).

	Group	
	2014	2013
	$000	$000
Distribution network	**1,968**	1,692
Intangible assets	-	-
	1,968	1,692

Distribution network expenditure will be incurred when the work is completed (estimated to be over the next 12 to 24 months).

Financial Commitments

As at 31 March 2014 Oxford Finance Limited had financial commitments of $598,000 (31 March 2013: $480,000). This figure represents pre-approved floorplan facilities which were undrawn at balance date.

20. Contingent Liabilities

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Electra Limited guarantee of bank facilities for a subsidiary to a limit of	**unlimited**	unlimited	**unlimited**	unlimited

There is no indication that any liability with regard to the above guarantees will crystallise in the foreseeable future.

The Group has provided for a liability to some employees which would be payable on their retirement.

DataCol NZ Limited in its ordinary course of business undertakes various contracting works, some of which will be subject to customer disputes.

21. Cash and Cash Equivalents

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Non-finance business				
Cash at bank	**988**	3,084	**14**	15
Finance business				
Cash at bank	**-**	1,015	**-**	-
	988	4,099	**14**	15
Cash and cash equivalents included in a disposal group held for sale	**1,266**	-	**-**	-
	2,254	4,099	**14**	15

22. Reconciliation

of net profit after tax with cash inflow from operating activities

	Group		Parent	
	2014	2013	**2014**	2013
	$000	$000	**$000**	$000
Reported profit after taxation	**3,379**	2,409	**33**	11
Add/(less) non-cash items				
Goodwill write off	**500**	756	**-**	-
Depreciation and amortisation	**8,609**	8,674	**-**	1
Doubtful debt provision movement	**(1,842)**	1,203	**-**	-
Deferred tax movement	**482**	436	**-**	-
Bad debts written off	**2,622**	359	**-**	-
Increase in unearned fees	**9**	159	**-**	-
Capitalised interest adjustment	**(227)**	(506)	**-**	-
Loss on sale of investment	**49**	217	**-**	-
Capital loss/(gain) on sale of fixed assets	**1,116**	(495)	**-**	-
Movements in working capital:				
(Decrease)/increase in accounts payable and other provisions	**(2,093)**	(2,590)	**(8)**	(10)
(Increase)/decrease in receivables	**(5,882)**	2,021	**(26)**	-
Decrease/(increase) in inventory	**23**	(5)	**-**	-
Net cash inflow from operating activities	**6,745**	12,638	**(1)**	2

23. Transactions with Related Parties

The Parent entity in the consolidated Group is Electra Trust. For a list of other Group companies refer note 12.

Electra Limited Related Party Transactions

	2014	2013
	$000	$000
Revenue		
Sales to DataCol NZ Limited	**35**	23
Interest from Sky Communications Limited	**169**	237
Interest from Sky Communications Pty Limited	**-**	79
Management/Director Fees from Oxford Finance Corporation Limited	**-**	16
Management fees from Sky Communications Limited	**232**	206
Management Fees from Oxford Finance Limited	**66**	247
Expenses		
Purchases from Linework and Stones Limited	**-**	1,978
Purchases from Sky Communications Limited	**-**	52
Interest paid to Oxford Finance Corporation Limited	**-**	11
Dividend to Electra Trust	**320**	275
Receivables		
Loan to Sky Communications Limited	**5,314**	3,489
From Sky Communications Limited	**62**	30
From Oxford Finance Limited	**7**	54
Dividend from Datacol NZ Limited	**-**	216
Dividend from Oxford Finance Limited	**-**	394
Payables		
Loan from Oxford Finance Limited	**-**	4,010
Loan from Electra Finance Limited	**2,155**	-
Loan repaid to Oxford Finance Corporation Limited	**-**	1,373

No related party debts have been written off or forgiven during the year. No amounts were provided for in doubtful debts relating to debts due from related parties at reporting date (2013: $Nil).

Guarantees

Electra Limited provides an unlimited guarantee for its subsidiaries bank facilities.

Directors

During the year no transactions were entered into with any of the Company's Directors other than the payment of Directors fees and the reimbursement of valid Company related expenses such as travel costs to board meetings. Some of the Directors are also consumers of the Company and some minor transactions were entered into by the Company with companies in which some Directors held directorships. These transactions were carried out on a commercial and arm's length basis. The exception to this being Directors of the Group are entitled to a discounted interest rate on lending when transacting with Oxford Finance Limited.

24. Key Management Personnel

The compensation of the Directors and Executives, being the key management personnel of the Electra Limited Group, is set out below:

	Group	
	2014	2013
	$000	$000
Short-term employee benefits	**1,964**	1,875
Defined contribution plans	**55**	35
	2,019	1,910

Some of the above employees are provided with the use of a company motor vehicle not included in the above calculation.

As at 31 March 2014 $Nil was owing to Directors and key management personnel (31 March 2013: $769). As at 31 March 2014 there was $465 owing from Directors and key management personnel (31 March 2013: $731).

25. Subsequent Events

Electra Limited has entered into an agreement to sell 100% of its shares in Oxford Finance Limited (OFL) to Dorchester Oxford Limited with a settlement date of 1 April 2014. The assets of OFL are shown as held for sale in note 27.

Electra Limited will continue to provide services to OFL under a Management Services Agreement, for a 12 month period ending 31 March 2015.

As part of the settlement arrangements with Dorchester Oxford Limited for the sale of OFL, Electra Finance Limited agreed to grant a facility for one year for the sum of $50,000,000 to OFL to be secured by the following securities agreed upon:

- A perfected first ranking General Security Agreement granting the Bank a security interest in all present and after acquired property of Electra Finance Limited
- Novation Agreement between OFL and Electra Finance Limited
- Deed granting security interest in shares granted by Dorchester Oxford Limited in favour of Electra Finance Limited
- Deed of guarantee and indemnity from Dorchester Pacific Limited in favour of Electra Finance Limited.
- Unlimited inter-company Guarantee from Electra Limited, Electra Finance Limited, Datacol NZ Limited and Sky Communications Limited

The effective advance date is to be 1 April 2014.

There have been no other material events since balance date to 12 June 2014 that require disclosure in these financial statements.

26. Required Disclosures

The Group reported the following performance measures in its 2013/14 Statement of Corporate Intent:

	Actual	Target
Capital ratio – shareholders' funds to total assets	**51%**	53%
Operating surplus	**$3.38m**	$4.38m
Operating cost per consumer	**$205**	$209
Network reliability		
- Average interruption duration	**67.3**	83.0
- Average frequency index	**1.25**	1.66

27. Assets Held for Sale and Discontinued Operations

The assets and liabilities related to Oxford Finance Limited (OFL) and Oxford Finance Corporation Limited (OFC) have been presented as held for sale following the approval of the Group's management and shareholders on 28 March 2014 to sell assets of both former entities.

On 31 March 2014 OFC sold certain commercial loans to Electra Finance Limited. On the same date OFC was amalgamated into OFL. The amalgamation was accounted for as a commonly controlled acquisition.

	2014 $000	2013 $000
Operating cash flows	**3,144**	(420)
Investing cash flows	**(33)**	(113)
Financing cash flows	**(2,861)**	49
Total cash flows	**250**	(484)

Assets of disposal group classified as held for sale

	2014 $000	2013 $000
Property, plant and equipment	**344**	-
Intangible assets	**29**	-
Finance receivables	**50,053**	-
Other current assets	**4,877**	-
Total assets	**55,303**	-

Liabilities of disposal group classified as held for sale

	2014 $000	2013 $000
Trade and other payables	**947**	-
Debt finance	**46,100**	-
Total liabilities	**47,047**	-

Analysis of the result of discontinued operation is as follows:

	2014 $000	2013 $000
Revenue	**9,159**	9,067
Expenses	**(5,580)**	(6,990)
Profit before tax of discontinued operations	**3,579**	2,077
Tax	**(926)**	(522)
Profit after tax of discontinued operations	**2,653**	1,555

Non Financial Performance Measures

The following performance measures are disclosed in accordance with the Ministry of Commerce Disclosure Regulations for Electricity Distribution Companies.

	2014	2013
Energy performance measures		
Capital expenditure cost per kilometre	**$3,193**	$3,147
Capital expenditure cost per electricity customer	**$173**	$166
Energy delivery efficiency performance measures		
Load factor	**53.27%**	54.28%
Loss ratio	**7.46%**	7.56%
Capacity utilisation	**33.65**	33.46%
Statistics		
System length (km)	**2,262**	2,256
Transformer capacity (kVA)	**313,100**	310,474
Maximum demand (MW)	**93.1**	92.8
Total electricity supplied from system (kWh)	**401,828,089**	409,015,907
Total customers	**42,908**	42,810
SAIDI (system average interruption duration index)	**67.3**	58.0
SAIFI (system average interruption frequency index)	**1.25**	0.93
CAIDI (customer average interruption duration index)	**53.84**	62.57
Number of faults per 100 kilometres	**8.0**	6.2

Statutory Information

Directors and remuneration

The following persons holding office as Directors during the year were authorised and received the following remuneration:

	Electra Limited	Datacol Group Pty Limited
P F McKelvey	$73,395	-
M H Devlin	$37,321	-
P A T Hamid	$37,321	-
R G Longuet	$37,321	-
N F Mackay	$37,321	-
D L Masters	-	$2,938
I A Wilson	$37,321	-
	$260,000	$2,938

Entries recorded in the interest register

The following entries were recorded in the Interest Register of the Company and its subsidiaries during the year:

a) Directors' interests in transactions

No Directors gave notice of an interest in transactions between a related party and Electra Limited or its subsidiaries.

A number of the directors are consumers of the Company. All transactions were undertaken at the Company's normal terms and conditions.

b) Share dealings of Directors

The Directors did not purchase or sell shares in Electra Limited or its subsidiaries during the year.

c) Loans to Directors

There were no loans made to Directors by Electra Limited or its subsidiaries during the year.

d) Directors' indemnity and insurance

The Company has insured its Directors, and the Directors of its subsidiaries, against liabilities to other parties that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

Executive employees' remuneration

During the year the following numbers of employees received remuneration and/or other benefits within the following bands:

	Group and Parent Company	
	Year ended 31 March 14	Year ended 31 March 13
Continuing Employees		
$100,000 - $110,000	**13**	8
$110,001 - $120,000	**3**	5
$120,001 - $130,000	**3**	1
$130,001 - $140,000	**3**	3
$140,001 - $150,000	**4**	-
$150,001 - $160,000	**-**	1
$160,001 - $170,000	**-**	1
$170,001 - $180,000	**1**	-
$200,001 - $210,000	**-**	1
$210,001 - $220,000	**1**	-
$220,001 - $230,000	**-**	1
$230,001 - $240,000	**1**	-
$240,001 - $250,000	**-**	1
$250,001 - $260,000	**1**	1
$260,001 - $270,000	**1**	-
$350,001 - $360,000	**1**	-
$360,001 - $370,000	**-**	1

Some of the employees above are provided with the use of a Company motor vehicle not included in the above calculation.

Changes in accounting policy

There have been no changes in accounting policies this year.

Donations

During the year the Group made donations of $230 (2013:$Nil).

Five Year Performance Highlights

	NZ IFRS				
	2014	**2013**	**2012**	**2011**	**2010**
Financial - Group					
Total revenue ($000) (includes discontinued operations)	**71,915**	74,923	86,442	75,206	68,835
Discount issued ($000) (excludes provisions)	**7,628**	6,947	6,736	6,949	7,235
Profit/(loss) (after tax) ($000) (excludes revaluation)	**3,379**	2,691	(2,544)	411	2,047
Total assets ($000)	**260,289**	261,250	271,379	274,266	269,279
Total shareholders' funds ($000)	**133,783**	133,165	131,054	133,809	132,531
Shareholders' funds to total assets	**51%**	51%	48%	49%	49%
Net asset backing per share	**$5.47**	$5.43	$5.36	$5.46	$5.41
Network – Parent					
GWh sold (GWh)	**401.8**	409.0	413.2	410.7	416.1
Loss ratio	**7.5%**	7.5%	7.3%	7.5%	7.5%
Load factor	**53%**	54%	49%	54%	54%
Maximum demand (MW)	**93**	93	104	94	94
Circuit kilometers (kms)	**2,262**	2,256	2,229	2,226	2,223
Supply area (sq kms)	**1,628**	1,628	1,628	1,628	1,628
Operating costs per kilometer*	**$3,788**	$3,236	$4,313	$3,493	$3,715
Capital expenditure cost per kilometre	**$3,193**	$3,147	$2,947	$2,645	$2,813
Consumer Information - Parent					
Number of consumers	**42,908**	42,810	42,595	42,483	42,204
Average kWh sales per consumer	**9,365**	9,554	9,701	9,667	9,859
Operating costs per consumer*	**$205**	$171	$226	$183	$196
Capital expenditure cost per consumer	**$173**	$166	$154	$139	$148
Discount issued per consumer (incl. GST) (Average)	**$205**	$187	$182	$184	$193
Network Reliability - Parent					
System Average Interruption Duration Index (SAIDI)	**67.3**	58.0	131.9	74.7	161.2
System Average Interruption Frequency Index (SAIFI)	**1.25**	0.93	2.29[a]	1.62	3.05
Consumer Average Interruption Duration Index (CAIDI)	**53.8**	62.6	57.6	46.2	52.9
Faults per 100km line (number)	**8.0**	6.2	10.2	7.1	7.4
Personnel - Group					
Number of employees					
- Electra Limited	**72**	69	15	12	12
- Linework & Stones Limited	**-**	-	90	101	104
- Oxford Finance Limited	**21**	21	21	23	23
- DataCol NZ Limited	**34**	32	38	44	46
- Sky Communications Limited	**54**	55	120	84	76

*Adjusted to remove capital expenditure margin elimination for 2013 and 2014.
[a] Excludes Transpower outages during the year.
Including these events SAIDI and SAIFI would have been- SAIDI – 267.3, SAIFI – 3.3

Directory

Directors
– Electra Limited

P F McKelvey (Chair), CNZM, MBE, TTC (Physical Education)
M H Devlin, ONZM, ED, BA, M.Com, MAIIE, GRAD.DBS, M Inst D (Resigned 31 March 2014)
P A T Hamid, BCA
R G Longuet, BE (Elec), M Inst D
N F Mackay, BCA
I A Wilson, QSO,F Inst D, ANZIM

- Datacol Group Pty Limited

D L Masters, AICD

Executives

J L Yeoman (CE – Electra Group), BBS, ACA, FCIS, ANZIM
S P Gregan (COO – Electra Group), BCA, CA
R N Leggett (GM – Electra Network), BA
I R Fenwick (CFO – Electra Group), BCom, DipGrad, CA
B G Franks (CEO - DataCol NZ), Dip Bus Mgmt
M J Taylor (GM - Sky Communications)
J R McKirdy (Group Business Services Manager)
V M Wright (Company Secretary), JP

Registered office

Electra Limited
Cnr Exeter and Bristol Streets
Levin

Postal address

P O Box 244
Levin 5540
Telephone 0800 353 2872
Fax 06 367 6120

Auditor

Trevor Deed - Appointed Auditor
Deloitte
Wellington
On behalf of the Auditor-General

Solicitors

Cullinane Steele, Levin
Quigg Partners, Wellington
Anthony Harper, Christchurch

Bankers

Bank of New Zealand

Electra Trust Trustees

C R Turver (Chairperson), JP
L R Burnell, QSM
A Chapman, MNZM, JP
S M Crosbie, CNZM, OBE
J M Keall (Resigned 26 July 2013)
R J Latham
G Sue, QSM, JP