Electra TRUST

Annual Report

for the year ended
31st March 2015

Profile

Electra Trust (formerly known as "Horowhenua Energy Trust") owns 100% of the shares in Electra Limited on behalf of 43,369 beneficiaries as defined in its Trust Deed dated 30th April 1993, amended December 1998 and amended July 2012. 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 2015, the Group had total assets of $202 million and shareholders' funds of $137 million and employed 159 (full-time-equivalent) people. Electra owns 100% of DataCol NZ Limited and Datacol Group Pty Limited, which are data collection, monitoring and management companies; Electra Finance Limited, which specialises in financial services, Electra Monitoring Limited, which is a security monitoring company 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 2015
'Last year' means the year ended 31 March 2014
'Next year' means the year ending 31 March 2016

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INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF
ELECTRA TRUST AND GROUP'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

The Auditor-General is the auditor of Electra Trust (the "Trust") and its New Zealand domiciled subsidiaries and other controlled entities. 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, consisting of Electra Trust (the "Trust") and its New Zealand domiciled subsidiaries and other controlled entities (collectively referred to as 'the Group'), on her behalf.

Opinion on the financial statements

We have audited the financial statements of the Trust and group on pages 8 to 41, that comprise the statement of financial position as at 31 March 2015, 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.

In our opinion the financial statements of the Trust and group:

- present fairly, in all material respects:
  - its financial position as at 31 March 2015; and
  - its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards.

Our audit was completed on 15 June 2015. 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's financial statements 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's internal control.

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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 the 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 the preparation and fair presentation of financial statements the Trust, in accordance with New Zealand equivalents to International Financial Reporting Standards.

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 Electricity 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 Electricity 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.

Other than the audit, 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

Trustees' Report

ELECTRA TRUST – 2015 ANNUAL REPORT

Electra continues to be highly regarded as the distributor of power to the Kapiti-Horowhenua region, with more than 80 percent of its 43,369 consumers wanting continued local ownership through the Electra Trust.

Most want the annual discount of about one month's free power a year continued, with an independent survey[1] showing 89 percent of residential and 85 percent of commercial consumers are satisfied or quite satisfied.

The strength of community support for local ownership is heartening at a time when the big retailers continue to push the government to "rationalise" power distribution by reducing the number of lines companies.

Electra is one of 22 power lines companies around the country, with 12 of them being wholly consumer owned like Electra which means all surpluses, after reinvestment in the network, are returned to consumers as annual discounts.

"Rationalisation" could mean loss of local ownership and control, a profit-based approach designed to satisfy shareholders rather than consumers, and reduction or loss of the discount.

What the retailers fail to recognise is that local consumers appreciate the key benefits of:

- local control by local people
- low distribution costs
- local ownership protecting local assets
- direct accountability to consumers
- reinvestment in local infrastructure
- a return on investment through the annual discount
- support for local economic growth

When retailers claim high distribution costs, it bears stressing that of the power bills paid by all consumers in our own region, 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.

Electra has returned more than $152 million to consumers through the annual discount since 1993, supported business development in Kapiti and Horowhenua through the nationally-known Electra Business Awards, and played a key role in forums to grow economic development.

Lines companies are essential industries, both in their own communities and as part of a national resource and the Electra Company is playing a vital role as one of the most efficient and cost-effective in the country.

It maintains a lines network over 1,400 square kilometres of Kapiti and Horowhenua and has shown a remarkable ability to respond quickly in restoring power during emergencies like storms and floods.

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[1] Peter Glen Research

The six elected members of the Electra Trust, who appoint the Directors of Electra Limited, are kept informed by the Board through regular discussions and Trustees respect their ability to identify the way ahead and deliver results in a very difficult market.

Demand for electricity is slowly diminishing in the face of high charges by the big retailers, increasingly effective energy conservation programmes, and improving supply alternatives like solar energy.

The industry as a whole has to lift its game and adapt or see its current dominant place in power generation and delivery eroded by new technologies.

The Electra Board has taken a significant step forward in opening the way for our own retail operation to create consumer savings through local incentives, more flexible plans, and capitalising on local ownership and good service.

The Trust itself is well-informed twice a year at the conferences of our umbrella organisation, Energy Trusts of New Zealand, which constantly refreshes our understanding of threats and opportunities for the industry and provides a window into the future.

I am indebted to my colleagues on the Trust for the knowledge and support they bring to the role the Trust plays and to our experienced Secretary Heather Birrell for her commitment and professionalism.

For more information about the work of the Trust please visit www.electratrust.co.nz

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 2015.

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

	2015 $000	2014 $000
Operating revenue from continuing operations	**61,669**	62,757
Discount to consumers	**(7,021)**	(7,628)
Group (loss)/profit before tax for the financial year	**3,215**	(271)
Taxation	**(114)**	997
Profit after tax from continuing operations	**3,101**	726
Profit after tax from discontinued operations	**-**	2,653
Net profit after taxation	**3,101**	3,379
Retained earnings brought forward	**66,729**	63,350
Retained earnings carried forward	**69,830**	66,729

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 C Turver and R Latham retire by rotation at the annual general meeting of the Trust. Messrs C Turver and R Latham 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 Trust

C R Turver
Trustee
12 June 2015

L R Burnell
Trustee
12 June 2015

Index for the Audited Financial Statements

Statement of Comprehensive Income

for the year ended 31 March 2015

	Note	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
Continuing operations					
Sales and interest revenue		**60,429**	62,069	**-**	1
Dividends from subsidiaries		**-**	-	**275**	320
Other revenue		**1,240**	688	**-**	-
Total operating revenue	2	**61,669**	62,757	**275**	321
Discount paid to consumers		**(7,021)**	(7,628)	**-**	-
Finance expenses		**(4,289)**	(2,181)	**-**	-
Other expenses		**(51,260)**	(53,219)	**(307)**	(288)
Total expenses	2	**(62,570)**	(63,028)	**(307)**	(288)
Gain on disposal of investment in subsidiaries		**4,116**	-	**-**	-
Profit/(loss) before taxation		**3,215**	(271)	**(32)**	33
Income tax benefit/(expense)	3	**(114)**	997	**-**	-
Profit from continuing operations		**3,101**	726	**(32)**	33
Discontinued operations					
Profit after tax from discontinued operations	27	**-**	2,653	**-**	-
Profit for the year		**3,101**	3,379	**(32)**	33
Other comprehensive income					
Foreign exchange reserve decrement		**(5)**	(28)	**-**	-
Asset revaluation decrement		**-**	(4,053)	**-**	-
Increment/(decrement) on disposal of revalued assets		**(152)**	668	**-**	-
Income tax benefit relating to components of other comprehensive income	3	**43**	655	**-**	-
Other comprehensive loss for the year net of tax		**(114)**	(2,758)	**-**	-
Total comprehensive income/(loss) for the year net of tax		**2,987**	621	**(32)**	33

The notes on pages 13 to 41 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2015

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 2014		**18,000**	**49,054**	**66,729**	**133,783**	**-**	**133,783**
Profit for the year		-	-	**3,101**	**3,101**	-	**3,101**
Other comprehensive income for the year net of tax		-	**(114)**	-	**(114)**	-	**(114)**
Total comprehensive (loss)/income		-	**(114)**	**3,101**	**2,987**		**2,987**
Capital issued		-	-	-	-	-	-
Balance at 31 March 2015		-	**48,940**	**69,830**	**136,770**	-	**136,770**

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**

The notes on pages 13 to 41 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2015 (contd)

PARENT	*Note*	Trust capital $000	Reserves $000	Retained Earnings $000	Total $000
Balance at 1 April 2014		18,000	-	30	18,030
Profit and total comprehensive income		-	-	(32)	(32)
Balance at 31 March 2015		**18,000**	-	**(2)**	**17,998**

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**

The notes on pages 13 to 41 form part of these financial statements.

Statement of Financial Position

as at 31 March 2015

	Note	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
Equity					
Trust capital	*16*	**18,000**	18,000	**18,000**	18,000
Retained earnings		**69,830**	66,729	**(2)**	30
Reserves	*17*	**48,940**	49,054	**-**	-
Total equity		**136,770**	133,783	**17,998**	18,030
Attributable to:					
Parent entity interest		**136,770**	133,783	**17,998**	18,030
Total equity		**136,770**	133,783	**17,998**	18,030
Non-current liabilities					
Debt finance	*14*	**12,900**	18,220	**-**	-
Other financial liabilities	*15*	**82**	43	**-**	-
Deferred tax	*3*	**34,238**	35,786	**-**	-
Total non-current liabilities		**47,220**	54,049	**-**	-
Current liabilities					
Debt finance	*14*	**8,961**	16,439	**-**	-
Other financial liabilities	*15*	**-**	22	**-**	-
Trade and other payables	*13*	**9,446**	8,949	**37**	10
Total current liabilities		**18,407**	25,410	**37**	10
Liabilities of disposal group classified as held for sale	27	**-**	47,047	**-**	-
Total equity and liabilities		**202,397**	260,289	**18,035**	18,040
Non-current assets					
Property, plant and equipment	*10*	**180,481**	179,195	**-**	-
Investments in subsidiaries	*11*	**-**	-	**18,000**	18,000
Goodwill	*12*	**5,675**	6,511	**-**	-
Intangible assets	*12*	**2,040**	2,112	**-**	-
Finance receivables	*7*	**-**	-	**-**	-
Total non-current assets		**188,196**	187,818	**18,000**	18,000
Current assets					
Cash and cash equivalents	*20*	**4,536**	988	**15**	14
Receivables and prepayments	*6*	**6,727**	11,893	**20**	26
Finance receivables	*7*	**1,926**	2,711	**-**	-
Inventories	*8*	**390**	603	**-**	-
Work in progress	*8*	**622**	973	**-**	-
Total current assets		**14,201**	17,168	**35**	40
Assets of disposal group classified as held for sale		**-**	55,303		-
Total assets		**202,397**	260,289	**18,035**	18,040

The notes on pages 13 to41 form part of these financial statements.

The Trustees of the Electra Trust authorised these financial statements for issue on 11 June 2015.
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 2015

	Note	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $000
Cash flows from operating activities					
Cash was received from:					
Receipts from customers (net of discount)		**56,545**	50,970		-
Dividends received		**-**	-	**255**	320
Finance receivables - interest received		**2,125**	6,698	**-**	-
Proceeds from HP contracts and loan advances		**-**	43,511	**-**	-
Income tax refund		**-**	362	**-**	-
Other interest received		**849**	52	**-**	1
		59,519	101,593	**255**	321
Cash was applied to:					
Payments to suppliers and employees		**(39,923)**	(41,614)	**(254)**	(322)
Secured debenture stock - interest paid		**-**	-	**-**	-
Finance loans advanced		**-**	(46,216)	**-**	-
Interest paid		**(4,290)**	(5,097)	**-**	-
Income tax paid		**(724)**	(1,921)	**-**	-
		(44,937)	(94,848)	**(254)**	(322)
Net cash flows from operating activities	21	**14,582**	6,745	**1**	(1)
Cash flows to investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment and intangible assets		**257**	87	**-**	-
Sale of investment		**11,080**	-	**-**	-
		11,337	87	**-**	-
Cash was applied to:					
Purchase of property, plant and equipment and intangible assets		**(10,557)**	(8,427)	**-**	-
Purchase / Capital introduced into investments		**(300)**	-	**-**	-
		(10,857)	(8,427)	**-**	-
Net cash flows to investing activities		**480**	(8,340)	**-**	-
Cash flows from financing activities					
Cash was provided from:					
Loans raised		**83,730**	109,968	**-**	-
Advance from subsidiary		**-**	-	**-**	-
Loan repaid by subsidiary		**-**	-	**-**	-
		83,730	109,968	**-**	-
Cash was applied to:					
Advance to subsidiary		**-**	-	**-**	-
Repayment of debenture funds		**-**	-	**-**	-
Repayment of loans		**(96,510)**	(110,218)	**-**	-
		(96,510)	(110,218)	**-**	-
Net cash flows from financing activities		**(12,780)**	(250)	**-**	-
Net (decrease)/increase in cash and cash equivalents held		**2,282**	(1,845)	**1**	(1)
Add opening cash and cash equivalents brought forward		**2,254**	4,099	**14**	15
Ending cash and cash equivalents carried forward	20	**4,536**	2,254	**15**	14

The notes on pages 13 to 41 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 March 2015

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, amended December 1998 and amended July 2012. The Trust is a Public Benefit Entity (PBE).

The 'Group' for financial reporting purposes comprises:

Electra Limited, the Parent Company, and its fully owned subsidiaries DataCol NZ Limited, Datacol Group Pty Limited, Sky Communications Limited, Electra Finance Limited and Electra Monitoring 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 2013 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 2015 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:
Impaired assets:
-'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.

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 2015.

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	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Sales - distribution	**38,554**	36,165	**-**	-
Sales - contracting	**18,817**	25,858	**-**	-
Interest revenue - other	**3,058**	46	**-**	1
Dividend revenue - subsidiaries	**-**	-	**275**	320
Other revenue	**1,240**	688	**-**	-
Total operating revenue from continuing operations	**61,669**	62,757	**275**	321
After charging/(crediting)				
Auditor's remuneration:				
Audit services	**126**	121	**6**	5
Other services	**60**	62	**-**	-
Bad debts	**45**	139	**-**	-
Change in provision for doubtful debts	**1,098**	80	**-**	-
Depreciation	**9,077**	8,291	**-**	-
Impairment of property, plant and equipment	**(15)**	-	**-**	-
Intangible assets amortisation	**239**	200	**-**	-
Goodwill impairment	**1,000**	500	**-**	-
Directors' fees	**307**	263	**-**	-
Trustees' fees	**84**	84	**84**	84
Defined contribution plan expense	**309**	287	**-**	-
Employee costs	**12,344**	12,519	**-**	-
Impairment of investment	**-**	49	**-**	-
Loss on disposal of investment		-	**-**	-
Interest - other	**4,289**	2,181	**-**	-
Loss/(Gain) on sale of property, plant and equipment	**394**	1,116	**-**	-
Contracting inventory expense	**3,060**	7,782	**-**	-
Rental and lease costs	**717**	732	**-**	-
Repairs and maintenance	**650**	710	**-**	-
Vehicle	**656**	426	**-**	-
Contractors	**5,570**	5,987	**-**	-
Discount to consumers	**7,021**	7,628	**-**	-
Foreign exchange (gain)/loss	**(48)**	(41)	**-**	
Other expenses	**15,587**	13,912	**217**	199
Total expenses from continuing operations	**62,570**	63,028	**307**	288
Gain on disposal of investments in subsidiaries	**4,116**	-	**-**	-
Net profit/(loss) before taxation from continuing operations	**3,215**	(271)	**(32)**	33

Consumer sales discount

A total of $7m plus GST was credited to consumers during the year to 31 March 2015 ($7.6m plus GST during the year to 31 March 2014).

3. Taxation

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

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Profit/(loss) for the year before taxation from continuing operations	**3,215**	16	**(32)**	33
Income taxation for the period at 28%	**900**	4	**(9)**	9
Taxation effect of				
- Permanent / Timing differences	**(765)**	276	**9**	(9)
- Prior period adjustment	**(21)**	(1,277)	**-**	-
Taxation (benefit)/expense for continuing operations	**114**	(997)	**-**	-
Taxation (benefit)/expense comprises of:				
Current tax expense	**1,617**	(625)	**-**	-
Deferred tax (benefit)	**(1,503)**	(372)	**-**	-
Total (benefit)/expense for continuing operations	**114**	(997)	**-**	-

Deferred tax

Group *31 March 2015*	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	267	365	-	-	-	632
Doubtful debts and impairment	29	287	-	-	-	316
Property, plant and equipment	(36,082)	853	-	43	-	(35,186)
	(35,786)	**1,505**	**-**	**43**	**-**	**(34,238)**

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)**

Parent *31 March 2015*	**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 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	-	-	-	-	-
	-	-	-	-	-

Imputation credit account

	Group		Parent	
	2015 $000	2014 $000	**2015 $000**	2014 $000
Closing balance	**12,550**	10,526	-	-

4. Rental and Leases

	Group		Parent	
	2015 $000	2014 $000	**2015 $000**	2014 $000
No later than one year	**542**	551	-	-
Later than one year and not later than five years	**1,479**	1,668	-	-
Greater than five years	**1,736**	1,674	-	-
	3,757	3,893	-	-

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	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Audit of the financial statements	**126**	121	**6**	5
Audit related services or review of the financial statements not reported above	**60**	45	**-**	-
Taxation services	**-**	17	**-**	-
	186	183	**6**	5

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	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Trade receivables	**6,711**	11,475	**-**	-
Intercompany receivable	**-**	-	**20**	24
GST receivable	**235**	495	**-**	-
Prepayments	**103**	62	**-**	2
	7,049	12,032	**20**	26
Less provision for doubtful debts	**(322)**	(139)	**-**	-
	6,727	11,893	**20**	26

7. Finance Receivables

Finance lending is provided to clients in the form of mortgages.

	Group	
	2015	2014
	$000	$000
Finance receivables	**2,767**	2,711
Less provision for unearned interest	**-**	-
Total	**2,767**	2,711
Less provision for doubtful debts	**(841)**	-
Total finance receivables	**1,926**	2,711

Due for repayment	Group	
	2015	2014
	$000	$000
Current	**1,926**	2,711
Non-current	**-**	-
Total	**1,926**	2,711

8. Inventories and Work in Progress

	Group	
	2015	2014
	$000	$000
Inventory – finished goods	**390**	603
Work in progress	**622**	973
	1,012	1,576

9. Financial Instruments

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	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Trade and Intercompany receivables				
Not past due	**6,210**	10,354	**20**	24
Past due 0 – 30 days	**231**	712	**-**	-
Past due 31- 60 days	**5**	30	**-**	-
Past due more than 60 days	**265**	379	**-**	-
	6,711	11,475	**20**	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 2015 $000	Int Rate %	Total	0-12 Mths	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents	2.25	4,536	4,536	-	-	-
Trade receivables	-	6,272	6,272	-	-	-
Finance receivables	-	1,926	1,926	-	-	-
Total financial assets		**12,734**	**12,734**	-	-	-
Financial liabilities						
Trade and other payables	-	9,446	9,446	-	-	-
Debt finance	5.38 – 7.37	21,861	8,961	4,900	8,000	-
Other financial liabilities	-	82	-	-	82	-
Total financial liabilities		**31,389**	**18,407**	**4,900**	**8,082**	-

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 – Parent

As at 31 March 2015 $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	-	20	20	-	-	-
Total financial assets		**35**	**35**	-	-	-
Financial liabilities						
Trade and other payables	-	37	37	-	-	-
Total financial liabilities		**37**	**37**	-	-	-

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**	-	-	-

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 2015			
	Level one $'000	Level two $'000	Level three $'000	Total $'000
Interest Rate Swaps	-	(82)	-	(82)
Total	-	**(82)**	-	**(82)**

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

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 2015 $'000	2014 $'000
Interest Rate Swaps	**17**	204
Total	**17**	204

Liquidity risk

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. While total financial liabilities exceed total financial assets, facilities of $49.85m (2014: $99.85m) exist with the Bank of New Zealand, of which amounts are drawn down to cover shortfalls in liquidity. At balance date $21.82m had been drawn down (2014: $80.7m).

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 2015 $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	2.25	4,536	4,536	-	-	-	-	-	-	-
Trade and other receivables	-	6,272	-	6,272	-	-	-	-	-	-
Finance receivables	-	1,926	-	1,926	-	-	-	-	-	-
Total financial assets		**12,734**	**4,536**	**8,198**	-	-	-	-	-	-
Financial liabilities										
Trade and other payables	-	9,446	-	9,446		-	-	-	-	-
Debt finance	5.38-7.37	20,815	-	7,400	2,328	5,339	3,737	2,011	-	-
Other financial liabilities	-	303	-	61	61	123	58	-	-	-
Total financial liabilities		**30,564**	-	**16,907**	**2,389**	**5,462**	**3,795**	**2,011**	-	-

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	2.25	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 - Parent

As at 31 March 2015 $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	-	20	-	20	-	-	-	-	-	-
Total financial assets		**35**	**15**	**20**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Trade and other payables	-	37	-	37	-	-	-	-	-	-
Total financial liabilities		**37**	**-**	**37**	**-**	**-**	**-**	**-**	**-**	**-**

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**	**-**	**-**	**-**	**-**	**-**	**-**

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% (2014:40%) 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

The Group has complied with all covenants during the year.

10. 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 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**
Balance as at 1 April 2014	167,120	1,360	4,128	4,434	7,861	184,903
Additions	590	19	248	442	9,817	11,116
Disposals	(628)	(139)	(53)	(235)	-	(1,055)
Transfer to/(from) capital work in progress	8,097	950	218	441	(9,706)	-
Balance as at 31 March 2015	**175,179**	**2,190**	**4,541**	**5,082**	**7,972**	**194,964**
Depreciation and impairment losses						
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
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)**
Balance as at 1 April 2014	(454)	(238)	(2,833)	(2,183)	-	(5,708)
Depreciation charge	(7,849)	(70)	(428)	(431)	(299)	(9,077)
Write back on disposals	53	69	20	145	-	287
Impairment losses (charged to profit)	-	-	15	-	-	15
Balance as at 31 March 2015	**(8,250)**	**(239)**	**(3,226)**	**(2,469)**	**(299)**	**(14,483)**
Carrying amounts						
At 31 March 2014	166,666	1,122	1,295	2,251	7,861	179,195
At 31 March 2015	**166,929**	**1,951**	**1,315**	**2,613**	**7,673**	**180,481**

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 2013	-	-	2	-	-	2
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	
Balance as at 31 March 2014	**-**	**-**	**2**	**-**	**-**	**2**
Balance as at 1 April 2014	-	-	2	-	-	2
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 31 March 2015	**-**	**-**	**2**	**-**	**-**	**2**
Depreciation and impairment losses						
Balance as at 1 April 2013	-	-	(2)	-	-	(2)
Depreciation charge	-	-	-	-	-	-
Write back on disposals	-	-	-	-	-	-
Balance as at 31 March 2014	**-**	**-**	**(2)**	**-**	**-**	**(2)**
Balance as at 1 April 2014	-	-	(2)	-	-	(2)
Depreciation charge	-	-	-	-	-	-
Write back on disposals	-	-	-	-	-	-
Balance as at 31 March 2015	**-**	**-**	**(2)**	**-**	**-**	**(2)**
Carrying amounts						
At 31 March 2014	-	-	-	-	-	-
At 31 March 2015	**-**	**-**	**-**	**-**	**-**	**-**

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 2015.(31 March 2014: $Nil)

11. Investments

11.1 Interest held by Group

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

Name of Entity	Principal Activities	2015	2014
Oxford Finance Limited	Financial Services	**0%**	100%
DataCol NZ Limited	Metering Services	**100%**	100%
DataCol Group Pty Limited	Metering Services	**100%**	100%
Electra Finance Limited	Management Services	**100%**	100%
Electra Monitoring Limited	Alarm Monitoring	**100%**	0%
Sky Communications Limited	Telecommunication Contracting	**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.

11.2 Business combination

On 17 November 2014 Electra Monitoring Limited was incorporated under the Companies Act 1993. Electra Monitoring Limited purchased a 100% interest in various assets from Wanganui Security Services Limited on 28 November 2014.

These assets were acquired as a complementary expansion to the Group's activities to provide monitoring services to customers who sign up.

	Total $000
Property, plant and equipment	96
Trade receivables	40
Goodwill arising on acquisition	164
Liabilities	0
Total consideration	**300**

Goodwill arose in the acquisition because the cost of the assets purchased exceeded the fair value of these assets. The consideration paid for the assets effectively included an amount in relation to the benefit of expected revenue growth. None of the goodwill arising on this acquisition will be deductible for tax purposes.

Included in the profit for the year is $25,000 loss attributable to Electra Monitoring Limited relating to a 7 month period. The full year impact of this business combination is not material to the Group.

11.3 Disposal of a subsidiary

On 1 April 2014 Electra Limited disposed of its 100% interest in Oxford Finance Limited (OFL), refer note 26. The profit for the period from the disposal of OFL is analysed as follows:

	2015 $000
Profit for the period	**Nil**

Gain on Disposal	**4,090**

The results for the relevant periods were as follows:	**2015 $000**
Revenue	**Nil**
Operating costs	**Nil**
Finance costs	**Nil**
Profit before tax	**Nil**
Income tax expense	**Nil**
Profit after tax	**Nil**

The net assets of OFL at the date of disposal were as follows:	**$000**
Net assets disposed of	**8,256**
Gain on Disposal of Investment	**4,090**
Total Consideration	**12,346**
Satisfied by cash, and net cash inflow arising on disposal	**$12,346**

No tax charge or credit arose on the transaction.

Note, total Gain on Disposal of Investments of $4,116,000 in note 2 includes $26,000 relating to other subsidiaries.

12. Goodwill and Intangible Assets

Group	**Software $000**	**Goodwill $000**	**Other $000**	**Total $000**
Gross carrying amount				
Balance as at 1 April 2013	5,041	13,105	175	18,321
Additions	414	-	-	414
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**
Balance as at 1 April 2014	5,256	9,837	175	15,268
Additions	155	164	12	331
Disposals	-	-	-	-
Reclassified as 'Held for Sale'	-	-	-	-
Revaluation	-	-	-	-
Balance as at 31 March 2015	**5,411**	**10,001**	**187**	**15,599**
Accumulated amortisation and impairment losses				
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)**
Balance as at 1 April 2014	(3,271)	(3,326)	(48)	(6,645)
Amortisation expenses	(230)	-	(9)	(239)
Disposals	-	-	-	-
Impairment losses (charged to profit)	-	(1,000)	-	(1,000)
Reclassified as 'Held for Sale'	-	-	-	-
Revaluation	-	-	-	-
Balance as at 31 March 2015	**(3,501)**	**(4,326)**	**(57)**	**(7,884)**
Carrying amounts				
At 31 March 2014	1,985	6,511	127	8,623
At 31 March 2015	**1,910**	**5,675**	**130**	**7,715**

Parent – nil (2014: nil)

Impairment

Goodwill has been allocated at the cash generating unit (CGU) level. 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	
	2015	2014
	$000	$000
DataCol NZ Limited	**1,000**	-
Sky Communications Limited	-	500
Impairment Loss Reported	**1,000**	500

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% (2014: 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 8.5% (2014: 10.8%) per annum.

Electra performs annual impairment testing on its goodwill which resulted in an impairment of $1,000,000 in the current year (2014: Nil).

Sky Communications Limited
The Group does not hold any goodwill in relation to Sky Communications.

13. Trade and Other Payables

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Trade payables	**5,792**	7,373	**37**	10
Other payables	**663**	216	-	-
Intercompany payables	-	-	-	-
Accruals	**2,042**	439	-	-
Accrued employee entitlements	**949**	921	-	-
	9,446	8,949		10

14. Debt Finance

	Group 2015 $000	Group 2014 $000
Bank and other borrowings	**21,861**	34,659
Intercompany borrowings	**-**	-
Total debt funding	**21,861**	34,659
Less current borrowings	**(8,961)**	(16,439)
Non-current borrowings	**12,900**	18,220
Repayable as follows:		
Within one year	**8,961**	16,439
Within two years	**4,900**	5,320
Beyond two years	**8,000**	12,900
	21,861	34,659

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

Interest rates
Interest rates payable on the Group's bank facilities range from 5.38 – 7.37% pa. (2014: 4.98-7.88% pa.).

15. 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**	
	2015 %	2014 %	**2015 $000**	2014 $000	**2015 $000**	2014 $000
Interest Rate Swaps	**4.90**	5.10	**2,500**	5,000	**82**	65

16. 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 (2014: nil)

17. Reserves

	Group		Parent	
	2015 $000	2014 $000	**2015 $000**	2014 $000
Asset revaluation reserve	**28,973**	49,082	-	-
Foreign exchange reserve	**(33)**	(28)	-	-
	28,740	49,054	-	-

Asset revaluation reserve	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $000
Opening balance at beginning of financial year	**49,082**	51,812	-	-
Revaluation decrements	-	(3,678)	-	-
Asset disposals	**(152)**	-	-	-
Deferred tax liability arising on revaluation	**43**	948	-	-
Closing balance at end of financial year	**48,973**	49,082	-	-

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.

Foreign exchange reserve	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $000
Opening balance at beginning of financial year	**(28)**	-	-	-
Decrement	**(5)**	(28)	-	-
Closing balance at end of financial year	**(33)**	(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.

18. Commitments

Capital Commitments

At balance date, there was $1,353,000 commitments contracted for and approved by the Company and Group (2014: $1,968,178).

	Group 2015 $000	Group 2014 $000
Distribution network	**1,353**	1,968
Intangible assets	-	-
	1,353	1,968

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

19. Contingent Liabilities

	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $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, Sky Communcations Limited and Electra Monitoring Limited in its ordinary course of business undertakes various contracting works, some of which will be subject to customer disputes.

20. Cash and Cash Equivalents

	Group		Parent	
	2015 $000	2014 $000	**2015 $000**	2014 $000
Non-finance business				
Cash at bank	**4,536**	988	**15**	14
Finance business				
Cash at bank	**-**	-	**-**	-
	4,536	988	**15**	14
Cash and cash equivalents included in a disposal group held for sale	**-**	1,266	**-**	-
	4,536	2,254	**15**	14

21. Reconciliation

of net profit after tax with cash inflow from operating activities

	Group		Parent	
	2015 $000	2014 $000	**2015 $000**	**2014 $000**
Reported profit after taxation	**3,101**	3,379	**(32)**	**33**
Add/(less) non-cash items				
Goodwill write off	**1,000**	500	**-**	**-**
Depreciation and amortisation	**9,316**	8,609	**-**	**-**
Doubtful debt provision movement	**257**	(1,842)	**-**	**-**
Deferred tax movement	**1,548**	482	**-**	**-**
Bad debts written off	**17**	2,622	**-**	**-**
Increase in unearned fees	**-**	9	**-**	**-**
Capitalised interest adjustment	**-**	(227)	**-**	**-**
(Gain)/Loss on sale of investment	**(4,116)**	49	**-**	**-**
Assets adjustment to income	**(587)**	-	**-**	**-**
Capital loss/(gain) on sale of fixed assets	**379**	1,116	**-**	**-**
Movements in working capital:				
(Decrease)/increase in accounts payable and other provisions	**(2,230)**	(2,093)	**26**	**(8)**
(Increase)/decrease in receivables	**5,684**	(5,882)	**7**	**(26)**
Decrease/(increase) in inventory	**213**	23	**-**	**-**
Net cash inflow from operating activities	**14,582**	6,745	**1**	**(1)**

22. Transactions with Related Parties

The Parent entity in the consolidated Group is Electra Trust. For a list of other Group companies refer note 11.

Electra Limited Related Party Transactions

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.

23. 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	
	2015	2014
	$000	$000
Short-term employee benefits	**2,172**	1,964
Defined contribution plans	**52**	55
	2,224	2,019

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 2015 $176 was owing to Directors and key management personnel (31 March 2014: $Nil). As at 31 March 2015 there was $Nil owing from Directors and key management personnel (31 March 2014: $465).

24. Subsequent Events

There have been no material events since balance date to 12 June 2015 that require disclosure in these financial statements.

Directory

Directors
– Electra Limited

P F McKelvey (Chair), CNZM, MBE, TTC (Physical Education)
C C Dyhrberg, BCom, LLB, M Inst D
S A Mitchell-Jenkins, BBS, FCA
P A T Hamid, BCA
R G Longuet, BE (Elec), M Inst D
N F Mackay, BCA
I A Wilson, QSO, CF Inst D, ANZIM

- Datacol Group Pty Limited
D L Masters, AICD

Executives
N P Simmonds (CE – Electra Group), JP, MBA, BE
S P Gregan (COO – Electra Group), BCA, CA
R N Leggett (GM – Electra Network), BA
D M Selby (CFO – Electra Group), BCom, 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

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
R J Latham
G Sue, QSM, JP