

VECTOR Limited
Electricity Lines Business
FOR THE YEAR ENDED 31 MARCH 2002

SCHEDULE 1 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations \$000	Symbol in formula	ROF \$000	ROE	\$000	ROI \$000
Operating surplus before interest and income tax from financial statements	112,280					
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	112,280					
Interest on cash, bank balances, and short-term investments (ISTI)	396					
OSBIT minus ISTI	111,884	a	111,884			111,884
Net surplus after tax from financial statements	62,860					
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	62,860	n			62,860	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0	0
Subvention payment	0	s	add 0	add 0	add 0	0
Depreciation of SFA at BV (x)	23,940					
Depreciation of SFA at ODV (y)	23,940					
ODV depreciation adjustment	0	d	add 0	add 0	add 0	0
Subvention payment tax adjustment	0	s ^t		deduct 0	deduct 0	0
Interest tax shield	2,967	q			deduct 2,967	2,967
Revaluations	-1,889	r			add -1,889	-1,889
Income tax	40,044	p			deduct 40,044	40,044
Numerator			111,884 OSBIT ^{ADJ} = a + g + s + d		62,860 NSAT ^{ADJ} = n + g + s - s ^t + d	66,984 OSBIT ^{ADJ} = a + g - q + r + s + d - p - s ^t
Fixed assets at end of previous financial year (FA _t)	927,669					
Fixed assets at end of current financial year (FA ₁)	926,887					
Adjusted net working capital at end of previous financial year (ANWC _t)	-3,541					
Adjusted net working capital at end of current financial year (ANWC ₁)	-6,240					
Average total funds employed (ATFE)	922,388 (or regulation 33 time-weighted average)	c	922,388			922,388
Total equity at end of previous financial year (TE _t)	741,329					
Total equity at end of current financial year (TE ₁)	737,300					
Average total equity	739,314 (or regulation 33 time-weighted average)	k			739,314	
WUC at end of previous financial year (WUC _t)	33,027					
WUC at end of current financial year (WUC ₁)	11,611					
Average total works under construction	22,319 (or regulation 33 time-weighted average)	e	deduct 22,319	deduct 22,319	deduct 22,319	22,319
Revaluations	-1,889	r				
Half of revaluations	-945	r/2			deduct -945	-945
Intangible assets at end of previous financial year (IA _t)	0					
Intangible assets at end of current financial year (IA ₁)	0					
Average total intangible asset	0 (or regulation 33 time-weighted average)	m			add 0	0
Subvention payment at end of previous financial year (\$)	0					
Subvention payment at end of current financial year (\$)	0					
Subvention payment tax adjustment at end of previous financial year	0					
Subvention payment tax adjustment at end of current financial year	0					
Average subvention payment & related tax adjustment	0	v			add 0	0
System fixed assets at end of previous financial year at book value (SFA _{bv,t})	854,219					
System fixed assets at end of current financial year at book value (SFA _{bv,1})	879,060					
Average value of system fixed assets at book value	866,640 (or regulation 33 time-weighted average)	f	deduct 866,640	deduct 866,640	deduct 866,640	866,640
System Fixed assets at year beginning at ODV value (SFA _{odv,t})	854,219					
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	879,060					
Average value of system fixed assets at ODV value	866,640 (or regulation 33 time-weighted average)	h	add 866,640	add 866,640	add 866,640	866,640
Denominator			900,069 ATFE ^{ADJ} = c - e - f + h		716,995 Ave TE ^{ADJ} = k - e - m + v - f + h	901,013 ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:			12.4 ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100		8.8 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	7.4 ROI = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100

t = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprival valuation subscript '0' = end of the previous financial year
subscript '1' = end of the current financial year ROF = return on funds ROE = return on equity ROI = return on investment