

WAIPA NETWORKS LIMITED - LINES BUSINESS

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

Derivation Table	Input and Calculations	Symbol in formula	ROF		ROE		ROI	
Operating surplus before interest and income tax from financial statements	1,666,651							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	1,666,651							
Interest on cash, bank balances, and short-term investments (ISTI)	23,131							
OSBIT minus ISTI	1,643,520	a		1,643,520				1,643,520
Net surplus after tax from financial statements	638,525							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	638,525	n				638,525		
Amortisation of goodwill and amortisation of other intangibles	0	g	add	0	add	0	add	0
Subvention payment	0	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	1,189,865							
Depreciation of SFA at ODV (y)	1,452,661							
ODV depreciation adjustment	-262,796	d	add	-262,796	add	-262,796	add	-262,796
Subvention payment tax adjustment	0	s <sup>t</sup>			deduct	0	deduct	0
Interest tax shield	255,047	q					deduct	255,047
Revaluations	0	r					add	0
Income tax	232,126	p					deduct	232,126
Numerator				1,380,724		375,726		893,551
				OSBIT <sup>ADJ</sup> = a + g + s + d		NSAT <sup>ADJ</sup> = n + g + s - s <sup>t</sup> + d		OSBIT <sup>ADJ</sup> = a + g - q + r + s + d - p - s <sup>t</sup>
Fixed assets at end of previous financial year (FA <sub>0</sub> )	46,647,035							
Fixed assets at end of current financial year (FA <sub>1</sub> )	47,185,404							
Adjusted net working capital at end of previous financial year (ANWC <sub>0</sub> )	-678,113							
Adjusted net working capital at end of current financial year (ANWC <sub>1</sub> )	1,011,637							
Average total funds employed (ATFE)	47,062,982 (or regulation 33 time-weighted average)	c		47,062,982				47,062,982
Total equity at end of previous financial year (TE <sub>0</sub> )	40,222,168							
Total equity at end of current financial year (TE <sub>1</sub> )	40,860,693							
Average total equity	40,541,431 (or regulation 33 time-weighted average)	k				40,541,431		
WUC at end of previous financial year (WUC <sub>0</sub> )	0							
WUC at end of current financial year (WUC <sub>1</sub> )	0							
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct	0	deduct	0	deduct	0
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
Intangible assets at end of previous financial year (IA <sub>0</sub> )	0							
Intangible assets at end of current financial year (IA <sub>1</sub> )	0							
Average total intangible asset	0 (or regulation 33 time-weighted average)	m				add	0	
Subvention payment at end of previous financial year (S <sub>0</sub> )	0							
Subvention payment at end of current financial year (S <sub>1</sub> )	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	
System fixed assets at end of previous financial year at book value (SFA <sub>0,bv</sub> )	45,713,490							
System fixed assets at end of current financial year at book value (SFA <sub>1,bv</sub> )	46,263,517							
Average value of system fixed assets at book value	45,988,504 (or regulation 33 time-weighted average)	f	deduct	45,988,504	deduct	45,988,504	deduct	45,988,504
System Fixed assets at year beginning at ODV value (SFA <sub>0,odv</sub> )	45,472,246							
System Fixed assets at end of current financial year at ODV value (SFA <sub>1,odv</sub> )	46,177,952							
Average value of system fixed assets at ODV value	45,825,099 (or regulation 33 time-weighted average)	h	add	45,825,099	add	45,825,099	add	45,825,099
Denominator				46,919,577		40,378,026		46,919,577
				ATFE <sup>ADJ</sup> = c - e - f + h		Ave TE <sup>ADJ</sup> = k - e - m + v - f + h		ATFE <sup>ADJ</sup> = c - e - ½r - f + h
Financial Performance Measure:				2.94		0.93		1.90
				ROF = OSBIT <sup>ADJ</sup> /ATFE <sup>ADJ</sup> x 100		ROE = NSAT <sup>ADJ</sup> /ATE <sup>ADJ</sup> x 100		ROI = OSBIT <sup>ADJ</sup> /ATFE <sup>ADJ</sup> 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