

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	4,248,819				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	4,248,819				
Interest on cash, bank balances, and short-term investments (ISTI)	33,525				
OSBIIT minus ISTI	4,215,294	a	4,215,294		4,215,294
Net surplus after tax from financial statements	2,301,471				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	2,301,471	n		2,301,471	
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)	1,113,867				
Depreciation of SFA at ODV (y)	1,395,437				
ODV depreciation adjustment	-281,570	d	add -281,570	add -281,570	add -281,570
Subvention payment tax adjustment	0	s*t		deduct 0	deduct 0
Interest tax shield	251,617	q			deduct 251,617
Revaluations	2,127,814	r			add 2,127,814
Income tax	1,151,348	p			deduct 1,151,348
Numerator			3,933,724	2,019,901	4,658,573
			$OSBIIT^{ADJ} = a + g + s + d$	$NSAT^{ADJ} = n + g + s - s^*t +$	$OSBIIT^{ADJ} = a + g - q + r + s + d - p - s^*t$
Fixed assets at end of previous financial year (FA ₀)	44,765,650				
Fixed assets at end of current financial year (FA ₁)	44,721,268				
Adjusted net working capital at end of previous financial year (ANWC ₀)	774,790				
Adjusted net working capital at end of current financial year (ANWC ₁)	769,660				
Average total funds employed (ATFE) (or regulation 33 time-weighted average)	45,515,684	c	45,515,684		45,515,684
Total equity at end of previous financial year (TE ₀)	37,942,711				
Total equity at end of current financial year (TE ₁)	38,387,621				
Average total equity (or regulation 33 time-weighted average)	38,165,166	k		38,165,166	

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Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
WUC at end of previous financial year (WUC ₀)	0				
WUC at end of current financial year (WUC ₁)	0				
Average total works under construction (or regulation 33 time-weighted average)	0	e	deduct 0	deduct 0	deduct 0
Revaluations	2,127,814	r			
Half of revaluations	1,063,907	r/2			deduct 1,063,907
Intangible assets at end of previous financial year (IA ₀)	0				
Intangible assets at end of current financial year (IA ₁)	0				
Average total intangible asset (or regulation 33 time-weighted average)	0	m		add 0	
Subvention payment at end of previous financial year (S ₀)	0				
Subvention payment at end of current financial year (S ₁)	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 _{bv0})	43,746,912				
System fixed assets at end of current financial year at book value (SFA _{bv1})	43,794,114				
Average value of system fixed assets at book value (or regulation 33 time-weighted average)	43,770,513	f	deduct 43,770,513	deduct 43,770,513	deduct 43,770,513
System Fixed assets at year beginning at ODV value (SFA _{odv0})	42,919,522				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	44,944,031				
Average value of system fixed assets at ODV value	43,931,777	h	add 43,931,777	add 43,931,777	add 43,931,777

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

Derivation Table	Input and Calculations (or regulation 33 time-weighted average)	Symbol in formula	ROF	ROE	ROI
Denominator			45,676,948 $ATFE^{ADJ} = c - e - f + h$	38,326,430 $Ave TE^{ADJ} = k - e - m + v - f + h$	44,613,041 $ATFE^{ADJ} = c - e - \frac{1}{2}r - f + h$
Financial Performance Measure:			8.61 $ROF = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$	5.27 $ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$	10.44 $ROI = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$

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