

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	1,850,367							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIT)	1,850,367							
Interest on cash, bank balances, and short-term investments (ISTI)	43,120							
OSBIT minus ISTI	1,807,247	a		1,807,247				1,807,247
Net surplus after tax from financial statements	812,353					812,353		
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	812,353	n						
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)	1,233,583							
Depreciation of SFA at ODV (y)	1,480,494							
ODV depreciation adjustment	-246,911	d	add	-246,911	add	-246,911	add	-246,911
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	249,170	q					deduct	249,170
Revaluations	9,896,321	r					add	9,896,321
Income tax	239,833	p					deduct	239,833
Numerator				1,560,336		565,442		10,967,654
				$OSBIT^{ADJ} = a + g + s + d$		$NSAT^{ADJ} = n + g + s - s*t + d$		$BIIT^{ADJ} = a + g - q + r + s + d - p - s*t$
Fixed assets at end of previous financial year (FA ₀)	47,185,404							
Fixed assets at end of current financial year (FA ₁)	47,807,151							
Adjusted net working capital at end of previous financial year (ANWC ₀)								
Adjusted net working capital at end of current financial year (ANWC ₁)	1,011,637							
	825,760							
Average total funds employed (ATFE)	48,414,976	c		48,414,976				48,414,976
(or regulation 33 time-weighted average)								
Total equity at end of previous financial year (TE ₀)	40,860,693							
Total equity at end of current financial year (TE ₁)	41,673,046							
Average total equity	41,266,870	k				41,266,870		
(or regulation 33 time-weighted average)								
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	0	e	deduct	0	deduct	0	deduct	0
(or regulation 33 time-weighted average)								
Revaluations	9,896,321	r						
Half of revaluations	4,948,161	r/2					deduct	4,948,161
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	0	m				add	0	
(or regulation 33 time-weighted average)								
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 _{bo,0})	46,263,517							
System fixed assets at end of current financial year at book value (SFA _{bo,1})	46,886,756							
Average value of system fixed assets at book value	46,575,137	f	deduct	46,575,137	deduct	46,575,137	deduct	46,575,137
(or regulation 33 time-weighted average)								
System Fixed assets at year beginning at ODV value (SFA _{odv,0})	48,177,952							
System Fixed assets at end of current financial year at ODV value (SFA _{odv,1})	56,540,820							
Average value of system fixed assets at ODV value	51,359,386	h	add	51,359,386	add	51,359,386	add	51,359,386
(or regulation 33 time-weighted average)								
Denominator				53,199,225		46,051,119		48,251,064
				$ATFE^{ADJ} = c - e - f + h$		$Ave TE^{ADJ} = k - e - m + v - f + h$		$ATFE^{ADJ} = c - e - \frac{1}{2}r - f + h$
Financial Performance Measure:				2.93		1.23		22.73
				$ROF = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$		$ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$		$ROI = OSBIT^{ADJ}/ATFE^{ADJ} \times 100$

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