

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	1,796,829							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	1,796,829							
Interest on cash, bank balances, and short-term investments (ISTI)	31,508							
OSBIIT minus ISTI	1,765,321	a		1,765,321				1,765,321
Net surplus after tax from financial statements	684,630							
Net surplus after tax adjusted pursuant to regulation 18	684,630	n				684,630		
Amortisation of goodwill and amortisation of other	0	g	add	0	add	0	add	0
Subvention payment	0	s	add	0	add	0	add	0
Depreciation of SFA at BV (x)	1,149,942							
Depreciation of SFA at ODV (y)	1,413,775							
ODV depreciation adjustment	-263,833	d	add	-263,833	add	-263,833	add	-263,833
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	252,282	q					deduct	252,282
Revaluations	0	r					add	0
Income tax	316,199	p					deduct	316,199
Numerator				1,501,488		420,797		933,007
				$OSBIIT^{ADJ} = a + g + s + d$		$NSAT^{ADJ} = n + g + s - s*t + d$		$SBIIT^{ADJ} = a + g - q + r + s + d - p - s*t$
Fixed assets at end of previous financial year (FA ₀)	44,721,268							
Fixed assets at end of current financial year (FA ₁)	46,647,035							
Adjusted net working capital at end of previous financial year (ANWC ₀)	769,660							
Adjusted net working capital at end of current financial year (ANWC ₁)	-678,113							
Average total funds employed (ATFE) (or regulation 33 time-weighted average)	45,729,925	c		45,729,925				45,729,925
Total equity at end of previous financial year (TE ₀)	38,387,621							
Total equity at end of current financial year (TE ₁)	40,222,168							
Average total equity (or regulation 33 time-weighted average)	39,304,895	k				39,304,895		
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

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Derivation Table	Input and Calculations	Symbol in formula	ROF		ROE		ROI	
Revaluations	0	r						
Half of revaluations	0	r/2					deduct	0
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	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		
System fixed assets at end of previous financial year at book value (SFA _{bv0})	43,794,114							
System fixed assets at end of current financial year at book value (SFA _{bv1})	45,713,490							
Average value of system fixed assets at book value (or regulation 33 time-weighted average)	44,753,802	f	deduct	44,753,802	deduct	44,753,802	deduct	44,753,802
System Fixed assets at year beginning at ODV value (SFA _{odv0})	44,944,031							
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	45,472,246							
Average value of system fixed assets at ODV value (or regulation 33 time-weighted average)	45,208,139	h	add	45,208,139	add	45,208,139	add	45,208,139
Denominator				46,184,262		39,759,231		46,184,262
				ATFE ^{ADJ} = c - e - f + h	Ave TE ^{ADJ} = k - e - m + v - f + h			ATFE ^{ADJ} = c - e - ½r - f + h
Financial Performance Measure:				3.25		1.06		2.02
				ROF = OSBIT ^{ADJ} /ATFE ^{ADJ} x 100		ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100		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