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	3,599,320							
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	3,599,320							
Interest on cash, bank balances, and short-term investments (ISTI)	63,900							
OSBIIT minus ISTI	3,535,420	a		3,535,420				3,535,420
Net surplus after tax from financial statements	2,211,740							
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	2,211,740	n				2,211,740		
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)	1,123,060							
Depreciation of SFA at ODV (y)	1,372,601							
ODV depreciation adjustment	-249,541	d	add	-249,541	add	-249,541	add	-249,541
Subvention payment tax adjustment	0	s*t			deduct	0	deduct	0
Interest tax shield	53,039	q					deduct	53,039
Revaluations	0	r					add	0
Income tax	1,162,955	p					deduct	1,162,955
Numerator				3,285,879		1,962,199		2,069,885
			$OSBIIT^{ADJ} = a + g + s + d$		$NSAT^{ADJ} = n + g + s - s*t + d$		$BIIT^{ADJ} = a + g - q + r + s + d - p - s*t$	
Fixed assets at end of previous financial year (FA₀)	44,764,012							
Fixed assets at end of current financial year (FA₁)	44,765,650							
Adjusted net working capital at end of previous financial year (ANWC₀)	1,275,950							
Adjusted net working capital at end of current financial year (ANWC₁)	774,790							
Average total funds employed (ATFE)	45,790,201 (or regulation 33 time-weighted average)	c		45,790,201				45,790,201
Total equity at end of previous financial year (TE₀)	45,942,710							
Total equity at end of current financial year (TE₁)	37,942,711							
Average total equity	41,942,711 (or regulation 33 time-weighted average)	k				41,942,711		
WUC at end of previous financial year (WUC₀)	0							
WUC at end of current financial year (WUC₁)	0							
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct	0	deduct	0	deduct	0

Note: subscripts above are FA_0, FA_1, $ANWC_0$, $ANWC_1$, TE_0, TE_1, WUC_0, WUC_1.

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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	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		
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})	43,751,594							
System fixed assets at end of current financial year at book value (SFA_{bv1})	43,746,912							
Average value of system fixed assets at book value	43,749,253 (or regulation 33 time-weighted average)	f	deduct	43,749,253	deduct	43,749,253	deduct	43,749,253
System Fixed assets at year beginning at ODV value (SFA_{odv0})	43,290,212							
System Fixed assets at end of current financial year at ODV value (SFA_{odv1})	42,919,522							
Average value of system fixed assets at ODV value	43,104,867 (or regulation 33 time-weighted average)	h	add	43,104,867	add	43,104,867	add	43,104,867
Denominator				45,145,815 $ATFE^{ADJ} = c - e - f + h$		41,298,325 $\text{Ave } TE^{ADJ} = k - e - m + v - f + h$		45,145,815 $ATFE^{ADJ} = c - e - \frac{1}{2}r - f + h$
Financial Performance Measure:				7.28 $ROF = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$		4.75 $ROE = NSAT^{ADJ}/ATE^{ADJ} \times 100$		4.58 $ROI = OSBIIT^{ADJ}/ATFE^{ADJ} \times 100$

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