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WANGANUI GAS LIMITED

INFORMATION FOR DISCLOSURE

PURSUANT TO THE GAS (INFORMATION DISCLOSURE) REGULATIONS 1997

WANGANUI GAS

FINANCIAL STATEMENTS PREPARED FOR THE GAS (Information Disclosure) REGULATIONS 1997

Reg. 32 (2)

Form 4

CERTIFICATION OF FINANCIAL STATEMENTS, PERFORMANCE MEASURES AND STATISTICS

We, M J DOYLE and C P HAZLEDINE Directors of Wanganui Gas Limited, certify that, having made all reasonable enquiry, to the best of our knowledge

(a) The attached audited financial statements of Wanganui Gas Limited, prepared for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997, comply with the requirements of that regulation; and

(b) The attached information, being financial performance measures, efficiency performance measures, energy delivery performance measures and statistics, and reliability performance measures in relation to Wanganui Gas Limited, and having been prepared for the purposes of regulations 15 to 19 of the Gas (Information Disclosure) Regulations 1997, complies with the requirements of those regulations.

Matthew Doyle
....
M J Doyle

....
C P Hazledine

Date: 28 Nov 2008.

Statement of Financial Performance
For the Year ended 30 June 2008

	Note	Distribution 2008 $	Distribution 2007 $	Retail 2008 $	Retail 2007 $
Revenue		$ 5,102,464	$ 4,417,279	$ 30,926,917	$ 29,347,986
Expenses		$ 3,789,308	$ 2,794,467	$ 33,320,537	$ 29,234,927
Subvention payment to WDC		$ (824,172)	$ 1,622,812	$ (57,419)	$ 113,059
SURPLUS / (DEFICIT) BEFORE INCOME TAX	2	$ 2,137,328	$ -	$ (2,336,201)	$ -
Taxation benefit (expense)	3	$ 122,403	$ (3,934)	$ -	$ (927)
NET SURPLUS / (DEFICIT) AFTER TAXATION		$ 2,259,731	$ (3,934)	$ (2,336,201)	$ (927)

Statement of Movement in Equity
For the Year ended 30 June 2008

	Note	Distribution 2008 $	Distribution 2007 $	Retail 2008 $	Retail 2007 $
EQUITY AS AT 1 JULY		$ 16,931,230	$ 17,715,539	$ 220,138	$ 1,166,205
Surplus/Deficit for the year		$ 2,259,731	$ (3,934)	$ (2,336,201)	$ (927)
Movement in fair value through equity reserve		$ -	$ -	$ -	$ -
Movement in revaluation reserve		$ 704,672	$ -	$ -	$ -
Total recognised revenue and expenses for the year		$ 2,964,403	$ (3,934)	$ (2,336,201)	$ (927)
Dividend to shareholders		$ (0)	$ 780,375	$ 0	$ 945,140
EQUITY AS AT 30 JUNE		$ 19,895,633	$ 16,931,230	$ (2,116,063)	$ 220,138

The accompanying notes and accounting policies form part of these financial statements.

Statement of Financial Position
As at 30 June 2008

	Note	Distribution		Retail	
		2008	2007	2008	2007
		$	$	$	$
CURRENT ASSETS					
General bank account		-	-	-	1,478,352
Accounts receivable	5	541,776	539,650	3,275,088	3,356,296
Inventories		169,294	199,676	-	-
Loans to related parties	9	-	-	134,963	-
Provisional tax		321,207	161,676	(219,907)	34,084
Total current assets		1,032,277	901,002	3,190,144	4,868,732
NON CURRENT ASSETS					
Fixed assets	4	24,518,314	24,003,851	913,566	110,293
Investments		27,501	40,001	27,500	24,750
Total non-current assets		24,545,815	24,043,852	941,066	135,043
TOTAL ASSETS		25,578,092	24,944,854	4,131,210	5,003,775
EQUITY					
Share capital	6	5,264,435	5,264,435	199,835	199,835
Retained earnings		2,276,495	16,764	(2,315,898)	20,303
Fair value through equity reserve		11,650,031	-	-	-
Asset revaluation reserve		704,672	11,650,031	-	-
Total equity		19,895,633	16,931,230	(2,116,063)	220,138
CURRENT LIABILITIES					
General bank account		(578,719)	1,006,324	602,496	-
Accounts payable & accruals		306,495	75,176	2,922,376	3,506,740
Provision for employee entitlements		56,922	71,687	59,715	40,985
Consumer deposits		-	-	108,290	111,805
Current finance lease	8	2,666	3,485	3,183	3,777
Taxation payable		-	-	-	-
Provision for dividend		-	-	-	-
Total current liabilities		(212,636)	1,156,672	3,696,060	3,663,308
NON CURRENT LIABILITIES					
Credit line facility	7	5,891,541	6,850,638	2,546,969	1,113,486
Non-current finance lease	8	3,554	6,314	4,244	6,843
Deferred tax		-		-	
		5,895,095	6,856,952	2,551,213	1,120,329
TOTAL LIABILITIES & EQUITY		25,578,092	24,944,854	4,131,210	5,003,775

The accompanying notes and accounting policies form part of these financial statements.

Notes to the Financial Statements

For the Year ended 30 June 2008

1. Statement of Accounting Policies

Reporting Entity

Wanganui Gas Limited is a company formed in accordance with the Energy Companies Act 1992 and registered under the Companies Act 1993. For the purpose of preparing Disclosure accounts in accordance with the Gas (Information Disclosure) Regulations 1997 the annual accounts of Wanganui Gas Limited have been divided into two entities, Distribution and Retail. The balance of Wanganui Gas Limited's accounts have not been disclosed as it pertains to appliance trading activity.

As required by the Gas (Information Disclosure) Regulations 1997, 'Distribution' involves the ownership, and maintenance of a gas distribution system, and conveyance of gas via the system. 'Retail' involves supply of gas to consumers.

The gas information disclosure and financial statements of Wanganui Gas Limited have been prepared in accordance with the Gas (Information Disclosure) Regulations 1997.

Methodology of Separation of Business

The Methodology used in relation to the allocation of costs, revenue, assets and liabilities between Retail and Distribution businesses will be available for public inspection no later than 30 November 2008.

General Accounting Policies

The general accounting principles recognised as appropriate for the measurement and reporting of results and financial position on an historical cost basis have been followed, with the exception of distribution network assets which have been valued at depreciated replacement cost. The Financial Statements are prepared in accordance with New Zealand generally accepted accounting practice. Reliance is placed on the fact that the Company is a going concern.

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of results and financial position have been applied:

Accrued Gas Sales

Gas sales include an accrual for gas supplied but not invoiced at the end of the financial period.

Capital Contributions

Capital contributions received from customers are recognised as income in the period received.

Revenue

Revenue is derived from the Sale of Energy and Distribution Services. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Goods and Service Tax

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable which are stated with GST included.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value after providing for doubtful debts.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventories on hand at balance date using weighted average cost.

Investments

Investments are stated at cost price or net realisable value.

Property Plant and Equipment

The distribution network is valued at the most recent depreciated replacement cost value, adjusted by additions (at cost), disposals and depreciation. Revaluations are carried out every three years and reviewed by independent experts. All other fixed assets are recorded at cost.

Depreciation

Depreciation is provided on a straight line basis on all tangible fixed assets, at rates calculated to allocate the assets cost, or depreciated replacement cost, less estimated residual life, over their estimated useful lives.

Major depreciation rates are:

Mains & Services	1-10% S.L
Condition Renewals	2% S.L
Meters & Customer Station Rebuilds	1-10% S.L
Vehicles, Plant, Office Equipment & Furniture and Fittings	20% S.L
Computer Hardware & Software	33% S.L
Leasehold Improvements	10-15% S.L

Financial Instruments

The Company is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short term deposits, debtors, creditors and loans. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Employee Entitlements

Provision is made in respect of the Company's liability for annual leave and long service leave. Annual leave and long service leave have been calculated on an accrual entitlement basis at current rates of pay.

Income Tax

The taxation charge against the profit for the period is the estimated liability in respect of that profit after allowance for permanent differences and timing differences not expected to reverse in the forseeable future. This is the partial basis for the calculation of deferred taxation.

The Company follows the liability method of accounting for deferred taxation.

Future tax benefits attributable to tax losses or timing differences are only recognised when there is virtual certainty of realisation.

Finance Leases

Leases which effectively transfer to the lessee substantially all the risks and benefits incident to the ownership of the leased item are classified as finance leases. Theses are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Company is expected to benefit from their use.

Changes In Accounting Policies

There have been no changes in accounting policy. All policies have been applied on bases consistent with those used in the previous period.

2. Surplus Before Taxation

	Distribution		Retail	
	2008 $	2007 $	2008 $	2007 $
Surplus/(Deficit) before income tax	$ 2,137,328	$ -	$ (2,336,201)	$ -
After charging:				
Audit fees	$ 7,876	$ 7,239	$ 30,179	$ 27,513
Audit fees other services	$ 1,144	$ 3,756	$ 4,382	$ 14,276
Interest from short term deposits	$ 280,699	$ (78,419)	$ -	$ -
Depreciation : Distribution network	$ 788,152	$ 739,310	$ -	$ -
Leasehold improvements	$ 26,243	$ 24,865	$ 3,658	$ 2,260
Vehicles	$ 28,623	$ 28,331	$ -	$ 1,434
Office equipment	$ 6,367	$ 4,449	$ 3,731	$ 1,672
Furniture & fittings	$ 5,363	$ 5,242	$ 4,768	$ 4,510
Plant & equipment	$ 35,574	$ 29,311	$ -	$ -
Customer Acquisitions	$ -	$ -	$ 104,056	$ -
Computer h/ware & s/ware	$ 68,509	$ 71,893	$ 49,313	$ 101,299
	$ 958,831	$ 903,401	$ 165,526	$ 111,175
Directors' fees	$ 63,797	$ 51,186	$ 63,797	$ 46,067
Interest: fixed loans	$ 898,162	$ 250,353	$ 258,016	$ 52,778
Rental & operating lease costs	$ 70,283	$ 67,188	$ 26,187	$ 29,002
Movements in provision for doubtful debts	$ -	$ -	$ (16,850)	$ -
Bad debts written off	$ -	$ -	$ 54,039	$ 50,153
After crediting:				
Interest from short term deposits	$ -	$ -	$ (212,995)	$ 110,777
Profit on sales of assets	$ -	$ 2,458	$ -	$ 410
Dividends received	$ 337	$ 386	$ 337	$ 239

3. Taxation Expense

Surplus/(Deficit) before income tax	$ 2,137,328	$ -	$ (2,336,201)	$ -
Prima facie taxation at 33%	$ 705,318	$ -	$ (770,946)	$ -
Plus (Less):				
Non deductible items	$ 20,732	$ 3,934	$ (4,918)	$ 924
Non taxable income	$ -	$ -	$ -	$ -
Unrecognised timing differences and tax losses	$ (726,050)	$ -	$ 775,864	$ -
Prior period adjustment	$ (122,403)	$ -	$ -	$ -
Taxation expense for the period	$ (122,403)	$ 3,934	$ -	$ 927
The taxation charge is represented by:				
Current taxation	$ (122,403)	$ 3,934	$ -	$ 927

The Company has unrecognised deferred tax liability for Distribution of $2,222,722 (2007: $1,930,439) and an unrecognised deferred tax asset for Retail Of $34,207 (2007: $56,737).

4. Fixed Assets

	Distribution					
	2008			2007		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Distribution network:						
Revalued assets	$ 26,179,666	$ 2,261,136	$ 23,918,530	$ 23,235,319	$ 1,447,072	$ 21,788,247
At Cost	$ -	$ -	$ -	$ 1,580,262	$ 25,912	$ 1,554,350
	$ 26,179,666	$ 2,261,136	$ 23,918,530	$ 24,815,581	$ 1,472,984	$ 23,342,597
Fixed assets at cost:						
Leasehold improvements	$ 643,562	$ 496,803	$ 146,759	$ 598,703	$ 449,832	$ 148,871
Vehicles	$ 295,519	$ 139,938	$ 155,581	$ 254,027	$ 107,462	$ 146,565
Office equipment	$ 75,146	$ 49,756	$ 25,390	$ 68,117	$ 41,467	$ 26,650
Furniture & fittings	$ 96,986	$ 78,909	$ 18,077	$ 90,696	$ 66,868	$ 23,828
Plant & equipment	$ 417,503	$ 270,328	$ 147,175	$ 363,362	$ 229,224	$ 134,138
Leased assets	$ 67,683	$ 63,202	$ 4,481	$ 64,653	$ 50,677	$ 13,976
Computer h/ware & s/ware	$ 1,161,953	$ 1,059,632	$ 102,321	$ 1,084,318	$ 917,092	$ 167,226
	$ 2,758,352	$ 2,158,568	$ 599,784	$ 2,523,876	$ 1,862,622	$ 661,254
Total Assets	$ 28,938,018	$ 4,419,704	$ 24,518,314	$ 27,339,457	$ 3,335,606	$ 24,003,851

	Retail					
	2008			2007		
	Cost	Accumulated Depreciation	Book Value	Cost	Accumulated Depreciation	Book Value
Fixed assets at cost:						
Leasehold improvements	88,671	68,450	20,221	99,860	75,029	24,831
Vehicles	40,717	19,281	21,436	42,370	17,924	24,446
Office equipment	10,354	6,856	3,498	11,361	6,916	4,445
Furniture & fittings	13,363	10,872	2,491	15,128	11,153	3,975
Plant & equipment	57,524	37,246	20,278	60,607	38,234	22,373
Leased assets	9,325	8,708	617	10,784	8,453	2,331
Customer Acquisitions	934,983	104,056	830,927	-	-	-
Computer h/ware & s/ware	160,096	145,998	14,098	180,857	152,965	27,892
	1,315,033	401,467	913,566	420,967	310,674	110,293
Total assets	1,315,033	401,467	913,566	420,967	310,674	110,293

The distribution network and gas measurement system is valued at depreciated replacement cost, as at 30 June 2008 by Geoff Evans, B.E (Mech) - Network Manager based on a 31 May 2008 revaluation and reviewed in accordance with NZ IAS 16 by Bruce Wattie CA, BCA, Partner - Financial Advisory Services, of PricewaterhouseCoopers, and a NZ IFRS/ODV review by Guenter Wabnitz, Dip Ing, CPEng, MIPENZ, Principal Consultant Gas and Clean Fuels, Maunsell Limited. Technical assistance was provided by James Coe B.Sc, B.E (Electrical), M.B.A, and member of IPENZ - director, JT Consulting Limited. (2007 : Revaluation of the Distribuation Network and Gas Measurement assest was not carried out).

5. Accounts Receivable

	Distribution		Retail	
	2008	2007	2008	2007
	$	$	$	$ -
Trade debtors	$ 541,776	$ 539,650	$ 3,315,908	$ 3,415,634
Provision for doubtful debts	$ -	$ -	$ (40,820)	$ (59,338)
	$ 541,776	$ 539,650	$ 3,275,088	$ 3,356,296
	$ 541,776	$ 539,650	$ 3,275,088	$ 3,356,296

6. Share Capital

Authorised capital:	2008 $	2007 $
Distribution - 5,264,435 Ordinary shares of $1 each fully paid up	$ 5,264,435	$ 5,264,435
Retail - 199,835 Ordinary shares of $1 each fully paid up	$ 199,835	$ 199,835

7. Credit Line Facility

	Distribution		Retail	
	2008 $	2007 $	2008 $	2007 $
WDCHL	$ 5,891,541	$ 5,854,884	$ 2,546,969	$ 951,639
WDC	$ -	$ 995,754	$ -	$ 161,847
	$ 5,891,541	$ 6,850,638	$ 2,546,969	$ 1,113,486

2008 - WDCHL
Term : The loan matures upon demand being made in writing by the lender.
Security : First ranking debenture providing for fixed and floating charges over all assets.
Interest rate over year : 8% to 12%

The Company has a flexible credit line facility.

2008 - WDC
Term : The loan matures upon demand being made in writing by the lender.
Security : First ranking debenture providing for fixed and floating charges over all assets
Interest rate range over year : 8.75%.

The Company has a flexible credit line facility.

8. Finance Lease Liabilities

	Distribution		Retail	
	2008 $	2007 $	2008 $	2007 $
Not later than one year	$ 3,378	$ 4,373	$ 4,034	$ 4,739
Later than one year and not later than two years	$ 3,378	$ 3,430	$ 4,034	$ 3,717
Later than two year and not later than five years	$ 1,128	$ 4,573	$ 1,344	$ 4,957
Later than five years	$ -	$ -	$ -	$ -
	$ 7,884	$ 12,376	$ 9,412	$ 13,413
Future finance charges	$ 1,664	$ 2,577	$ 1,986	$ 2,793
Recognised as a liability	$ 6,220	$ 9,799	$ 7,426	$ 10,620
Representing lease liabilities				
Current	$ 2,666	$ 3,485	$ 3,182	$ 3,777
Non-current	$ 3,554	$ 6,314	$ 4,244	$ 6,843
	$ 6,220	$ 9,799	$ 7,426	$ 10,620

9. Loans to related parties

The fair value of loans to related parties	$ -	$ -	$ 134,963	$ -

10. Imputation Credit Account

	Distribution		Retail	
	2008 $	2007 $	2008 $	2007 $
Opening Balance	$ 249,894	$ 434,882	$ (232,655)	$ 39,934
PLUS:				
Income tax paid	$ (425,621)	$ 150,928	$ 291,393	$ 31,818
Imputations on dividends received	$ 166	$ 190	$ 166	$ 117
LESS:				
Terminal tax refund	$ (714,031)	$ (102,513)	$ 488,846	$ (21,611)

Imputations attached to dividends paid	$ -	$ (233,593)	$ -	$ (282,913)
Balance 30 June	$ (889,592)	$ 249,894	$ 547,750	$ (232,655)

10. Financial Instruments

Financial Instruments which potentially subject the Company to credit risk principally consist of bank balances and accounts receivable. Generally the Company does not require collateral. Maximum exposure to credit risk is the amount stated in the financial statements and is net of any recognised provision for losses on these financial instruments. An amount of $108,290 (2007 : $111,804) is included in Retail's current liabilities which is the value of consumer deposits held. No other collateral is held on these amounts.

The Company is not exposed to any concentrations of risk or currency risk.

The Company has no bank overdraft facility.

The methods and assumptions used are that the carrying amount in the financial statements reflects the estimated fair value of the financial instruments including receivables, bank and investments and accounts payable.

The Company has long term borrowings which are used to fund ongoing activities.

The Company has arranged a bank guarantee for $388,203 (2007: $388,203) which is required by Vector Ltd to ($335,000) to gain access to their distribution networks and Maui Development Limited ($53,203) for use of the Maui pipeline under the open access agreement.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investments.

The Directors do not consider there is any significant exposure to interest rate risk on the Company's investments.

The interest rates on the Company's borrowings are disclosed in note 7. Interest rates are reviewed regularly.

There are no interest rate options or interest rate swap agreements in place as at 30 June 2008 (2007 : Nil).

Currency Risk

No currency risk.

11. Related Party Transactions

The following transactions occurred during the period with Related Parties:

	Distribution		**Retail**	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Wanganui Gas Ltd is a wholly owned subsidiary of Wanganui District Council Holdings Ltd (WDCHL), a Council Controlled Organisation of Wanganui District Council. Until 27/10/06 Vector Gas Investments Limited (a subsidiary of Vector Limited) held 25.1% of the shares. These were sold to WDCHL on that date.				
Rent	$ 70,283	$ 67,188	$ 26,187	$ 29,002
IT services	$ 39,110	$ 45,832	$ 43,037	$ 39,658
Rates	$ 36,970	$ 36,463	$ 1,125	$ 992
Subvention Payment	$ (824,173)	$ 1,622,811	$ (57,420)	$ 113,059
Other	$ 15,727	$ 18,556	$ 17,414	$ 20,804
	$ (662,083)	$ 1,790,850	$ 30,343	$ 203,515
Vector				
Gas purchases & transmission services	$ -	$ -	$ -	$ 8,929,765
Other	$ -	$ 725	$ -	$ 813
	$ -	$ 725	$ -	$ 8,930,578

Mr Doyle is a principal of Doyle & Associates

Doyle & Associates	Consulting	$	4,861	$	2,850	$	4,861	$	2,565

Mr Warburton is a beneficiary of the Four P International Trust

Four P International Trust	Consulting	$	3,713	$	-	$	3,713	$	-

Mr Reidy is Chief Executive, Global Consulting Services for Downer EDI Limited

Downer EDI Works Limited	Drainlaying	$	107,935	$	-	$	-	$	-

Mr Goodwin is President of the Employers and Manufacturers Association (Central) Inc

EMA	Consulting	$	1,333	$	-	$	1,333	$	-
	Membership	$	945	$	-	$	945	$	-
	Other	$	73	$	-	$	73	$	-
		$	2,351	$	-	$	2,351	$	-

WGL Transactions to Vector

Transport related charges	$	-	$	23,904	$	-	$	-
Other	$	-	$	6,440	$	-	$	-
	$	-	$	30,344	$	-	$	-

Amounts Owed to Related Parties at Balance date were:

Wanganui District Council	$	31,288	$	797,720	$	(1,434)	$	90,653
Doyle & Associates	$	3,000	$	-	$	3,000	$	-
Four P International Trust	$	3,713	$	-	$	3,713	$	-
Downer EDI Works Limited	$	3,034	$	-	$	-	$	-
Employers and Manufacturers Association (Central) Inc	$	-	$	-	$	-	$	-

All Transactions were conducted on normal commercial terms.

Credit line facilities are with WDC and WDCHL refer to Note 7.

12. Prescribed Business Relationships

Under Regulation 22 of the Gas (Information Disclosure) Regulations 1997 total costs and revenue must be disclosed for goods and services provided between entities in prescribed business relationships. 'Distribution' and 'Retail' fall within the Gas (Information Disclosure) Regulations 1997 definition of a prescribed business relationship (Regulation 3).

		2008		2007
		$		**$**
Distribution Revenue from Retail				
Gas Distribution Tariffs *	$	3,945,052	$	3,856,380
Distribution Debtors from Retail				
Wanganui Gas Ltd - Distribution *	$	426,874	$	412,428

* Tariff represents revenue to Distribution for the transportation of gas through its distribution network. The value of transactions is calculated by applying current published Distribution tariffs to actual Retail throughput gas volumes and connection numbers. Transactions represent a book entry only. Debtor represents June revenue - assumed to be paid in the subsequent month.

13. Commitments

The Company has no commitments as at 30 June 2008 (2007: Nil)

14. Contingent Liabilities

There are no contingent liabilities which would have a material adverse effect on these accounts (2007 : Nil).

	Distribution		Retail	
	2008	2007	2008	2007
	$	$	$	$
Under the terms of their pipeline access agreement Vector and Maui Development require bank guarantees refer Note 10.	$ -	$ -	$ 388,203	$ 388,203

There are no contingent assets other than normal energy trading (2007 : nil)

15. Dividend

No Dividends have been declared for 2007/2008 (2007 : $676,851)

16. Post Balance Date Events

With effect from 1 July 2008 the two independent trading divisions of Wanganui Gas Limited, GasNet and Energy Direct NZ, were established as separate companies. Both companies are 100% owned by Wanganui Gas Limited. The two new companies, GasNet Limited and Energy Direct NZ Limited have their own Board of Directors and General Managers. The personnel and assets that were employed in the respective trading divisions have been allocated as appropriate to each of the new companies. Wanganui Gas Limited as the Parent entity will focus on strategic issues and planning for the group.

Statement of Performance Measures
For the Year ended 30 June 2008
For the purposes of the Gas (Information Disclosure) Regulations 1997
Regulations 15, 17, & 18

	Reference	Distribution 2008	2007	2006	2005	2004	*2008*	*2007*
1. Financial Performance Measures								
Accounting Return on Total Assets	Sch 1 Pt 2 1(a)	12.25%	1.10%	7.83%	8.89%	9.39%	*8.92%*	*8.21%*
Accounting Return on Equity	Sch 1 Pt 2 1(b)	12.27%	-0.02%	5.18%	7.06%	4.66%	*9.27%*	*6.25%*
Accounting Rate of Profit Including Network Revaluation	Sch 1 Pt 2 1(c)	15.83% (2)	-0.20%	34.34% (1)	7.14%	6.92%	*13.57%*	*4.57%*
Accounting Rate of Profit Excluding Network Revaluation		12.77%	0.07%	6.63%	7.14%	6.92%	*10.54%*	*4.84%*

Note: The Accounting Rate of Profit Excluding Network Revaluation is not required by the Gas (Information Disclosure) Regulations 1997.

The figures in italics have been adjusted to exclude the subvention payment to WDC and the resulting profit taxed at 33% (2007:33%). This has been provided for ease of comparison to previous financial years.

	Reference	2008	2007	2006	2005	2004
2. Efficiency Performance Measures						
Direct Line Costs per Kilometre	Sch 1 Pt 2 2(a)	$ 2,916	$ 2,416	$ 2,068	$ 1,907	$ 1,990
Indirect Line Costs per Gas Customer	Sch 1 Pt 2 2(b)	$ 84	$ 73	$ 62	$ 58	$ 40
3. Energy Delivery Efficiency Performance Measures						
Load Factor	Sch 1 Pt 3 1(a)	80.10%	79.50%	75.77%	74.02%	70.80%
Unaccounted for Gas Ratio	Sch 1 Pt 3 1(b)	1.80%	1.80%	1.80%	1.80%	1.80%
4. Statistics						
System Length (km)	Sch 1 Pt 3 2(a)	366	365	362	360	357
Maximum Monthly Amount of Gas Entering System (GJ)	Sch 1 Pt 3 2(b)	107,645	110,651	113,872	125,474	131,678
Total Annual Amount of Gas Conveyed through System (GJ	Sch 1 Pt 3 2(c)	1,034,957	1,055,279	1,035,434	1,114,509	1,118,772
Total Annual Amount of Gas Conveyed through System for Persons not in a Prescribed Business Relationship (GJ/pa)	Sch 1 Pt 3 2(d)	542,665	538,798	507,347	403,317	253,888
Total Number of Customers	Sch 1 Pt 3 2(e)	10,331	10,326	10,581	10,776	10,874
5. Reliability Performance Measures						
Unplanned Transmission System Interruptions (hours)	Sch 1 Pt 4 1	nil	nil	nil	nil	11096
Unplanned Distribution System Interruptions not related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(a)	0.018	0.0152	0.0216	0.1743	0.1096
Unplanned Distribution System Interruptions related to Transmission System Interruptions (hours/customer)	Sch 1 Pt 4 2(b)	nil	nil	nil	nil	1.0084
Unplanned Distribution System Interruptions as a result of third party damage (hours/customer).		0.0116	0.0067	0.0157	0.1557	0.0092
Unplanned Distribution System Interruptions not as a result of third party damage (hours/customer).		0.0064	0.0085	0.0059	0.0186	0.1004

Note: The last two performance measures are not required by the Gas (Information Disclosure) Regulations 1997.

1. The increase in percentage is due to the revaluation carried out during the year.
2. The increase in percentage is due to the revaluation carried out during the year and the reversal of the subvention payment.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

CERTIFICATION BY THE AUDITOR-GENERAL IN RELATION TO FINANCIAL STATEMENTS

I have examined the attached financial statements prepared by Wanganui Gas Limited and dated 28 November 2008 for the purposes of regulation 6 of the Gas (Information Disclosure) Regulations 1997.

I certify that, having made all reasonable enquiry, to the best of my knowledge, those financial statements have been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

CERTIFICATION OF PERFORMANCE MEASURES BY THE AUDITOR-GENERAL

I have examined the attached information, being:

- financial performance measures specified in clause 1 of part 2 of Schedule 1 of the Gas (Information Disclosure) Regulations 1997; and
- financial components of the efficiency performance measures specified in clause 2 of part 2 of that schedule,

and having been prepared by Wanganui Gas Limited and dated 28 November 2008 for the purposes of regulations 15 and 16 of those regulations.

I certify that, having made all reasonable enquiry, to the best of my knowledge, that information has been prepared in accordance with the requirements of the Gas (Information Disclosure) Regulations 1997.

Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

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