ANNUAL REPORT

Electra Limited
2004-2005

All values in this report are in thousands (000's) of New Zealand dollars (rounded) and are for years ended 31 March unless otherwise stated.

"This year" means the year ended 31 March 2005
"Last year" means the year ended 31 March 2004
"Next year" means the year ending 31 March 2006

ELECTRA

Electra Limited operates as an electricity line owner and operator in the Kapiti and Horowhenua region on the west coast of the lower North Island, New Zealand.

Ownership is vested in the Electra Trust on behalf of 39,906 beneficiaries. At 31 March 2005, the Group had total assets of $171 million, shareholders' funds of $96 million and employed 130 (full-time-equivalent) people.

Electra owns 100% of Electra Contracting Limited, an electrical contracting and maintenance businesses, and Oxford Finance Corporation Limited, which specialises in Financial Services.

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innovative

Electra Directors, Warren Thessman (Chairman), Patricia McKelvey, Piers Hamid and Martin Devlin are pleased to report that the Electra Group has had another successful year and has maintained strong electricity discounts to its consumers.

To ensure it capitalises on its success, the company is continuing to explore opportunities for future growth, particularly through appropriate investments outside the core network business. Our strategy is to grow revenue from subsidiary businesses so we can reward our consumer shareholders through electricity sales discounts.

As part of our strategy, we are now actively investigating a variety of opportunities to invest in renewable electricity generation. We will also consider a range of other business acquisition opportunities consistent with Group skills and competencies.

A key five-year goal is to have up to 50% of the Group's profit derived from unregulated subsidiaries.

These bold initiatives build on sustained growth over the past few years that continued during the current year.

Electra Group Chief Executive, John Yeoman notes that each of the Group's companies has performed well in competitive markets while managing staffing/skills issues for Linework and Stones Electrical, and finance sector regulatory pressures, for Oxford Finance.

Electra Network has met stringent regulatory performance criteria and maintained a highly reliable supply of electricity to its consumers, while managing the challenge of planning for strong network growth in the coming decade.

The value that these companies add to Group performance cannot be overstated.

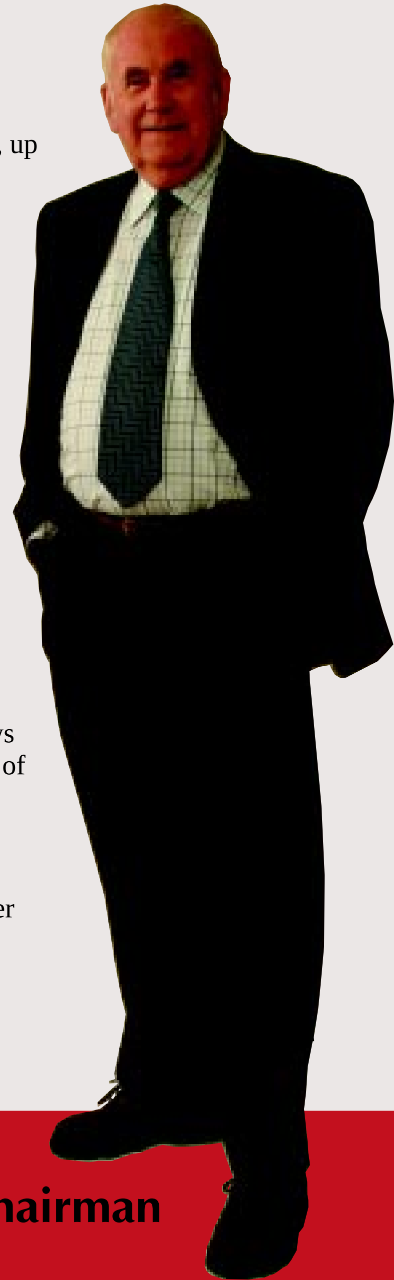
Group revenue was $41.3 million for the period, up by $3.75 million on last year, and Group profit before discount was $7.9 million, also up on last year's figure of $7.5 million.

The Group's performance resulted in a discount of $7 million plus GST, up slightly on the 2003-2004 figure.

Two recent independent reports give some added context to these results. The 2004 Information Compendium by PricewaterhouseCoopers highlighted that Electra has the second lowest distribution revenue per customer connection, but is ranked above average in profitability and amongst the highest for network quality of supply.

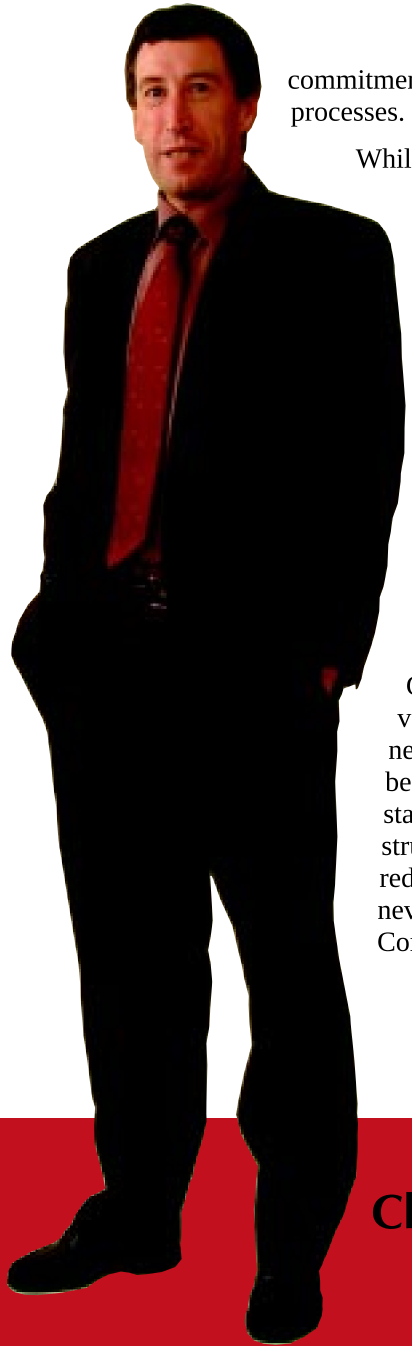
At the same time a Ministry of Economic Development analysis as at February 2005 shows Electra's line charges to be in the lower quartile of all lines companies.

The fact that we perform so well in the face of challenges such as increasing government compliance costs, low usage and low revenue per consumer is a testament to the quality and



Electra Group to capitalise on another STRONG YEAR

Chairman



commitment of our staff and our systems and processes.

While the Group can again be proud of its performance, the weight of Government regulation is having an increasing impact that may eventually affect network profitability- and discount levels – unless we can secure additional revenue streams. Hence our focus on securing unregulated revenue to bolster Group income and profit.

New Low Fixed Charge Regulations, which came into force in October 2004, have resulted in the company completely changing its pricing and discount policy. We have dropped our daily fixed charge from 50 cents per consumer to an actual 15 cents (plus GST) per day per consumer while raising variable unit charges to ensure revenue neutrality. If we had not done this we believe that persevering with our two-tier standard and low fixed charge pricing structure would eventually result in a reduction in revenue and profit that could never be made up under the Commerce Commission pricing regime.

While these pricing changes will actually be positive for the majority of consumers, the fixed charge reduction combined with increased variable charges means a price increase for larger consumers. This is something that Electra did with extreme reluctance given its relatively small commercial electricity load and its commitment to fostering economic growth in the region.

On top of that, the additional pressure of growing government regulatory compliance adds about $0.5 million of costs annually to the business – or about $13 a consumer.

Overall, Electra's prices have not increased in real terms since 1995. In addition, our share of an 8000 kWh per year consumer's bill has actually dropped from 37% to just over 27% of the total invoice since 1999.

Those challenges aside, the next Trust ownership review will take place in 2006 when the Directors of the Electra Group will consider the current ownership model and report to the Trust on options for the future.

Based on outcomes to date, the current company structure is providing its shareholders in the community with real value and, furthermore, the Group has sensible and innovative plans in place to maintain those tangible dividends.

Warren Thessman
Chairman

John Yeoman
Chief Executive

Chief Executive

Key FACTS

- 39,906 electricity users are connected to the Electra network, making it the 8th largest electricity network company in the country
- Electra Group total assets are worth $170.9 million
- We are owned by the Electra Trust representing all the electricity users connected to the Electra distribution network in the Kapiti/ Horowhenua region
- The Electra Trust holds all shares in the company which has shareholder funds of $96.1 million
- All dates are as at 31 March 2004 unless otherwise stated

	2005	2004	2003	2002	2001
Financial					
Total revenue ($'000)	**$41,345**	$37,551	$30,949	$25,996	$22,918
Discount ($'000)	**$7,000**	$6,921	$6,955	$6,951	$7,181
Surplus (after tax) ($'000)	**$926**	$465	$1,419	$2,576	$1,788
Total assets ($'000)	**$170,900**	$171,521	$134,834	$86,536	$81,455
Total shareholders funds ($'000)	**$96,072**	$95,058	$69,259	$67,560	$65,780
Shareholders funds to total assets	**56%**	55%	51%	78%	80%
Net Asset backing per share	**$3.93**	$3.88	$2.85	$2.76	$2.69
Network Usage					
GWh sold by retailers	**388.3**	368.9	369.2	358.4	352.9
Maximum demand (MW)	**91**	82	81	84	79
Consumer Information					
Number of consumers	**39,906**	39,541	39,015	38,292	37,302
Network reliability					
System Average Interruption Duration Index (SAIDI)	**78.0**	119*	55.9	65.8	104.4
System Average Interruption Frequency Index (SAIFI)	**1.56**	2.72*	0.90	1.31	2.12

Parent Only	2005	2004	2003	2002	2001
Operating costs per consumer	**$126**	$135	$146	$141	$130
Operating costs per kWh (cents)	**1.30**	1.44	1.54	1.51	1.38

* Includes February 2004 Civil Defence Emergency floods and wind storms.
Excluding these events SAIDI & SAIFI would have been - SAIDI – 40.37
SAIFI – 0.973

FIVE YEAR performance highlights

- Total Group Profit before Sales Discount and tax increased to $7.9 million
- Increase in shareholder value to $96.1 million
- $7 million in sales discounts returned to electricity users
- New network connections number over 700 for the year
- 5.25% increase in electricity sold over the network
- Network reliability maintained at very high levels
- Oxford Finance Corporation Limited completes another good year
- Linework and Stones Electrical Contractors prosper in competitive market.

Asset Value of the Electra Network

Using adjusted Optimised Deprival Values (ODV) as at October 2004 in millions of dollars:

2,219 transformers	$ 12.8
10 sub-stations	$ 17.0
183 kilometres of 33,000 volt lines and cables (including fibre optic)	$ 10.9
174 kilometres of 11,000 volt underground lines	$ 14.5
790 kilometres of 11,000 volt overhead line	$ 13.3
Switchgear	$ 4.4
458 kilometres of 400 volt underground lines including street lights	$ 14.2
460 kilometers of 400 volt overhead lines	$ 7.5
Customer Service connections	$ 5.1
Communication and Information Systems	$ 1.2
Emergency Spares	$ 0.3
Total ODV	**$101.2***

* Based on "Handbook for Optimised Deprival Value of System Fixed Assets of Electricity Lines Businessess, August 2004" Commerce Commission.

KEY ACHIEVEMENTS for 2004/2005

Jenni Williams
General Manager
Oxford Finance
Corporation Limited

Ross Leggett
General
Manager
Business
Development

Allen Hutchison
General Manager
Electra
Contracting
Limited

John Yeoman
Chief Executive
Electra Group

Todd Campbell
Group Finance
Manager

Vivien Wright
Company
Secretary

John Fallen
Electra Network
Manager

ELECTRA
Executives

Electra gears up for major NETWORK EXPANSION

Electra is looking to invest over $20 million in the next 10-12 years to ensure that its network continues to deliver electricity to consumers reliably and efficiently.

Network Manager, John Fallen, says the company is already adding over 700 new connections a year to its system as the Kapiti Horowhenua region continues to grow at a rapid rate.

John Fallen says demand at Foxton Beach, for example, has doubled in the last five years as that area grows increasingly urbanised. This trend is expected to escalate over the next decade as lifestyle blocks become more popular in many, previously low population, communities.

“We are well down the track of planning for this network expansion and we have a prioritised investment programme over a 10 year horizon,” he said.

“Among key projects within the 10 year horizon will be the adding of new capacity to service the Manakau and Te Horo areas. Followed closely but beyond this 10 year horizon, the commissioning of a new ‘grid exit point’ may be necessary to feed in the power required to meet the increased demand.”

Complementing its keen focus on network expansion, John Fallen says Electra has again returned excellent results in the key regulatory performance areas of reliability and price.

“We work with a low income base per customer, we face high costs in network maintenance and development, and regulatory compliance, but we return excellent reliability and efficiency figures and a very satisfactory discount to local consumers,” John Fallen says.

Figures show that Electra customers use only 60% of the national electricity consumption average and the company has the second lowest load factor of all lines companies in New Zealand. This means it is difficult to use the lines and transformers at maximum efficiency.

reliability

In addition, says John Fallen, Electra’s network charges during the year were below the average of all lines companies and the company had the second lowest revenue per consumer ratio.

Notwithstanding these challenges the company enjoyed one of the highest reliability rankings during the period - eighth out of 28 lines companies, despite last year’s vicious storms.

Linework, Stones prosper in COMPETITIVE MARKET

The development of new business opportunities for Electra Contracting Limited, which trades as Linework and Stones Electrical Contractors, staff increases and the opening of a new Wellington depot are indicators of another strong year for the company.

Electra Contracting General Manager, Allen Hutchison, says Linework and Stones have prospered in a very competitive market.

“Linework has built on its existing relationship with Vector to develop a much stronger presence in Wellington during the past 12 months. The company is currently expanding its role and is now actively tendering for major new work in that area.”

Allen Hutchison says the company has been awarded a significant project on the Chatham Islands. “The fact we are now being invited to tender for these sizeable projects indicates the Linework brand has become much more widely recognised. Winning a good percentage of this work has created a solid platform for continued growth and profitability.”

Stones, too, has enjoyed similar success during the year. The company has recently completed its first major million dollar plus project in Wellington, and is now positioned as one of the top four or five electrical contracting companies in the Wellington region.

“We predict more of the same for Stones next year,” Allen Hutchison said. “The economy is still buoyant, market demand remains strong and we have bigger staff numbers and scale advantages to handle the larger jobs which we are now actively targeting.”

Linework and Stones now generate approximately 30 percent of their turnover from the Wellington market, and this continues to grow by the year, Allen Hutchison says.

To leverage this growth potential and assist with servicing clients in the Capital, Linework and Stones have opened a depot in Petone.

They have also strengthened their commitment to staff training as part of long-term strategies to retain staff and to manage the technical skills shortages that will affect many New Zealand companies over the next five to ten years.

“Trainees and apprentices account for 25% of the workforce of the company,” Allen Hutchison said. “While training is a significant investment, we are confident it will provide us with a competitive edge on a number of fronts in what promises to be a tight labour market for some time.”

Oxford Finance Corporation Limited (OFC) has topped another good year with plans to grow business in direct-to-public lending aimed primarily at the local community.

Manager, Jenni Williams, says the new business strategy will see the company develop a stronger personal lending portfolio to complement its vehicle finance business through which it services 175 dealers around the North Island.

"This approach will allow us to develop new markets, broaden our customer base and diversify and expand our revenue streams.

Most of our debenture funding is locally sourced, but we want to complement that with a stronger base of lending into our local community.

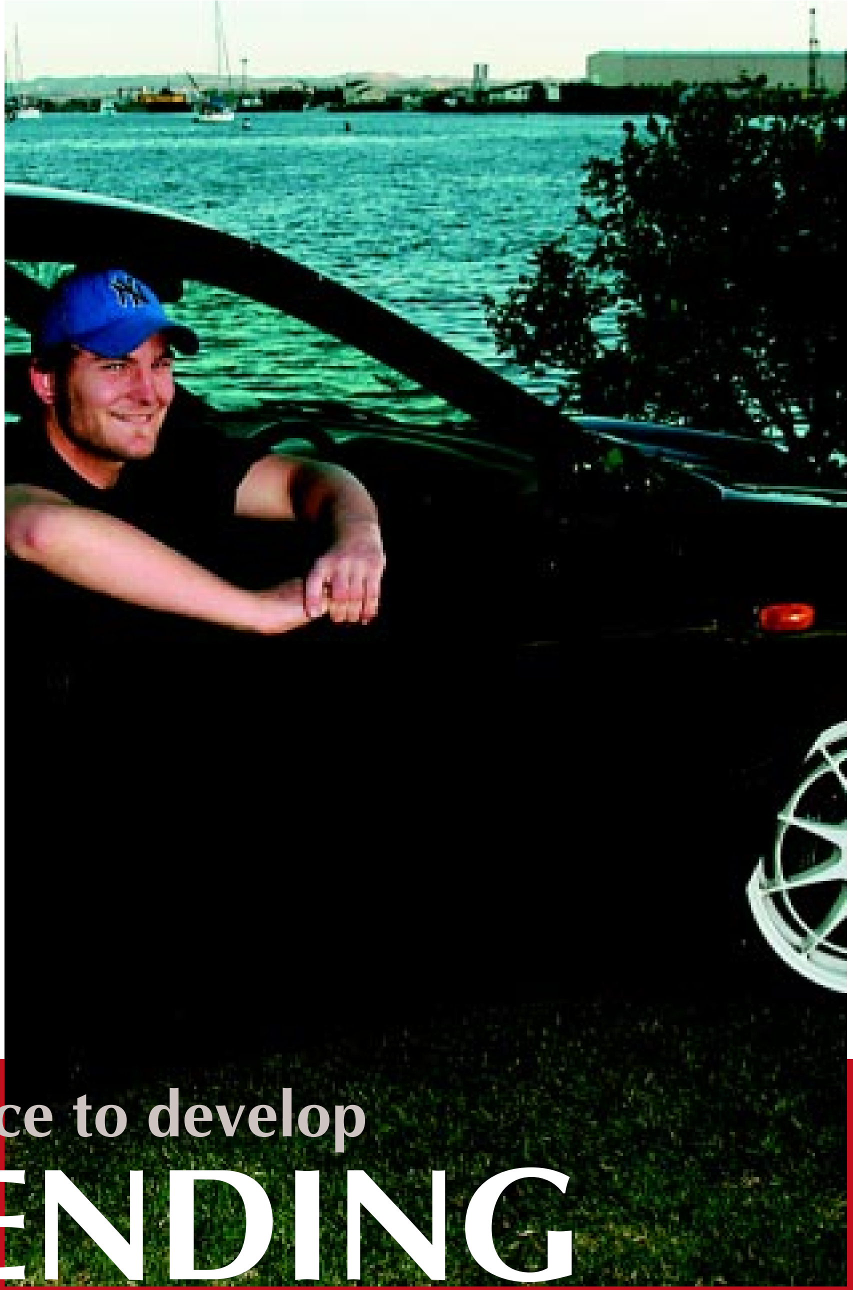
Approaching the Kapiti Horowhenua community is a priority of OFC's new business strategy. Along the way we will be looking at innovative ways of making sure that local people or organisations benefit from recommending clients to OFC."

The new approach will underpin OFC's efforts to secure further growth next year. This will be influenced by the Consumer Credit Finance Act that commenced on 1 April 2005 as well as what happens to the New Zealand economy. Nevertheless, the company is in a strong position to take advantage of any marketplace events.

"Developing a personal lending portfolio is consistent with our efforts to consolidate the business and to develop a solid platform that will provide for sustained and manageable growth," Jenni Williams said.

She added that OFC continues to benefit strongly on a number of fronts from its membership of the Electra Group. "It's a mutually supportive process, the ultimate beneficiaries of which are the residents of the Kapiti Horowhenua region.

"The better the Group's businesses perform, the more Electra can provide solid electricity discounts for the Kapiti Horowhenua community."



Oxford Finance to develop personal LENDING

AUDIT REPORT

TO THE READERS OF ELECTRA LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

PricewaterhouseCoopers
113-119 The Terrace
PO Box 243
Wellington, New Zealand
www.pwc.com/nz
Telephone +64 4 462 7000
Facsimile +64 4 462 7001

The Auditor-General is the auditor of Electra Limited (the company). The Auditor-General has appointed me, F A Hutchings, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements and performance information of the company and the group, on his behalf, for the year ended 31 March 2005.

Unqualified Opinion

In our opinion:

- The financial statements of the company and the group on pages 18 to 31
  - comply with generally accepted accounting practice in New Zealand; and
  - give a true and fair view of:
    - the company's and the group's financial position as at 31 March 2005
    - the results of their operations and cash flows for the year ended on that date.
- The performance information of the company and the group on page 32 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 31 March 2005.
- Based on our examination the company and the group kept proper accounting records.

The audit was completed on 27 May 2005, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data
- verifying samples of transactions and account balances
- performing analyses to identify anomalies in the reported data
- reviewing significant estimates and judgements made by the Board of Directors
- confirming year-end balances
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must give a true and fair view of the financial position of the company and group as at 31 March 2005. They must also give a true and fair view of the results of their operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 31 March 2005. The Board of Directors responsibilities arise from the Energy Companies Act 1992 and the Financial Reporting Act 1993.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 45(1) of the Energy Companies Act 1992.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

We have carried out other assignments for the company and group in the areas of taxation compliance and other assurance services. Other than these assignments and in our capacity as auditor acting on behalf of the Auditor-General, we have no relationship with or interests in the company or any of its subsidiaries.

Fred Hutchings

F A Hutchings
On behalf of the Auditor-General
Wellington, New Zealand

PricewaterhouseCoopers

PricewaterhouseCoopers

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Electra Limited for the year ended 31 March 2005 included on Electra Limited's web-site. Electra Limited is responsible for the maintenance and integrity of the web site. We have not been engaged to report on the integrity of the Electra Limited web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 27 May 2005 to confirm the information included in the audited financial statements presented on this web site.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS Report

Martin
Devlin

Piers
Hamid

Patricia
McKelvey

Warren
Thessman
Chairman

ELECTRA
Board

The Directors take pleasure in presenting their Report and financial statements of Electra Limited for the year ended 31 March 2005.

Principal activities

The group's principal activities during the year were:

- to be a successful electricity line owner and operator maximising value for owners through competitive prices, quality and efficient operations
- to operate a successful electricity network construction and maintenance contracting business
- to invest in business activities and projects that add value to the Company.

Group results and distributions

	2005	2004
	$000	$000
Operating revenue	41,345	37,551
Discount to Consumers	(7,000)	(6,921)
Group profit before tax for the financial year	926	547
Taxation	-	(82)
Net profit after taxation	926	465
Dividend	(175)	(150)
Retained earnings brought forward	$13,073	$12,758
Retained earnings carried forward	$13,824	$13,073

Directors interests

Directors have declared interests in transactions with the company during the year as set out in note 19 of these financial statements.

Directors have no direct interest in equity securities issued by the company. Directors may also be beneficiaries of Electra Trust, which holds the shares in the Company for consumers of the day.

Retirement of directors

In accordance with the Constitution of the Company Messrs W Thessman and P Hamid retire by rotation at the annual general meeting of the Company. Messrs Thessman and Hamid being eligible, offer themselves for re-election.

Use of company information

During the year the Board received no notices from Directors of the Company requesting use of company information received in their capacity as directors, which would not otherwise have been available to them.

Auditor

PricewaterhouseCoopers was appointed as Auditor on behalf of the Controller and Auditor General, in accordance with Section 45 of the Electricity Companies Act 1992.

For and on behalf of the Board

Warren Thessman
Director

Piers Hamid
Director

27 May 2005

Directors statutory REPORT

Statement of financial performance

for the year ended 31 March 2005

	Note	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Sales and Interest Revenue		**41,345**	37,551	**22,813**	22,142
Dividends from Subsidiaries		**-**	-	**1,900**	968
Operating revenue	*2*	**41,345**	37,551	**24,713**	23,110
Discount to Consumers		**(7,000)**	(6,921)	**(7,000)**	(6,921)
Net profit/(loss) before taxation	*2*	**926**	547	**757**	99
Taxation	*3*	**-**	(82)	**-**	-
Net profit after taxation		**$926**	$465	**$757**	$99

Statement of movements in equity

for the year ended 31 March 2005

	Note	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Equity at beginning of the year		**$95,058**	$69,259	**95,607**	69,259
Net profit after taxation for the year	*2*	**926**	465	**757**	99
Revaluation of assets	*6*	**263**	25,484	**263**	25,353
Revaluation of subsidiary shares	*6*	**-**	-	**622**	1,623
Loss on amalgamation	*10*	**-**	-	**-**	(597)
Total recognised revenues and expenses		**1,189**	25,949	**1,642**	26,478
Dividend paid	*4*	**(175)**	(150)	**(175)**	(130)
Total other movements		**(175)**	(150)	**(175)**	(130)
Equity at end of the year		**$96,072**	$95,058	**$97,074**	$95,607

The notes on pages 21 to 31 form part of these financial statements.

Statement of financial position

as at 31 March 2005

	Note	Group **2005** **$000**	Group 2004 $000	Parent **2005** **$000**	Parent 2004 $000
Equity					
Share capital	*5*	**18,000**	18,000	**18,000**	18,000
Reserves	*6*	**64,248**	63,985	**67,989**	67,105
Retained earnings		**13,824**	13,073	**11,085**	10,502
Total equity		**96,072**	95,058	**97,074**	95,607
Non-current liabilities					
Borrowings	*7*	**16,600**	21,200	**16,600**	21,200
Secured debenture stock	*7*	**11,092**	8,431	**-**	-
Total non-current liabilities		**27,692**	29,631	**16,600**	21,200
Current liabilities					
Other provisions		**163**	181	**163**	181
Current portion of borrowings	*7*	**38,567**	36,776	**2,600**	-
Accounts payable and accruals	*8*	**8,406**	9,875	**4,897**	5,538
Total current liabilities		**47,136**	46,832	**7,660**	5,719
Total equity and liabilities		**$170,900**	$171,521	**$121,334**	$122,526

	Note	Group **2005** **$000**	Group 2004 $000	Parent **2005** **$000**	Parent 2004 $000
Non-current assets					
Property, plant and equipment	9	**106,929**	108,081	**105,165**	106,202
Investment in subsidiaries	10	**-**	-	**11,635**	11,013
Finance receivables	12	**25,844**	26,350	**-**	-
Intangible assets	11	**5,422**	6,173	**1,892**	2,183
Total non-current assets		**138,195**	140,604	**118,692**	119,398
Current assets					
Cash		**2,156**	1,789	**1,060**	863
Receivables and prepayments	12	**6,935**	3,924	**1,582**	2,265
Finance receivables - current	12	**23,312**	24,218	**-**	-
Inventories	13	**53**	520	**-**	-
Work in progress	13	**249**	466	**-**	-
Total current assets		**32,705**	30,917	**2,642**	3,128
Total assets		**$170,900**	$171,521	**$121,334**	$122,526

The notes on pages 21 to 31 form part of these financial statements.

The Board of Electra Limited authorised these financial statements for issue on 27 May 2005.

For and on behalf of the Board

Warren Thessman
Director

Piers Hamid
Director

Statement of cash flows

for the year ended 31 March 2005

	Note	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Cash flows from operating activities					
Cash was received from:					
Receipts from customers		**27,807**	31,026	**14,143**	13,341
Dividends received		**-**	-	**1,900**	968
Interest received		**5,700**	4,218	**16**	17
		33,507	35,244	**16,059**	14,326
Cash was disbursed to:					
Payments to suppliers and employees		**(22,376)**	(27,835)	**(9,120)**	(9,554)
Interest paid		**(4,817)**	(3,600)	**(1,567)**	(1,585)
Income tax paid		**-**	(240)	**-**	-
		(27,193)	(31,675)	**10,687**	(11,139)
Net cash flows from operating activities	*16*	**6,314**	3,569	**5,372**	3,187
Cash flows to investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment		**48**	177	**10**	36
		48	177	**10**	36
Cash was applied to:					
Finance loans advanced		**(2,139)**	(9,832)	**-**	-
Purchase of property, plant and equipment		**(3,197)**	(3,424)	**(3,010)**	(2,841)
Purchase of investments		**-**	(418)	**-**	(618)
		(5,336)	(13,674)	**(3,010)**	(3,459)
Net cash flows from/(to) investing activities		**(5,288)**	(13,497)	**(3,000)**	(3,423)

	Note	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Cash flows from financing activities					
Cash was provided from:					
Secured Debenture Stock issued		**27,693**	12,326	**-**	-
		27,693	12,326	**-**	-
Cash was applied to:					
Repayment of Debenture Funds		**(26,177)**	(1,944)	**-**	-
Repayment of loans		**(2,000)**	-	**(2,000)**	(50)
Payment of dividends		**(175)**	(150)	**(175)**	(130)
		(28,352)	(2,094)	**(2,175)**	(180)
Net cash flows to financing activities		**(659)**	10,232	**(2,175)**	(180)
Net increase/(decrease) in cash held		**367**	304	**197**	(416)
Add opening cash brought forward		**1,789**	1,485	**863**	1,279
Ending cash carried forward		**$2,156**	$1,789	**$1,060**	$863

The notes on pages 21 to 31 form part of these financial statements.

1. Statement of accounting policies

Reporting entity

The financial statements of the Parent are for Electra Limited, a company registered under the Companies Act 1993.

The consolidated financial statements of the Group consist of Electra Limited ("The Company") and its subsidiaries.

The Company and Group financial statements of Electra Limited have been prepared in accordance with the Financial Reporting Act 1993, the Companies Act 1993 and Electricity Companies Act 1992.

The Trustees of Electra Trust hold 100% of the shares in Electra Limited.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Company and Group, with the exception that certain property, plant and equipment have been re-valued.

Specific accounting policies

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

a) Basis of consolidation - purchase method

The consolidated financial statements include the Parent Company, and its subsidiaries accounted for using the purchase method. All significant inter-company transactions are eliminated on consolidation. In the Parent Company financial statements, investments in subsidiaries are accounted for at cost plus movements in net assets.

b) Property, plant and equipment

The Company and Group has six classes of property, plant and equipment:

1. Land and Buildings
2. Distribution Assets
3. Leasehold Improvements
4. Plant and Equipment
5. Vehicles
6. Work in progress

All owned items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment comprises its purchase price plus any other costs directly attributable to bringing the item to working condition for its intended use.

The cost of self-constructed property, plant and equipment includes the costs of all materials used in construction, direct labour, costs of obtaining resource management consents, financing costs that are attributable to the project and an appropriate proportion of the variable and fixed overheads. Costs cease to be capitalised as soon as the property, plant and equipment is ready for productive use and do not include any inefficiency costs.

Subsequent expenditure relating to an item of property, plant and equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and that expenditure would have been included in the initial cost of the item had the expenditure been incurred at that time.

Distribution system assets are revalued every three years to fair value, or more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value. Fair value is determined using optimised depreciation replacement cost.

Any revaluation increment or decrement is recognised in the statement of movements in equity. If the revaluation results in a revaluation deficit, the revaluation deficit is recognised in the statement of financial performance. To the extent that a revaluation reverses a previous revaluation deficit that was recognised in the statement of financial performance, such revaluation increment is recognised in the statement of financial performance.

Land and buildings other than those included in distribution assets, are stated at market valuation. (refer note 9).

All other property, plant and equipment is recorded at cost less accumulated depreciation.

Where the estimated recoverable amount of an asset is less than the carrying amount, the asset is written down. The impairment loss is recognised in the statement of financial performance.

c) Depreciation

Depreciation is provided on either a diminishing value (DV), or straight line (SL) basis on all property, plant and equipment, at rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful lives.

Main depreciation rates are:

Substation assets	2.2% - 7.8% straight line
Other Distribution Assets	1.4% – 6.7% straight line
Buildings	1% - 2.5% straight line and 4% diminishing value
Leasehold Improvements	11% - 31% diminishing value
Plant and equipment	10% - 50% diminishing value
Computer equipment	20% - 50% straight line
Motor vehicles	20% - 25% diminishing value and 20% straight line

d) Goodwill arising on acquisition

Goodwill arising on the acquisition of a subsidiary represents the excess of the purchase consideration over the fair value of the identifiable net assets acquired. Goodwill is amortised to the statement of financial performance on a straight line basis over the period during which benefits are expected to be derived – a period not exceeding 10 years.

Annually the carrying value of goodwill is assessed to ensure that it has not been subject to impairment. If any impairment loss occurs it is recognised in the statement of financial performance.

e) Receivables

Receivables are stated at their estimated realisable value after providing against debts where collection is doubtful.

Finance Receivables:

Finance Receivables, comprising finance leases, hire purchase contracts and secured fixed term advances, are included in the financial statements at the amount of total instalments yet to be paid less unearned income and provision for doubtful debts.

Financing Receivables include:

(i) impaired assets comprising -

1. "non-accrual loans" being loans where we do not expect to be able to collect all the amounts owing in terms of the contract.
2. "assets acquired through security enforcement" being assets acquired in full or partial satisfaction of outstanding loans.
3. "restructured loans" being loans on which the original contracted terms have been concessionally modified, and on which interest continues to be accrued at a rate which is equal to or greater than the Company's average cost of funds at the date of restructuring.

(ii) past due assets -

"past due assets" are Finance Receivables which have not been operated by the counterparty within the key terms of the agreement for at least 90 days but which are not impaired assets.

f) Revenue recognition

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business.

Interest is included in hire purchase and leasing contracts at the time of origination and income is allocated over the term of each agreement using the "Rule of 78" method. Income written into contracts, but not yet earned, has been excluded from gross income. On other loan contracts, income is brought to account on a day-to-day basis. Further income on non-accrual loans is not recognised.

g) Income tax

The tax expense charged against the surplus for the year is the estimated liability in respect of that surplus after allowance for permanent differences plus any adjustments arising from prior years.

The Group follows the liability method of accounting for deferred tax, applied on a partial basis.

The partial basis considers the cumulative income tax effect of all timing differences. The income tax effect of timing differences is only recognised as deferred tax for those timing differences that can be expected to reverse in the foreseeable future.

Future tax benefits attributable to losses carried forward are recognised in the financial statements only where there is virtual certainty that the benefit of the losses will be utilised.

h) Inventories

Inventories are stated at the lower of cost, determined on a weighted average cost basis, and net realisable value.

Work in progress includes the cost of direct material and direct labour. Losses on contract work in progress are recognised as soon as they are identified.

i) Financial instruments

Financial instruments recognised on the statement of financial position include cash, receivables, finance receivables, accounts payable, borrowings and debenture stock. The particular recognition method is disclosed in the individual policy statement associated with each item.

The Parent and Group have no unrecognised financial instruments

j) Leases

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

k) Statement of cash flows

The following are the definitions of the terms used in the Statement of Cash Flows:

1) Cash is considered to be cash on hand and current accounts at banks, net of bank overdrafts.
2) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment and of investments. Investments can include securities not falling within the definition of cash.
3) Financing activities are those activities, which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.
4) Operating activities include all transactions and other events that are not investing or financing activities.

l) Changes in accounting policies

There were no changes in accounting policies during the year except for:

(a) At 31 March 2005 the company changed its accounting policy for the recording of past due assets. The change in definition now conforms with the finance industry standard.

2. Net Profit before taxation

Operating revenue

	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Sales	**35,828**	33,370	**22,796**	22,125
Dividend revenue	**-**	-	**1,900**	968
Interest revenue	**5,517**	4,181	**17**	17
Operating revenue	**$41,345**	$37,551	**$24,713**	$23,110

Net profit before taxation

	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Net Profit before Taxation	**$926**	$547	**$757**	$99
After charging / (crediting)				
Audit fees - PricewaterhouseCoopers	**56**	93	**27**	66
- Other Auditors	**27**	23	**-**	-
Other services:PricewaterhouseCoopers	**125**	81	**120**	77
Bad debts	**503**	258	**37**	26
Change in provision for doubtful debts	**52**	276	**-**	-
Depreciation*	**4,195**	3,394	**3,913**	3,088
Goodwill amortisation	**751**	747	**291**	194
Directors' fees	**146**	146	**146**	146
Interest fixed and other	**3,527**	4,561	**1,508**	1,573
(Gain) / loss on sale of property, plant & equipment	**388**	49	**387**	23
Rental and lease costs	**358**	295	**48**	31
**Depreciation by category*				
- Buildings	**174**	74	**144**	56
- Distribution Assets	**3,298**	2,521	**3,298**	2,521
- Leasehold Improvements	**14**	15	**10**	13
- Plant and Equipment	**561**	588	**427**	459
- Vehicles	**148**	196	**34**	39
	4,195	3,394	**3,913**	3,088

Consumer sales discount

A total of $7.0 million plus GST was credited to consumers during the year to 31 March 2005 ($6.92 million plus GST during the year to 31 March 2004).

3. Taxation

	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Profit before taxation	**926**	547	**757**	99
Prima facie taxation at 33%	**306**	181	**250**	33
Plus / (Less) taxation effect of permanent differences	**524**	275	**(255)**	(229)
Timing items not recognised	**145**	(51)	**94**	(49)
Benefit of tax losses not previously recognised	**(975)**	(461)	**(89)**	245
Taxation expense / (benefit)	**-**	(56)	**-**	-
Represented by:				
Deferred tax	**(975)**	(56)	**(89)**	-
Current tax	**975**	-	**89**	-
	-	(56)	**-**	-

The Group has a potential deferred tax liability net of future tax benefits of $11,392,160, Parent $11,502,200 (2004 – Group $9,805,876, Parent $9,911,628) which is not recorded in the financial statements. This balance is made up of a deferred tax liability for the Group and Parent of $12,720,229 (2004 – $12,020,253) which arises mainly from the revaluation of assets for accounting purposes, and a future tax benefit for the Group of $1,328,069, Parent $1,218,029 (2004 – Group $2,214,377, Parent $2,108,625). These balances are not expected to crystallise and have therefore not been recorded in the financial statements.

The future tax benefit above comprises the benefit of tax losses available to carry forward for the Group and Parent of $1,148,269 (2004: Group and Parent $2,051,964) and the benefit of other timing differences for the Group of $179,800, Parent $69,760 (2004 – Group $162,413, Parent $56,661).

The carrying forward of tax losses is subject to continuing to meet shareholder continuity requirements under the Income Tax Act 2004.

The Group and Parent have imputation credits to carry forward as at 31 March 2005 of $415,283 and $394,029 (2004 Group $414,252 and Parent $394,029).

Deferred tax liability

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Opening balance	**9**	65	-	-
Current year movement	-	(56)	-	-
Closing balance	**$9**	$9	-	-

4. Dividends

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Dividends Paid	**$175**	$150	**$175**	$130

Dividends were paid, during the year to the Electra Trust. There is no proposed final dividend.

5. Share capital

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
24,464,922 ordinary shares issued and fully paid	**18,000**	18,000	**18,000**	18,000
Total shares issued	**$18,000**	$18,000	**$18,000**	$18,000

All ordinary shares rank equally with one vote attached to each fully paid share.

6. Reserves

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Investment revaluation reserve	-	-	**3,913**	3,292
Asset revaluation reserve	**64,248**	63,985	**64,076**	63,813
	$64,248	$63,985	**$67,989**	$67,105
Reconciliation of reserve movements				
Investment Revaluation Reserve				
Opening balance	-	-	**3,291**	1,668
Revaluation of subsidiary shares	-	-	**622**	1,623
Closing balance	-	-	**$3,913**	$3,291
Asset Revaluation Reserve				
Opening balance	**63,985**	38,501	**63,813**	38,460
Revaluation of assets	**263**	25,484	**263**	25,353
Closing balance	**$64,248**	$63,985	**$64,076**	$63,813

7. Non-current liabilities

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Borrowings				
Bank borrowings	**19,200**	21,200	**19,200**	21,200
Secured Debenture Stock	**47,059**	45,207	-	-
Total debt funding	**66,259**	66,407	**19,200**	21,200
less current borrowings	**(2,600)**	-	**(2,600)**	-
less current Debenture Stock	**(35,967)**	(36,776)	-	-
Non current liabilities	**$27,692**	$29,631	**$16,600**	$21,200
Repayable as follows:				
Within one year	**38,567**	36,776	**2,600**	-
Within two years	**16,976**	9,752	**6,000**	1,500
Beyond two years	**10,716**	19,879	**10,600**	19,700
	$66,259	$66,407	**$19,200**	$21,200

All bank borrowings are secured by a General Securities Agreement over the parent's assets only.

Interest Rates

Interest rates payable on the parent company bank facilities range from 6.46 – 7.86% (2004: 6.46 – 7.86%)

Secured Debenture Stock

The Secured Debenture Stock is secured by a floating charge in favour of the Trustee over the assets of Oxford Finance Corporation Limited.

Due for Repayment	Group			
	2005		2004	
	$000	**Avg Rate %**	$000	Avg Rate %
Within one year	**35,967**	**7.19**	36,776	6.86
Between one and two years	**10,976**	**7.78**	8,252	7.46
Over two years	**116**	**7.26**	179	7.27
Total	**$47,059**	**7.33**	$45,207	6.97

Concentrations of funding

The majority of funds lent to the Company by way of debenture is from the Horowhenua region.

8. Accounts payable and accruals

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Creditors				
Trade	**4,153**	5,312	**801**	1,166
Other	**3,436**	3,648	**3,404**	3,480
Inter-company payables	**-**	-	**430**	339
Accruals	**157**	410	**66**	366
Accrued employee entitlements	**660**	505	**196**	187
	$8,406	$9,875	**$4,897**	$5,538

9. Property, Plant and Equipment

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Distribution assets				
Land	**544**	544	**544**	544
Buildings	**6,839**	6,730	**6,839**	6,730
Substation equipment	**10,736**	8,921	**10,736**	8,921
Lines	**59,432**	64,314	**59,432**	64,314
Switchgear	**4,537**	4,417	**4,537**	4,417
Transformers	**13,460**	12,010	**13,460**	12,010
Other ODV Assets	**8,841**	3,862	**8,841**	3,862
Depreciation on ODV Assets	**(3,339)**	-	**(3,339)**	-
Total ODV Assets	**101,050**	100,798	**101,050**	100,798
Other Non ODV Assets	**6,628**	6,590	**6,628**	6,590
Depreciation on Non ODV Assets	**(3,347)**	(2,988)	**(3,347)**	(2,988)
Total Distribution Assets	**104,331**	104,400	**104,331**	104,400
Non-distribution assets				
Land	**215**	215	**-**	-
Buildings	**698**	675	**-**	-
Accumulated Depreciation	**(30)**	-	**-**	-
	883	890	**-**	-
Leasehold improvements	**185**	154	**142**	141
Accumulated Depreciation	**(108)**	(96)	**(105)**	(95)
	77	58	**37**	46
Plant and equipment	**2,093**	2,006	**1,034**	1,017
Accumulated Depreciation	**(1,375)**	(1,299)	**(736)**	(764)
	718	707	**298**	253
Vehicles	**1,815**	1,920	**118**	182
Accumulated Depreciation	**(1,329)**	(1,271)	**(53)**	(56)
	486	649	**65**	126
Capital Work in Progress	**434**	1,377	**434**	1,377
Total Property, Plant and Equipment	**$106,929**	$108,081	**$105,165**	$106,202

Valuation

Land and buildings owned by the Company, other than those referred to above as being part of distribution assets, are stated at market valuation, which was assessed as at 31 March 2004 by DTZ NZ Limited (Registered Valuers). The valuations are carried out on a three yearly basis.

The Optimised Deprival Value (ODV) at which distribution assets are stated, was assessed by Electra and independently reviewed by PricewaterhouseCoopers as at 31 March 2004. The report placed an ODV on Distribution assets of $101,173,265.

The ODV valuations are undertaken on a three yearly basis. The next assessment will be as at 31 March 2007. For the intervening years the distribution assets are updated for additions during the year at cost.

10. Investment in Subsidiaries

The Companies investments in subsidiaries are valued at net asset value. The subsidiaries comprise:

Name of Entity	Principal activities	Interest held by Group 2005	2004
Electra Contracting Limited	Electrical Contracting	**100%**	100%
Stones Electrical Contractors (2001) Limited	Commercial Electrical Contracting	-	100%
Oxford Finance Limited	Financial Services	**100%**	100%
Oxford Finance Corporation Limited	Financial Services	**100%**	100%
Electra Generation Limited	Non Trading	**100%**	100%
DeFrost Limited	Non Trading	**100%**	100%
Horowhenua Wind Energy Limited	Non Trading	**100%**	-

All subsidiaries have a balance date of 31 March and are incorporated in New Zealand.

On 30 May 2003 Stones Electrical Contractors (2001) Limited was amalgamated into Electra Contracting Limited (formally "Linework Limited"). The effect of this transaction was a loss on amalgamation recognised in Electra Limited's Statement of Movements in Equity and an increased revaluation to net assets of Investments in Subsidiaries – also recorded in the Statement of Movements in Equity.

11. Intangible Assets

	Group 2005 $000	2004 $000	Parent 2005 $000	2004 $000
Balance at beginning of year	**6,173**	6,902	**2,183**	6,893
Goodwill arising on acquisition	**-**	18	**-**	-
Reclassified as Investment	**-**	-	**-**	(4,516)
Amortisation	**(751)**	(747)	**(291)**	(194)
Balance at end of year	**$5,422**	$6,173	**$1,892**	$2,183

In 2004 part of the brought forward balance of goodwill has been reclassified as Investments in Subsidiaries.

12. Receivables, prepayments and finance receivables

	Group 2005 $000	2004 $000	Parent 2005 $000	2004 $000
Trade debtors	**6,525**	3,539	**1,160**	1,174
Intercompany receivable	**-**	-	**8**	641
GST refund due	**398**	448	**398**	448
Prepayments	**32**	17	**26**	12
	6,955	4,004	**1,592**	2,275
Less provision for doubtful debts	**(20)**	(80)	**(10)**	(10)
	$6,935	$3,924	**$1,582**	$2,265

Finance Receivables

Finance lending is provided to clients in the form of hire purchase contracts, leasing advances, mortgages and dealer floorplans.

	Group 2005 $000	2004 $000
Finance Receivables	**55,479**	56,918
Less provision for Unearned Interest	**(5,995)**	(6,134)
Less provision for Doubtful Debts	**(328)**	(216)
Total	**$49,156**	$50,568

Due for Repayment

	Group	
	2005 $000	2004 $000
Within one year	**23,640**	24,434
Less provision for Doubtful Debts	**(328)**	(216)
Net within one year	**23,312**	24,218
Between one and two years	**17,489**	16,452
Over two years	**8,355**	9,898
Total	**$49,156**	$50,568

13. Inventories and Work in Progress

	Group	
	2005 $000	2004 $000
Construction stock	**53**	520
Work in progress	**249**	466
	$302	$986

14. Financial instruments (Excluding Oxford Finance Corporation Limited)

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss.

Financial assets which potentially subject the company and the subsidiaries to credit risk principally consist of bank balances, accounts receivable and in the case of the Company, advances to subsidiaries

The Company and the Group manages its principal credit risks by having Use of System Agreements with its major customers to maintain a minimum credit rating of BBB or better and performing credit evaluations on customers requiring advances.

Maximum exposures to credit risk as at balance date are:

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Bank balances	**2,156**	1,789	**1,060**	863
Receivables	**6,935**	3,924	**1,582**	2,265

The above maximum exposures are net of any recognised provision for losses on these financial assets. No collateral is held on the above amounts.

Bank balances and investments in short term deposits are made with registered banks with satisfactory credit ratings.

Concentrations of credit risk

The company has exposures to concentrations of credit risk by having six line customers. This is managed as mentioned above through the Use of System Agreements.

Currency risk

The Company and Group has no material exposure to foreign exchange risk.

Interest rate risk

Liabilities

The interest rate risk exposure is limited to bank borrowings and Secured Debenture Stock. The Company has no interest hedge contracts.

Fair values

There were no differences between the fair value and carrying amounts of financial instruments as at 31 March 2005.

Liquidity Risk

Liquidity risk arises from the mismatch in the final maturity of financial assets and liabilities.

15. Financial Instruments (Oxford Finance Corporation Limited)

Liquidity Risk

Liquidity risk arises from the mismatch in the final maturity of financial assets and liabilities.

The Company policy for managing liquidity is to limit borrowings to the amount specified in the Debenture Trust Deed being no more than fifteen times Shareholders Funds.

The Directors monitor the liquidity position on a monthly basis and endeavour to limit borrowings to a lesser amount than specified in the Debenture Trust Deed.

Liquidity Profile

	Finance Receivable		Debenture Payable	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Within 6 months	**12,111**	14,420	**20,111**	23,017
Within 7 to 12 months	**11,201**	10,133	**15,856**	13,759
Within 13 to 24 months	**17,489**	16,452	**10,976**	8,252
Within 25 to 60 months	**8,355**	9,898	**116**	179
Total	**$49,156**	$50,903	**$47,059**	$45,207

Credit Risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing loss.

Financial instruments which potentially subject the Company to credit risk principally consist of hire purchase contracts, leasing advances, dealer floorplans and bank deposits.

The Company performs credit evaluation on the majority of customers requiring advances. Hire purchase contracts and leasing advances are principally made through motor vehicle dealer clients and dealer floorplans are secured by first charges taken over vehicle stock, which are subject to conservative lending margins.

Maximum exposures to credit risk as at balance date are:

	2005 $000	2004 $000
Bank Balance	**216**	68
Bank Investments	**2,843**	1,767
Hire Purchase Contracts, Leasing Advances, Mortgages and Dealer Floorplans	**49,156**	48,208
Other Receivables	**897**	952

Fair Values

The carrying amounts recorded in the Statement of Financial Position as at 31 March 2005 are considered to be the fair values for the classes of financial instrument set out in the schedule of maximum exposures.

Currency risk

The Company and Group has no material exposure to foreign exchange risk.

Recognition of Expenses for Financial Instrument

Interest expenditure for Debentures and borrowing are recognised and brought to account on a day to day basis.

Management Policies

Interest rate risks are monitored on a regular basis and advice taken on likely trends. The company's policy to match interest rate risk and interest rate exposures are reported to and reviewed regularly by the Board of Directors.

Interest Rate Risk

The provision of loans at fixed rates means that Oxford Finance exposes itself to exposures in a shifting interest rate environment.

The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier.

	Effective Interest Rate		Total	
Financial Assets	**2005 %**	2004 %	**2005 $000**	2004 $000
Finance Receivables	**16.95%**	16.44%	**$49,156**	$48,208
Investments	**6.87%**	5.25%	**$2,843**	$1,767
Financial Liabilities				
Dealer Retention Account	**3.63%**	4.13%	**$1,710**	$1,889
Secured Debenture Stock	**7.33%**	7.03%	**$47,059**	$45,412

Overdues

Total amount owing by all debtors with any amounts owing over 3 months

	2005 $000	2004 $000
Non Accrual Loans and Assets Acquired Through Enforcement of Security		
Balance at beginning of period	**180**	205
Less sold repossessions	**180**	165
Plus repossessions this period	**474**	140
Balance at end of period	**$474**	$180
Past Due Assets		
Balance at beginning of period	**1,844**	1,783
Less bad debts written off during the period	**415**	181
Less net decrease (increase) in past due assets	**740**	(242)
Balance at end of period	**$689**	$1,844

At 31 March 2005 the company changed its accounting policy for the recording of past due assets. The change in definition now conforms with the finance industry standard.

Restructured Loans

	2005 $000	2004 $000
Restructured Loans		
Balance at beginning of period	**-**	-
Plus restructured loans during the period	**82**	-
Balance at end of period	**$82**	-

Floorplan Exposure

The maximum amount available to existing motor vehicle dealers on floorplan arrangements is $870,000 (2004 $750,000).

The current borrowings by motor vehicle dealers under these facilities is $698,000 (2004 $623,427).

Concentrations of Lending

The majority of the Company's funds are advanced through motor vehicle dealers on hire purchase agreements. These dealers are throughout the North Island of New Zealand. The Company also provides finance on personal loans, mortgage advances, motor vehicle floorplans and other areas of the retail sector.

Large Counterparties

There are no counterparties with credit exposure equalling or exceeding 10% of group equity.

16. Reconciliation of net profit after tax with cash inflow from operating activities

	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
Reported Profit after taxation	**926**	465	**757**	99
Add / (less) non-cash items				
Goodwill Write Off	**751**	747	**291**	194
Depreciation	**4,195**	3,380	**3,913**	3,088
Doubtful Debt provision movement	**52**	272	**-**	-
Add item classified as investing activity				
Capital (gain) / loss on sale of fixed assets	**388**	51	**387**	23
Movements in working capital				
Increase / (decrease) in accounts payable and other provisions	**(1,405)**	(1,268)	**(659)**	(165)
(Increase) / decrease in receivables	**939**	(108)	**683**	(52)
(Increase) / decrease in inventory	**468**	30	**-**	-
Net cash inflow from operating activities	**$6,314**	$3,569	**$5,372**	$3,187

17. Contingent liabilities

	Group 2005 $000	Group 2004 $000	Parent 2005 $000	Parent 2004 $000
a) Guarantee of bank facilities for a subsidiary to a limit of	-	-	**950**	950
At balance date the amount of the bank facilities so guaranteed was	-	-	**-**	-

b) The Group has not fully provided for a liability to some employees which would be payable on their retirement. The Group begins providing for this liability when the employees concerned attain 55 years of age.

18. Commitments

Capital commitments

At balance date, there was $4,500 unaccrued expenditure contracted for and approved by the Company and Group (2004 – $334,086).

Operating lease commitments

Lease commitments under a non-cancellable operating lease

	Group		Parent	
	2005 $000	2004 $000	**2005 $000**	2004 $000
Not later than one year	**340**	269	**37**	24
Within two years	**289**	239	**12**	24
Within two to five years	**207**	299	**-**	14
After five years	**-**	4	**-**	-
	$836	$811	**$49**	$62

19. Transactions with related parties

During the year the Company purchased construction and maintenance services from a subsidiary Electra Contracting Limited, to an amount of $3.3 million (2004 - $3.5 million).

During the year, and in the normal course of business, Electra Limited group engaged services from Kerslake and Partners, a firm where director Mr W R Thessman was a partner; and purchased goods from Pre-Cast Components Limited, a company in which director Mr P A T Hamid is a director. These services and goods account for 0.22 % (2004 - 0.20%) of total group purchases. The amount outstanding at year end was $Nil (2004 - $15,607).

No related party debts have been written off or forgiven during the year.

20. Segment information

The predominant activities of Electra are ownership and operation of an electricity distribution network and the provision of financial services. All significant operations and activities are conducted within New Zealand.

Industry segments

	Electricity Business		Finance Business		Group Total	
	2005 $000	2004 $000	**2005 $000**	2004 $000	**2005 $000**	2004 $000
Total assets	**114,101**	110,918	**56,799**	57,926	**170,900**	168,844
Revenue	**34,431**	32,125	**6,914**	5,428	**41,345**	37,553
Net segment result	**(457)**	(938)	**1,383**	1,403	**926**	465

During the year Oxford Finance Corporation Limited provided funding to Electra Limited & Electra Contracting Limited and received $28,199 (2004: $49,124) in revenue. At year end there were no inter-company loans unpaid and Electra Limited owed $Nil (2004: $222) in unpaid interest to Oxford Finance Corporation Limited.

21. Subsequent Events

There have been no material events since balance date to the 27th May 2005 that require disclosure in these financial statements.

22. Required disclosures

The Company reported the following performance measures in its 2004/05 Statement of Corporate Intent:

	Actual	Target
Capital ratio – Shareholders funds to total assets	**56%**	40%
Operating Surplus	**$0.9m**	$1.0m
Operating Cost per consumer	**$126**	$155
Network Reliability		
- average interruption duration	**78**	122
- average frequency index	**1.56**	1.8

The following performance measures are disclosed in accordance with the Ministry of Commerce Disclosure regulations for Electricity Distribution Companies.

	2005	2004
Energy performance measures		
Direct line cost per kilometre	**$1,534**	$1,776
Indirect line cost per electricity customer	**$39**	$40
Energy delivery efficiency performance measures		
Load factor	**49%**	51.46%
Loss ratio	**6.58%**	6.59%
Capacity utilisation	**31.95%**	28.95%
Statistics		
System length (km)	**2,165**	2,148
Transformer capacity (kVA)	**284,881**	283,323
Maximum demand (MW)	**91.0**	82.0

	2005	2004
Total electricity supplied from system (kWh)	**388,342,188**	368,911,544
Total customers	**39,906**	39,541
SAIDI (system average interruption duration index)	**78.0**	117.86
SAIFI (system average interruption frequency index)	**1.56**	2.72
CAIDI (customer average interruption duration index)	**50.0**	43.36
Number of faults per 100 kilometres	**6.9**	5.54

Non financial performance MEASURES

Directors and remuneration

The following persons holding office as Directors during the year were authorised and received the following remuneration:

Electra Limited	
W R Thessman	$60,000
M H Devlin	$28,750
P A T Hamid	$28,750
P F McKelvey	$28,750

Entries recorded in the interest register

The following entries were recorded in the Interest Register of the Company and its subsidiaries during the year:

a) Directors' interests in transactions

The following Directors gave notice of an interest in transactions between a related party and Electra Limited or its subsidiary:

- W R Thessman was a partner in Kerslake and Partners
- P A T Hamid as a director of Pre-Cast Components Limited

A number of the directors are also consumers of the Company. All transactions were undertaken at the Company's normal terms and conditions.

b) Share dealings of Directors

Directors did not purchase or sell shares in Electra Limited or its subsidiaries during the year.

c) Loans to Directors

There were no loans made to Directors by Electra Limited or its subsidiaries during the year.

d) Directors' indemnity and insurance

The Company has insured its Directors, and the Directors of its subsidiaries, against liabilities to other parties that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions.

Executive employees' remuneration

During the year the following numbers of employees received remuneration and/or other benefits within the following bands:

	Group and Parent Company	
	Year ended 31 March 05	Year ended 31 March 04
Continuing Employees		
$100,000 - $110,000	3	2
$120,001 - $130,000	-	1
$130,001 - $140,000	1	-
$140,001 - $150,000	-	1
$160,001 - $170,000	-	-
$190,001 - $200,000	-	1
$220,001 - $230,000	1	-
Discontinued Employees		
$100,000 - $110,000	-	-
$110,001 - $120,000	-	-
$170,000 - $180,000	-	2

Statutory INFORMATION

Changes in accounting policy

There was one change in accounting during the year.

The company changed its accounting policy for the recording of past due assets. The change in definition now conforms with the finance industry standard.

Donations

During the year no donations were made by the Company.

Auditors remuneration

During the year the following amounts were payable to the auditors of the Company and subsidiaries:

	For audit work $000	For other services $000
Electra Limited		
PricewaterhouseCoopers	27	120
Subsidiaries		
PricewaterhouseCoopers	29	5
Fluker Denton & Co	27	-

DIRECTORY

Trustees

C A Hercus (Chairperson)
L R Burnell
T M Hayward
J M Keall
R J Latham
C R Turver

Directors

W R Thessman (Chairperson), BE (Civil), CEng, FIPENZ, MICE, MASCE, MASHRAE

M H Devlin, ED, BA, M.Com, MAIIE, GRAD.DBS

P A T Hamid, BCA, CA

P F McKelvey, MBE, TTC (Physical Education)

Executives

J L Yeoman (CEO – Electra Group), BBS, FCIS, ACCM, ANZIM

T B Campbell (Group Finance Manager) BBS, CA

J E Fallen (Network Manager - Electra)

A L Hutchison (GM – Electra Contracting)

R N Leggett (GM – Business Development), BA

J M Williams (GM – Oxford Finance)

V M Wright (Company Secretary)

Registered office

Electra Limited Cnr Salisbury and Durham Streets LEVIN

Postal address

P O Box 244 LEVIN

Telephone 06 366 0944

Fax 06 366 0949

Auditors

PricewaterhouseCoopers Wellington

Fluker Denton & Co Levin

On behalf of the Controller and Auditor General

Solicitors

Quigg Partners, Wellington

Bankers

Bank of New Zealand

Notice of AGM

Notice is hereby given that the Annual Meeting of Shareholders of Electra Limited will be held at the Company's Registered Office, Cnr Salisbury and Durham Streets, Levin on Friday 29 July 2005 at 2.00pm.

Ordinary business

1. To receive and consider the Directors' Report, the Financial Statements and the Auditors' Report
2. To consider the Directors' recommendations as to dividends
3. To elect Directors. W Thessman and P Hamid retire by rotation at the annual general meeting of the company. W Thessman and P Hamid being eligible, offer themselves for re-election
4. To fix remuneration of the Directors for the ensuing year
5. To record the re-appointment the Auditor General (or his appointee) as Auditor of the Company and to authorise the Directors to fix their remuneration for the ensuing year

By order of the Board

V M Wright
Company Secretary

27 May 2005

Any shareholder of the Company entitled to attend and vote at the Meeting may appoint another person as proxy to attend and vote on his or her behalf. A proxy need not be a member of the Company. Proxy forms must be lodged at the registered office of the Company, cnr Salisbury and Durham Streets, P O Box 244, Levin.

The Shrine of OUR LADY, Paraparaumu