ANNUAL REPORT 2008-2009

Electra Limited

ELECTRA LIMITED owns and operates the electricity lines and assets in the Kapiti and Horowhenua district

ELECTRA LIMITED is 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 41,761 consumers connected to the electricity network.

CONTENTS

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 2009

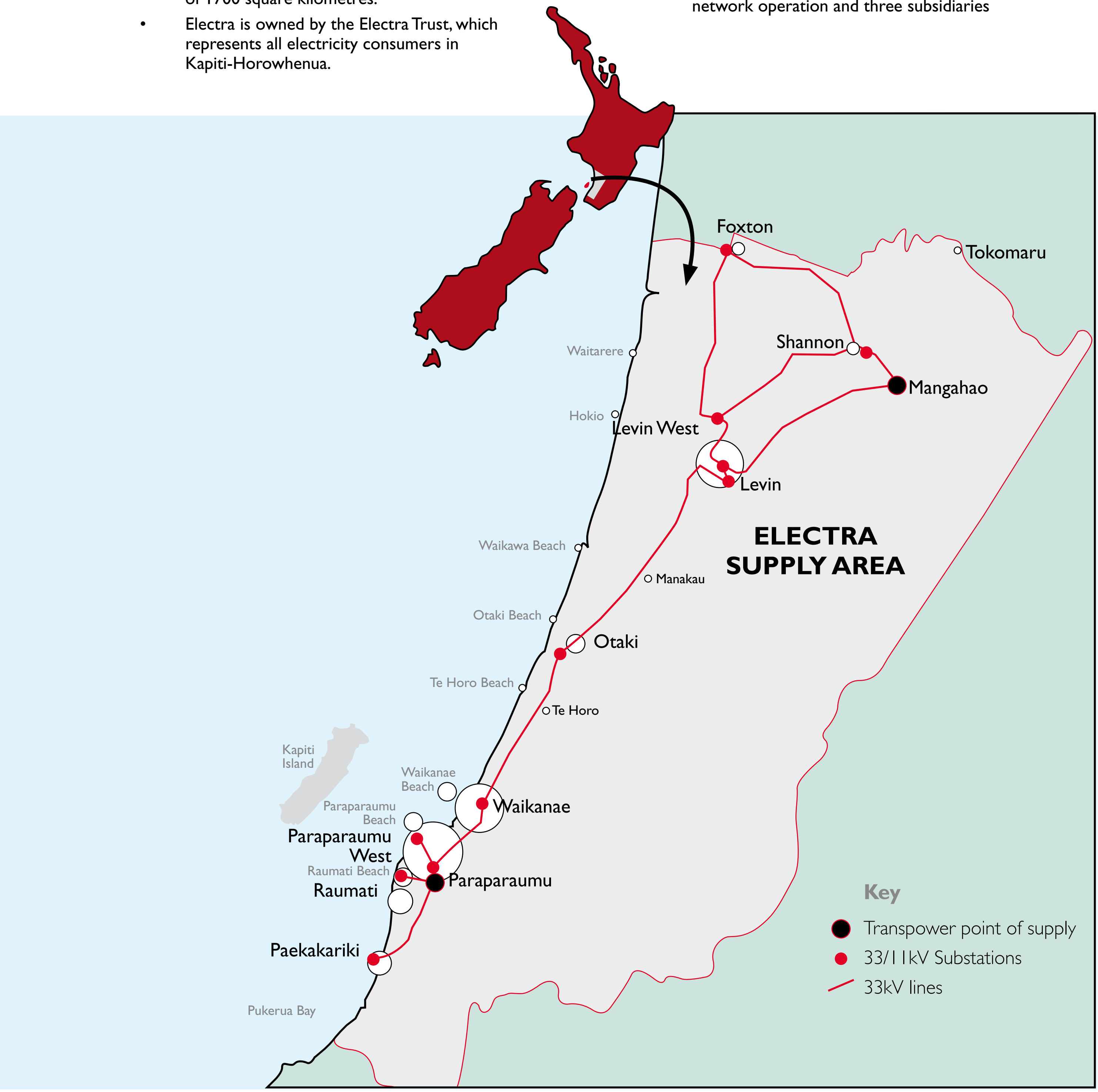
'Last year' means the year ended 31 March 2008

'Next year' means the year ending 31 March 2010

Electra

ELECTRA KEY FACTS

- 9th biggest lines company in the country in terms of consumer numbers at 41,761.
- Electra's network extends from Paekakariki in the south to just north of Foxton and Tokomaru, an area of 1700 square kilometres.
- Electra is owned by the Electra Trust, which represents all electricity consumers in Kapiti-Horowhenua.
- The Electra Trust holds all shares in Electra on behalf of all those consumers connected to its' network
- Electra has three subsidiaries
- Electra employs 242 staff across the network operation and three subsidiaries



THE ELECTRA GROUP

At 31 March 2009, the Group had revenue of $63.4 million, total assets of $190 million and shareholders' funds of $81 million.

ELECTRA TRUST owns

ELECTRA LIMITED which operates the network and owns Linework and Stones Limited

a power/electrical contracting and maintenance business;

Oxford Finance Corporation Limited a financial services company;

DataCol NZ Limited

a national electricity and gas meter reading company;

which owns a 51% share in

MultiMedia Communications Limited a specialist fibre optic cable installation and electrical contracting company.

HIGHLIGHTS

Net group after tax profit of $1.84 million

Distributed sales discount of $7.97 million including GST

Total assets grew by $3 million

Invested $6.8 million in our electricity network

including replacing ground transformers and upgrading Paraparaumu substation as part of our 10 year, $60 million network investment plan

We continued to support our community of Kapiti-Horowhenua

Sponsorship of the "Caring for Our Community" bi-weekly pages in local newspapers

20 Electra Business Breakfasts

The 2008 annual Electra Business Awards and;

Oxford Finance Corporation's sponsorship of the annual Agriculture, Pastoral and Industry (AP&I) show in Levin

July storm tests response capabilities with positive results

despite $1 million cost

Achieved high levels of consumer satisfaction

More than 85 percent of residential and commercial consumers rated Electra's fault resolution highly

Linework and Stones retained market share in Wellington and Kapiti-Horowhenua despite increased competition and slowing housing market

Oxford Finance Corporation

achieved 86 percent level of debenture renewals as investors continued to show solid support for the finance company

Datacol won meter reading contracts for two of the country's largest water utilities, Metrowater and Manukau Water and opened new Auckland office to service increased business

Patricia McKelvey - Chair

John Yeoman - CEO

CHAIR AND CEO REVIEW

Our financial performance

The Electra Group's mission is to maximise value for consumers and owner, the Electra Trust, through competitive prices, quality services and efficient operations.

In a year marked by significant economic and climatic challenges, we were pleased that the Group (Electra) was able to deliver on its mission and maintain a profitable performance.

Net after tax profit was $1.84 million.This was slightly ahead of last year's result.

This performance allowed Electra to deliver a sales discount of $7.97 million (including GST) to our 41,761 consumers, slightly less than last year.

Electra continues to build a diversified asset stream. This diversification plays an increasingly important part in Electra's success and now provides 55 percent of overall revenue.

Over the period our subsidiaries returned profits in a challenging economic environment, particularly in the last half of the year.

Our electrical contracting business, Linework and Stones continued to win new business and to deliver value to existing customers. This reflected well on the company's good reputation and commitment to service excellence.

It was satisfying to see our respected finance subsidiary Oxford Finance Corporation performing well in a market where other finance companies struggled.

Datacol and its telecommunications subsidiary Multimedia Communications (MMC), expanded their Auckland operations, with Datacol winning significant new water meter reading contracts and contracts for the installation of new smart meters.

Our lines business

Maintaining the profitability of our core network operation is critical to Electra's overall performance. This year saw another solid performance, particularly in the face of a small decline in electricity sales and an unexpected increase in operating costs of around $1 million from a July windstorm.

Electra recognises that an efficient and reliable electricity supply is an important contributor to a productive economy. It is one reason why continued targeted investment in our network is a key strategic goal. This year, we invested $6.8 million in the network as part of our 10 year, $60 million plan.

Completion of the $1 million refurbishment of the Tongariro Street substation in Paraparaumu was a significant milestone. The substation is a critical component in supplying the largest population centre in the region.

We are well positioned to take advantage of a resumption of growth as the region emerges from the effects of the slowdown in the residential housing market and commercial activity.

Our consumers

This year Electra delivered another sales discount representing an average payment of $191 per consumer. In total we have returned $104 million to consumers over our 15 year history. This represents the bulk of the surplus earned by Electra over that period.

Electra reluctantly raised its prices during the year. This reflected increased costs of labour and material associated with the maintenance of and investment in our electricity network.

The electricity network was buffeted by a number of severe storms in the summer and winter under review. 25,000 consumers were affected by the severe July windstorm with some consumers losing power for a week.

The adverse weather conditions meant that we were unable to fulfil a key performance measure relating to the length of disruption experienced by each consumer.

However, we are pleased to report that after excluding extreme weather events our network reliability remained superior to most lines companies. This was particularly satisfying, given the length of the region and its coastal nature which exposes the network to added risks.

We were delighted to see positive results in our annual awareness and satisfaction surveys. They showed consumers expressing a high level of satisfaction with overall service, despite July's extreme weather conditions.

We continued to support our business community in a number of ways, including the Electra Business Breakfasts and the Annual Electra Business Awards, now in its 15th year. The awards are an important way of recognising businesses that are helping drive the economic growth in the region.

Promoting energy efficiency

Electra believes in helping New Zealanders take a responsible approach to their energy consumption in order to manage a valuable resource wisely, not only in the interests of the present generation, but also the generations to come.

We have traditionally invested in promoting and delivering a variety of energy efficiency opportunities to our consumers as a way of controlling power bills while increasing comfort. This year was no exception with our promoting the installation of heat pumps alongside business partner Temperature Solutions. We have been doing this since 2005 and our research shows one in four households in the region now have heat pumps, assisting them to be warmer and healthier in winter.

Working with regulations

We welcomed significant improvements in the regulatory environment which will reduce future operating costs. An amendment to the Commerce Act in 2008 meant trust owned lines companies, like Electra, are now exempted from much of the onerous information disclosure requirements demanded of lines companies. This will save Electra about $250,000 a year and free up staff to concentrate on our core business of servicing consumers.

We are hopeful the current review of the electricity market will also deal with some of the barriers which discourage lines companies from investing in generation.

Our people

At the core of any good business are its people. Our ability to maintain supply in the face of extremely testing weather conditions is testimony to our dedicated and skilled staff.

Electra prides itself on developing a workforce equipped with the right blend of skills to take the company into the future. This year we took on more apprentices and trainees at Linework and Stones to ensure we remain well resourced with a good supply of younger staff.

Looking to the future

We are confident Electra is well positioned for the future. The company is in a solid financial position, with low debt and a diversified asset and revenue base. We remain alert for good business opportunities which can complement our existing revenue streams. Growing income from our various businesses remains the key to profitability and thus our ability to reward our consumers through the sales discount.

Electra is watching with interest the Government's plans for a national ultra fast open access broadband network. Provided it produces an adequate financial return we believe lines companies like Electra, can help to provide the advanced infrastructure the Government needs as it seeks to partner with the private sector to connect fibre to businesses, schools and homes. However, amongst the hype, any investment will need to make good business sense.

We appreciate the efforts of staff and management in ensuring Electra is well placed to continue delivering quality service to all our consumers in the years ahead.

Patricia McKelvey
Chair

John Yeoman
CEO Electra Group

FIVE YEAR PERFORMANCE HIGHLIGHTS

FINANCIAL GROUP

	NZ IFRS 2009	2008	2007	Previous NZ GAAP 2006	2005
Total revenue ($'000)	**$63,400**	$59,834	$45,000	$42,801	$41,345
Discount issued ($'000) - (excludes provisions)	**$7,080**	$7,438	$8,887	$8,325	$7,000
Surplus (after tax) ($'000)	**$1,838**	$1,691	$1,611	$1,305	$926
Total assets ($'000)	**$190,063**	$187,143	$167,970	$165,182	$170,900
Total shareholders funds ($,000)	**$81,252**	$79,634	$76,593	$97,218	$96,072
Shareholders funds to total assets	**43%**	43%	46%	59%	56%
Net asset backing per share	**$3.26**	$3.19	$3.13	$3.97	$3.93

NETWORK PARENT

	NZ IFRS 2009	2008	2007	Previous NZ GAAP 2006	2005
GWh sold (GWh)	**399.2**	402.6	406.0	384.9	388.3
Loss ratio	**7.3%**	7.0%	6.2%	6.7%	6.5%
Load factor	**55%**	53%	50%	48%	49%
Maximum demand (MW)	**90**	97	98	92	91
Circuit kilometers (kms)	**2,233**	2,210	2,188	2,179	2,165
Operating costs per kWh (cents)	**2.22**	1.64	1.45	1.28	1.30
Direct line costs per kilometer	**$2,314**	$1,745	$1,733	$1,533	$1,534

CONSUMERS PARENT

	NZ IFRS 2009	2008	2007	Previous NZ GAAP 2006	2005
Number of consumers	**41,761**	41,512	40,860	40,458	39,906
Average kWh sales per consumer	**9,561**	9,698	9,934	9,513	9,731
Operating costs per consumer	**$212***	$159	$144	$122	$126
Indirect line cost per consumer	**$70**	$66	$48	$35	$39
Discount issued per consumer (incl. GST) (Average)	**$191**	$200	$245	$201	$197

* Includes July storm repairs and increased maintenance.

PERSONNEL GROUP

	NZ IFRS 2009	2008	2007	Previous NZ GAAP 2006	2005
Number of employees - Electra	**12**	12	11	11	12
- Linework and Stones	**108**	106	105	95	99
- Oxford Finance	**19**	19	18	19	19
- DataCol NZ	**59**	33	-	-	-
- MultiMedia Communications	**44**	45	-	-	-

RELIABILITY PARENT

	NZ IFRS 2009	2008	2007	Previous NZ GAAP 2006	2005
System Average Interruption Duration Index (SAIDI)	**88.7***	104.0	87.8	69.6	78.0
System Average Interruption Frequency Index (SAIFI)	**1.55***	1.60	1.43	1.34	1.56
Consumer Average Interruption Duration Index (CAIDI)	**57.2**	64.8	61.4	51.9	50.0
Faults per 100km line (number)	**7.6**	5.8	5.8	5.0	4.9

* Excludes extreme events that occurred during the year. Including these events SAIDI and SAIFI would have been
- SAIDI 683.1
- SAIFI 2.9

LINEWORK AND STONES LTD

Linework and Stones Limited is a major power/electrical contracting business with customers throughout the lower North Island. Linework specialises in design, construction and maintenance of electrical reticulation systems and Stones Electrical Contractors provides a range of electrical services to customers in Wellington and Kapiti-Horowhenua.

Linework

Adversity is always a good test of a business and the severe storm that battered Kapiti-Horowhenua in late July was a real test for Linework. It's commitment to assist one of it's major customers, Electra, to minimise disruption to it's consumers proved that the company was up to the challenge.

Linework's teams swung quickly into action after high winds struck right along the length of Electra's network bringing down power lines and severing connections to 25,000 consumers.

Field staff braved challenging conditions to undertake repairs. Power was quickly restored in most cases, with some repair work continuing for four weeks. Most importantly, Linework proved it had the capability to swiftly assess the extent of damage and coordinate teams to ensure the disruption to the bulk of consumers was kept to a minimum.

Work on the Vector network in Wellington replacing power poles, switchgear and transformers slowed after a change of ownership in May. However, Linework is confident that it has the skills, experience and resources to build a strong relationship with the new owner going forward.

Electra's investment in its network helped keep the company busy during a period of reduced activity in other areas. Linework replaced 52 ground transformers during the year. The project's main challenge was to minimise disruption to customers during the replacement work.

Linework also undertook a number of more complex projects for Electra including specialised substation maintenance.

LINE WORK
POWER CONTRACTORS

Stones
ELECTRICAL CONTRACTORS

The company has continued to invest in vehicles, to ensure it remains well prepared and has up to date plant and equipment to efficiently service its customers. During the year it took delivery of one new bucket truck and three purpose built, New Zealand made, line trucks.

Building and maintaining a skilled workforce is a top priority for Linework. It employed five new trainee line mechanics and is committed to retaining staff to ensure the company is ready to take advantage of future opportunities.

New training facilities at Otaki have proven a valuable resource to maintain skill levels among line workers. Congratulations to cable jointer Dave Hogan on winning the 2008 ESITO Cable Jointer Competition at Mystery Creek, Hamilton.

Stones Electrical Contractors

Despite the tight market Stones reputation enabled it to continue to win contracts, especially in Wellington.

The company has spent several years cementing relationships with builders in the Capital. This coupled with an excellent reputation in its home patch of Kapiti-Horowhenua allowed it to maintain workflow despite the slowdown in residential and commercial developments.

Contracts included a 43 apartment complex in Evans Bay, a suburban townhouse development, and in the public sector, contracts for schools and the Rimutaka Prison. Its Wellington team completed work on the Village at the Park retirement complex on the former Athletic Park site and a major hotel/apartment complex in central Wellington.

In Kapiti-Horowhenua work on larger homes on lifestyle blocks providing sophisticated electrical solutions for entertainment and computer systems continued. On the commercial side, it completed wiring work on two retirement home expansions in Paraparaumu at Eldon Lodge and Seven Oaks.

Stones is also committed to maintaining a skilled workforce. It recruited two apprentices and staffing levels remain at levels similar to the previous year. The company is well positioned to take advantage of improved market conditions looking forward.

Jabin in the cable yard

Jabin Clapperton – Linework Apprentice

Jabin Clapperton, 18, does not do things by half. He is knee deep into two apprenticeships at Linework - cable jointing and electrical fitting - and loving it. His days are full of variety, from re-wiring substations to jointing 11,000 volt cables.

Just the sort of challenge a young man needs on leaving school.

"I was stoked to get the job – it was the first job I ever applied for and getting two trades at the same time is not something I was going to complain about!"

Tackling two apprenticeships at once is an unusual move, but Jabin reckons in a few years time when his training in both areas is complete, he will be well placed to build on his career and still only be in his early twenties.

Jabin is one of 32 apprentices and trainees in the Linework and Stones workforce. Linework gave him the chance of a double apprenticeship because it needs well rounded technicians who can rise to many challenges in the course of a normal working week. Good for Linework's productivity, good for staff.

"The thing I like most about it is there will always be cables to joint, jobs to be done – this is one part of the economy that can't stop. This place has to keep going to keep the lights on so I feel there is a lot of job security."

Dave Hogan winner of the 2008 ESITO Cable Jointer Competition

Dave Hogan inspecting switches in the yard before dispatch

Ruth English – Network Engineer

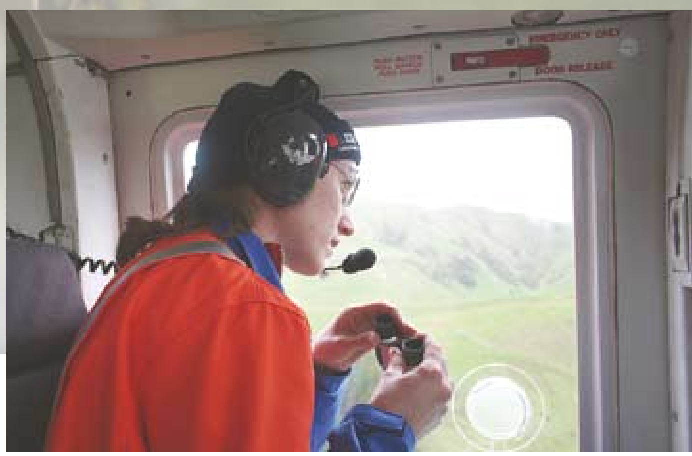
Ruth is an engineer at Electra, a graduate of Canterbury University.

On completion of her degree, Ruth was part of the first Transpower graduate training programme, being exposed to all aspects of the industry for over 5 years.

Ruth is now an Electra Network Engineer. Her job is about the big picture - to examine how to apply the company's investment to best meet population growth and to optimise reliability. It is an important job. When you consider Electra is investing $60 million in the network over 10 years, Ruth's views are important.

Ruth is also a part of Electra's commitment to skills development across the company. Electra is supporting Ruth through a 25 month Executive Master of Business Administration (MBA) programme at Massey University. This is introducing Ruth to the many aspects of business that companies are a part of - finance, accounting, change management, economics, innovation, marketing etc. Ruth and Electra believe that this will help in assisting with her contribution to make the best decisions for the company.

"I am not an engineer who likes solely sitting within four walls, looking at numbers. I enjoy working with, and leading people. I eventually see myself in management but in a role where I can still continue to work with and lead people. That all said, I strongly believe that it is important to ensure that I experience as much as I can. If people know I have had experiences and given everything a go, it helps to build respect and a strong relationship - something I view as vital".



OXFORD FINANCE CORPORATION

Prudence has always been the hallmark of Oxford Finance Corporation and never has this been more relevant for the 22 year old finance company. As competitors continued to stumble and fall, Oxford continued to build its business, nurture its customers and reward its loyal investors.

Pre-tax profit was down on last year's record reflecting the trading environment. Obtaining funds was not a problem thanks to parent company Electra's guarantee provided in 2007 and the October 2008 Crown Retail Deposit Guarantee. A loyal investor base in Kapiti-Horowhenua saw 86 percent of debenture funds reinvested, much like the previous year.

The challenge for Oxford was to find enough investment opportunities to fit its cautious lending profile. The withdrawal of GE Finance and GMAC from the motor vehicle finance market provided an opening. Three years ago 39 finance companies competed for this business, now just 11 remain. Oxford is well placed to build on its presence in this market. Its experience in motor vehicle financing helped it diversify into related areas such as farm machinery and marine.

The tightening of lending criteria by banks in the home mortgage market also benefited Oxford. Banks stepped back from high loan to value ratios, opening up opportunities for the company to expand its second mortgage lending business.

Oxford continued to build its presence among businesses in its home patch of Kapiti-Horowhenua during the year. The new office in Paraparaumu and the second year of sponsoring the annual Agriculture, Pastoral and Industry (AP&I) show in Levin underpinned its profile-raising strategy.

Its highly experienced sales team and reputation for excellent, personal service means it is well placed to develop the local lending business and continue to look for opportunities in other parts of the country.

Oxford knows the sound, conservative approach that has stood it in good stead for 22 years will continue to underline its performance in the years ahead.

Oxford Finance at the 2009 Levin AP&I Show

DATACOL NZ AND MULTIMEDIA COMMUNICATIONS

Meter reading specialist company Datacol NZ capped off a challenging year when it won its first water meter reading contracts. The contracts represent a major expansion of Datacol's Auckland business.

Metrowater and Manukau Water are the biggest water utilities in the country. Only three of New Zealand's water utilities currently charge ratepayers for water consumption. Datacol expects this business to grow as more regional councils introduce charging regimes to better reflect the cost of supplying water. Datacol's excellent reputation for meter reading in the electricity market means it is well placed to expand this part of the business.

One of the ways that DataCol differentiates itself in the marketplace is through extensive use of IT systems to improve service delivery. A dedicated team of experienced and talented IT professionals allows DataCol to leverage technology in their service offering. The SevenX system is the core software that is used for managing the data collection and field worker operations. This software is specifically designed and maintained by DataCol to enable efficient and timely services. Three new interfaces between SevenX and utility companies were successfully added this year in support of new contracts.

Electricity power meter reading still provides a strong underlying revenue stream for the company. Datacol has about 45 percent of the New Zealand market. Its contractors carry out eight million readings a year and visit the homes of 600,000 New Zealanders every month.

More electricity and gas retailers are switching to smart meters. These meters have the ability to allow households to see how much power they consume down to the minute and allow retailers to measure consumption remotely, without meter readers having to pay a visit.

To take advantage of the introduction of new meter reading technology Datacol has been busy installing them – 35,000 in Christchurch - and a recently secured new contract to install over 75,000 in Auckland and Wellington for AMS on behalf of Genesis Energy. It also sees the water market as a big growth area for smart metering in the long term.

Datacol prides itself on achieving high customer satisfaction. It sees this as key to building long term relationships, which are especially important in the current trading environment. Diversification remains a core business strategy.

The company continued to look for suitable new markets and/or acquisitions to help build its revenue base. With an eye to future opportunities in Auckland, it opened a new office in Penrose. This gave the company better access to existing clients and excellent IT services and warehouse space for its field service teams in both Datacol and its subsidiary MultiMedia Communications (MMC).

MMC is a specialist fibre optic cable installation and electrical contracting company, a key player in one of New Zealand's "newer" industries. MMC sees opportunities continuing to expand, especially with the Government's ultra fast broadband plan. MMC is very experienced in this area, having worked with major telecommunications companies on various cable installation projects. It has ongoing cable insertion and fibre splicing contracts throughout the South Island for TelstraClear and is nearing completion of a 90km installation of fibre optic cable through central Christchurch.

The Auckland market has become an important focus for MMC, particularly with the opportunities offered by the region's three district health boards.

DATACOL
New Zealand

multimedia
communications

DataCol NZ and MultiMedia Communications Auckland office

Bruce Franks, Chief Executive of DataCol NZ with Jim Bentley, Chief Executive of Metrowater


INGO AND GRIT
SCHLEUSS –
DESERVING WINNERS
OF THE 2008 ELECTRA
BUSINESS AWARD

SUPPORTING OUR COMMUNITY

We make it our policy to support our community and local business primarily through competitive pricing and discounts, but also by way of targeted sponsorship.
A couple of key sponsorships relate to supporting business growth and performance which in turn has a natural spin-off for Electra and for the whole regional economy. In the long term, our support means more jobs and better quality of life in the communities we serve.

We continued to support our community of Kapiti-Horowhenua through:

- the annual Electra Business Awards
- the regular Electra Business Breakfasts in Kapiti and Horowhenua
- the "Caring for Our Community" pages in local newspapers
- Oxford Finance Corporation's sponsorship of the annual Agriculture, Pastoral and Industry show in Levin

Electra Business Award Winner 2008 – Company Branding Shop

Ingo Schleuss is a young German entrepreneur who knows how tough it is to carve out a successful business. He has done it twice on opposite sides of the world.

Ingo and his wife Grit are deserving winners of the 2008 Electra Business Award. Their tenacity, courage and vision have made the Company Branding Shop (CBS) in Levin a thriving business in a short time.

"It's a good feeling. We won it on our steady growth – not just a one year growth."

Ingo's journey began in communist East Germany 20 years ago where he trained as a pharmacist. He took over his parents' pharmaceutical business shortly after the Berlin Wall came down, coping with the demands of capitalism in the stressful early days of a united Germany. Not content with that, he also built up a sign writing business.

By 1997 the couple yearned for a quieter life. They emigrated to start all over again in a small town at the bottom of the world.

"We started in a hallway of a screenprint company with one desk, two computers and an embroidery machine," says Ingo. Now they have a large factory on the southern approach to Levin, employing eight staff.

CBS is what its name suggests – a branding specialist. It boasts a range of services - textile printing, laser engraving, sign writing, embroidery - whether a company needs its logo and name emblazoned on clothes, vehicles, signs or anywhere, CBS can do it. You will hear Ingo say often – "we will find a solution."

The Electra Business Award tops a satisfying year. They doubled the size of the factory and won a three month contract to embroider the silver fern on 4000 garments for New Zealand's Olympic athletes.

Ingo appreciates Electra's role in supporting local businesses. The annual sales discount comes in handy for a growing business. Last year, it totalled $1300.

Every little bit helps in tougher times. There is no doubt Ingo is a great survivor. "That's why I am not scared of change. We will go on. We are in a healthy position to outlast the downturn."

25,000 CONSUMERS LOST POWER

AS FALLING TREES AND WIND-BLOWN DEBRIS BROUGHT DOWN POLES AND LINES

BRAVING THE JULY STORM

On July 30 2008, gale force winds as high as 130km/hr battered Horowhenua and parts of Kapiti as a slow moving cyclone hovered over the region. For many Horowhenua residents it was the worst storm in living memory with schools, shops and other businesses and services shutting down across the region.

25,000 consumers lost power as falling trees and wind-blown debris brought down poles and lines. The main supply line from the national grid east of Shannon and the alternative supply line from Waikanae to Levin were disrupted. Many 11,000 volt lines which take power direct to households and businesses were brought down.

Our Linework and Stones teams quickly responded and additional crews were diverted from Wellington. Power was restored to most consumers within days and all consumers were reconnected within a week.

Our field staff along with crews brought in from other contractors worked tirelessly in wild and wet weather for long stretches at a time to restore normal service. As well, all our head and branch office and call centre staff played a valuable role in coordinating teams in the field and ensuring Electra consumers were kept as informed as possible on progress in restoring power.

We were proud of our staff and pleased we had the skills and resources to respond swiftly.

BOARD OF DIRECTORS

Patricia McKelvey – Chair

Patricia has enjoyed outstanding success in both the sporting and education areas. She has been a world-class cricketer and was Principal of Wellington High School for seven years. Her service to the community has been recognised with an MBE for services to Women's Cricket in 1981 and a CNZM for Education in 2005.

Patricia now has a number of professional board and committee roles, including Chair of the Correspondence School Board of Trustees, member of the Victoria University Council and the Charities Commission. To these roles and her role at Electra, Patricia brings exceptional communication and Human Resource skills.

Patricia has been an Electra Director since 1993 and was appointed Chair in 2007.

Martin Devlin

Martin is a Professor in the department of Management at Massey University. He is Director of Massey's MBA programme subsequent to his former position teaching Innovation and Entrepreneurship, General Management and Corporate Governance. He has previously had careers in the Regular Army and in manufacturing and service industries in both New Zealand and the UK, including consultancy assignments in a wide range of organisations.

Martin has been an Electra Director since 1997. He is also Chair of the Levin War Veterans Home Trust. He is a member of the Institute of Directors.

Piers Hamid

Piers practised as a Chartered Accountant and Company Director in the Manawatu and Kapiti-Horowhenua regions from 1981 -2006. He has been a Financial Director and Management consultant and currently has his own consultancy business in Auckland.

His particular interest and expertise is in the area of SME business development over a wide range of industries including construction, transport, textiles and agribusiness.

He is an accredited Business Mentor with Enterprise North Shore in Auckland.

Piers has been a Director of Electra since 1993 and was also an appointed member of the Mid-Central Health, Waikato District Health Boards for nine years, as well as being a Director of a number of private companies.

Neil Mackay

Neil has held a number of senior roles in a wide variety of industries both in New Zealand and overseas including power construction and financial services. He was the inaugural Chief Executive of Industry New Zealand a crown entity which was acknowledged by the OECD as being one of the forefront agencies for economic development programmes and strategies.

Now a Management Consultant focussing on business and market development he is also a Director of two start-up companies and an Executive Director of a private training enterprise.

He has previously held a number of Director roles in both the public and private sectors. Neil was appointed Director of Electra in 2007

Russell Longuet

Russell is Managing Director of Exergi Consulting Limited, an independent energy consultancy, focusing on Energy Sector risk management for large Industrials and Government liaison. Prior to that, he managed the Energy portfolio for Carter Holt Harvey.

Russell's background spans Electrical Engineering, Merchant Banking and Energy Consulting in New Zealand and overseas.

He is a member of the Institute of Directors, a Director of a public unlisted company and on a number of advisory groups to Government on electricity markets.

Russell was appointed Director of Electra in 2008.

Warren Thessman

Warren is a Professional Degree Engineer with affiliations to NZ, UK and USA Institutions. As a founder and former Senior Partner of Kerslake and Partners, a large Consulting Engineering Practice, he was involved in the Engineering design and construction of Dairy, Meat, Hospital and Power Station facilities.

Warren has served on Dairy, Manufacturing, Insurance and Energy related Boards and is an Accredited Fellow of the Institute of Directors, one of few Engineers to be accredited.

Warren has been on the Board of Electra since 1993. He was appointed Chairman in 1995, a role he held until 2007.

DIRECTORS' STATUTORY REPORT

The Directors' take pleasure in presenting their Report and financial statements of Electra Limited for the year ended 31 March 2009.

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 Group

Group results and distributions

	2009 $000	2008 $000
Operating revenue	63,400	59,834
Discount to consumers	(6,448)	(7,438)
Group profit before tax for the financial year	2,561	3,073
Share of associate surplus	-	109
Taxation	(724)	(1,491)
Net profit after taxation	1,838	1,691
Dividend	(220)	(310)
Retained earnings brought forward	$59,974	$58,593
Retained earnings carried forward	**$61,592**	**$59,974**

Directors' interests

Directors have declared interests in transactions with the Company during the year as set out in note 25 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 Mr Neil Mackay and Mr Warren Thessman retire by rotation at the annual general meeting of the Company. Mr Mackay and Mr Thessman 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

Trevor Deed of Deloitte was appointed as Auditor on behalf of the Auditor-General, in accordance with Section 45 of the Electricity Companies Act 1992.

For and on behalf of the Board

Patricia McKelvey
Director
29 May 2009

Piers Hamid
Director

INDEX FOR THE AUDITED FINANCIAL STATEMENTS

Income Statement for the year ended 31 March 2009

	Note	Group		Parent	
		2009	2008	2009	2008
		$000	$000	$000	$000
Sales and interest revenue		**63,400**	59,834	**27,992**	26,711
Dividends from subsidiaries		**-**	-	**1,954**	1,985
Total operating revenue	2	**63,400**	59,834	**29,946**	28,696
Discount to consumers		**(7,080)**	(7,923)	**(7,080)**	(7,923)
Less accrual adjustment		**632**	485	**632**	485
Finance expenses		**(6,871)**	(5,870)	**(2,419)**	(1,989)
Net profit before taxation	2	**2,561**	3,073	**1,753**	875
Taxation	3	**(724)**	(1,491)	**62**	48
Net profit after taxation		**1,838**	1,582	**1,815**	923
Share of associate accounted for using the equity method	13	**-**	109	**-**	-
Net profit		**$1,838**	$1,691	**$1,815**	$923
Profit attributable to:					
Minority interest		**11**	(252)	**-**	-
Members of the parent entity		**1,827**	1,943	**1,815**	923
		$1,838	$1,691	**$1,815**	$923

Statement of Changes in Equity for the year ended 31 March 2009

	Note	Group		Parent	
		2009	2008	2009	2008
		$000	$000	$000	$000
Equity at beginning of the year		**79,634**	76,593	**73,095**	72,402
Net profit for the year		**1,838**	1,691	**1,815**	923
Total recognised revenues and expenses		**1,838**	1,691	**1,815**	923
Capital issued		**-**	1,660	**-**	-
Dividend paid	20	**(220)**	(310)	**(220)**	(230)
Total other movements		**(220)**	1,350	**(220)**	(230)
Equity at end of the year		**$81,252**	$79,634	**$74,690**	$73,095

The notes on pages 29 to 62 form part of these financial statements.

Balance Sheet as at 31 March 2009

	Note	Group		Parent	
		2009 $000	2008 $000	2009 $000	2008 $000
Equity					
Share capital	18	**19,660**	19,660	**18,000**	18,000
Retained earnings	19	**61,592**	59,974	**56,690**	55,095
Total equity		**81,252**	79,634	**74,690**	73,095
Attributable to:					
Parent entity interest		**79,833**	78,226	**74,690**	73,095
Minority interest		**1,419**	1,408	**-**	-
Total equity		**81,252**	79,634	**74,690**	73,095
Non-current liabilities					
Borrowings	16	**23,552**	31,819	**19,320**	27,820
Deferred tax	3	**20,121**	20,635	**20,526**	20,791
Secured debenture stock – non current	17	**13,443**	6,436	**-**	-
Total non-current liabilities		**57,116**	58,890	**39,846**	48,611
Current liabilities					
Secured debenture stock – current	17	**32,068**	36,434	**-**	-
Current borrowings - other	16	**10,625**	3,469	**12,095**	2,102
Trade and other payables	15	**9,003**	8,716	**6,140**	6,023
Total current liabilities		**51,696**	48,619	**18,235**	8,125
Total equity and liabilities		$190,063	$187,143	**$132,771**	$129,831
Non-current assets					
Property, plant and equipment	12	**115,243**	111,033	**111,660**	107,832
Investments in subsidiaries	13	**-**	-	**15,284**	15,284
Goodwill	14	**13,332**	13,617	**1,412**	1,412
Intangible assets	14	**2,140**	2,249	**1,570**	1,533
Finance receivables	7	**19,437**	21,185	**-**	-
Total non-current assets		**150,152**	148,084	**129,926**	126,061
Current assets					
Cash and cash equivalents	23	**3,649**	1,671	**1,133**	775
Trade receivables and prepayments	6	**4,661**	6,166	**1,306**	2,032
Receivables – other	6	**-**	-	**243**	800
Finance receivables - current	7	**30,892**	30,473	**-**	-
Property held for sale	8	**163**	163	**163**	163
Inventories	9	**94**	114	**-**	-
Work in progress	9	**452**	472	**-**	-
Total current assets		**39,911**	39,059	**2,845**	3,770
Total assets		**$190,063**	$187,143	**$132,771**	$129,831

The notes on pages 29 to 62 form part of these financial statements.

The Board of Electra Limited authorised these financial statements for issue on 29 May 2009.

For and on behalf of the Board

Statement of Cash Flows for the year ended 31 March 2009

	Note	Group		Parent	
		2009	2008	2009	2008
		$000	$000	$000	$000
Cash flows from operating activities					
Cash was received from:					
Receipts from customers		**50,682**	43,059	**21,460**	17,370
Dividends received		**-**	-	**1,669**	1,985
Finance receivables - interest received		**6,912**	6,189	**-**	-
Proceeds from HP contracts and loan advances		**35,397**	40,072	**-**	-
Other interest received		**57**	25	**83**	129
		93,048	89,345	**23,212**	19,484
Cash was disbursed to:					
Payments to suppliers and employees		**(40,261)**	(36,422)	**(14,769)**	(13,764)
Secured debenture stock - interest paid		**(4,294)**	(3,712)	**-**	-
Finance loans advanced		**(34,863)**	(44,462)	**-**	-
Interest paid		**(2,581)**	(2,020)	**(2,426)**	(1,887)
Income tax paid	3	**(834)**	(1,937)	**-**	(184)
		(82,833)	(88,553)	**(17,195)**	(15,835)
Net cash flows from operating activities	24	**10,215**	792	**6,017**	3,649
Cash flows to investing activities					
Cash was provided from:					
Proceeds from sale of property, plant and equipment		**99**	95	**-**	30
		99	95	**-**	30
Cash was applied to:					
Purchase of property, plant and equipment		**(9,270)**	(10,796)	**(7,830)**	(8,951)
Purchase of investments		**-**	(5,171)	**-**	(3,729)
		(9,270)	(15,967)	**(7,830)**	(12,680)
Net cash flows to investing activities		**(9,171)**	(15,872)	**(7,830)**	(12,650)
Cash flows from financing activities					
Cash was provided from:					
Loans raised		**2,230**	13,801	**2,000**	8,500
Secured debenture stock issued		**12,330**	38,037	**-**	-
Advance from subsidiary		**-**	-	**4,550**	-
Loan repaid by subsidiary		**-**	-	**605**	2,600
Capital issued		**-**	50	**-**	-
		14,560	51,888	**7,155**	11,100
Cash was applied to:					
Advance to subsidiary		**-**	-	**-**	(800)
Repayment of debenture funds		**(9,689)**	(35,122)	**-**	-
Repayment of loans		**(3,718)**	(499)	**(4,765)**	(448)
Payment of dividends		**(219)**	(310)	**(219)**	(230)
		(13,626)	(35,931)	**(4,984)**	1,478
Net cash flows from financing activities		**934**	15,957	**2,171**	9,622
Net increase/(decrease) in cash and cash equivalents held		**1,978**	877	**358**	621
Add opening cash and cash equivalents brought forward		**1,671**	794	**775**	154
Ending cash and cash equivalents carried forward		**$3,649**	$1,671	**$1,133**	$775

The notes on pages 29 to 62 form part of these financial statements.

1. Summary of Significant Accounting Policies

1.1 Statement of compliance

Electra Limited ('The Company') is a profit-oriented Company incorporated in New Zealand. The Company has its head office in Levin. The Company operates primarily in the field of electricity distribution and as a holding Company for other investments.

The 'Group' for financial reporting purposes comprises:

Electra Limited, the parent Company, and its fully owned subsidiaries Linework and Stones Limited, Oxford Finance Corporation Limited, Oxford Finance Limited, DataCol NZ Limited and its 51% owned subsidiary MultiMedia Communications Limited. Non-trading entities of the Group include - Electra Generation Limited, DeFrost Limited and Horowhenua Wind Energy Limited. The ultimate parent of the Group is the Electra Trust.

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Energy Companies Act 1992. The financial statements have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as are appropriate for profit-oriented entities.

The financial statements also comply with International Financial Reporting Standards (IFRS).

1.2 Basis of preparation

The financial statements have been prepared on the basis of historical and deemed cost.

Separate accounting policies are outlined below.

Cost is based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in New Zealand dollars (NZD), rounded to the nearest thousand, as both the functional and presentation currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

1.3 Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at 31 March 2009, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are disclosed below.

The Company invoices its customers (predominantly electricity retailers) monthly for electricity delivery services on an estimation of usage based on certain metering data from electricity retailers. As final wash-up metering data is not available for in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating assets with which the goodwill is associated. This is undertaken by estimating the future cashflows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows. Refer to note 13.

A key area of estimation is the doubtful debt collective provision reflecting the non performance of the counterparties to finance receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan portfolio. This has been based on historical trend analysis and discounted future cash flow projections.

Other areas where judgement has been exercised in preparing these financial statements are assessing the level of any unrecoverable work in progress and calculating provisions for employee benefits.

1.4 Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

1.4.1 Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the parent entity, and its subsidiaries as defined in NZ IAS 27: 'Consolidated and Separate Financial Statements'.

(i) Subsidiaries

Subsidiaries are all those entities over which the Group has control.

The Group financial statements incorporate the financial statements of the entities that comprise the consolidated Group, being the parent Electra Limited and its subsidiaries, Linework and Stones Limited, Oxford Finance Corporation Limited, Oxford Finance Limited and Datacol NZ Limited. Datacol NZ Limited also includes the results of its subsidiary MultiMedia Communications Limited. Consistent accounting policies are used in the preparation and presentation of the consolidated financial statements. Non-trading entities include Electra Generation Limited, DeFrost Limited and Horowhenua Wind Energy Limited.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit or loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the subsidiary.

In preparing consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Minority interest in the results and equity of subsidiaries is shown separately in the consolidated Income Statement and Balance Sheet.

1.4.2 Goods and Services Tax (GST)

Revenues, expenses, cash flows and assets are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expenses. Cash flows in respect of payments to and receipts from the Inland Revenue Department are shown net in the Statement of Cash Flows.

1.4.3 Revenue recognition

Revenue comprises the fair value for the sale of goods and services, excluding GST, rebates and discounts (not excluding discount to consumers) and after eliminating sales within the Group.

Revenue is recognised as follows:

(i) Sales of goods

Revenue from the sale of goods is recognised when an entity in the Group has delivered to the buyer the significant risks and rewards of ownership of the goods and services.

(ii) Contracting revenue

Contracting revenue is recognised by reference to the stage of completion at balance date measured by progress invoices calculated on the basis of the percentage of the contract completed compared to the total estimated cost.

(iii) Dividend revenue

Dividend revenue is recognised when the shareholders right to receive payment is established.

(iv) Interest income

Interest income is recognised as it accrues at the effective interest rate.

(v) Lending fees

Fees and direct costs relating to loan origination, financing or restructuring and to loan commitments are deferred and amortised to interest over the life of the loan using the effective interest rate method.

(vi) Commission and other fees

Where fees are received on an ongoing basis and represent the recoupment of the costs of maintaining and administering existing loans, these fees are taken to income on an accrual basis as the service is provided.

(vii) Rental income

Rental income is recognised on an accruals basis in accord with the underlying rental agreement.

(viii) Administrative income

Administrative income, written into contracts, but not yet earned, has been excluded from gross income.

(ix) Unearned income

Unearned income is reflected as a reduction of finance receivables.

1.4.4 Income tax

Current tax is based on the net profit for the period adjusted for non-deductible expenditure and non-assessable income, plus any adjustments to income tax payable in respect of prior years. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences between the carrying values of the assets and liabilities and income and expenses in the consolidated financial statements and the corresponding tax bases of those items.

In principle deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

A deferred tax liability is not recognised in relation to any taxable temporary differences arising from goodwill or in relation to temporary differences arising from the initial recognition of assets or liabilities, which affect neither taxable income, or accounting profit. Similarly deferred tax liabilities are not recognised where temporary differences arise on acquisition of subsidiaries, associates and joint ventures where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets or liabilities giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company or Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the Income Statement, except when it relates to items credited or debited directly to equity, in which case the current or deferred tax is also recognised directly in equity or where it arises from the initial accounting for a business combination in which case it is taken into account in the determination of goodwill or excess.

1.4.5 Offsetting

Offsetting of assets and liabilities does not occur unless there is a legally enforceable right or expressly permitted by a standard.

1.4.6 Inventory and work in progress

Inventories predominantly comprise network system spares and materials and are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average of purchase costs. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

1.4.7 Construction contracts

Revenue from contracts is recognised by reference to the recoverable costs incurred during the period plus the percentage of fees earned.

Where a loss is expected to occur, it is recognised immediately and is made for both work in progress completed to date and for future work on the contract.

1.4.8 Plant, property and equipment and depreciation

Land and buildings and the electricity distribution network are valued at deemed cost.

Deemed cost is the fair value of the land and buildings and electricity distribution network at the 2004 ODV valuation plus additions at cost. Cost is determined as the fair value of consideration paid to get an item of property, plant and equipment into its intended use. Consideration is given as to whether the assets are impaired as detailed in note 1.4.9.

All other property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

The cost of assets constructed by the Group includes all materials used in construction, direct labour and direct overheads.

Depreciation is provided on plant, property and equipment, including freehold buildings but excluding land.

Depreciation on buildings and the electricity distribution system is charged to profit and loss. On the subsequent sale or retirement of an asset, the difference between the carrying value and the net proceeds received is recognised through profit or loss.

Depreciation is calculated for buildings and electricity distribution assets so as to write off the cost of each asset over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated so as to expense the cost of the assets over their useful lives.

The following rates are used in the calculation of depreciation:

Category		
Distribution plant and equipment	1% – 50%	straight line and
	10% - 25%	diminishing value
Other buildings at cost	2% - 36%	straight line
Other plant and equipment	7.8% - 50%	straight line and
	10% - 39.6%	diminishing value
Motor vehicles	10% - 33.3%	diminishing value

1.4.9 Impairment of assets

The Group reviews the carrying value of its tangible assets (primarily the electricity distribution network and investments) at balance date to determine whether there is any indication that the assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cashflows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The Group considers that the electricity network represents a single cash generating unit for the purposes of impairment assessment, and the individual subsidiaries are cash generating units as they each derive their own cash flows.

Goodwill and other intangible assets are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Any impairment to goodwill is not subsequently reversed.

The recoverable amount is the higher of fair value (less the costs to sell) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, then the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit and loss immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. A reversal of an impairment loss is recognised in profit and loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.4.10 Intangible assets

(i) Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and not amortised but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and not subsequently reversed. Refer also to note 1.4.9

(ii) Software

Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and it is amortised over its expected useful economic life. Usually this period does not exceed three years. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

(iii) Easements

Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

1.4.11 Employee benefits

Provision is made for employee entitlements accruing in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Provisions made in relation to employee benefits, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to reporting date. In relation to retirement gratuities the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Contributions to defined contribution superannuation schemes are expensed when incurred.

1.4.12 Financial instruments issued by the Group

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

1.4.13 Financial assets

(i) Investments

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned.

(ii) Loans and receivables

Accounts receivable are initially measured at fair value and are subsequently recognised at amortised cost less impairment using the effective interest rate. All known bad debts are written off during the financial year. Inter-group balances due from associates and subsidiaries are stated at amortised cost less impairment.

(iii) Finance receivables

Finance receivables, comprising hire purchase contracts, mortgage advances and dealer floorplans are initially measured at fair value at trade date and are subsequently measured at amortised cost under the effective interest method plus any directly attributable transaction costs, less impairment.

Finance receivables include 'impaired assets' comprising:

- 'non-accrual loans' being loans where we do not expect to be able to collect all the amounts owing in terms of the contract.
- 'assets acquired through security enforcement' being assets acquired in full or partial satisfaction of outstanding loans.
- 'restructured loans' are impaired assets for which the original contracted terms have been concessionally modified due to the counterparty's difficulties in complying with the original terms, the revised terms of the facility are not comparable with the terms of new facilities with comparable risks, 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.
- 'Past due assets' are finance receivables where a counterparty has failed to make a payment when contractually due.
- '90 day 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.

  An impairment loss is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cashflows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the Income Statement.

(iv) Bad debts and doubtful debts provisioning

Finance receivables are written down, by way of a specific write-off or collective provision, to their expected net collectable amounts with the amount written off or provided recognised as an expense in the Income Statement.

- Specific provisions: these are raised when there is objective evidence (identified on a counterparty by counterparty basis) that an impairment loss has been incurred. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows using the original effective interest rate. The Company identifies impaired assets where the security has been repossessed and sold due to a breach of agreement. Also where the security has become damaged or written off.
- Collective provisions: Loans that are not known to be impaired are grouped together according to their risk characteristics and are then assessed for objective evidence of impairment of the balance at reporting date. The appropriate collective provision is raised, based on historical loss data and current available information for assets with similar risk characteristics. From analysis undertaken this benchmark has been consistent with the historical level of bad debts experienced in these portfolios.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or allowance is reversed through the Income Statement.

1.4.14 Financial liabilities

(i) Payables

Trade payables and other accounts payable are recognised at fair value when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are subsequently recognised at amortised cost.

(ii) Borrowings and debentures

Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method. Borrowings are classified as non current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting period at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest rate method. No borrowing costs have been capitalised.

(iii) Intercompany payables

These payables are initially recognised at fair value and are subsequently recognised at amortised cost using the effective interest rate method. In preparing the Group financial statements they are eliminated in full.

1.4.15 Foreign currency transactions

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates ruling at the date when the fair value is determined.

Exchange differences on foreign currency balances are recognised in the Income Statement in the period in which they arise.

1.4.16 Cash flows

Cash and cash equivalents - comprise cash on hand, cash in banks (including bank overdrafts) and demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

1.4.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be reliably measured.

1.4.18 Funds management activities

The Group does not manage funds on behalf of other parties or engage in other fiduciary activities.

1.4.19 Operating 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. There are no leases classified as finance leases.

1.4.20 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not amortised or depreciated.

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable and the asset is available for immediate sale in its present condition.

1.4.21 Changes in accounting policy

There have been no changes in accounting policies.

1.5 Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of standards and interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the presentation and disclosures presently made in relation to the Company's and Group's financial report:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
NZ IFRS-8 'Operating Segments'	1 January 2009	31 March 2010
NZ IAS-1 'Presentation of Financial Statements' – revised standard	1 January 2009	31 March 2010
Improvements to New Zealand Equivalents to International Financial Reporting Standards 2008	Various	31 March 2010
Improving Disclosures about Financial Instruments (Amendments to NZ IFRS 7 Financial Instruments: Disclosures)	1 January 2009	31 March 2010
Improvements to New Zealand Equivalents to International Financial Reporting Standards 2009	Various	31 March 2011

NZ IAS-1

The revised NZ IAS-1 requires the presentation of all recognised income and expenses in one statement (a statement of comprehensive income) or in two statements (an income statement and a statement of comprehensive income), separately from owner changes in equity. The revised standard also includes other minor changes to presentation and disclosure requirements.

Initial application of the following Standards and Interpretations is not expected to have any material impact to the financial report of the Company and Group:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
NZ IAS-23 'Borrowing Costs' – revised standard	1 January 2009	31 March 2010
IFRS-3 'Business Combinations' – revised standard	1 July 2009	31 March 2011
IAS-27 'Consolidated and Separate Financial Statements' – revised standard	1 July 2009	31 March 2011

NZ IAS-23 (revised)

NZ IAS-23 (July 2004) permits an entity to either expense or capitalise borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets. Under NZ IAS-23 (revised), entities are no longer permitted to choose between alternate treatments and must capitalise borrowing costs relating to qualifying assets.

NZ IAS-23 (revised) is generally to be applied prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. Accordingly, no restatements will be required in respect of transactions prior to the date of adoption.

IFRS-3 (revised) and IAS-27 (revised)

The revised IFRS-3 and IAS-27 together change the accounting for business combinations.

Key changes to IFRS-3 affect the recognition and measurement rules for pre-existing contracts, costs incurred in a business combination, and the calculation of goodwill for business combinations achieved in stages. The revised IFRS-3 also provides two options for measurement of minority interest, requires the reassessment and designation of existing contractual arrangements, and restricts subsequent changes to the initial measurement of contingent consideration.

Key changes to the revised IAS-27 include the requirement to record changes in a parent's ownership interest in a subsidiary that do not result in a loss of control within shareholders' equity and the requirement upon loss of control of a subsidiary to remeasure to fair value the remaining investment in the former subsidiary. By consequential amendment to IAS-28 and IAS-31, the treatment required for loss of control is extended to investments in associates and joint ventures. The revised NZ IAS-27 also requires a parent to attribute the minority interest's share of total comprehensive income to the minority interest even when this would result in the minority interest having a deficit balance.

The revised IFRS-3 and revised IAS-27 are to be applied prospectively to business combinations and changes in control in reporting periods beginning on or after 1 July 2009. Accordingly no restatements will be required in respect of transactions prior to the date of adoption.

2. Net Profit before taxation

Operating revenue

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Sales - distribution	**27,115**	26,390	**27,115**	26,390
Sales - contracting	**26,911**	25,040	**-**	-
Interest revenue - lending	**6,883**	6,172	**-**	-
Interest revenue - impaired loans	**-**	71	**-**	-
Interest revenue - related parties	**-**	-	**-**	115
Interest revenue - bank deposits	**130**	41	**79**	14
Dividend revenue - subsidiaries	**-**	-	**1,954**	1,905
Dividend revenue - associates	**-**	-	**-**	80
Other revenue	**2,361**	2,120	**798**	192
Total operating revenue	**$63,400**	$59,834	**$29,946**	$28,696

Net profit before taxation

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Net Profit before taxation	2,561	3,073	1,753	875
After charging / (crediting)				
Auditors remuneration:				
audit services	**247**	194	**126**	129
other services	**75**	114	**62**	42
Bad debts	**1,243**	738	**43**	67
Change in provision for doubtful debts	**354**	(252)	**-**	-
Depreciation	**4,997**	4,437	**4,327**	3,913
Intangible assets amortisation	**243**	183	**69**	33
Goodwill impairment	**285**	1,383	**-**	-
Directors' fees	**226**	208	**226**	208
Defined contribution plan expense	**196**	170	**46**	30
Employee costs	**11,702**	9,896	**1,372**	1,118
Interest - related parties	**4,019**	3,712	**28**	-
Interest - bank borrowing	**2,852**	2,158	**2,391**	1,989
Investment impairment	**-**	-	**-**	893
Loss on sale of property, plant and equipment	**428**	424	**467**	421
Inventory expensed	**3,581**	3,898	**-**	-
Rental and lease costs	**763**	482	**35**	43
Repairs and maintenance	**1,610**	1,062	**4,738**	3,316
Vehicle	**997**	639	**68**	56
Contractors	**8,840**	8,461	**-**	-
Discount to consumers	**6,448**	7,438	**6,448**	7,438
Other expenses	**11,733**	11,416	**7,747**	8,125
Total expenses	**$60,839**	$56,761	**$28,193**	$27,821

Consumer sales discount

A total of $7.0 million plus GST (excluding provisions) was credited to consumers during the year to 31 March 2009 ($7.4 million plus GST during the year to 31 March 2008).

3. Taxation

The income taxation expense on pre-tax accounting profit reconciles to the income tax expense as follows.

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Operating surplus before income taxation	**2,561**	3,073	**1,753**	875
Income taxation on the surplus for the period at 30% (2008:33%)	**768**	1,014	**526**	289
Taxation effect of				
- temporary differences	**-**	417	**-**	(373)
- permanent differences	**106**	60	**(602)**	-
- prior period adjustment	**(146)**	-	**21**	-
Adjustment for change in tax rate from 33% to 30% effective 1 April 2008	**(4)**	-	**(7)**	36
Taxation expense	**$724**	$1,491	**$(62)**	$(48)
Taxation expense comprises of:				
Current tax expense	**1,238**	1,671	**327**	310
Deferred tax expense	**(510)**	(240)	**(258)**	(394)
Change in tax rate	**(4)**	60	**(7)**	36
Total	**$724**	$1,491	**$(62)**	$(48)

Deferred tax

Group 31 March 2009	**Opening Balance $000**	**Charged to Income $000**	**Charged to Equity $000**	**Acquisitions/ Disposals $000**	**Change in tax rate $000**	**Closing Balance $000**
Gross deferred tax liabilities						
Provisions	188	113	-	-	(3)	298
Doubtful debts and impairment	181	118	-	-	-	299
Property, plant and equipment	(21,004)	279	-	-	7	(20,718)
	$(20,635)	$510	-	-	$4	$(20,121)

Group 31 March 2008	**Opening Balance $000**	**Charged to Income $000**	**Charged to Equity $000**	**Acquisitions/ Disposals $000**	**Change in tax rate $000**	**Closing Balance $000**
Gross deferred tax liabilities						
Provisions	184	12	-	-	(8)	188
Doubtful debts and impairment	246	(48)	-	-	(17)	181
Property, plant and equipment	(21,245)	276	-	-	(35)	(21,004)
	$(20,815)	$240	-	-	$(60)	$(20,635)

Parent 31 March 2009	Opening Balance $000	Charged to Income $000	Charged to Equity $000	Acquisitions/ Disposals $000	Change in tax rate $000	Closing Balance $000
Gross deferred tax liabilities						
Provisions	60	20	-	-	-	80
Doubtful debts and impairment	12	-	-	-	-	12
Property, plant and equipment	(20,863)	238	-	-	7	(20,618)
	$(20,791)	$258	-	-	$7	$(20,526)

Parent 31 March 2008	Opening Balance $000	Charged to Income $000	Charged to Equity $000	Acquisitions/ Disposals $000	Change in tax rate $000	Closing Balance $000
Gross deferred tax liabilities						
Provisions	50	11	-	-	(1)	60
Doubtful debts and impairment	12	-	-	-	-	12
Property, plant and equipment	(21,211)	383	-	-	(35)	(20,863)
	$(21,149)	$394	-	-	$(36)	$(20,791)

The tax rate used in the above reconciliation of deferred tax for all adjustments that will reverse after 1 April 2008 is the corporate tax rate of 30% payable by New Zealand corporate entities on taxable profits under New Zealand tax law (which will apply from the 2009 income year, commencing 1 April 2008 for the Company).

Imputation credit account

	Group		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Opening balance	**3,454**	1,542	**2,174**	1,109
Imputation credits attached to dividends received/(paid)	**-**	(39)	**837**	978
Payments during the year	**834**	1,937	**-**	184
Other	**61**	14	**60**	(97)
Closing balance	**$4,349**	$3,454	**$3,071**	$2,174

4. Rental and Leases

	Group		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
No later than one year	**785**	743	**12**	29
Later than one year and not later than five years	**721**	738	**-**	11
	$1,506	$1,481	**$12**	$40

Rental and operating lease commitments: These are of a rental nature and are on normal commercial terms and conditions. The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of Electra.

5. Remuneration of Auditors'

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Audit of the financial statements	**247**	194	**126**	79
Audit of the NZ IFRS Transition	**-**	48	**-**	45
Audit related services or review of the financial statements not reported above	**14**	5	**14**	5
Taxation services	**61**	61	**48**	42
	$322	$308	**$188**	$171

The auditor of Electra Limited and its subsidiaries is T Deed of Deloitte on behalf of the Auditor-General.

Audit related services comprise the review of Electra Limited's regulatory disclosures in accordance with the Electricity (Information Disclosure) Requirements and the Threshold Compliance Statement under Part 4A of the Commerce Act 1986 and amendment notices.

Taxation services include a charge for providing taxation advice, compliance assistance and preparation of taxation returns.

6. Receivables and Prepayments

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Trade receivables	**4,575**	5,266	**1,216**	1,181
Intercompany receivable	**-**	-	**243**	800
GST receivable	**90**	839	**90**	839
Prepayments	**140**	161	**40**	52
	4,805	6,266	**1,589**	2,872
Less provision for doubtful debts	**(144)**	(100)	**(40)**	(40)
	$4,661	$6,166	**$1,549**	$2,832

There are no significant concentrations of credit risk within trade receivables.

7. Finance Receivables

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

	Group	
	2009	2008
	$000	$000
Finance receivables	**51,194**	52,236
Less provision for unearned interest	**(30)**	(73)
Total	**51,164**	52,163
Less provision for doubtful debts	**(835)**	(505)
Total finance receivables	**$50,329**	$51,658
Due for repayment		
Within one year	**31,727**	30,978
Less provision for doubtful debts	**(835)**	(505)
Net within one year	**30,892**	30,473
Between one and two years	**12,266**	12,467
Over two years	**7,171**	8,718
Total	**$50,329**	$51,658

8. Property Held for Sale

	Group and Parent	
	2009	2008
	$000	$000
27 Bristol St Levin	**$163**	$163

Land at 27 Bristol Street, Levin is available for sale and is listed with local Real Estate Agents. Any sale will be at the market value determined at the time of sale. The above valuation is the lower of cost or expected market value at balance date.

9. Inventories and Work in Progress

	Group	
	2009	2008
	$000	$000
Inventory	**94**	114
Work in progress	**452**	472
	$546	$586

10. Financial Instruments

For specifics relating Oxford Finance Corporation Limited, refer to note 11.

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 Group to credit risk principally consist of bank balances, accounts receivable and in the case of the Company, advances to subsidiaries and the guarantee it has made in regard to the deposits of Oxford Finance Corporation Limited which the Company and Group consider is covered within the general liquidity management.

The Company and the Group manages their 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.

The status of trade receivables as at reporting date is as follows:

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Trade receivables				
Not past due	**3,420**	3,836	**1,305**	1,914
Past due 0 – 30 days	**399**	753	**29**	44
Past due 31- 60 days	**189**	169	**1**	22
Past due more than 60 days	**567**	508	**124**	1
	$4,575	$5,266	**$1,459**	$1,981

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

The levels of potential credit exposure resulting from the Company's guarantees for subsidiary funding are as follows:

Guarantees for Subsidiary funding

	Group	
	2009	**2008**
	$000	**$000**
Bank funding	**7,680**	7,180
Oxford Debenture Guarantee	**45,510**	42,870
	$53,190	$50,050

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.

Foreign currency risk

The Company and Group have 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 Group has no interest hedge contracts.

Fair values

The carrying amounts recorded in the Balance Sheet are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings, investments in subsidiaries and amounts which are not able to be determined because there is no available market data.

Financial Instrument Carrying Values by Category – Group

As at 31 March 2009 ($'000)	Interest Rate %	Total	0-12 Months	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents		3,649	3,649	-	-	-
Trade receivables		4,575	4,575	-	-	-
Financial receivables	14.5	50,329	30,892	12,266	6,587	584
Total financial assets at amortised cost		**$58,553**	**$39,116**	**$12,266**	**$6,587**	**$584**
Financial liabilities						
Trade and other payables	N/A	9,003	9,003	-	-	-
Secured debenture stock	8.39	45,511	32,068	11,238	2,205	-
Loans	8.1	34,177	10,625	12,732	10,820	-
Total financial liabilities at amortised cost		**$88,691**	**$51,696**	**$23,970**	**$13,025**	**-**

As at 31 March 2008 ($'000)	Interest Rate %	Total	0-12 Months	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents		1,671	1,671	-	-	-
Trade receivables		6,005	6,005	-	-	-
Financial receivables	14.70	51,658	30,473	12,467	8,000	718
Total financial assets at amortised cost		**$59,334**	**$38,149**	**$12,467**	**$8,000**	**$718**
Financial liabilities						
Trade and other payables	N/A	7,551	7,551	-	-	-
Secured debenture stock	8.80	42,870	36,434	6,194	242	-
Loans	8.25	35,288	3,469	8,500	19,319	4,000
Total financial liabilities at amortised cost		**$85,709**	**$47,454**	**$14,694**	**$19,561**	**$4,000**

Financial Instrument Carrying Values by Category – Parent

As at 31 March 2009 ($'000)	Interest Rate %	Total	0-12 Months	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents		1,133	1,133	-	-	-
Trade receivables		1,216	1,216	-	-	-
Intercompany receivables		243	243	-	-	-
Receivables - other		90	90	-	-	-
Total financial assets at amortised cost		**$2,682**	**$2,682**	**-**	**-**	**-**
Financial liabilities						
Trade and other payables	N/A	5,187	5,187	-	-	-
Loans	8.0	31,415	12,095	4,500	14,820	-
Intercompany loans	N/A	2,453	2,453	-	-	-
Total financial liabilities at amortised cost		**$39,055**	**$19,735**	**$4,500**	**$14,820**	-

As at 31 March 2008 ($'000)	Interest Rate %	Total	0-12 Months	1-2 Years	2-5 Years	Over 5 Years
Financial assets						
Cash and cash equivalents		775	775	-	-	-
Trade receivables		1,980	1,980	-	-	-
Receivables - other		800	800	-	-	-
Total financial assets at amortised cost		**$3,555**	**$3,555**	**-**	**-**	**-**
Financial liabilities						
Trade and other payable	N/A	6,023	6,023	-	-	-
Loans	8.0	29,922	2,102	8,500	15,320	4,000
Intercompany loans	N/A	-	-	-	-	-
Total financial liabilities at amortised cost		**$35,945**	**$8,125**	**$8,500**	**$15,320**	**$4,000**

Liquidity risk

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. Facilities of $26.5 million exist with the Bank of New Zealand, of which amounts are drawn down to cover shortfalls in liquidity.

Contractual Maturity Analysis

Financial Instrument Carrying Values by Category - Group

As at 31 March 2009	Int Rate %	Total $000	On Call $000	0 - 6 Mths $000	6 - 12 Mths $000	1 - 2 Years $000	2 - 3 Years $000	3 - 4 Years $000	4 - 5 Years $000	Over 5 Years $000
Financial assets										
Trade and other receivables	N/A	4,575	-	4,575	-	-	-	-	-	-
Cash and cash equivalents	3.00	3,649	3,649	-	-	-	-	-	-	-
Finance receivables	14.5	61,460	-	27,197	11,972	14,629	5,428	1,238	297	699
Total financial assets		**$69,684**	**$3,649**	**$31,772**	**$11,972**	**$14,629**	**$5,428**	**$1,238**	**$297**	**$699**
Financial liabilities										
Debt finance	8.1	37,136	-	1,290	3,211	12,363	9,061	4,679	2,661	3,871
Trade and other payables	N/A	5,890	-	5,890	-	-	-	-	-	-
Secured debenture stock	8.39	46,959	3,503	17,820	11,426	11,779	2,248	68	115	-
Total financial liabilities		**$89,985**	**$3,503**	**$25,000**	**$14,637**	**$24,142**	**$11,309**	**$4,747**	**$2,776**	**$3,871**

As at 31 March 2008	Int Rate %	Total $000	On Call $000	0 - 6 Mths $000	6 - 12 Mths $000	1 - 2 Years $000	2 - 3 Years $000	3 - 4 Years $000	4 - 5 Years $000	Over 5 Years $000
Financial assets										
Trade and other receivables	N/A	5,266	3,836	1,430	-	-	-	-	-	-
Cash and cash equivalents	8.85	1,671	1,671	-	-	-	-	-	-	-
Finance receivables	14.7	59,304	-	24,159	11,061	14,000	6,776	2,025	375	908
Total financial assets		**$66,241**	**$5,507**	**$25,589**	**$11,061**	**$14,000**	**$6,776**	**$2,025**	**$375**	**$908**
Financial liabilities										
Debt finance	8.25	42,170	111	1,473	3,333	10,836	14,312	5,035	2,882	4,188
Trade and other payables	N/A	6,206	-	6,206	-	-	-	-	-	-
Secured debenture stock	8.80	44,233	3,065	16,965	17,232	6,702	254	15	-	-
Total financial liabilities		**$92,609**	**$3,176**	**$24,644**	**$20,565**	**$17,538**	**$14,566**	**$5,050**	**$2,882**	**$4,188**

Financial Instrument Carrying Values by Category - Parent

As at 31 March 2009	Int Rate %	Total $000	On Call $000	0 - 6 Mths $000	6 - 12 Mths $000	1 - 2 Years $000	2 - 3 Years $000	3 - 4 Years $000	4 - 5 Years $000	Over 5 Years $000
Financial assets										
Cash and cash equivalents	2.25	1,133	1,133	-	-	-	-	-	-	-
Trade and other receivables	N/A	1,306	-	1,306	-	-	-	-	-	-
Intercompany receivables	N/A	243	-	243	-	-	-	-	-	-
Total financial assets		**$2,682**	**$1,133**	**$1,549**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Debt finance	8.00	34,443	-	1,178	3,099	9,756	9,200	4,679	2,661	3,870
Trade and other payables	N/A	6,140	-	6,140	-	-	-	-	-	-
Total financial liabilities		**$40,583**	**-**	**$7,318**	**$3,099**	**$9,756**	**$9,200**	**$4,679**	**$2,661**	**$3,870**

As at 31 March 2008	Int Rate %	Total $000	On Call $000	0 - 6 Mths $000	6 - 12 Mths $000	1 - 2 Years $000	2 - 3 Years $000	3 - 4 Years $000	4 - 5 Years $000	Over 5 Years $000
Financial assets										
Cash and cash equivalents	8.85	775	775	-	-	-	-	-	-	-
Trade and other receivables	N/A	1,980	1,980	-	-	-	-	-	-	-
Intercompany receivables	N/A	800	800	-	-	-	-	-	-	-
Total financial assets		**$3,555**	**$3,555**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities										
Debt finance	8.25	36,903	102	1,212	3,143	10,413	9,928	5,035	2,882	4,188
Trade and other payables	N/A	6,023	-	6,023	-	-	-	-	-	-
Total financial liabilities		**$42,926**	**$102**	**$7,235**	**$3,143**	**$10,413**	**$9,928**	**$5,035**	**$2,882**	**$4,188**

Capital management

The Group's capital includes share capital and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to the following capital requirements: Statement of Corporate Intent imposes a restriction that the parent will maintain shareholder funds at not less than 40% (2008:50%) of total assets.

(a) Bank Covenants:

- (i) Ratio of EBIT (Group earnings before interest, taxation and customer discounts) to interest paid to be no less than 2.25 times
- (ii) Annual accounts to be provided within 120 days of balance date
- (iii) Half yearly accounts to be provided within 120 days of period end
- (iv) Cashflow forecast for ensuing year to be provided to the bank annually within one month of end of year balance date and upon revision
- (v) Group equity to be maintained at a level greater than 35% of total tangible assets at all times

(b) Oxford Finance is subject to further covenant as detailed in the following note.

The Group has complied with all covenants.

11. Financial Instruments – (Oxford Finance Corporation Limited)

Management policies

Interest rate risks are monitored on a regular basis and advice taken on likely trends. Oxford Finance Corporation Limited's (Oxford Finance) policy is to match interest rate risk, and interest rate exposures are reported to and reviewed regularly by the Board of Directors.

Credit risk

The nature of Oxford Finance's activities as a finance institution necessitates Oxford Finance dealing in financial instruments that contain an inherent element of credit risk.

Financial instruments which potentially subject Oxford Finance to credit risk principally consist of, hire purchase contracts, mortgage advances, dealer floorplans and bank deposits.

For all customers requiring advances and hire purchase loans Oxford Finance performs credit evaluations. The approval process considers a number of factors including; borrowers' past performance, ability to repay, amount of money to be borrowed against the security and the substance of the guarantor/co-borrower involved.

Hire purchase contracts are principally made through motor vehicle dealer clients. Dealer floorplans are secured by first charges taken over vehicle stock. All other motor vehicle lending is secured by first charges over vehicle stock. Exposure to land and buildings are secured by way of mortgage over the property.

Maximum exposures to credit risk as at balance date are:

	2009 $000	2008 $000
Cash and cash equivalents	**1,692**	354
Finance receivables	**52,215**	51,763
Trade and other receivables	**101**	3
Other credit risk	**432**	1,500
Total exposure to credit risk	**$54,440**	$53,620
Amounts neither past due nor impaired		
Cash and cash equivalents	**1,692**	354
Finance receivables	**51,112**	49,817
Trade and other receivables	**101**	3
Other credit risk	**432**	1,500
Total	**$53,337**	$51,674

The above maximum exposures are net of any recognised provision for losses in these financial statements. Other credit exposures represent the other commercial loan commitments waiting for drawdown and all undrawn floorplan exposures

There are no indicators to suggest that credit quality of these assets are impaired.

Sensitivity analysis

In managing interest rate risks Oxford Finance aims to reduce the impact of short-term fluctuations on Oxford Finance's earnings. The impact on profit of future funding interest rate changes would be mitigated by increasing the rates charged to borrowers.

The principal exposure to rate increases is for 'on call' investments whereby the increases can not be passed immediately on to borrowers. This exposure is managed by Oxford Finance having policies limiting the percentage of on call funds to total funding of under 10%. At 31 March 2009 the interest rate on call funds was 7.70% (31 March 2008 – 7.15%).

Potential impact of interest rate change:

If either the market funding or lending rates increase but with no corresponding increase in either Oxford Finance's funding or the lending rates the impact on profit per annum would be as follows:

Funding	Profit Impact per annum	Amount $'000
Increase 1%	Decrease	(451)
Decrease 1%	Increase	451
Lending		
Increase 1%	Increase	510
Decrease 1%	Decrease	(510)

Fair values

Carrying amount and fair value

	31 March 2009 Carrying Value $000	31 March 2009 Fair Value $000
Cash and cash equivalents	1,692	1,692
Hire purchase and mortgage advances	51,094	50,074
Dealer floorplans	1,121	1,121
Total finance receivables	$52,215	$51,195
Secured debenture stock	(45,511)	(47,207)
Bank loans	(2,500)	(2,500)
Other liabilities	(499)	(467)
Total finance liabilities	$(48,510)	$(50,174)

	31 March 2008 Carrying Value $000	31 March 2008 Fair Value $000
Cash and cash equivalents	354	354
Hire purchase and mortgage advances	50,465	50,554
Dealer floorplans	1,298	1,298
Total finance receivables	$51,763	$51,852
Secured debenture stock	(42,870)	(43,368)
Bank loans	(3,500)	(3,500)
Other liabilities	(432)	(432)
Total finance liabilities	$(46,802)	$(47,300)

The fair value of loans and advances are calculated using discounted cash flow models based on the interest rate re-pricing and maturity of the financial assets. Discount rates applied in this calculation are based on current market interest rates for loans and advances with similar credit profiles. The fair value of investments in securities is based on quoted market prices, where available, or calculated using discounted cash flow models based on current market rates. The fair value of all financial liabilities is calculated using discounted cash flow models based on the interest rate re-pricing and maturity of the instruments. The discount rate applied in this calculation is based on current market rates.

Currency risk

Oxford Finance and the Group have no material exposure to foreign exchange risk.

Interest rate risk profile of financial assets and liabilities

Oxford Finance is not involved in any off balance sheet financial instruments.

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

Interest rate risk is the risk that the value of Oxford Finance's assets and liabilities will fluctuate due to changes in market interest rates. Oxford Finance is exposed to interest rate risk by lending and borrowing at fixed interest rates for differing terms. Oxford Finance manages this risk by matching, as far as possible, maturities on funding facilities with maturities on finance receivables.

Liquidity risk

Liquidity risk is the potential for Oxford Finance to encounter difficulty meeting its financial obligations as they fall due. Policies are in place to manage liquidity on a day-to-day basis based on contractual maturities.

Oxford Finance's policy for managing liquidity is to structure its investment rates offered to attract investment funds for periods that match the contractual lending maturity portfolio as displayed in the tables in Note 10.

Oxford Finance is subject to cash-flow liquidity risk by borrowing funds on floating interest rates.

In order to provide additional liquidity Oxford Finance has negotiated a facility to borrow up to $4.5m (2008:$4.5m) from the Bank of New Zealand. At balance date $2.5m (2008:$2.5m) has been drawn as a fixed interest rate loan for three years at 8.93% (2008:8.93%). The remaining $2m (2008:$2m) is a committed cash facility which at balance date was not drawn down. (31 March 2008:$1m at 9.90%). This facility is secured by way of a general security agreement over Electra Limited assets.

In addition Oxford Finance has the ability to borrow up to $5m from Electra Limited through their committed cash facility with the Bank of New Zealand. The facility is secured by way of a general security agreement over Electra Limited assets. At balance date the facility had not been utilised (31 March 2008:$Nil).

Debenture renewal rates have been consistent throughout the period.

Overdues

The finance receivable balance includes Impaired Assets comprising as follows:

As at 31 March 2009 ($'000)	**Motor Vehicle Plant and Equipment**	**Land and Buildings**	**Total**
Non-Accrual Loans and Assets Acquired Through Enforcement of Security			
Carrying value at beginning of period	871	-	871
Proceeds from sale of security	(26)	-	(26)
Additions of individually impaired assets	762	340	1,102
Reduction of individually impaired assets	(244)	-	(244)
Bad debts written off during the period	(480)	(340)	(820)
Closing carrying value	**883**	**-**	**883**
Less:			
Provision for Doubtful Debts – opening	(505)	-	(505)
Transfer to 90+Past Due Assets	236	-	236
Movement in provision during period	(330)	-	(330)
Provision for Doubtful Debts – closing	(599)	-	(599)
Closing carrying value – net of provision	**$284**	**-**	**$284**

As at 31 March 2008 ($'000)	**Motor Vehicle Plant and Equipment**	**Land and Buildings**	**Total**
Non-Accrual Loans and Assets Acquired Through Enforcement of Security			
Carrying value at beginning of period	1,237	-	1,237
Proceeds of sale of security	(71)	-	(71)
Impairment	327	-	327
Bad debts written off during the period	(622)	-	(622)
Closing carrying value	**871**	**-**	**871**
Less:			
Provision for Doubtful Debts – opening	(806)	-	(806)
Movement in provision during period	301	-	301
Provision for Doubtful Debts – closing	(505)	-	(505)
Closing carrying value – net of provision	**$366**	**-**	**$366**

Assets are identified as impaired in accordance with the accounting policy.

The finance receivable balance includes Restructured Loans comprising:

As at 31 March 2009 ($'000)	Motor Vehicle Plant and Equipment	Land and Buildings	Total
Restructured Loans			
Carrying value at beginning of period	138	-	138
Additions to restructured loans	266	-	266
Repayment of restructured loans	(91)	-	(91)
Closing carrying value	**$313**	**-**	**$313**

As at 31 March 2008 ($'000)	Motor Vehicle Plant and Equipment	Land and Buildings	Total
Restructured Loans			
Carrying value at beginning of period	101	-	101
Additions to restructured loans	37	-	37
Closing carrying value	**$138**	**-**	**$138**

The finance receivable balance also includes 90+ days Past Due Assets comprising:

As at 31 March 2009 ($'000)	Motor Vehicle Plant and Equipment	Land and Buildings	Total
Past Due Assets (90+days)			
Carrying value at beginning of period	421	1,021	1,442
Bad debts written off during the period	(13)	-	(13)
Additions to past due assets	333	-	333
Repayment of past due assets	-	(1,021)	(1,021)
Closing carrying value	**741**	**-**	**741**
Less:			
Transfer of collective provision from Non-Accruals	(236)	-	(236)
Movement in provision during period	-	-	-
Provision for Doubtful Debts – closing	(236)	-	(236)
Closing carrying value – net of provision	**$505**	**-**	**$505**

As at 31 March 2008 ($'000)	Motor Vehicle Plant and Equipment	Land and Buildings	Total
Past Due Assets (90+days)			
Carrying value at beginning of period	189	-	189
Bad debts written off during the period	(40)	-	(40)
Additions to past due assets	272	1,021	1,293
Closing carrying value	**$421**	**$1,021**	**$1,442**

The disclosure of past due assets in the table below recognises the entire loan balance as past due when an instalment has not been made within the terms of its agreement. The portion of the loan that is not overdue is recognised as current.

Past Due Assets - 90+ Days ($'000)	Current	1-90 days	91-120 days	121-150 days	150+ days	Total
31 March 2009	488	114	40	21	78	741
31 March 2008	1,262	71	32	21	56	1,442

The proportion of loans in arrears 3 months and over is 1.44% being total overdue loan balances as a portion of total loan ledger (31 March 2008 - 3.00%).

Instalment arrears less than 90 days are included in the table below. This table outlines only the instalments that are overdue, not the entire loan balance.

Past Due Assets ($'000)	7-30 days	31-60 days	61-90 days	Total
31 March 2009	190	84	49	323
31 March 2008	165	89	54	308

For all customers requiring advances and hire purchase loans the Oxford Finance performs credit evaluations. The approval process considers a number of factors including; borrowers' past performance, ability to repay, amount of money to be borrowed against the security and the substance of the guarantor/co-borrower involved.

Hire purchase contracts are principally made through the motor vehicle dealer clients. Dealer floorplans are secured by first charges taken over vehicle stock.

There are no indicators to suggest that credit quality of these assets is impaired.

The finance receivables include mortgage advances secured by a registered mortgage over the property. It also includes personal and hire purchase advances whereby the company holds a secured charge over a motor vehicle.

Finance receivables pledged as collateral

At 31 March 2009 finance receivables with the carrying value of $53m (31 March 2008 - $52.3m) were subject to a charge by first ranking debenture stock issued, amounting to outstanding principal and interest of $45.5m (31 March 2008 - $42.8m).

There are no other charges against the assets of Oxford Finance Corporation Limited.

Floorplan exposure

The maximum amount available to existing motor vehicle dealers on floorplan arrangements is $1.5m (31 March 2008 - $1.6m).

The current borrowings by motor vehicle dealers under these facilities is $1.1m (31 March 2008 - $1.3m).

Concentrations of lending

The majority of Oxford Finance's funds are advanced through motor vehicle dealers on hire purchase agreements. These dealers are throughout the North Island of New Zealand. Oxford Finance also provides finance on hire purchase and advances, mortgage advances, business lending and motor vehicle floorplans.

Oxford Finance's credit exposure concentrations of finance receivables are as follows:

	2009	2008
Land and buildings	25%	29%
Plant and equipment	3%	3%
Motor vehicles	68%	64%
Other	4%	4%

Oxford Finance's credit exposure concentrations within New Zealand are as follows:

	2009	2008
Auckland/Northland	12%	14%
Waikato/Bay of Plenty	27%	20%
Hawkes Bay/Gisborne	6%	4%
Taranaki/Manawatu	31%	34%
Wellington/Wairarapa	23%	26%
Canterbury/Westland/South Island	1%	2%

All credit risks are in New Zealand.

Concentrations of funding:

Oxford Finance's concentrations of secured debenture stock funding are as follows:

	2009	2008
Auckland/Northland	1%	1%
Waikato/Bay of Plenty	3%	4%
Hawkes Bay/Gisborne	1.5%	1%
Taranaki/Manawatu	83%	85%
Wellington/Wairarapa	11%	8%
Canterbury/Westland/South Island	0.5%	1%

Large counterparties

As at 31 March 2009 Oxford Finance had the following numbers of counterparties and groups of closely related counterparties with credit exposure equalling or exceeding 10% of equity:

	Number of Counterparties	
Percentage of Equity	**2009**	**2008**
10-20%	7	5
20-30%	2	2
30-40%	-	1
40-50%	-	-
50-60%	-	-

Capital Management

Oxford Finance maintains capital in the form of ordinary issued shares and retained profits held within the Company. The Companys policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Oxford Finance is governed by a debenture trust deed which provides that it shall not raise any money on the security of a prior charge if the principal moneys secured by prior charges would exceed 5% of total tangible assets and complied with the trust deed throughout the period.

12. Property, Plant and Equipment

Group	Distribution Plant & Equip (incl. Land & Buildings) at Cost $000	Other Land & Buildings at Cost $000	Other Plant & Equip at Cost $000	Motor Vehicles at Cost $000	Other Capital Work in Progress at Cost $000	Total $000
Cost						
Balance as at 1 April 2007	112,800	1,964	2,068	2,887	1,532	121,251
Additions	-	1	525	1,076	8,640	10,242
Disposals	(659)	-	(19)	(263)	-	(941)
Transfer to(from) capital work in progress	7,876	-	-	-	(8,295)	(419)
Balance as at 31 March 2008	**120,017**	**1,965**	**2,574**	**3,700**	**1,877**	**130,133**
Balance as at 1 April 2008	120,017	1,965	2,574	3,700	1,877	130,133
Additions	408	223	302	974	8,134	10,041
Disposals	(555)	-	(177)	(531)		(1,263)
Transfer to(from) capital work in progress	8,179	-	-	-	(8,474)	(295)
Balance as at 31 March 2009	**128,049**	**2,188**	**2,699**	**4,143**	**1,537**	**138,616**
Depreciation and impairment losses						
Balance as at 1 April 2007	(12,197)	(106)	(1,467)	(1,456)	-	(15,226)
Depreciation charge	(3,823)	(61)	(256)	(297)	-	(4,437)
Write back on disposals	222	-	134	205	-	562
Balance as at 31 March 2008	**(15,797)**	**(167)**	**(1,589)**	**(1,548)**	**-**	**(19,101)**
Balance as at 1 April 2008	(15,797)	(167)	(1,589)	(1,548)	-	(19,101)
Depreciation charge	(4,206)	(60)	(299)	(432)	-	(4,997)
Write back on disposals	87	-	184	456	-	629
Balance as at 31 March 2009	**(19,916)**	**(227)**	**(1,704)**	**(1,524)**	**-**	**(23,373)**
Carrying amounts						
At 31 March 2008	104,220	1,798	985	2,152	1,877	111,033
At 31 March 2009	**108,133**	**1,961**	**995**	**2,619**	**1,537**	**115,243**

Parent	**Distribution Plant & Equip (incl. Land & Buildings) at Cost $000**	**Other Land & Buildings at Cost $000**	**Other Plant & Equip at Cost $000**	**Motor Vehicles at Cost $000**	**Other Capital Work in Progress at Cost $000**	**Total $000**
Cost						
Balance as at 1 April 2007	112,893	963	606	125	1,532	116,209
Additions	-	-	19	175	8,640	8,834
Disposals	(659)	-	(1)	(66)	-	(726)
Transfer to(from) capital work in progress	8,295	-	-	-	(8,295)	-
Balance as at 31 March 2008	**120,619**	**963**	**624**	**234**	**1,877**	**124,317**
Balance as at 1 April 2008	120,619	963	624	234	1,877	124,317
Additions	408	-	42	38	8,134	8,622
Disposals	(555)	-	(105)	-	-	(660)
Transfer to(from) capital work in progress	8,474	-	-	-	(8,474)	-
Balance as at 31 March 2009	**128,946**	**963**	**561**	**272**	**1,537**	**132,279**
Depreciation and impairment losses						
Balance as at 1 April 2007	(12,197)	(15)	(573)	(62)	-	(12,847)
Depreciation charge	(3,821)	(30)	(19)	(43)	-	(3,913)
Write back on disposals	221	-	2	52	-	275
Balance as at 31 March 2008	**(15,797)**	**(45)**	**(590)**	**(53)**	**-**	**(16,485)**
Balance as at 1 April 2008	(15,797)	(45)	(590)	(53)	-	(16,485)
Depreciation charge	(4,209)	(31)	(22)	(65)	-	(4,327)
Write back on disposals	88	-	105	-	-	193
Balance as at 31 March 2009	**(19,918)**	**(76)**	**(507)**	**(118)**	**-**	**(20,619)**
Carrying amounts						
At 31 March 2008	104,822	918	34	181	1,877	107,832
At 31 March 2009	**109,028**	**887**	**54**	**154**	**1,537**	**111,660**

Valuation

Land and buildings and the electricity distribution network are valued at deemed cost. Deemed cost is the fair value of the land and buildings and electricity distribution network at the 2004 ODV and then adjusted for subsequent additions at cost, removals and depreciation to determine deemed cost at the date of IFRS adoption.

All other assets are recorded at cost.

13. Investments

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Name of Entity	Principal Activities	Interest held by Group 2009	2008
Linework and Stones Limited	Electrical Contracting	**100%**	100%
Oxford Finance Limited	Financial Services	**100%**	100%
Oxford Finance Corporation Limited	Financial Services	**100%**	100%
DataCol New Zealand Limited	Metering Services	**100%**	100%
MultiMedia Communications Limited	Electrical/ Telecommunication Contracting	**51%**	51%
Electra Generation Limited	Non Trading	**100%**	100%
DeFrost Limited	Non Trading	**100%**	100%
Horowhenua Wind Energy Limited	Non Trading	**100%**	100%

The effective ownership and the voting interests in the above investments are the same.

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

Impairment

Goodwill has been allocated at the cash generating unit level. As each subsidiary derives its own cash inflows, goodwill impairment is determined by reference to the cash generating unit. The recoverable amount of the subsidiary is its value in use.

Electra has performed impairment testing on the subsidiary business operations and has recognised the following impairment losses because the financial results have not returned what was expected; therefore the future cash flows of the current business activities have been reassessed.

	Group		Parent	
	2009 $000	**2008 $000**	**2009 $000**	**2008 $000**
DataCol NZ Limited	**-**	893	**-**	893
MultiMedia Communications Limited	**285**	490	**-**	-
	$285	$1,383	**-**	$893

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating assets with which the goodwill is associated. This is undertaken by estimating the future cash flows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows.

14. Goodwill and Intangible Assets

Group	Software $000	Goodwill $000	Other $000	Total $000
Gross carrying amount				
Balance as at 1 April 2007	4,114	4,680	51	8,845
Additions	971	10,320	-	11,291
Disposals	-	-	-	-
Balance as at 31 March 2008	**5,085**	**15,000**	**51**	**20,316**
Balance as at 1 April 2008	5,085	15,000	51	20,136
Additions	123	-	11	134
Disposals	(4)	-	-	(4)
Balance as at 31 March 2009	**5,204**	**15,000**	**62**	**20,266**
Accumulated amortisation and impairment losses				
Balance as at 1 April 2007	(2,700)	-	(4)	(2,704)
Amortisation expenses	(181)	-	(2)	(183)
Impairment losses (charged to profit)	-	(1,383)	-	(1,383)
Balance as at 31 March 2008	**(2,881)**	**(1,383)**	**(6)**	**(4,270)**
Balance as at 1 April 2008	(2,881)	(1,383)	(6)	(4,270)
Amortisation expenses	(243)	-	-	(243)
Disposals	4	-	-	4
Impairment losses (charged to profit)	-	(285)	-	(285)
Balance as at 31 March 2009	**(3,120)**	**1,668**	**(6)**	**(4,794)**
Carrying amounts				
At 31 March 2008	$2,204	$13,617	$45	$15,866
At 31 March 2009	**$2,084**	**$13,332**	**$56**	**$15,472**

14. Goodwill and Intangible Assets - continued

Parent	Software $000	Goodwill $000	Other $000	Total $000
Gross carrying amount				
Balance as at 1 April 2007	4,048	1,412	51	5,511
Additions	118	-	-	118
Disposals	-	-	-	-
Balance as at 31 March 2008	**4,166**	**1,412**	**51**	**5,629**
Balance as at 1 April 2008	4,166	1,412	51	5,629
Additions	95	-	11	106
Disposals	(4)	-	-	(4)
Balance as at 31 March 2009	**4,257**	**1,412**	**62**	**5,731**
Accumulated amortisation and impairment losses				
Balance as at 1 April 2007	(2,647)	-	(4)	(2,651)
Amortisation expenses	(31)	-	(2)	(33)
Balance as at 31 March 2008	**(2,678)**	**-**	**(6)**	**(2,684)**
Balance as at 1 April 2008	(2,678)	-	(6)	(2,684)
Amortisation expenses	(69)	-	-	(69)
Disposals	4	-	-	4
Balance as at 31 March 2009	**(2,743)**	**-**	**(6)**	**(2,749)**
Carrying amounts				
At 31 March 2008	$1,488	$1,412	$45	$2,945
At 31 March 2009	**$1,514**	**$1,412**	**$56**	**$2,982**

15. Trade and Other Payables

	Group		Parent	
	2009 $000	**2008 $000**	**2009 $000**	**2008 $000**
Trade payables	**3,541**	3,244	**1,396**	1,299
Other payables	**2,349**	2,962	**1,949**	2,481
Inter-company payables	**-**	-	**953**	557
Accruals	**1,739**	1,345	**1,535**	1,416
Accrued employee entitlements	**1,374**	1,165	**307**	270
	$9,003	$8,716	**$6,140**	$6,023

16. Debt Financing (Excluding secured debenture funding)

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Bank and other borrowings	**34,177**	35,288	**29,915**	29,922
Intercompany borrowings	**-**	-	**1,500**	-
Total debt funding	**34,177**	35,288	**31,415**	29,922
Less current borrowings	**(10,625)**	(3,469)	**(12,095)**	(2,102)
Non current borrowings	**$23,552**	$31,819	**$19,320**	$27,820
Repayable as follows:				
Within one year	**10,625**	3,469	**12,095**	2,102
Within two years	**12,732**	8,500	**4,500**	8,500
Beyond two years	**10,820**	23,319	**14,820**	19,320
	$34,177	$35,288	**$31,415**	$29,922

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 4.54 – 9.23% pa. (2008: 7.0 – 9.23% pa.)

17. Secured Debenture Stock

	Oxford Finance	
	2009	2008
Borrowings	$000	$000
Total secured debenture stock	**45,511**	42,870
Less current debenture stock	**(32,068)**	(36,434)
Non current debenture stock	**$13,443**	$6,436

Secured debenture stock - security

All debenture stock is secured by a charge in favour of the Trustee over all the undertakings and assets of Oxford Finance Corporation Limited. The stock ranks equally with all previously issued debenture stock, including that of Oxford Finance Limited and all other debenture stock, which may hereafter be issued under the Trust Deed.

	Oxford Finance			
	2009		2008	
Contractual maturity	$000	Average Rate%	$000	Average Rate%
On Call	**3,503**	**4.82**	3,065	8.15
Within six months	**17,552**	**8.21**	18,272	8.60
Within one year	**11,013**	**8.41**	15,097	8.99
Within two years	**11,238**	**8.72**	6,194	9.28
Between two and three years	**2,205**	**8.38**	228	8.63
Over three years	**-**	**-**	14	8.61
Total	**$45,511**	**8.39**	$42,870	8.80

18. Share Capital

000's of shares	Group 2009	Group 2008	Parent 2009	Parent 2008
Opening balance	**24,955**	24,465	**24,465**	24,465
Issued to minority shareholder of subsidiary	**-**	490	**-**	-
Closing balance	**24,955**	24,955	**24,465**	24,465

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Opening balance	**19,660**	18,000	**18,000**	18,000
Issued to minority shareholder of subsidiary	**-**	1,660	**-**	-
Closing balance	**$19,660**	$19,660	**$18,000**	$18,000

All shares rank equally with one vote attached to each share, have no par value and are fully paid.

19. Retained Earnings

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Balance at beginning of year	**59,974**	58,593	**55,095**	54,402
Net surplus for the year	**1,838**	1,691	**1,815**	923
Total recognised revenues and expenses	**1,838**	1,691	**1,815**	923
Dividends paid	**(220)**	(310)	**(220)**	(230)
Balance at end of year	**61,592**	59,974	**56,690**	55,095
Parent equity interest	**61,832**	60,226	**56,690**	55,095
Minority interest	**(240)**	(252)	**-**	-
	$61,592	$59,974	**$56,690**	$55,095

20. Dividends

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Dividends paid	**$220**	$310	**$220**	$230

	Group		Parent	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Cents per share	**0.88**	0.94	**0.90**	0.94

Dividends were paid, during the year to the Electra Trust and to the external shareholders of DataCol. There is no proposed final dividend.

21. Capital Commitments

At balance date, there was $436,000 unaccrued expenditure contracted for and approved by the Company and Group (2008 – $916,000).

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Distribution network	**313**	550	**313**	550
Intangible assets	**123**	366	**123**	366
	$436	$916	**$436**	$916

Distribution expenditure will be incurred when the work is completed (estimated to be over the next 12 to 24 months). The expenditure on tangible assets relates to a maintenance contract and will be incurred over a 42 month period.

22. Contingent Liabilities

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
a) Guarantee of bank facilities for a subsidiary to a limit of	**7,680**	7,180	**7,680**	7,180
At balance date the amount of the bank facilities so guaranteed was	**-**	-	**-**	-
b) The Group has provided for a liability to some employees which would be payable on their retirement				

23. Cash and Cash Equivalents

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Non finance business				
Cash at bank	**1,957**	617	**1,133**	75
Investments with other financial institutions	**-**	700	**-**	700
Finance business				
Cash at bank	**1,692**	354	**-**	-
Total cash and cash equivalents	**$3,649**	$1,671	**$1,133**	$775

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

	Group		Parent	
	2009	2008	2009	2008
	$000	$000	$000	$000
Reported Profit after taxation	**1,838**	1,691	**1,815**	923
Add / (less) non-cash items				
Goodwill write off	**285**	1,383	**-**	893
Depreciation and amortisation	**5,240**	4,620	**4,396**	3,946
Doubtful debt provision movement	**354**	(252)	**-**	-
Provision for tax movement	**(75)**	235	**(130)**	(358)
Bad debts written off	**1,243**	738	**43**	67
Increase/(decrease) in unearned fees	**(83)**	(274)	**-**	-
Add item classified as investing activity				
Capital (gain) / loss on sale of fixed assets	**428**	423	**467**	421
Movements in working capital				
Increase / (decrease) in accounts payable and other provisions	**208**	(1,634)	**(1,213)**	(1,256)
(Increase) / decrease in receivables	**768**	(6,109)	**639**	(987)
(Increase) / decrease in inventory	**9**	(29)	**-**	-
Net cash inflow from operating activities	**$10,215**	$792	**$6,017**	$3,649

25. Transactions with Related Parties

The parent entity in the consolidated Group is Electra Limited which is 100% owned by Electra Trust.

Other intergroup related parties – refer note 13.

During the year the Company purchased construction and maintenance services from a subsidiary Linework and Stones Limited, to an amount of $8.2 million (2008 - $7.81 million). The amount outstanding at year end was $0.89 million (2008 - $0.56 million).

Intercompany Loans

As at 31 March 2009 DataCol NZ Limited had borrowed $0.19 million (2008 - $0.8 million) from Electra Limited and Oxford Finance was owed $1.5 million by Electra Limited (31 March 2008 - $Nil). These loans were part of the facility detailed in note 16.

March 2009 ($'000)	Advance	Interest Charged	Balance 31 March 2009
Intercompany advances during the year:			
Oxford Finance Corporation Limited	104	8	86
Multi Media Communications Limited	-	-	-
DataCol NZ Limited	604	31	230
Electra Limited	4,550	25	1,500
Balance at end of period	**$5,258**	**$64**	**$1,816**
Carrying value from 31 March 2008			
Oxford Finance Corporation Limited	-	-	-
Multi Media Communications Limited	57	5	37
DataCol NZ Limited	844	69	229
Electra Limited	19	1	-
Balance at end of period	**$920**	**$75**	**$266**

March 2008 ($'000)	Advance	Interest Charged	Balance 31 March 2008
Intercompany advances during the year:			
Oxford Finance Corporation Limited	-	80	-
Multi Media Communications Limited	63	2	57
DataCol NZ Limited	844	35	844
Electra Limited	20	1	19
Balance at end of period	**$927**	**$118**	**$920**
Carrying value from 31 March 2007			
Linework & Stones Limited	251	8	-
Electra Limited	42	2	-
Oxford Finance Corporation Limited	2,789	14	-
Balance at end of period	**$3,082**	**$24**	**-**

No related party debts have been written off or forgiven during the year. No amounts were provided for in doubtful debts relating to debts due from related parties at reporting date (2008: $Nil).

Guarantees

On 7 September 2007 Electra Limited provided a guarantee to Oxford Finance in which Electra Limited guarantees the Debenture Stockholders of Oxford Finance Corporation Limited.

Directors

During the periods no transactions were entered into with any of the Company's Directors other than the payment of directors fees and the reimbursement of valid Company related expenses such as travel costs to board meetings. Some of the Directors are also consumers of the Company and some minor transactions were entered into with companies in which some Directors held directorships and with related parties. These transactions were carried out on a commercial and arms length basis.

26. Key Management Personnel

The compensation of the Directors and Executives, being the key management personnel of the entity, is set out below:

	Group		Parent	
	2009 $000	**2008 $000**	**2009 $000**	**2008 $000**
Short-term employee benefits	**1,285**	1,217	**815**	756
Defined contribution plans	**33**	32	**18**	15
	$1,318	$1,249	**$833**	$771

27. Segment Information

	Distribution		Contracting		Finance	
	2009	2008	2009	2008	2009	2008
	$000	$000	$000	$000	$000	$000
Operating revenue						
External customers	**27,992**	26,521	**26,825**	25,183	**8,583**	8,130
Internal customers	**1,954**	2,175	**8,734**	7,890	**73**	13
Total revenue	**29,946**	28,696	**35,559**	33,073	**8,656**	8,143
Result						
Segment surplus	**1,815**	923	**2,014**	1,323	**1,022**	1,469
Liabilities						
Segment total liabilities	**58,081**	56,736	**6,024**	6,274	**48,226**	46,505
Assets						
Segment total assets	**$132,771**	$129,831	**$14,233**	$14,319	**$58,523**	$52,369

All inter-segment sales are recorded at amounts equal to competitive market prices charged to external customers for similar goods.

Other segment information

	Distribution		Contracting		Finance	
	2009	2008	2009	2008	2009	2008
	$000	$000	$000	$000	$000	$000
Share of net profit / (loss) of associates and jointly controlled entities accounted for using the equity method	**-**	109	**-**	-	**-**	-
Aquisition of segment assets	**-**	-	**(1,633)**	2,020	**-**	-
Impairment losses	**-**	(893)	**(285)**	(490)	**-**	-
Depreciation and amortisation of segment assets	**$(4,396)**	$(3,946)	**$(784)**	$(624)	**$(60)**	$(50)

	Eliminations		Group	
	2009	2008	2009	2008
	$000	$000	$000	$000
Operating revenue				
External customers	**-**	-	**63,400**	59,834
Internal customers	**(10,761)**	(10,078)	**-**	-
Total revenue	**(10,761)**	(10,078)	**63,400**	59,834
Result				
Segment surplus	**(3,013)**	(2,024)	**1,838**	1,691
Liabilities				
Segment total liabilities	**(3,520)**	(2,006)	**108,811**	107,509
Assets				
Segment total assets	**($15,464)**	($9,376)	**$190,063**	$187,143

	Eliminations		Group	
	2009	2008	2009	2008
	$000	$000	$000	$000
Share of net profit / (loss) of associates and jointly controlled entities accounted for using the equity method	**-**	-	**-**	109
Aquisition of segment assets	**-**	-	**1,633**	2,020
Impairment losses	**-**	-	**(285)**	1,383
Depreciation and amortisation of segment assets	**-**	-	**$(5,240)**	$(4,620)

28. Subsequent Events

DataCol NZ Limited has carried out due diligence regarding the acquisition of a 100 per cent shareholding in Sky Communications Limited. This purchase is expected to go unconditional on 22 May 2009.

There have been no other material events since balance date to 29 May 2009 that require disclosure in these financial statements.

29. Required Disclosures

The Company reported the following performance measures in its 2008/09 Statement of Corporate Intent:

	Actual	**Target**
Capital ratio – shareholders funds to total assets	**43%**	< 40%
Operating surplus	**$1.75m**	$2.56m
Operating cost per consumer	**$212**	$179
Network reliability		
- average interruption duration	**88.7**	78.3
- average frequency index	**1.55**	1.58

Deloitte.

AUDIT REPORT
TO THE READERS OF ELECTRA LIMITED AND GROUP'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2009

The Auditor-General is the auditor of Electra Limited ('the Company') and Group. The Auditor-General has appointed me, Trevor Deed, using the staff and resources of Deloitte, to carry out the audit of the financial statements and performance information of the Company and Group, on his behalf, for the year ended 31 March 2009.

Unqualified Opinion
In our opinion:

- The financial statements of the company on pages 26 to 62:
  - comply with generally accepted accounting practice in New Zealand; and
  - comply with International Financial Reporting Standards; and
  - give a true and fair view of:
    - the Company and Group's financial position as at 31 March 2009; and
    - the results of their operations and cash flows for the year ended on that date.
- The performance information of the company on pages 10 and 11 gives a true and fair view of the achievements measured against the performance targets adopted for the year ended 31 March 2009.
- Based on our examination the Company and Group kept proper accounting records.

The audit was completed on 29 May 2009, and is the date at which our opinion is expressed.

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

Deloitte.

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 the 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 our opinion.

The 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 our opinion above.

Deloitte.

Responsibilities of the Board of Directors and the Auditor

The Board 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 2009. 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 is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 31 March 2009. The Board's 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 New Zealand Institute of Chartered Accountants.

Other than the audit and the provision of other assurance services and tax compliance services, we have no relationship with or interests in the company.

TREVOR DEED
DELOITTE
ON BEHALF OF THE AUDITOR-GENERAL
WELLINGTON, NEW ZEALAND

This audit report relates to the financial statements of Electra Limited and Group for the year ended 21 March 2009 included on Electra's website. The Board of Directors is responsible for the maintenance and integrity of Electra's website. We have not been engaged to report on the integrity of Electra's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. 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 29 May 2009 to confirm the information included in the audited financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATUTORY INFORMATION

Directors and remuneration

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

Electra Limited	
PF McKelvey	$58,490
MH Devlin	$35,995
PAT Hamid	$35,995
RG Longuet	$22,143
NF Mackay	$35,995
WR Thessman	$35,995

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

No Directors gave notice of an interest in transactions between a related party and Electra Limited or its subsidiary.

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

b) Share dealings of directors

The 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 09	**Year ended 31 March 08**
Continuing Employees		
$100,000 - $110,000	1	4
$110,001 - $120,000	4	1
$120,001 - $130,000	1	-
$130,001 - $140,000	-	1
$140,001 - $150,000	-	1
$150,001- $160,000	1	-
$170,001 - $180,000	1	-
$180,001 - $190,000	-	1
$220,001 - $230,000	1	-
$300,001 - $310,000	-	1
$310,001 - $320,000	1	-

All the above employees are provided with the use of a Company motor vehicle not included in the above calculation.

Changes in accounting policy

There have been no changes in accounting policies this year.

Donations

During the year the Group made donations of $5,683.

DIRECTORY

Trustees

C R Turver (Chairperson), JP
A Chapman, MNZM, JP
L R Burnell
J M Keall
R J Latham
G Sue JP

Directors

P F McKelvey, (Chair), CNZM, MBE, TTC (Physical Education)
M H Devlin, ED, BA, M.Com, MAIIE, GRAD.DBS, M Inst D
P A T Hamid, BCA
R G Longuet, BE (Elec), M Inst D
N F Mackay, BCA
W R Thessman, BE (Civil) FIPENZ, MICE, CEng, MASCE, MASHRAE, PE, A F Inst D.

Executives

J L Yeoman (CEO – Electra Group), BBS, FCIS, ACCM, ANZIM
I R Fenwick (Chief Financial Officer), BCOM, CA
J E Fallen (GM – Network)
A L Hutchison (GM – Linework & Stones)
R N Leggett (GM – Group), BA
J M Williams (GM – Oxford Finance)
B G Franks (CEO – DataCol NZ), Dip Bus Management
V M Wright (Company Secretary)

Registered office

Electra Limited
Cnr Exeter and Bristol Streets
Levin

Postal address

P O Box 244
Levin 5540
Telephone 0800 353 2872
Fax 06 367 6120

Auditors

Deloitte
Wellington
On behalf of the Controller and Auditor General

Solicitors

Quigg Partners, Wellington

Bankers

Bank of New Zealand

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual Meeting of Shareholders of Electra Limited will be held at the Company's Registered Office, Cnr Exeter and Bristol Streets, Levin on Friday 31 July 2009 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. Neil Mackay and Warren Thessman retire by rotation at the annual general meeting of the Company. Neil Mackay and Warren Thessman being eligible, offer themselves for re-election
4. To fix remuneration of the Directors for the ensuing year
5. To record the re-appointment of 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

29 May 2009

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 Exeter and Bristol Streets, P O Box 244, Levin 5540.