

EASTERN BAY ENERGY TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD 1 APRIL 2000 TO 31 MARCH 2001

LAST YEAR	INCOME	THIS YEAR
\$		\$
3,663,207	Dividends	4,324,507
<u>230,765</u>	Interest	<u>70,217</u>
<u>3,893,972</u>		<u>4,394,723</u>
 LESS EXPENDITURE 		
39,126	Election Expenses	12,992
5,451	ETNZ Levy & Meetings	6,842
163,760	Legal & Consultancy Expenses	56,588
45,627	Trustee Fees	54,312
54,694	Secretarial Expenses	34,755
1,519	Audit Fees	2,222
10,152	Bank Fees	21,999
59,827	Interest	187,108
<u>9,478</u>	Sundry Expenses	<u>7,370</u>
389,634		384,188
<u>3,504,338</u>	Excess of Income over Expenditure	<u>4,010,536</u>
1,208,858	Less Taxation (Note 4)	1,323,477
<u>2,295,480</u>	Net Excess before Grants	<u>2,687,059</u>
1,192,616	Grants	2,210,872
116,980	Plus net gain from portfolio	-
<u><u>1,219,844</u></u>	Excess after Taxation and Grants	<u><u>476,187</u></u>

THE FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION WITH THE ATTACHED NOTES

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2001**

LAST YEAR		THIS YEAR
\$		\$
131,716	CURRENT ASSETS	
44,989	Cash at Bank	42,544
-	Taxation Refund Receivable	13,692
	Sundry Debtor	52,308
		66,001
	INVESTMENTS	
1,405,336	Investment Portfolio Note 1	1,000,000
33,915,325	Shares in Horizon Energy Distribution Ltd	33,915,325
<u>35,497,366</u>	GROSS ASSETS	<u>34,915,325</u>
		<u>35,023,869</u>
	LESS	
	CURRENT LIABILITIES	
79,980	Accounts Payable	87,432
3,353,524	National Bank Note 2	2,500,000
<u>32,063,862</u>	NET ASSETS	<u>32,436,438</u>
	REPRESENTED BY	
	ACCUMULATED FUNDS	
9,214,221	Opening Balance	32,063,862
1,219,844	Plus excess income over expenditure	476,187
21,637,500	Plus net share proceeds	-
<u>32,071,565</u>		<u>32,540,049</u>
7,703	Less Imputation Credit adjustment	103,610
<u>32,063,862</u>	Closing balance	<u>32,436,438</u>

Note 1

INVESTMENTS	Amount	Interest	Maturity
	\$	Rate	Date
	1,000,000	6.49%	7/04/01
	<u>\$ 1,000,000</u>		

Note 2

NATIONAL BANK	Amount	Interest	Rollover
	\$	Rate	Date
	500,000	6.90%	Floating
	1,000,000	6.98%	14/08/01
	1,000,000	7.02%	14/08/02
	<u>\$ 2,500,000</u>		

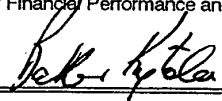

T C OWEN
TRUSTEE

30 April 2001


M E LAW
TRUSTEE

AUDIT CERTIFICATE

We have obtained all the information and explanations that we have requested. In our opinion proper books of account have been kept by the Trust. In our opinion the Statement of Financial Position, the Statement of Financial Performance, and the Notes to the Accounts are properly drawn up so as to give respectively a true and fair view of the state of the Trust's affairs as at 31 March 2001 and of the results of its business for the twelve months ended on that date. According to such information and explanations, in our opinion the Statement of Financial Position, the Statement of Financial Performance and the Notes to the Accounts give the information in the manner so required by the Trust Deed.



BAKER KYTOLA
Chartered Accountants
Whakatane

THE FINANCIAL STATEMENTS ARE TO BE READ IN CONJUNCTION WITH THE ATTACHED NOTES

EASTERN BAY ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2001

1. FORMATION

The Eastern Bay Energy Trust (the Trust) was formed on 7 July 1994, through creation of a trust Deed following approval of the Bay of Plenty Electric Power Board's establishment plan prepared pursuant to the Energy Companies Act 1992. The Trust's name was changed from Bay of Plenty Electricity Consumer Trust with effect from 1 October 2000

2. STATEMENT OF ACCOUNTING POLICIES

The measurement base is that of historical cost. Reliance is placed on the fact that the Trust is a going concern. Accrual accounting is used to match expenses and revenues except that dividend income is accounted for on a receipts basis.

3. PARTICULAR ACCOUNTING POLICIES

(a) Investments: 5 million shares in Horizon Energy Distribution Limited were allocated to the Trust free of charge in accordance with the Energy Companies (Bay of Plenty Electricity Limited) Vesting Order 1994. 3.750 million shares were redeemed by the Company on 20 October 1999. The Trust purchased an additional 2,613,226 shares on 20 December 1999. Allocated shares are stated at par value when allocated and at cost for additional shares. At balance date the shares had a market value of \$10.30 per share.

(b) Contingent Liabilities and Capital Commitments: There are no capital commitments at balance date but the Trust had contingent liabilities of \$1,003,004 which will be payable as grants if the maximum amounts approved by the Trust are uplifted by grantees upon the completion of their approved projects.

(c) Goods and Services Taxation: The Trust is not registered for GST.

4. TAXATION

Taxation calculations associated with the Trust's activities are as below:

Profit before tax for year		\$ 4,010,536
Taxation at 33 per cent		1,323,477
Less:		
Resident Withholding Tax on Interest	13,692	
Imputation Credits	1,427,087	
Imputation Credits brought forward	60,129	
		<u>1,500,908</u>
Taxation Benefit available to Trust		<u><u>177,432</u></u>
Comprised of:		
Taxation Refund Receivable 00/01	13,692	
Imputation Credits carried forward as Losses	163,739	
		<u><u>177,432</u></u>

EASTERN BAY ENERGY TRUST

DIRECTORY

TRUSTEES

CONTACT NUMBERS

Toni Owen (Chairman)	07 308 8384 07 307 1141	Home Business
Malcolm Law (Deputy Chairman)	07 308 5265	Home and Business
Colin Hammond	07 322 8028 07 307 9800	Home Business
Brian Ponting	07 323 8816	Home and Business
Jim Towersey	07 315 6834 025 243 2832	Home Business

SECRETARY/TREASURER

Paul Wills	07 308 9011 07 307 1141	Home Business
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FINANCIAL AND BUSINESS ADVISORS

PricewaterhouseCoopers
Auckland

LEGAL ADVISORS

Rudd Watts & Stone
Auckland

Osborne Gray & Partners
Whakatane

BANKERS

National Bank of New Zealand

AUDITORS

Baker Kytola
Whakatane