

EASTERN BAY ENERGY TRUST

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2005

	<i>This Year</i>	<i>Last Year</i>
Interest Received	291,368	165,521
Dividends Received	4,449,768	4,249,549
Total Revenue	4,741,137	4,415,070
EXPENSES		
Working Expenses		
Advertising & Public Relations	19,375	36,055
Public Relations	-	2,060
Conference & Meeting Fees	5,244	-
ETNZ Levy & Meetings	2,552	3,391
Grant Evaluation & Audit	-	2,683
Grants Database	1,644	5,001
Election & Referendum Expenses	-	12,578
Research & Development	35,191	40,377
CRESA Report	-	30,713
Travelling & Accommodation	6,104	8,795
Executive Officers Wages	-	15,732
Managers Contract	60,435	34,255
	130,545	191,638
Administration Expenses		
Audit Fees	10,594	8,269
Treasurers Fees	20,685	20,562
General Expenses	5,060	4,201
Insurance	23,280	22,047
Legal Expenses	32,417	30,176
Office Rental	11,456	5,400
Printing & Stationery	5,070	4,874
Trustee Fees & Expenses	100,278	92,998
Telephone & Tolls	2,515	1,565
	211,356	190,091
Standing Charges		
Interest - Use of Money	-	16,636
Bank Fees	10,787	4,024
	10,787	20,660
Total Expenses	352,687	402,390
CASH OPERATING PROFIT (DEFICIT)	4,388,449	4,012,680
Depreciation	3,118	3,790
Loss on Sale	1,896	-
	\$4,383,435	\$4,008,890
NET SURPLUS	\$4,383,435	\$4,008,890
NET SURPLUS TRANSFERRED TO EQUITY	\$4,383,435	\$4,008,890

The accompanying notes form part of these financial statements.

The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the statement of disclaimer.

EASTERN BAY ENERGY TRUST

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31 MARCH 2005

	<i>This Year</i>	<i>Last Year</i>
NET SURPLUS	4,383,435	4,008,890
Less		
Taxation on Trustees Income	1,443,451	2,013,644
Imputation Credit Adjustment	364,403	79,417
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	1,807,853	2,093,061
Less Distributed as Beneficiaries Income During the Year		
Distribution to Beneficiaries	2,779,690	1,701,167
	<hr/>	<hr/>
	2,779,690	1,701,167
Balance Retained as Trustees Income added to Equity	(204,108)	214,662
Equity at Start of Year	36,972,803	34,665,080
Add		
Imputation Credits on Taxable Income	(1,807,644)	(2,093,061)
	<hr/>	<hr/>
	38,780,447	36,758,141
	<hr/>	<hr/>
	<u>\$38,576,339</u>	<u>\$36,972,803</u>

EASTERN BAY ENERGY TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2005

		<i>This Year</i>	<i>Last Year</i>
CURRENT ASSETS			
National Bank - Administration Account		240,429	1,104,118
National Bank - Grants Account		158,404	29,239
National Bank - Portfolio Account		830,857	-
Petty Cash Imprest		100	100
Taxation Refund Due		312,464	34,406
		<u>1,542,254</u>	<u>1,167,864</u>
NON CURRENT ASSETS			
Property, Plant and Equipment			
As per Schedule (at Book Value)	3	5,829	10,143
Investments			
Other Entity Related Investments		34,035,325	33,915,325
Other Investments		4,549,442	3,107,628
		<u>38,584,767</u>	<u>37,022,953</u>
TOTAL ASSETS		<u>\$40,132,850</u>	<u>\$38,200,960</u>
CURRENT LIABILITIES			
Accounts Payable		38,834	19,775
Grant Payments Owing		1,517,677	1,208,382
		<u>1,556,511</u>	<u>1,228,157</u>
TRUST EQUITY	2	<u>38,576,339</u>	<u>36,972,803</u>
TOTAL EQUITY & LIABILITIES		<u>\$40,132,850</u>	<u>\$38,200,960</u>

EASTERN BAY ENERGY TRUST

SCHEDULE OF INVESTMENTS AS AT 31 MARCH 2005

	Value	No	This Year	No	Last Year
Other Entity Related Investments					
Shares - Horizon Energy Distribution L	1.76	19,316,130	33,915,325	-	33,915,325
Shares - Development Enterprises Lim	1.00	120,000	<u>120,000</u>	-	<u>-</u>
			34,035,325		33,915,325
Other Investments					
Investment Portfolio - Grants	-	-	1,150,000	-	1,300,000
Investment Portfolio - General	-	-	3,234,442	-	1,627,628
Loan - Energy Options Ltd	-	-	60,000	-	180,000
Loan - Opotiki District Council	-	-	5,000	-	-
Loan - Development Enterprises Limite	-	-	<u>100,000</u>	-	<u>-</u>
			4,549,442		3,107,628
			<u>\$38,584,767</u>		<u>\$37,022,953</u>

The accompanying notes form part of these financial statements.

The above information has been prepared without performance of audit or review engagement procedures and must be read subject to the statement of disclaimer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 STATEMENT OF ACCOUNTING POLICIES

These are the financial statements of Eastern Bay Energy Trust. Eastern Bay Energy Trust is a trust established by a trust deed dated 1st August 1994.

The financial statements have been prepared in accordance with generally accepted accounting principles.

The trust qualifies for differential reporting based on the following criteria:

- . It is not publicly accountable and
- . The trust is 'not large' as defined by the Institute of Chartered Accountants of New Zealand.

The trust has adopted all available differential reporting exemptions.

Measurement System

The measurement system adopted is that of historical cost.

Particular Accounting Policies

The following is a summary of the significant accounting policies adopted by the trust in the preparation of these financial statements.

Property, Plant, Equipment and Depreciation

Property, plant and equipment are included at cost less aggregate depreciation provided at the maximum rates allowed by the Inland Revenue Department. Property, plant and equipment that are leased under a specified lease for the purposes of the Income Tax Legislation are capitalised and depreciated. The depreciation rates used are shown in the Schedule of Property, Plant and Equipment.

Taxation

Taxation charged against profits is based on estimated tax payable for the current year. Deferred tax accounting has not been adopted by the trust.

Investments

Investments are valued at cost.

Goods and Services Tax

The financial statements have been prepared on a GST inclusive basis.

Changes in Accounting Policies

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

2 ANALYSIS OF EQUITY

The Trust Deed makes distinction between trust capital and accumulated trustees income. The Equity of the Trust consists of the following:

	<i>This Year</i>	<i>Last Year</i>
Capital		
Taxation on Trustees Income	(1,443,451)	(2,013,644)
Imputation Credit Adjustment	(364,403)	(79,417)
	<u>(1,807,853)</u>	<u>(2,093,061)</u>
Accumulated Trustees Income	38,576,549	36,972,803
	<u>\$36,768,695</u>	<u>\$34,879,742</u>

EASTERN BAY ENERGY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

3 *PROPERTY, PLANT AND EQUIPMENT SUMMARY*

	<i>Cost</i>	<i>Accum Deprn</i>	<i>Book Value</i>
<i>This Year</i>			
Plant & Equipment	<u>10,987</u>	<u>5,158</u>	<u>5,829</u>
<i>Last Year</i>			
Plant & Equipment	<u>16,358</u>	<u>6,215</u>	<u>10,143</u>

4 *CONTINGENT LIABILITIES*

There are no contingent liabilities at year end (31 March 2004: \$Nil).

5 *CAPITAL COMMITMENTS*

	<i>This Year</i>	<i>Last Year</i>
Current	<u>400,000</u>	<u>-</u>
	<u>\$400,000</u>	<u>-</u>

The Trust has made a commitment for flood relief assistance to a maximum of this amount.

6 *RELATED PARTIES*

Other than the transactions shown in the beneficiaries' current accounts, there were no material related party transactions.

EASTERN BAY ENERGY TRUST

ACCOUNTANTS REPORT DISCLAIMER OF LIABILITY

We have compiled the financial statements of Eastern Bay Energy Trust for the year ended 31 March 2005.

A compilation is limited primarily to the collection, classification, and summarisation of financial information supplied by our client. A compilation does not involve the verification of that information. We have not carried out an audit or a review assignment on the financial statements and therefore neither we nor any of our employees accept any responsibility for the accuracy of the materials from which the financial statements have been prepared.

Further, the financial statements have been prepared at the request of and for the purpose of our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person.

Focus Chartered Accountants Limited
Chartered Accountants
Whakatane

28 June 2005

Eastern Bay Energy Trust

FINANCIAL STATEMENTS

For the Year Ended 31 March 2005

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

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