

WAIPA NETWORKS LIMITED - LINES BUSINESS

SCHEDULE 1 - PART 7
FORM FOR THE DERIVATION OF FINANCIAL PERFORMANCE MEASURES FROM FINANCIAL STATEMENTS

Derivation Table	Input and Calculations	Symbol in formula	ROF	ROE	ROI
Operating surplus before interest and income tax from financial statements	1,512,713				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	1,512,713				
Interest on cash, bank balances, and short-term investments (ISTI)	33,073				
OSBIIT minus ISTI	1,479,640	a	1,479,640		1,479,640
Net surplus after tax from financial statements	637,716				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	637,716	n		637,716	
Amortisation of goodwill and amortisation of other intangibles	0	g	add 0	add 0	add 0
Subvention payment	0	s	add 0	add 0	add 0
Depreciation of SFA at BV (x)	1,439,386				
Depreciation of SFA at ODV (y)	2,035,880				
ODV depreciation adjustment	-596,494	d	add -596,494	add -596,494	add -596,494
Subvention payment tax adjustment	0	s*t		deduct 0	deduct 0
Interest tax shield	251,766	q			deduct 251,766
Revaluations	0	r			add 0
Income tax	78,997	p			deduct 78,997
Numerator			883,146 OSBIIT ^{ADJ} = a + g + s + d	41,222 NSAT ^{ADJ} = n + g + s - s*t + d	552,383 IT ^{ADJ} = a + g - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA0)	47,807,151				
Fixed assets at end of current financial year (FA1)	58,774,792				
Adjusted net working capital at end of previous financial year (ANWCO)	825,760				
Adjusted net working capital at end of current financial year (ANWC1)	898,849				
Average total funds employed (ATFE)	54,153,276 (or regulation 33 time-weighted average)	c	54,153,276		54,153,276
Total equity at end of previous financial year (TE0)	41,673,046				
Total equity at end of current financial year (TE1)	51,964,826				
Average total equity	46,818,936 (or regulation 33 time-weighted average)	k		46,818,936	
WUC at end of previous financial year (WUC0)	0				
WUC at end of current financial year (WUC1)	0				
Average total works under construction	0 (or regulation 33 time-weighted average)	e	deduct 0	deduct 0	deduct 0
Revaluations	0	r			
Half of revaluations	0	r/2			deduct 0
Intangible assets at end of previous financial year (IA0)	0				
Intangible assets at end of current financial year (IA1)	0				
Average total intangible asset	0 (or regulation 33 time-weighted average)	m		add 0	
Subvention payment at end of previous financial year (S0)	0				
Subvention payment at end of current financial year (S1)	0				
Subvention payment tax adjustment at end of previous financial year	0				
Subvention payment tax adjustment at end of current financial year	0				
Average subvention payment & related tax adjustment	0	v		add 0	
System fixed assets at end of previous financial year at book value (SFA _{bv0})	46,886,756				
System fixed assets at end of current financial year at book value (SFA _{bv1})	57,827,502				
Average value of system fixed assets at book value	52,357,129 (or regulation 33 time-weighted average)	f	deduct 52,357,129	deduct 52,357,129	deduct 52,357,129
System Fixed assets at year beginning at ODV value (SFA _{odv0})	56,540,820				
System Fixed assets at end of current financial year at ODV value (SFA _{odv1})	58,537,486				
Average value of system fixed assets at ODV value	57,539,153 (or regulation 33 time-weighted average)	h	add 57,539,153	add 57,539,153	add 57,539,153
Denominator			59,335,300 ATFE ^{ADJ} = c - e - f + h	52,000,960 Ave TE ^{ADJ} = k - e - m + v - f + h	59,335,300 ATFE ^{ADJ} = c - e - 1/2r - f + h
Financial Performance Measure:			1.49 ROF = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100	0.08 ROE = NSAT ^{ADJ} /ATE ^{ADJ} x 100	0.93 ROI = OSBIIT ^{ADJ} /ATFE ^{ADJ} x 100

t = maximum statutory income tax rate applying to corporate entities bv = book value ave = average odv = optimised deprival valuation subscript '0' = end of the previous financial year
subscript '1' = end of the current financial year ROF = return on funds ROE = return on equity ROI = return on investment