

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	2,811,445				
Operating surplus before interest and income tax adjusted pursuant to regulation 18 (OSBIIT)	2,811,445				
Interest on cash, bank balances, and short-term investments (ISTI)	7,255				
OSBIIT minus ISTI	2,804,190	a	2,804,190		2,804,190
Net surplus after tax from financial statements	1,702,500				
Net surplus after tax adjusted pursuant to regulation 18 (NSAT)	1,702,500	n		1,702,500	
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)	1,594,079				
Depreciation of SFA at ODV (y)	2,279,063				
ODV depreciation adjustment	-684,984	d	add -684,984	add -684,984	add -684,984
Subvention payment tax adjustment	0	s*t		deduct 0	deduct 0
Interest tax shield	280,818	q			deduct 280,818
Revaluations	0	r			add 0
Income tax	250,725	p			deduct 250,725
<b>Numerator</b>			2,119,206 OSBIIT <sup>ADJ</sup> = a + q + s + d	1,017,516 NSAT <sup>ADJ</sup> = n + g + s - s*t + d	1,587,663 T <sup>ADJ</sup> = a + q - q + r + s + d - p - s*t
Fixed assets at end of previous financial year (FA0)	60,784,458				
Fixed assets at end of current financial year (FA1)	64,055,220				
Adjusted net working capital at end of previous financial year (ANWCO)	803,188				
Adjusted net working capital at end of current financial year (ANWC1)	207,587				
Average total funds employed (ATFE)	62,925,227 (or regulation 33 time-weighted average)	c	62,925,227		62,925,227
Total equity at end of previous financial year (TE0)	52,755,507				
Total equity at end of current financial year (TE1)	54,458,007				
Average total equity	53,606,757 (or regulation 33 time-weighted average)	k		53,606,757	
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 (SD)	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 <sub>bv0</sub> )	59,845,149				
System fixed assets at end of current financial year at book value (SFA <sub>bv1</sub> )	63,135,500				
Average value of system fixed assets at book value	61,490,325 (or regulation 33 time-weighted average)	f	deduct 61,490,325	deduct 61,490,325	deduct 61,490,325
System Fixed assets at year beginning at ODV value (SFA <sub>odv0</sub> )	59,948,163				
System Fixed assets at end of current financial year at ODV value (SFA <sub>odv1</sub> )	62,439,736				
Average value of system fixed assets at ODV value	61,193,950 (or regulation 33 time-weighted average)	h	add 61,193,950	add 61,193,950	add 61,193,950
<b>Denominator</b>			62,628,852 ATFE <sup>ADJ</sup> = c - e - f + h	53,310,382 Ave TE <sup>ADJ</sup> = k - e - m + v - f + h	62,628,852 ATFE <sup>ADJ</sup> = c - e - 1/2r - f + h
<b>Financial Performance Measure:</b>			3.38 ROF = OSBIIT <sup>ADJ</sup> /ATFE <sup>ADJ</sup> x 100	1.91 ROE = NSAT <sup>ADJ</sup> /ATE <sup>ADJ</sup> x 100	2.54 ROI = OSBIIT <sup>ADJ</sup> /ATFE <sup>ADJ</sup> 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