

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Parent	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Operating Revenue	5	62,509	56,340		
Other Income	6	82	141	191	156
		62,591	56,481	191	156
Operating Expenses	7	47,941	44,583	194	212
Depreciation, Amortisation and Impairment		5,981	5,864		
		53,922	50,447	194	212
Operating Profit (Loss)		8,669	6,034	(3)	(56)
Finance Income		252	53		2
Finance Expenses		(1,149)	(1,255)		
Net Finance Cost	8	(897)	(1,202)		2
Profit (Loss) Before Income Tax		7,772	4,832	(3)	(54)
Income Tax	9	2,567	2,376		
Profit (Loss) After Income Tax		5,205	2,456	(3)	(54)
Attributable to:					
Trust		5,039	2,258	(3)	(54)
Minority Interest		166	198		
		5,205	2,456	(3)	(54)

The accounting policies and notes on pages 5 to 35 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Parent	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Profit (Loss) For The Period		5,205	2,456	(3)	(54)
Impairment on revaluation			(60)		
Fair value of cashflow hedges		147	(71)		
Income tax on other comprehensive income		(41)	149		
Other comprehensive income		106	18		
Total Comprehensive Income		5,311	2,474	(3)	(54)
Attributable to:					
Parent Entity		5,132	2,282	(3)	(54)
Minority Interest		179	192		
		5,311	2,474	(3)	(54)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Parent	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Balance at 1 April		123,610	121,406	31,213	31,267
Total comprehensive income		5,311	2,474	(3)	(54)
Contributions from equity holders					
Dividends to equity holders		(120)	(270)		
Balance at 31 March		128,801	123,610	31,210	31,213
Attributable to:					
Parent Entity		127,759	122,627	31,210	31,213
Minority Interest		1,042	983		
		128,801	123,610	31,210	31,213

The accounting policies and notes on pages 5 to 35 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	Group		Parent	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
NON CURRENT ASSETS					
Property, Plant and Equipment	10	144,832	147,720		
Goodwill and Other Intangible Assets	11	7,642	7,452		
Investments in Subsidiaries	12			31,100	31,100
Other Investments	13	440	497		
Financial Derivatives	22				
Total Non Current Assets		152,914	155,669	31,100	31,100
CURRENT ASSETS					
Cash and Cash Equivalents	14	3,637	7,922	146	106
Short Term Deposits		9,500			
Trade and Other Receivables	15	11,263	9,229	6	6
Assets Held for Sale	17	1,098	292		
Financial Derivatives	22				
Inventories		688	802		
Current Tax Assets		13	71	13	12
Total Current Assets		26,199	18,316	165	124
TOTAL ASSETS		179,113	173,985	31,265	31,224
EQUITY					
Share Capital					
Reserves	18	10,640	10,547		
Retained Earnings	18	117,119	112,080	31,210	31,213
Minority Interest	18	1,042	983		
TOTAL EQUITY		128,801	123,610	31,210	31,213
NON CURRENT LIABILITIES					
Loans and Borrowings	19	22,000	24,550		
Financial Derivatives	22	324	404		
Provision for Site Restoration		22			
Employee Benefits		680	608		
Deferred Tax Liabilities	9	18,512	18,116		
Total Non Current Liabilities		41,538	43,678		
CURRENT LIABILITIES					
Trade and Other Payables	21	4,385	4,275	55	11
Employee Benefits		2,187	2,083		
Finance Lease Payable	20		23		
Financial Derivatives	22	249	316		
Current Portion of Borrowings	19	1,200			
Income Tax Payable		753			
Total Current Liabilities		8,774	6,697	55	11
TOTAL LIABILITIES		50,312	50,375	55	11
TOTAL EQUITY AND LIABILITIES		179,113	173,985	31,265	31,224

Authorised for issue on 27 July 2018 for and on behalf of the Trust:



Ian Hustwick, Chairperson



Greg Topp, Deputy Chair

The accounting policies and notes on pages 5 to 35 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Group		Parent	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		60,245	57,302		
Interest Received		134	58		4
Dividends Received				191	156
Payments to suppliers and employees		(47,455)	(43,985)	(150)	(243)
Interest Paid		(1,167)	(1,233)		
Income Tax (Paid) Received		(1,403)	(1,695)	(2)	
Net GST Paid		(186)	174		
Net cash inflows/(outflows) from operating activities	26	10,168	10,621	40	(83)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		200	508		
Loan payments received		57	134		
Investments repaid		4,000	275		275
Acquisition of property, plant and equipment		(3,489)	(4,817)		
Acquisition of investments		(13,500)	(150)		(150)
Purchase of goodwill and intangibles		(267)	(82)		
Net cash inflows/(outflows) from investing activities		(12,999)	(4,132)		125
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		800	650		
Repayment of borrowings		(2,150)	(1,050)		
Finance lease repayments		(23)	(32)		
Dividends paid		(81)	(270)		
Net cash inflows/(outflows) from financing		(1,454)	(702)		
Net increase (decrease) in cash and cash equivalents		(4,285)	5,787	40	42
Cash and cash equivalents at 1 April		7,922	2,135	106	64
Cash and cash equivalents at 31 March	14	3,637	7,922	146	106

The GST (net) component of operating activities reflects the net GST paid and received with the IRD. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accounting policies and notes on pages 5 to 35 are an integral part of these financial statements

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Financial statements for the parent (separate financial statements) and consolidated financial statements are presented. West Coast Electric Power Trust (the parent) is a consumer trust, the beneficiaries of which are the electors of the areas served by Westpower Limited. The Trust is domiciled in New Zealand. The Trust's registered office is at 146 Tainui Street, Greymouth.

The Westpower Group (subsidiaries) is involved in the generation and reticulation of electricity and electrical contracting.

The consolidated financial statements comprise the parent and its subsidiaries as at and for the year ended 31 March 2018 (see note 28), together referred to as the Group.

The financial statements have been prepared in accordance with the requirements of the Electricity Industry Act 2010.

2 BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ equivalents to International Financial Reporting Standards (NZ IFRSs) and other applicable financial reporting standards appropriate for profit-oriented entities. Neither the Trustees nor any others have the power to amend the financial statements after issue.

The Group is a Tier 1 For-profit entity and has reported in accordance with Tier 1 For-profit accounting standards.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value.
- available for sale financial assets are measured at fair value.
- distribution assets, and land and buildings are measured at fair value.

The methods used to measure fair value are discussed further in Note 4.

(c) Functional and Presentation Currency

These financial statements are presented in New Zealand dollars (\$), which is the parent's functional currency. All financial information has been rounded to the nearest thousand.

(d) Use of Estimates, Judgments and Assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumption 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.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3(j)(iii) Measurement of the recoverable amount of cash generating units.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Significant Judgement

It is expected that the current DoC concession will be extended in line with the useful lives of the hydro generation assets. The areas affected are:

- Depreciation (assessment of the useful lives)
- Restoration liability provision

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions Eliminated on Consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the profit or loss in the period in which they arise.

(c) Financial Instruments

(i) Non-Derivative Financial Instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, customer deposits and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Investments in Subsidiaries

Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost less impairment losses in the separate financial statements of the Parent.

Available For Sale Financial Assets

The Group's investment in non subsidiary equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3(j)(i)), are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The fair value of equity investments that are not traded in an active market and are classified as available for sale, is based on the non-market valuation techniques.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and Other Receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

A provision for impairment of receivables is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is determined by an evaluation of the exposures of individual receivable balances.

Interest Bearing Borrowings

Interest bearing borrowings are classified as other non-derivative financial instruments. Borrowings are recognised at cost. After initial recognitions, all borrowings are measured at amortised cost using the effective interest rate method.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

(ii) Derivative Financial Instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks and electricity price risk arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(d) Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 April 2006, the date of transition to NZ IFRS, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

- electricity distribution system	15-70 years SL
- buildings	5-50 years SL
- motor vehicles	10-50% DV
- plant and equipment	2.5-50% DV
- furniture and fitting including computers	6-48% DV
- hydro generation assets	5-70 years SL

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(iv) Subsequent Measurement

Land and buildings are subsequently measured at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers. Land and buildings were revalued as at 31 March 2014 by Coast Valuations Limited, registered valuers at \$7,446,500. These are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from fair value.

The distribution system is subsequently measured at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers, based on a discounted cashflow approach. Distribution system assets were revalued by PricewaterhouseCoopers as at 31 March 2017 at \$94,796,000 within the financial statements of Westpower Limited which were independently audited by Audit New Zealand. These are reviewed at the end of each reporting period to ensure that the carrying value of the distribution system is not materially different from fair value. Consideration is given as to whether the distribution system is impaired as detailed in note 3(j)(iii).

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Any revaluation increase arising on the revaluation of land and buildings and the distribution system is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings and the distribution system is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings and the distribution system is charged to profit or loss. On the subsequent sale or retirement of a revalued item, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

(e) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the assets and liabilities of the acquiree. Goodwill is measured at cost less accumulated impairment losses. Where impairment losses are recognized these are not reversible.

(f) Other Intangible Assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of the intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- software 20-40% DV

(g) Work In Progress

Work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(h) Leased Assets (as lessor)

Leases in terms of which the Group transfers substantially all the risks and rewards of ownership are classified as finance leases. These assets are disposed of by the Group and a receivable recognised at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

(i) Inventories

Inventories consist of construction materials. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(j) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

(i) Impairment of Equity Instruments

Equity instruments are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price. For this purpose prolonged is regarded as any period longer than nine months and significant as more than 20 percent of the original purchase price of the equity instrument.

Any subsequent recovery of an impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

(ii) Impairment of Receivables

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

(iii) Impairment of Non Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Employee Benefits

(i) Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(ii) Other Long Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the risk free interest rate. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Revenue

(i) Goods Sold

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Lines charges represent income charged to energy retailers based on their meter readings during the period. An allowance is made for unbilled line charges from energy retailers to the end of the period.

Electricity generation revenue is measured and billed by calendar month for half hourly metered generation.

(ii) Services

Revenue from services rendered comprises the amounts received and receivable by the Group for services supplied to customers in the ordinary course of business. Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at balance date as measured by progress invoices raised to customers in conjunction with an assessment of costs incurred to date.

(iii) Vested Assets and Capital Contribution

Vested assets are recognised as revenue at the fair value of the assets at the point that assets are connected to the network.

Capital contribution payments are calculated in line with Westpower's capital contribution policy. Capital contributions are recognized as revenue when payable at the point that the assets are connected to the network.

(n) Leases (as lessee)

(i) Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in the balance sheet at the lower of the fair value of the leased item or the present value of the minimum lease payments.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

The finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Group will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

(ii) **Operating Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

(o) **Finance Income and Expenses**

Finance income comprises interest income on funds invested, unwinding of the discount on assets and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings and dividends on preference shares classified as liabilities. Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is defined as a separate asset where the construction period exceeds twelve months and costs in excess of \$2m. All other borrowing costs are recognised in profit or loss using the effective interest method.

(p) **Income Tax Expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) **Goods and Services Tax**

(i) **Parent**

The West Coast Electric Power Trust (parent) is not registered for Goods and Services Tax (GST). All items in the financial statements are inclusive of GST.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

(ii) Subsidiaries

All items in the financial statements are net of Goods and Services Tax except for debtors and creditors which are shown in the balance sheet inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the balance sheet.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cashflows.

(r) Changes in accounting policies and disclosures

No new accounting standards or interpretations that became effective for the period had a material impact on the group.

The following standards and interpretations issued but not yet effective or early adopted, are not expected to have a significant impact on the group's operations.

	Effective for the financial year ending 31 March
NZ IFRS 9 Financial Instruments	2019
NZ IFRS 15 Revenue from Contracts with Customers	2019
NZ IFRS 16 Leases	2020

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, Plant and Equipment

The fair value of the distribution system assets is based on a discounted cashflow methodology. The significant valuation inputs are outlined in Note 23.

The fair value of land and buildings (excluding specialised buildings) are determined using a market comparable method. This means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Where buildings are of a specialised nature such as substation and depot buildings, these have been valued on a depreciated replacement cost basis. The significant valuation inputs are outlined in Note 23.

(b) Investments in Equity

The fair value of financial assets at available-for-sale financial assets is determined by non-market valuation techniques at the reporting date.

(c) Derivatives

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING REVENUE

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Line Charges	20,952	20,694		
Less Special Discount	(1,992)	(1,978)		
Rentals & Sundry Income	507	517		
Vested Assets	602	455		
Capital Contributions				
Generation Revenue	3,773	4,162		
Contracting and Consulting Income	38,667	32,490		
Total Operating Revenue	62,509	56,340		

6. OTHER INCOME

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Gain on sale of property, plant and equipment	82	141		
Dividends from subsidiaries			191	156
Dividend income on available for sale financial assets				
Total Other Income	82	141	191	156

7. OPERATING EXPENSES

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Loss on disposal of property, plant and equipment	68	121		
Loss on revaluation		1,166		
Trustees Honoraria	99	96	99	96
Directors' Fees	328	290		
Auditor's remuneration to Audit New Zealand:				
- Audit of financial statements	141	152	7	7
- Other audit related services	19	19		
Operating Lease Expense	341	304		
Transmission Charges	4,502	4,514		
Maintenance and Operations	5,752	5,643		
Employee Related Expenses				
- Defined contribution schemes	685	675		
- Other employee benefits	22,204	20,795		
Other Expenses	13,802	10,808	88	109
	47,941	44,583	194	212

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCE INCOME AND EXPENSES

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Interest income	252	53		2
Finance Income	252	53		2
Interest expense on financial liabilities measured at amortised cost	1,149	1,255		
Finance Expense	1,149	1,255		
Net Finance Costs	(897)	(1,202)		2

9. INCOME TAX

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Current Tax Expense				
Current Period	2,150	1,502		
Adjustment for prior period	(2)	240		
	2,148	1,742		
Deferred Tax Expense				
Origination and reversal of temporary differences	410	582		
Adjustment for prior period	9	52		
	419	634		
Income Tax Expense Recognised in Profit	2,567	2,376		

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Profit before income tax	7,772	4,832	(3)	(54)
Prima facie tax at 28%	2,176	1,353	(1)	(15)
Non deductible expenses	79	116		
Tax exempt income	248	554		
Change in temporary differences	55	59	1	15
Under (over) provided in prior periods	9	294		
Imputation credits received				
Income Tax Expense Recognised in Profit	2,567	2,376		

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Deferred tax liability on revaluation of electricity distribution assets		(130)		
Movement in fair value of derivatives	41	(19)		
Total Income Tax Recognised Directly In Equity	41	(149)		

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX (continued)

Group	Opening Balance 31-Mar-17 \$000	Charged to Income \$000	Charged to Equity \$000	Closing Balance 31-Mar-18 \$000
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	18,804	400		19,204
Available for sale assets	21			21
Construction contracts	2			2
Derivatives	(202)		41	(161)
	<u>18,625</u>	<u>400</u>	<u>41</u>	<u>19,066</u>
<i>Deferred Tax Assets</i>				
Employee Provisions	501	27		528
Provision for Doubtful Debts	17	11		28
Tax losses	(9)	7		(2)
	<u>509</u>	<u>45</u>		<u>554</u>
Net Deferred Tax Liability	<u>18,116</u>	<u>355</u>	<u>41</u>	<u>18,512</u>
Attributable to:				
Parent				
Subsidiaries	18,116	355	41	18,512
	<u>18,116</u>	<u>355</u>	<u>41</u>	<u>18,512</u>

Group	Opening Balance 31-Mar-16 \$000	Charged to Income \$000	Charged to Equity \$000	Closing Balance 31-Mar-17 \$000
<i>Deferred Tax Liabilities</i>				
Property, plant and equipment	18,658	276	(130)	18,804
Available for sale assets	21			21
Construction contracts	2			2
Derivatives	(183)		(19)	(202)
	<u>18,498</u>	<u>276</u>	<u>(149)</u>	<u>18,625</u>
<i>Deferred Tax Assets</i>				
Employee Provisions	556	(55)		501
Provision for Doubtful Debts	25	(8)		17
Tax Losses	287	(296)		(9)
	<u>868</u>	<u>(359)</u>		<u>509</u>
Net Deferred Tax Liability	<u>17,630</u>	<u>635</u>	<u>(149)</u>	<u>18,116</u>
Attributable to:				
Parent				
Subsidiaries	17,630	635	(149)	18,116
	<u>17,630</u>	<u>635</u>	<u>(149)</u>	<u>18,116</u>

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

9. INCOME TAX (continued)

	Group		Parent	
	31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Imputation credits are available to shareholders of Westpower:				
Through the Parent				
Through subsidiaries	26,001	24,046		
	<u>26,001</u>	<u>24,046</u>		

10. PROPERTY, PLANT AND EQUIPMENT

Group	Electricity				Total \$000
	Distribution System \$000	Hydro Generation \$000	Land and Buildings \$000	Other \$000	
<i>Cost or deemed cost</i>					
Balance at 31 March 2016	107,057	36,064	12,810	14,431	170,362
Additions	2,496	404	289	1,998	5,187
Disposals and impairments	(146)			(757)	(903)
Impairment loss on revaluation	(14,718)				(14,718)
Balance at 31 March 2017	94,689	36,468	13,099	15,672	159,928
Additions	2,221	154	334	1,192	3,901
Disposals and Impairments	(58)			(725)	(783)
Transferred to Assets Held for Sale	(831)				(831)
Balance at 31 March 2018	96,021	36,622	13,433	16,139	162,215
<i>Accumulated Depreciation, Amortisation and Impairment</i>					
Balance at 31 March 2016	10,020	1,839	526	8,285	20,670
Depreciation for the year	3,491	676	340	1,196	5,703
Disposals and Impairments	(19)			(654)	(673)
Impairment loss on revaluation	(13,492)				(13,492)
Balance at 31 March 2017		2,515	866	8,827	12,208
Depreciation for the year	3,433	706	349	1,350	5,838
Disposals and Impairments	(2)			(645)	(647)
Transferred to Assets Held for Sale	(16)				(16)
Balance at 31 March 2018	3,415	3,221	1,215	9,532	17,383
Net Book Value at 31 March 2017	94,689	33,953	12,233	6,845	147,720
Net Book Value at 31 March 2018	92,606	33,401	12,218	6,607	144,832

Capital work in progress is contained in the following categories:

	Group		Parent	
	31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Electricity Distribution System	504	311		
Hydro Generation		50		
Land and Buildings	44	31		
Other	111	277		
	<u>659</u>	<u>669</u>		

Security

At 31 March 2018, the assets of the group are subject to a guarantee to secure bank loans.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

11. GOODWILL AND OTHER INTANGIBLES

Group	Goodwill \$000	Software \$000	Total \$000
<i>Cost or deemed cost</i>			
Balance at 31 March 2016	6,993	2,206	9,199
Additions		104	104
Disposals			
Balance at 31 March 2017	6,993	2,310	9,303
Additions		334	334
Disposals		(29)	(29)
Balance at 31 March 2018	6,993	2,615	9,608
<i>Depreciation and impairment losses</i>			
Balance at 31 March 2016		1,690	1,690
Amortisation for the year		161	161
Disposals			
Balance at 31 March 2017		1,851	1,851
Amortisation for the year		144	144
Disposals		(29)	(29)
Balance at 31 March 2018		1,966	1,966
Net Book Value 31 March 2017	6,993	459	7,452
Net Book Value 31 March 2018	6,993	649	7,642

Goodwill has been assessed based on profitability forecasts for these entities and no impairment has occurred.

Capital work in progress is contained in the following categories:

	Group		Parent	
	31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Software	250	60		

12. INVESTMENT IN SUBSIDIARIES

	Group		Parent	
	31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Non Current Assets				
Ordinary Shares - Westpower Limited			25,800	25,800
Preference Shares - Westpower Limited			5,300	5,300
			31,100	31,100
			31,100	31,100

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

13. OTHER INVESTMENTS

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Non Current Assets				
Available for sale financial assets				
- International Panel & Lumber (West Coast) Limited	103	103		
Other Loans	337	394		
	440	497		

14. CASH AND CASH EQUIVALENTS

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Bank Balances	284	220	7	12
Call Deposits	3,353	7,702	139	94
Cash and Cash Equivalents in Statement of Cashflows	3,637	7,922	146	106

15. TRADE AND OTHER RECEIVABLES

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Trade and other receivables	8,579	7,032		
Trade receivables due from related parties	4			
Prepayments	273	239	6	6
Construction work in progress	2,469	1,981		
	11,325	9,252	6	6
less provision for impairment	(62)	(23)		
	11,263	9,229	6	6

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

16. CONSTRUCTION CONTRACTS

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Construction costs incurred	6,181	2,081		
Recognised profits (less recognised losses to date)	1,792	263		
	7,973	2,344		
Less progress billings	(8,021)	(2,078)		
Plus retentions	104	23		
Due from customers	56	289		

The balance due from customers is included in Construction Work In Progress (Note 15). No advances have been received and no retentions have been included in Progress Billings.

17. ASSETS HELD FOR SALE

	Group	
	31-Mar-18	31-Mar-17
	\$000	\$000
Assets Held for Sale	1,098	292
	1,098	292

As at 31 March 2018 Westpower had entered into an agreement for the sale of assets from the Logburn Substation. Completion of this contract is expected during the 2018/19 year.

18. EQUITY

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Fair Value Reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

18. EQUITY (continued)

GROUP	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	<i>Hedging Reserve</i>	<i>Revaluation Reserve</i>	<i>Retained Earnings</i>	<i>Total</i>			
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Balance at 31 March 2016	(409)	10,932	109,822	120,345	1,061	121,406	
Profit for the period			2,258	2,258	198	2,456	
<i>Other comprehensive income:</i>							
Impairment loss on revaluation		(60)		(60)		(60)	
Fair value of cashflow hedges	(62)			(62)	(9)	(71)	
Income tax on items taken directly to equity	16	130		146	3	149	
Total other comprehensive income	(46)	70		24	(6)	18	
Total comprehensive income for the period	(46)	70	2,258	2,282	192	2,474	
Dividends to Equity Holders					(270)	(270)	
Balance at 31 March 2017	(455)	11,002	112,080	122,627	983	123,610	
Profit for the period			5,039	5,039	166	5,205	
<i>Other comprehensive income:</i>							
Impairment loss on revaluation							
Fair value of cashflow hedges	129			129	18	147	
Income tax on items taken directly to equity	(36)			(36)	(5)	(41)	
Total other comprehensive income	93			93	13	106	
Total comprehensive income for the period	93		5,039	5,132	179	5,311	
Dividends to Equity Holders					(120)	(120)	
Balance at 31 March 2018	(362)	11,002	117,119	127,759	1,042	128,801	

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

18. EQUITY (continued)

PARENT	Attributable to Equity Holders of the Company						
		<i>Hedging</i>	<i>Revaluation</i>	<i>Retained</i>		Minority	Total
		<i>Reserve</i>	<i>Reserve</i>	<i>Earnings</i>	<i>Total</i>	Interest	Equity
		\$000	\$000	\$000	\$000	\$000	\$000
Balance at 31 March 2016				31,267	31,267		31,267
Profit for the period				(54)	(54)		(54)
Other comprehensive income							
Total comprehensive income for the period				(54)	(54)		(54)
Balance at 31 March 2017				31,213	31,213		31,213
Profit for the period				(3)	(3)		(3)
Other comprehensive income							
Total comprehensive income for the period				(3)	(3)		(3)
Balance at 31 March 2018				31,210	31,210		31,210

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

19. LOANS AND BORROWINGS

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Non Current Liabilities				
Non current portion of secured bank loans	22,000	24,550		
	22,000	24,550		
Current Liabilities				
Current portion of secured bank loans	1,200			
	1,200			
	23,200	24,550		
			<i>Carrying</i>	
	<i>Weighted Average</i>	<i>Face Value</i>	<i>Value</i>	<i>Face Value</i>
	<i>Interest Rate</i>	<i>2018</i>	<i>2018</i>	<i>2017</i>
	<i>2017</i>	<i>2018</i>	<i>\$000</i>	<i>\$000</i>
<i>Less than one year</i>				
Secured bank loan-call	2.95%	1,200	1,200	
<i>Longer than one year</i>				
Secured bank loans	4.38%	4.18%	22,000	22,000
			22,000	24,550
Total Interest Bearing Liabilities - Group			23,200	23,200
			23,200	24,550

The bank loans are secured over all the assets of the Group.

20. FINANCE LEASE PAYABLE (GROUP)

	Minimum Future Lease		Present Value of Future	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
No longer than one year		24		23
Later than one year and not later than five years				
Minimum lease payments		24		23
Less future finance charges		(1)		
Present value of minimum lease payments		23		23
Comprising:				
Current				23
Non Current				
				23

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

21. TRADE AND OTHER PAYABLES

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Trade payables due to related parties	3		1	
Other trade payables	4,291	4,168	54	11
Accrued interest	91	107		
	4,385	4,275	55	11

22. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate, foreign currency, and liquidity risks arises in the normal course of the Group's business.

Credit Risk

Financial instruments which potentially subject the Group to credit risk are cash and cash equivalents, trade receivables and investments. The Group places its cash with high quality financial institutions and limits the amount of exposure to any one financial institution. The Group has a high concentration of credit risk to Trustpower in relation to distribution line charges to the electricity retailer, electricity generation sales and other contract works and Transpower in relation to contract works. Trustpower and Transpower represent 11% and 19% respectively of receivables as at 31 March 2018 (2017 13% and 23% respectively).

Management has a credit policy in place under which each new customer is individually analysed for credit worthiness and assigned a purchase limit before the standard payment and delivery terms and conditions are offered. The Group has debtors who have damaged network assets. Many of these debtors are unable to settle their accounts immediately and payment arrangements have been entered into through the Courts.

The carrying amount of financial assets represents the Group's maximum credit exposure.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status.

The Group's exposure to geographical credit risk is almost entirely within New Zealand, with some transactions to Australia.

The status of trade and finance lease receivables at the reporting date is as follows:

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Not past due	10,757	8,643	6	6
Past due 0-30 days	268	452		
Past due 31-60 days	155	42		
Past due more than 60 days	145	115		
	11,325	9,252	6	6
Allowance for impairment	(62)	(23)		
	11,263	9,229	6	6

An allowance for impairment of receivables relates to debts past due by more than 60 days and is based on an analysis of individual balances.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Loans receivable are secured by way of bond or other commercial arrangement. The value of security is at least equal to the value of the outstanding loan balance.

Liquidity Risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Foreign Currency Risk

The Group has minimal currency risk given that financial instruments are principally transacted in New Zealand dollars. Foreign exchange contracts are employed by the Group to manage its exposure to currency fluctuations for major transactions denominated in currencies other than New Zealand dollars.

As at 31 March 2018 the Group had exposure to Australian dollar receivables of \$183,257 NZD (2017 \$56,726 NZD). The Group had in place foreign exchange contracts to purchase Australian dollars at 31 March 2018 to the value of \$13,990.76 NZD (2017 nil).

Interest Rate Risk

The Group manages its exposure to changes in interest rates on borrowings in line with policy parameters set in its Treasury Policy. Interest rate swaps have been entered into to achieve an appropriate mix of fixed and floating interest rate exposures.

Interest rate swap contracts outstanding at balance date:

GROUP	Contracted Fixed Interest Rate		Notional Principal Amount		Fair Value	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000	\$000	\$000
Outstanding floating to fixed contracts:						
Less than 1 year		3.45%		7,000		(96)
1 to 3 years	4.84%		7,900		(536)	
3 to 5 years	2.80%	4.84%	4,000	7,900	(37)	(623)
More than 5 years						
			11,900	14,900	(573)	(720)

These swap contracts have been designated as cashflow hedges.

Other Market Price Risk

The Group is exposed to variability in electricity generation sales revenue due to changes in electricity spot prices. To manage this risk the Group has entered into a Power Purchase Agreement under which Trustpower agrees to purchase all electricity produced by the Group at specified fixed prices. The term of this agreement is for three years from 1 July 2016 to 30 June 2019.

Capital Management

The Trust's capital includes Trust capital, reserves, retained earnings and minority interests. The Trust's equity is largely managed as a by-product of the decisions made by the Board of the Directors in managing the operations of the Group. The objective of managing the Trust's equity is to ensure that the Trust effectively achieves its objectives and purposes whilst remaining a going concern.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity Analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short term fluctuations on the Group's earnings. Over the longer term however, permanent changes in foreign exchange and interest rates will have an impact on profit.

At 31 March 2018 it is estimated that a general increase of one percentage point in interest rates could decrease the Group's profit by \$113,000 (2017 \$96,500) and increase equity (excluding retained earnings) by \$370,258 (2017 \$322,075)

A decrease of one percentage point in interest rates would have the opposite impact on profit and decrease equity by \$386,597 (2017 \$334,305).

It is estimated that a general increase of ten percentage points in the value of the New Zealand dollar against other foreign currencies would have decreased the Group's profit before tax by less than \$10,000 for the year ended 31 March 2018 (2017 less than \$10,000).

Classification of Financial Instruments

GROUP - 2018	Note	Designated at fair value \$000	Loans and receivables \$000	Held to maturity \$000	Available for sale \$000	Other Amortised Cost \$000	Total Carrying Value \$000
Current Assets							
Cash and cash equivalents	14		3,637				3,637
Short Term Deposits			9,500				9,500
Trade and other receivables	15		10,990				10,990
			24,127				24,127
Non Current Assets							
Other investments	13				103	337	440
					103	337	440
Total Financial Assets			24,127		103	337	24,567
Current Liabilities							
Trade and other payables						3,876	3,876
Finance lease payable	20						
Loans and borrowings	19					1,200	1,200
Financial derivatives	22	249					249
		249				5,076	5,325
Non Current Liabilities							
Loans and borrowings	19					22,000	22,000
Finance lease payable							
Financial derivatives	22	324					324
		324				22,000	22,324
Total Financial Liabilities		573				27,076	27,649

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

GROUP - 2017	Note	Designated at fair value \$000	Loans and receivables \$000	Held to maturity \$000	Available for sale \$000	Other Amortised Cost \$000	Total Carrying Value \$000
Current Assets							
Cash and cash equivalents	14		7,922				7,922
Short Term Deposits							
Trade and other receivables	15		8,990				8,990
Financial derivatives	22						
			16,912				16,912
Non Current Assets							
Other investments	13				103	394	497
					103	394	497
Total Financial Assets			16,912		103	394	17,409
Current Liabilities							
Trade and other payables						3,922	3,922
Finance lease payable	20					23	23
Loans and borrowings	19						
Financial derivatives	22	316					316
		316				3,945	4,261
Non Current Liabilities							
Loans and borrowings	19					24,550	24,550
Finance lease payable	20						
Financial derivatives	22	404					404
		404				24,550	24,954
Total Financial Liabilities		720				28,495	29,215

PARENT - 2018	Note	Designated at fair value \$000	Loans and receivables \$000	Held to maturity \$000	Available for sale \$000	Other Amortised Cost \$000	Total Carrying Value \$000
Current Assets							
Cash and cash equivalents	14		146				146
Other investments	13						
Trade and other receivables	15		6				6
			152				152
Total Financial Assets			152				152
Current Liabilities							
Trade and other payables	21					55	55
						55	55
Total Financial Liabilities						55	55

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

PARENT - 2017		Designated	Loans and	Held to	Available	Other	Total
	Note	at fair value	receivables	maturity	for sale	Amortised	Carrying
		\$000	\$000	\$000	\$000	Cost	Value
						\$000	\$000
Current Assets							
Cash and cash equivalents	14		106				106
Other investments	13						
Trade and other receivables	15		6				6
			112				112
Total Financial Assets			112				112
Current Liabilities							
Trade and other payables	21					11	11
						11	11
Total Financial Liabilities						11	11

Maturity Analysis of Financial Liabilities

Group 2018	Balance	Contractual	Less than			
	Sheet	Cashflows	1 Year	1-2 Years	2-5 Years	5-7 Years
	\$000	\$000	\$000	\$000	\$000	\$000
Secured bank loans	23,200	23,362	23,362			
Trade and other payables	3,876	3,876	3,876			
Total Non Derivative Liabilities	27,076	27,238	27,238			
Interest Rate Swaps:						
Net Interest Settled Outflow (Inflow)	573	597	251	218	128	
	27,649	27,835	27,489	218	128	

Group 2017	Balance	Contractual	Less than			
	Sheet	Cashflows	1 Year	1-2 Years	2-5 Years	
	\$000	\$000	\$000	\$000	\$000	
Secured bank loans	24,550	24,734	24,734			
Trade and other payables	3,922	3,922	3,922			
Total Non Derivative Liabilities	28,472	28,656	28,656			
Interest Rate Swaps:						
Net Interest Settled Outflow (Inflow)	720	746	320	185	241	
	29,192	29,402	28,976	185	241	

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Parent 2018	Balance	Contractual	Less than		
	Sheet	Cashflows	1 Year	1-2 Years	2-5 Years
	\$000	\$000	\$000	\$000	\$000
Trade and other payables	55	55	55		
Total Non Derivative Liabilities	55	55	55		
Parent 2017	Balance	Contractual	Less than		
	Sheet	Cashflows	1 Year	1-2 Years	2-5 Years
	\$000	\$000	\$000	\$000	\$000
Trade and other payables	11	11	11		
Total Non Derivative Liabilities	11	11	11		

23. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy for the Group's assets and liabilities:

GROUP - 2018					
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value		\$000	\$000	\$000	\$000
Electricity Network Assets (Note 10)	31-Mar-17	92,606			92,606
Land and Buildings (Note 10)	31-Mar-14	12,218		7,616	4,602
Liabilities measured at fair value					
Interest Rate Swaps (Note 22)	31-Mar-18	573		573	
GROUP 2017					
	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value		\$000	\$000	\$000	\$000
Electricity Network Assets (Note 10)	31-Mar-17	94,689			94,689
Land and Buildings (Note 10)	31-Mar-14	12,233		7,738	4,495
Liabilities measured at fair value					
Interest Rate Swaps (Note 22)	31-Mar-17	720		720	

There have been no transfers between Levels 1 and 2 during the period.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Description of unobservable inputs to level 3 valuations:

- Electricity Distribution Assets**

The Group's electricity distribution assets have been valued on a discounted cashflow basis. Below is a summary of the key unobservable inputs into this valuation.

Significant unobservable input	Sensitivity of the input to fair value.
WACC (post tax) Range 6.5%	The impact on the midpoint valuation of change in WACC to the high or low points of the range is approximately 2.5%
Operating expenditure forecasts	A 5% movement in operating expenditure forecasts would result in a reduction/increase in the valuation of approximately 2.8%
Capital expenditure forecasts	A 5% movement in capital expenditure forecasts would result in a reduction/increase in the valuation of approximately 1.0%

A reconciliation of the movement in value of electricity distribution assets is provided in Note 10

- Building Assets - Specialised**

Westpower's Tainui Street Depot and key substation buildings are considered purpose build with no reliable market evidence and so have been valued on a depreciated replacement cost basis. An optimised depreciated replacement cost methodology has been applied in line with Treasury Guidelines including development of asset registers, standard replacement costs, optimisation and assessment of useful lives.

Below is a reconciliation of the movement in the value of specialised building assets for the period:

	Group \$000	Parent \$000
Balance 31 March 2016	4,571	
plus Additions	129	
less Depreciation	(205)	
Balance 31 March 2017	4,495	
plus Additions	321	
less Depreciation	(214)	
Balance 31 March 2018	4,602	

- Available for Sale Financial Assets**

As the available for sale financial assets are not actively traded the fair value of these investments has been assessed based on the net asset backing of these investments.

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

24. COMMITMENTS

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Capital Commitments				
No longer than 1 year		60		
Operating Lease Commitments				
No longer than 1 year	269	227		
1 to 2 years	228	131		
2 to 5 years	390	253		
Longer than 5 years	771	312		
	<u>1,658</u>	<u>923</u>		

25. CONTINGENCIES

Electronet Services Limited, Mitton Electronet Limited and Electronet Transmission Limited have provided guarantees secured over the assets of the companies, to Westpac in relation to debts owed by Westpower Limited. (No change from 2017)

Westpower has provided a guarantee to Westpac in relation to the debts owed by Amethyst Hydro Limited (No change from 2017).

Westpower Limited has provided bank guarantees from Westpac to the value of \$600,000. (2017 \$600,000).

Electronet Transmission Limited has provided Contractors Performance Bonds from Westpac to the value of \$186,782 (2017 \$280,173).

Mitton Electronet Limited has provided a bank guarantee to the value of \$25,000 to the Wellington Regional Chamber of Commerce in relation to a carnet (2017 \$25,000).

The Group has no other contingent liabilities or contingent assets

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

26. RECONCILIATION OF PROFIT FOR THE PERIOD WITH NET CASH FROM OPERATING ACTIVITIES

	Group		Parent	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	\$000	\$000	\$000	\$000
Profit for the period	5,205	2,456	(3)	(54)
<i>Adjustments for non cash items</i>				
Depreciation	5,838	5,703		
Amortisation of intangibles	144	161		
Vested assets	(602)	(455)		
Loss (Gain) on sale of property, plant and equipment	(14)	(20)		
Loss on revaluation		1,166		
Change in deferred tax	355	635		
Change in employee benefits (non current)	72	(60)		
	5,793	7,130		
<i>Movement in working capital items</i>				
Change in trade and other receivables	(2,034)	1,232		
Change in inventories	114	139		
Change in trade and other payables	110	(490)	44	(30)
Change in employee benefits (current)	104	49		
Change in current tax asset	811	42	(1)	1
<i>Adjustments for items classified as investing activities</i>				
Change in capital creditors	105	63		
Change in tax creditors (RWT on dividend)	(40)			
Net Cash from Operating Activities	10,168	10,621	40	(83)

RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP					
	31-Mar-17	Cash Flows	Non-Cash Movement	31-Mar-18	
Long term borrowings	24,550	(2,150)	(400)	22,000	
Short term borrowings		800	400	1,200	
Lease liabilities	23	(23)			
Total liabilities from financing activities	24,573	(1,373)		23,200	

27. RELATED PARTIES

Parent and Ultimate Controlling Party

The immediate parent of the Group is the West Coast Electric Power Trust. See summary of group entities Note 28.

Trustees and Directors Interests

Trustees and Directors or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group in the reporting period. The transactions were for the purchase of electricity contracting and IT services. The terms and conditions of the transactions with directors and their related parties were no more favorable than those available, or which might

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

	Note	Transaction Value for the period ended		Balance Outstanding	
		31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
Trustees					
Services provided to:					
G Topp	a)	7	7	-	-
Services received from:					
Directors					
Services provided to:					
H Little	b)	24	78	-	1
S Merriman	c)	12	9	4	1
Services received from:					
H Little	d)	-	2	-	-
A Williams	e)	8	5	-	-

- a) The Group provided services to Greg Topp Electrical. G Topp is the managing director of this company.
- b) The Group provided services to Westland Milk Products Limited and Development West Coast. H Little is a shareholder of Westland Milk products and a trustee of Development West Coast.
- c) The Group provided services to Marshall and Heaphy Limited. S Merriman is the managing director and shareholder of Marshall and Heaphy Limited
- d) The Group received services from Stations Inn Restaurant Bar and Accommodation. H Little is an Owner/Director of Stations Inn Restaurant Bar and Accommodation.
- e) The Group received services from The Ashley Hotel Limited, The Ashley Hotel Christchurch Limited and The Towers on the Park Limited. A Williams is a director and shareholder of these companies.

Other Related Party Transactions

	31-Mar-18 \$000	31-Mar-17 \$000	31-Mar-18 \$000	31-Mar-17 \$000
<i>ElectroNet Services Limited and West Coast Electric Power Trust (WCEPT)</i>				
Services provided to WCEPT	10	10	1	
<i>Westpower Limited and West Coast Electric Power Trust (WCEPT)</i>				
Dividend paid to WCEPT	191	156	-	-
Services provided to WCEPT	1			

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

Key Management Personnel Compensation

Key management personnel include the Trustees and the Board of Directors of Westpower.

	31-Mar-18	31-Mar-17
	\$000	\$000
Trustees honoraria	99	96
Trustees meetings fees	7	8
Directors fees	328	290
	<u>434</u>	<u>394</u>

28. Group entities

Subsidiaries

	Country of Ownership Incorporation	Interest (%)	
		2018	2017
Westpower Limited (subsidiary of West Coast Electric Power Trust)	New Zealand	100	100
Electronet Services Limited (ENS) (subsidiary of Westpower)	New Zealand	100	100
Mitton Electronet Limited (subsidiary of ENS)	New Zealand	100	100
Electronet Transmission Limited (subsidiary of ENS)	New Zealand	100	100
Amethyst Hydro Limited (subsidiary of Westpower)	New Zealand	88	88

WEST COAST ELECTRIC POWER TRUST AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

29. Statement of Performance Westpower Group Limited

	Notes	Actual 2017/18	Target 2017/18	Target 2018/19	Target 2019/20
Safety					
Lost time injury frequency rate	a)	1.85	0	0	0
Reliability					
SAIDI (System Average Interruption Duration Index) ¹		491.6	177	177	177
SAIFI (System Average Interruption Frequency Index) ¹		2.74	2.1	2.1	2.1
Asset Management					
Opex Ratio ²		8.8%	8.43%	9.66%	9.21%
Capex Ratio ³		1.7%	2.02%	2.76%	3.10%
Renewal Ratio ⁴		28%	28%	35%	44%
Electricity Generation					
Generation Availability		98%	95%	95%	95%
Generation Capacity		75.2%	75%	75%	75%
Environment					
Number of reported breaches of resource consent conditions per annum		0	0	0	0
Number of environmental incidents		0	0	0	0
Financial Performance					
Group operating surplus before tax	b)	\$7.97m	\$9.8m	\$8.4m	\$10.4m
Pre discount operating surplus before tax on consolidated shareholder funds	b)	7.7%	7.4%	8.5%	8.7%
Post discount operating surplus before tax on consolidated shareholder funds	b)	6.2%	6.7%	6.3%	7.3%
% of contracting revenue from group external parties		79%	>30%	>30%	>30%
Consolidated shareholder funds to total assets		72%	>50%	>50%	>50%

¹ SAIDI and SAIFI are standard industry measures of network reliability. SAIDI is the average duration of supply interruptions per connected consumer in a year in minutes. SAIFI is the average number of supply interruptions per connected consumer in a year.

² Operational Expenditure/System Assets Depreciated Replacement Cost

³ Capital Expenditure/System Assets Depreciated Replacement Cost

⁴ Asset Renewal-Refurbishment Opex and Capex/Depreciation

Notes

- a) Ex Tropical Cyclone's Fehi and Gita (February 2018) impacted severely on the SAIDI result for the year. Without these major events the SAIDI result would have been 217.92.
- b) The targeted operating surplus was not achieved due to the actual discount to consumers being increased by \$1m over the original budget. Contracting, Consulting and Generation revenues were also below target for the year.

30. Post Balance Date Events

No significant events have occurred in the period between balance date and the authorisation of the financial statements for issue by the Trust.

Independent Auditor's Report

To the readers of West Coast Electric Power Trust and Group's financial statements and performance information for the year ended 31 March 2018

The Auditor-General is the auditor of West Coast Electric Power Trust (the Trust) and Group. The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust and Group on his behalf.

Opinion

We have audited:

- the financial statements of the Trust and Group on pages 1 to 35, that comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on page 35.

In our opinion:

- The financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2018; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards.
- The performance information of the Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 31 March 2018.

Our audit was completed on 27 July 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust and Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust and Group for assessing the Trust and Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust and Group or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Electricity Industry Act 2010 and the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out an assurance engagement for the Group. This engagement was in respect of Westpower Limited Group's disclosure information prepared under the Electricity Distribution Information Disclosure Determination 2012. This assignment was compatible with the independence requirements

Other than the audit, and this assignment, we have no relationship with or interests in the Trust and Group.



John Mackey
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the West Coast Electric Power Trust (the Trust) for the year ended 31 March 2018 included on the Trust's website. The Trustees are responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust'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 or 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 27 July 2018 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 information may differ from legislation in other jurisdictions.