

Audit Report

To the Trustees and Consumer Beneficiaries of the King Country Electric Power Trust

We have audited the financial report on pages 1-12. The financial report provides information about the past financial performance of the Trust and its financial position as at 31 March 2007. This information is stated in accordance with the accounting policies set out on pages 5-7.

Trustees Responsibilities

The Electricity Amendment Act 2001 requires the Trustees to prepare a financial report in accordance with generally accepted accounting practice which fairly reflects the financial position of the Trust as at 31 March 2007 and of the results of operations for the year ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Trustees and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- the significant estimates and judgements made by the Trustees in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

Other than as consumers, this firm has no relationship with or interests in the Trust.

Unqualified Opinion

We have obtained all the information and explanations that we have required.

In our opinion

- proper accounting records have been kept by the Trust so far as appears from our examination of those records: and
- the financial report on pages 1-12 complies with generally accepted accounting practice, and gives a true and fair view of the financial position of the Trust as at 31 March 2007 and the results of their operations and cashflows for the year ended on that date.

Our audit was completed on 13 August 2007 and our unqualified opinion is expressed as at that date.

Sewell & Wilson Limited

A handwritten signature in cursive script that reads "Sewell & Wilson Ltd.".

Chartered Accountants
Ohakune and Wanganui