

AUDIT REPORT

TO : The Trustees and Consumer Beneficiaries of the King Country Electric Power Trust

Report on the Financial Statements

We have audited the Financial Statements of King Country Electric Power Trust on pages 4 to 13, which comprise the Balance Sheet as at 31 March 2011, the Income statement, and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibilities for the Financial Statements

Under the Electricity Amendment Act 2001, the trustees are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor, we have no relationship with, or interests in, King Country Electric Power Trust.

Opinion

In our opinion, the financial statements on pages 4 to 13:

- Comply with generally accepted accounting practice in New Zealand
- Give a true and fair view of the financial position of King Country Electric Power Trust as at 31 March 2011 and its financial performance and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

In our opinion proper accounting records have been kept by King Country Electric Power Trust as far as appears from an examination of those records.



Sewell & Wilson

Chartered Accountants

Ohakune & Wanganui

5 August 2011