



THE ELECTRIC POWER BOARDS ACCOUNTING
REGULATIONS 1977

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 28th day of March 1977

Present:

THE RIGHT HON. B. E. TALBOYS PRESIDING IN COUNCIL

PURSUANT to the Auckland Electric Power Board Act 1921–1922 and the Electric Power Boards Act 1925, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Electric Power Boards Accounting Regulations 1977.

(2) These regulations shall come into force on the 1st day of April 1977.

2. Interpretation—In these regulations, unless the context otherwise requires, the term “Board” means—

- (a) An Electric Power Board constituted under the Electric Power Boards Act 1925:
- (b) The Auckland Electric Power Board constituted under the Auckland Electric Power Board Act 1921–1922.

3. Preparation of annual accounts and statements—(1) Every Board shall prepare the accounts required by section 75 of the Electric Power Boards Act 1925 or, as the case may be, section 50 of the Auckland Electric Power Board Act 1921–1922.

(2) All accounts shall be set out in the form prescribed by the First Schedule to these regulations, in so far as that Schedule is applicable:

Provided that those accounts may be so varied as may from time to time be authorised by the Audit Office.

(3) To the extent that the First Schedule is not applicable, all accounts shall be prepared in accordance with the Statements of Accounting Practice as adopted by the New Zealand Society of Accountants.

(4) All accounts shall comply with the requirements set out in the Second Schedule to these regulations.

(5) A disclosure of accounting policies used in the preparation of all accounts shall be provided.

(6) It shall not be necessary to include cents in the accounts prepared in accordance with these regulations.

4. Revocation—The regulations as to Electric Power Board Accounts made on the 25th day of October 1928 and published in the *Gazette* on the 1st day of November 1928 at page 3129 are hereby revoked.

SCHEDULES

FIRST SCHEDULE
FORMS OF ACCOUNTS

PART A

GENERATION ACCOUNT
For Year Ended 31 March

	This Year \$	Last Year \$
<i>Income:</i>		
Sales of power to New Zealand Electricity Department
Value of power generated
Total income
<i>Expenditure:</i>		
Operating expenses
Salaries and wages
Transport
Loan interest
Depreciation
Sundries
Allocation of overhead and administration expenses
Total Expenditure
Surplus/Deficit transferred to Income and Expenditure Account

NOTES:

1. Value of power generated—This item is to be determined at the amount of the reduction in the New Zealand Electricity Department charges brought about by the operation of local generating stations. This excludes sales to the New Zealand Electricity Department.

2. Operating expenses—This item consists of expenditure incurred in operating power stations and maintaining the plant and equipment and includes water rights and fuel consumption (not fuel purchases).

3. Allocation of overhead and administration expenses—This item consists of the amount allocated in accordance with clause 5 of the Second Schedule to these regulations, plus any direct charges not included elsewhere.

FIRST SCHEDULE—*continued*

PART B
 APPLIANCE SALES AND SERVICING ACCOUNT
 For Year Ended 31 March

									This Year \$	Last Year \$
<i>Income:</i>										
Sales
Servicing
Sundries
Total income	=====	=====
<i>Expenditure:</i>										
Cost of goods sold
Salaries and wages
Transport
Advertising and promotion
Sundries
Allocation of overhead and administration expenses
Total expenses	=====	=====
Surplus/Deficit transferred to Income and Expenditure Account							=====	=====

NOTES:

1. Sales—This item consists of the gross returns from sales of appliances, electrical components, and other items purchased for resale.
2. Servicing—This item consists of charges for installation and service work, excluding service line work.
3. Sundries—This item consists of interest on hire purchase, hire charges for appliances, commissions, and any other income directly applicable to Appliance Sales and Servicing.
4. Allocation of overhead and administration expenses—This item consists of the amount allocated in accordance with clause 5 of the Second Schedule to these regulations, plus any direct charges not included elsewhere.

PART C
INCOME AND EXPENDITURE ACCOUNT
For Year Ended 31 March

							This Year \$		Last Year \$
<i>Income:</i>									
Sales of electricity
Rural Electrical Reticulation Council subsidy			
Interest, rent, and sundries			
Surplus (Deficit) from Appliance Sales and Servicing
 Total income				
<i>Expenditure:</i>									
Cost of electricity—									
Purchased from New Zealand Electricity Department			
Purchased from other sources
Value of power generated	
Less surplus (plus deficit) from generation	
Cost of power generated
Maintenance and Operation—									
Distribution system
Buildings and properties
Tools and equipment
Administration Costs and General Expenses—									
Miscellaneous
Rural Electrical Reticulation Council levy			
Interest on loans
Depreciation
 Total expenditure				
Surplus/Deficit transferred to Appropriation Account..				

FIRST SCHEDULE—*continued*

NOTES:

1. Sales of electricity—This item consists of actual sales as billed and minimum guarantee deficiencies.
2. Interest, rent, and sundries—This item includes bad debts recovered.
3. Maintenance and operation—distribution system—This item consists of the cost, less recoveries, of maintaining and operating all distribution assets (other than generating plant), e.g., transmission, distribution and service lines, substations, voltage regulators, meters, load control equipment, switchgear, and public lighting, and includes the cost of performing statutory inspections and tests (including consumers' appliances).
4. Maintenance and operation—buildings and properties—This item consists of the cost of maintaining all buildings and properties, including cleaning and caretaking.
5. Maintenance and operation—tools and equipment—This item consists of the cost of maintaining tools, plant, and equipment, including loose tools, miscellaneous plant (other than transport), furnishings, and office equipment.
6. Administration costs and general expenses—miscellaneous—This item consists of the cost of providing for the general administration and non-technical functions, e.g., members' expenses, office salaries and wages (including meter readers), staff allowances, gratuities, superannuation subsidies, training costs, office expenses, legal expenses, insurances (except motor vehicle insurance and Accident Compensation Commission levy in respect of technical staff), postages, telephones, printing and stationery, advertising, subscriptions, data processing charges, agency fees, rents, interest on deposits and bank overdraft, bank charges, debt collection costs, bad debts, loan expenses, and unauthorised expenditure.
7. Interest on loans—This item comprises the total interest payable on loans, less the amount (if any) charged to the Generation Account.
8. Depreciation—This item is to be calculated as follows:
 - (a) All generation and distribution system assets, being all generating plant and associated works, subtransmission and distribution lines, substations (including special substation buildings), public lighting, meters and load control equipment and other assets peculiar to the work and operation of an electrical supply authority, are to be depreciated at 4 percent of cost price and either Provision for Depreciation Account (Generation) or Provision for Depreciation Account (Distribution) is to be credited accordingly:
 - (b) All buildings, e.g., offices, stores, workshops, dwellings (not being buildings included under paragraph (a) hereof) are to be depreciated at 2 percent of cost price, and Provision for Depreciation Account (Buildings) is to be credited accordingly:
 - (c) All other capital assets, e.g., tools, instruments, plant, furniture, office machinery, motor vehicles, are to be depreciated at 20 percent of Diminishing Value, and the asset accounts credited accordingly:
 - (d) The depreciation rates in paragraphs (a) to (c) hereof are to be the standard rates, and any variation therefrom shall be clearly disclosed in the Notes to the Accounts as a value variation.

PART D

APPROPRIATION ACCOUNT

For Year Ended 31 March

	This Year \$	Last Year \$
	<u> </u>	<u> </u>
Opening Balance
Surplus/Deficit transferred from Income and Expenditure Account
Withdrawals from Reserves and Sinking Funds
Profit on sale of assets
	<u> </u>	<u> </u>
Appropriations to—		
Reserve Funds for General Purposes
Sinking Funds and Loan Redemption Reserve Funds
Capital Reserve
	<u> </u>	<u> </u>
Other Accounts
	<u> </u>	<u> </u>
Closing Balance
(Being accumulated retained earnings other than Reserve and Sinking Funds)	<u> </u>	<u> </u>

FIRST SCHEDULE—*continued*

PART E

BALANCE SHEET

As at 31 March

						This Year \$	Last Year \$
						<hr/>	<hr/>
<i>Assets:</i>							
<i>Current Assets:</i>							
Cash and Bank	Loan Account	..	..	..	.....	.....
	Power Fund	..	..	..	.....	.....
Sundry Debtors	..	..	..	..	.....	.....
Stocks	General	..	..	..	.....	.....
	Appliance and Servicing	..	..	..	.....	.....
Total Current Assets						<hr/>	<hr/>
<i>Investments:</i>							
Sinking Funds	..	..	..	..	.....	.....
Reserve Funds	..	..	..	..	.....	.....
Total investments						<hr/>	<hr/>
<i>Fixed Assets:</i>							
Generating plant, less provision for depreciation	..	..	..	..	.....	.....
Distribution equipment, less provision for depreciation	..	..	..	..	.....	.....
Buildings, less provision for depreciation	..	..	..	..	.....	.....
Motor vehicles, plant and equipment, at cost less depreciation	..	..	..	..	.....	.....
Total Fixed Assets						<hr/>	<hr/>
Total						<hr/> <hr/>	<hr/> <hr/>

						This Year \$	Last Year \$
						-----	-----
<i>Liabilities:</i>							
Current liabilities—							
Bank overdraft
Sundry creditors
Other liabilities
						-----	-----
Loan liability
Total liabilities						-----	-----
Corporate Ownership—							
Capital Reserve
Loan Redemption Reserve Funds and Sinking Funds			
Revenue Reserve Funds
Appropriation Account (Accumulated Retained Earnings)			
						-----	-----
Total Corporate Ownership
						-----	-----
Total	-----	-----

FIRST SCHEDULE—*continued*

PART F

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For Year Ended 31 March

								This Year \$	Last Year \$
								_____	_____
<i>Source of Funds:</i>									
Surplus from operations
Depreciation
Loans Raised
Capital contributions from consumers		
Disposal of assets
Withdrawals from Reserves
Withdrawals from Sinking Funds		
Total funds available	=====	=====
<i>Application of Funds:</i>									
Expenditure on Capital works
Loans Repaid
Investment of Reserve Funds
Investment of Sinking Funds
Total funds Used	=====	=====
Increase/Decrease in Working Capital	=====	=====

	This Year \$	Last Year \$
	<hr/>	<hr/>
<i>Movements in Working Capital:</i>		
<i>Increase/Decrease in Current Assets:</i>		
Cash and Bank
Stock
Debtors
	<hr/>	<hr/>
<i>Decrease/Increase in Current Liabilities:</i>		
Cash and Bank
Creditors
	<hr/>	<hr/>
Increase/Decrease in Working Capital (as above)	<hr/> <hr/>	<hr/> <hr/>

SECOND SCHEDULE

ALLOCATION OF EXPENDITURE

1. Direct expenses—Where possible, expenditure on labour, transport, materials, and other items that can be separated and charged directly is to be so charged.

2. Indirect expenses, labour—In addition to any direct wages and salaries and where the following indirect expenditure cannot be allocated accurately at the source of payment, the labour charge shall include a proportion of such indirect expenditure determined by the ratio that the amount of such direct wages and salaries bears to the total amount of wages and salaries:

- (a) Holiday pay:
- (b) Sick and special leave pay:
- (c) Accident pay, less recoveries:
- (d) Employers' Accident Compensation Levy:
- (e) Employers' superannuation contributions:
- (f) Wages and salaries of technical and administration staff supporting the generation, construction, maintenance, marketing and similar operations (e.g., salaried line supervisors, survey and draughting office staff, engineers, accounting and clerical staff associated with design and construction works of a capital nature):
- (g) Any other wage related expenses.

3. Indirect expenses, transport—Where a detailed analysis of vehicle running is not maintained, total transport operating costs, including registration and insurance are to be allocated reasonably and realistically to the functions of each vehicle.

4. Indirect expenses, materials—In addition to the direct expenditure on any materials issued, the materials charge shall include a proportion of the following indirect expenditure determined by the ratio that the cost of such material issues bears to the total cost of material issues:

- (a) External stores charges not able to be applied to any particular item (e.g., general freights, insurances on goods, wharfage).
- (b) Wages and salaries of purchasing and stores staff, expenses of stores operations, including total transport costs applicable to stores operations.

SECOND SCHEDULE—*continued*

5. Other expenditure—A reasonable and realistic apportionment based on existing circumstances, is to be made to the Generation Account and to the Appliance Sales and Servicing Account, in respect of such of the following expenditure which is not allocated directly:

- (a) Insurance:
- (b) Rents and rates:
- (c) Postages:
- (d) Telephones:
- (e) Printing:
- (f) Stationery:
- (g) Lighting and heating:
- (h) Freight:
- (i) Interest:
- (j) Administration sundries.

NOTE: Depending on the size of the Appliance Sales and Servicing operation many of the above items may be direct costs to that Account and therefore not required to be apportioned pursuant to this Schedule.

P. G. MILLEN,

Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations replace the Electric Power Board Accounts Regulations 1928 and prescribe the accounting procedure to be followed by Electric Power Boards.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 31 March 1977.

These regulations are administered in the New Zealand Electricity Department.