

Unaudited Financial Statements of

TESHMONT LP HOLDINGS LTD.

Year ended March 31, 2009

TESHMONT LP HOLDINGS LTD.
STATEMENT OF INCOME AND RETAINED EARNINGS
(UNAUDITED)

For the year ended March 31

	2009	2008
	<i>dollars</i>	
Revenue		
Partnership income	639 233	563 029
Interest income	10 261	4 237
	649 494	567 266
Expenses	6 780	5 603
Net Income	642 714	561 663
Retained earnings, beginning of year	2 060 920	1 499 257
Retained Earnings, end of year	2 703 634	2 060 920

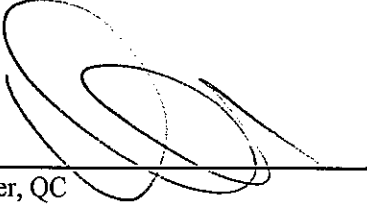
The accompanying notes are an integral part of the financial statements.

TESHMONT LP HOLDINGS LTD.
BALANCE SHEET (UNAUDITED)
As at March 31


	Notes	2009	2008
		<i>dollars</i>	
Assets			
Current Assets			
Cash		7 854	3 738
Term investments	4	693 831	254 510
Receivable from Teshmont LP	5	222 009	22 732
		<u>923 694</u>	<u>280 980</u>
Other Assets			
Investment in partnership	6	1 780 040	1 780 040
		<u>2 703 734</u>	<u>2 061 020</u>
Shareholder's Equity			
Share capital		100	100
Retained earnings		2 703 634	2 060 920
		<u>2 703 734</u>	<u>2 061 020</u>
		<u>2 703 734</u>	<u>2 061 020</u>

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board:



Victor H. Schroeder, QC
Chairman of the Board



William Fraser, FCA
Chair of the Audit Committee

TESHMONT LP HOLDINGS LTD.
STATEMENT OF CASH FLOWS (UNAUDITED)

For the year ended March 31

	2009	2008
	<i>dollars</i>	
Operating Activities		
Proceeds from partnership income	439 956	540 297
Interest income	10 261	4 237
Cash paid to suppliers	(6 780)	(5 603)
Cash provided by operating activities	443 437	538 931
Financing Activities		
Repayment of purchase & promissory note	-	(540 297)
Cash provided by (used for) financing activities	-	(540 297)
Investing Activities		
Term investments	(439 321)	(890)
Cash used for investing activities	(439 321)	(890)
Net increase (decrease) in cash	4 116	(2 256)
Cash at beginning of year	3 738	5 994
Cash at end of year	7 854	3 738

The accompanying notes are an integral part of the financial statements.

TESHMONT LP HOLDINGS LTD.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
For the year ended March 31, 2009

NOTE 1 NATURE OF THE ORGANIZATION

Teshmont LP Holdings Ltd. (Teshmont Holdings) was established February 14, 2003 as a holding company of Manitoba Hydro to acquire a 40% ownership of Teshmont Consultants Limited Partnership (Teshmont LP), which carries on a high voltage engineering and consulting practice.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Presentation**

The accounts are maintained using the accrual basis of accounting.

(b) **Revenue Recognition**

The investment in Teshmont LP is accounted for by the equity method. In order to align the fiscal year end of Teshmont LP to Manitoba Hydro, partnership income will include 18 months of income in 2009, compared to 12 months for the previous year.

(c) **Financial Instruments**

All financial instruments are measured at fair value on initial recognition as of the trade date. Measurement in subsequent periods depends on the classification of the instrument. Financial instruments are classified into one of the following five categories: held-to-maturity investments, loans and receivables, held-for-trading, available-for-sale, or other financial liabilities.

Financial instruments classified as loans and receivables are measured at amortized cost using the effective interest method of amortization. Held-for-trading financial instruments are measured at fair value.

Teshmont Holdings has classified its financial instruments as follows:

Cash	Held-for-trading
Term investment	Held-for-trading
Receivables	Loans and receivables

The carrying values of all financial instruments approximate fair value.

TESHMONT LP HOLDINGS LTD.
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(d) **Comprehensive Income**

Comprehensive income consists of net income and other comprehensive income (OCI). As Teshmont Holding has no items related to OCI, comprehensive income for the year is equivalent to net income.

(e) **Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates, but differences are not expected to be material.

NOTE 3 ACCOUNTING CHANGES

Future Accounting Changes

International Financial Reporting Standards (IFRS)

The CICA's Accounting Standards Board announced that Canadian publicly accountable enterprises will adopt IFRS as issued by the International Accounting Standards Board effective for fiscal years beginning on or after January 1, 2011. The transition date for Teshmont Holdings of April 1, 2011 will require the restatement, for comparative purposes, of the April 1, 2010 balance sheet and of the amounts reported by the Teshmont Holdings for its year ended March 31, 2011. Although IFRS uses a conceptual framework similar to Canadian GAAP, differences in accounting standards are expected. Teshmont Holdings is currently assessing the impact of those differences.

TESHMONT LP HOLDINGS LTD.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
For the year ended March 31, 2009

NOTE 4 TERM INVESTMENTS

Term investments include surplus cash of \$693 576 (2008 - \$253 620) Manitoba Hydro has invested on behalf of Teshmont Holdings. The interest earned and paid on this investment will be based on the average interest rate earned by Manitoba Hydro on their trust investments over the same period, or the average of the overnight investment rates as quoted by the Province of Manitoba over the term of the investment. The unpaid interest on surplus cash is \$255 (2008 - \$890).

	2009	2008
	<i>dollars</i>	
Investment of surplus cash	693 576	253 620
Unpaid interest on surplus cash	255	890
	693 831	254 510

NOTE 5 RECEIVABLE FROM TESHMONT LP

The amount of partnership income distributed by Teshmont LP to Teshmont Holdings was first applied to the non interest bearing Purchase Note. As the original Purchase Note of \$1 900 000 has been settled, distribution of partnership income was then applied to settle the Promissory Note payable to Teshmont LP. As this Promissory Note has also been settled, future partnership income distributions of \$222 009 (2008 - \$22 732) will be treated as a Receivable from Teshmont LP.

	2009	2008
	<i>dollars</i>	
Receivable from Teshmont LP, beginning of year	22 732	-
Partnership Income	639 233	563 029
Settlement of Purchase Note & Promissory Note		(540 297)
Distribution of income from Teshmont LP	(439 956)	
	222 009	22 732

TESHMONT LP HOLDINGS LTD.
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
For the year ended March 31, 2009

NOTE 6 INVESTMENT IN PARTNERSHIP

Teshmont Holdings acquired 40 Limited Partnership units of Teshmont LP for \$1 900 000 payable by issuance of a promissory note (Purchase Note), and 40 General Partnership units for \$40. In 2005, the profits of Teshmont LP of \$120 000 were distributed proportionally to the unit holders' interests in the limited partnership.

	2009	2008
	<i>dollars</i>	
Investment in partnership	1 780 040	1 780 040

NOTE 7 COMPARATIVE FIGURES

Where appropriate, comparative figures for 2008 have been reclassified in order to conform to the presentation adopted in 2009.