

# Network Waitaki



ANNUAL REPORT • FY 2024





EV Charger, Hampden



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# Business Performance Highlights

## FINANCIAL

Revenue  
**\$34.3 MILLION**

|                     |                 |
|---------------------|-----------------|
| Net Profit          | <b>\$3.4m</b>   |
| Capital expenditure | <b>\$22.9m</b>  |
| Total assets        | <b>\$150.5m</b> |

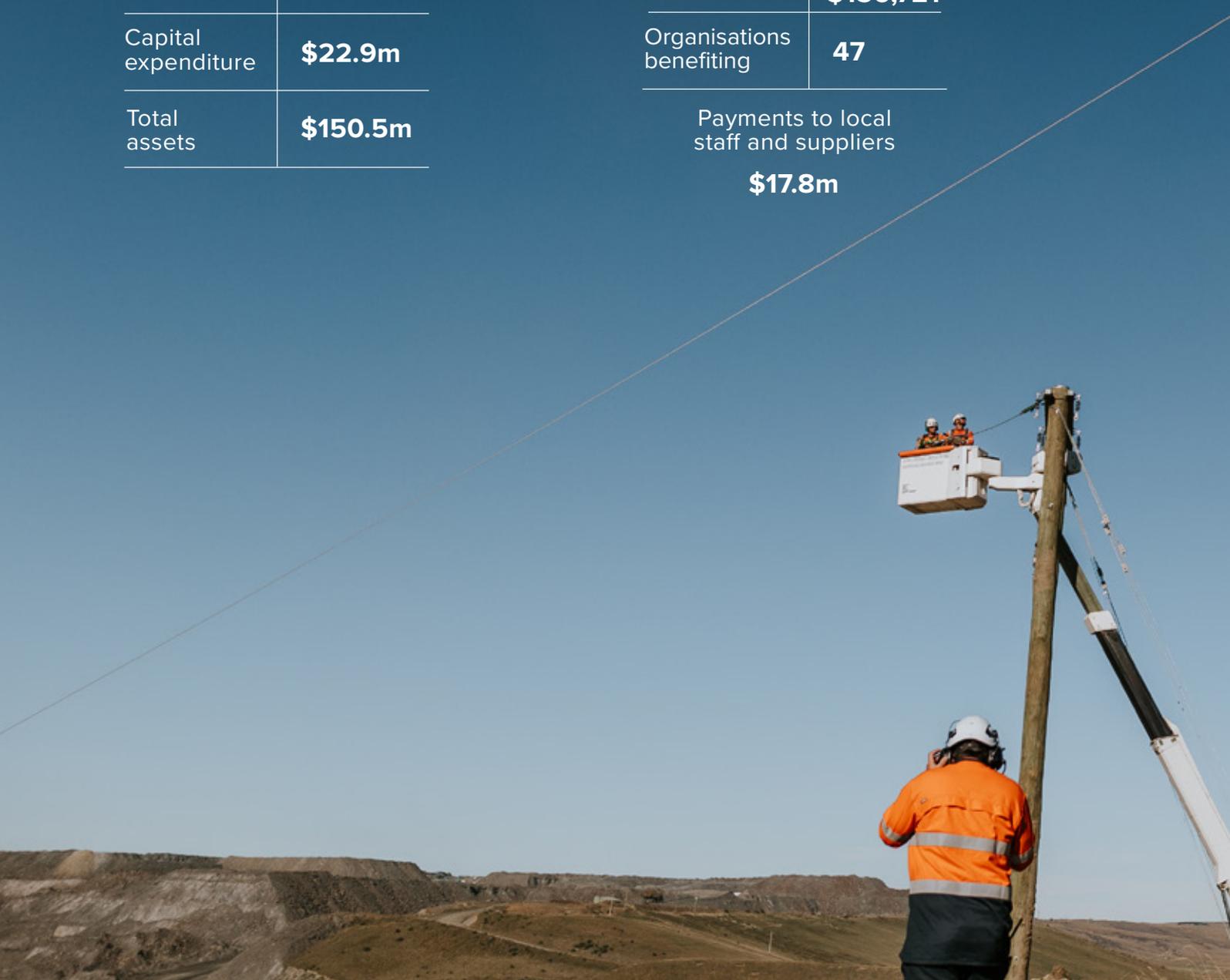
## COMMUNITY

**\$1.0 MILLION**  
 Discounts

|                          |                  |
|--------------------------|------------------|
| Sponsorship              | <b>\$156,721</b> |
| Organisations benefiting | <b>47</b>        |

Payments to local staff and suppliers

**\$17.8m**



## NETWORK PERFORMANCE

**13,471**  
Connections

|                    |                   |
|--------------------|-------------------|
| Maximum demand     | <b>70.0 MW</b>    |
| Energy volume      | <b>322.0 GWh</b>  |
| SAIDI              | <b>110.6 min.</b> |
| SAIFI              | <b>1.4</b>        |
| System Length (km) | <b>1,920</b>      |
| Number of Poles    | <b>21,759</b>     |

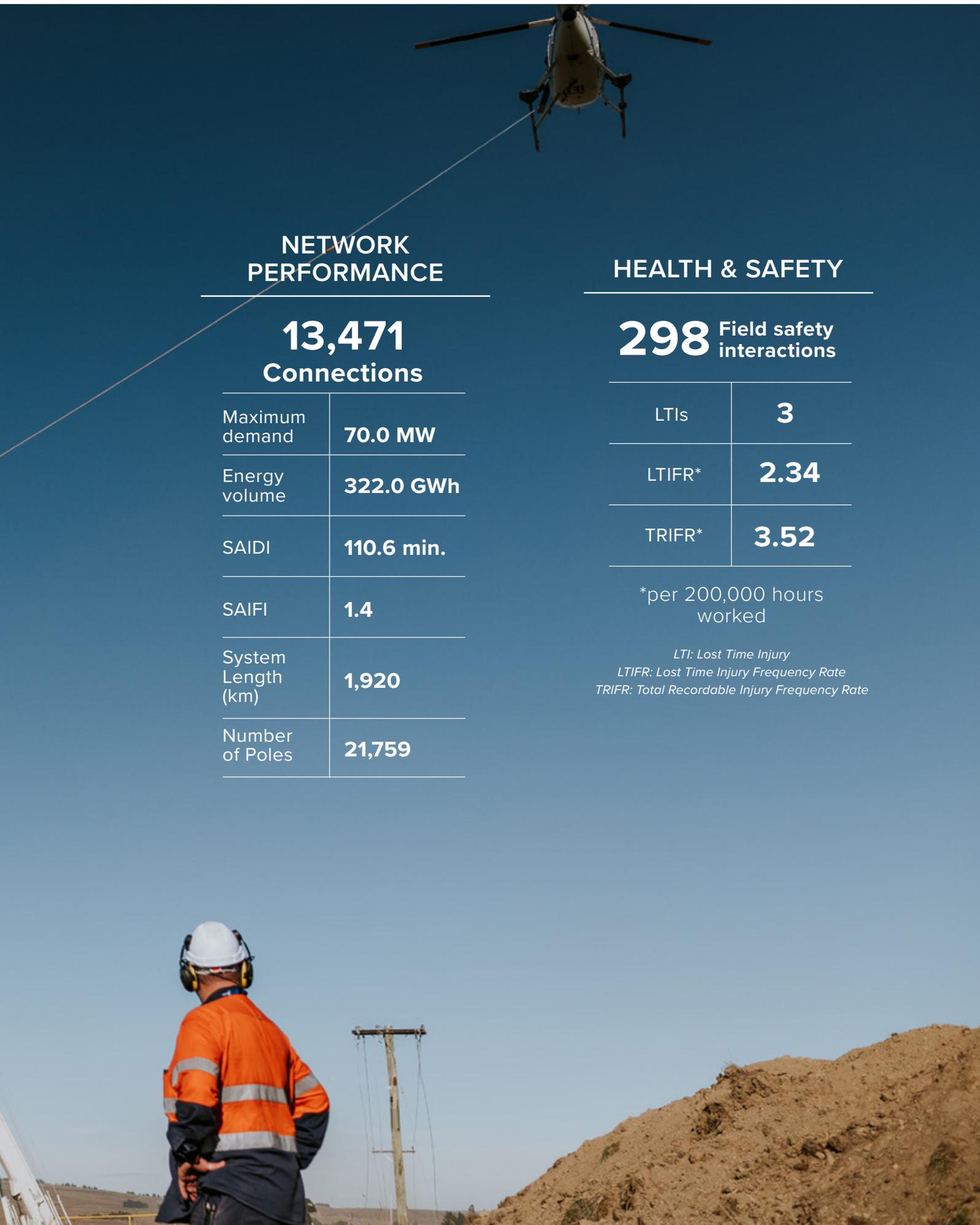
## HEALTH & SAFETY

**298** Field safety interactions

|        |             |
|--------|-------------|
| LTI's  | <b>3</b>    |
| LTIFR* | <b>2.34</b> |
| TRIFR* | <b>3.52</b> |

\*per 200,000 hours worked

*LTI: Lost Time Injury*  
*LTIFR: Lost Time Injury Frequency Rate*  
*TRIFR: Total Recordable Injury Frequency Rate*



# Chairman and Chief Executive Officer Review

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*We are pleased to report on the performance of Network Waitaki for the year ended 31 March 2024.*

Throughout the year our focus was on the strategic priorities of excellence in the core business, customer focus, enabling choice of energy solutions, collaboration and partnerships, and making smart investments for our future. The Board and Management are pleased with the progress across these areas for the year ended 31 March 2024.

The company reported a Net Profit after Tax of \$3.4m from total revenue of \$34.3m. This result compares favourably to a budgeted NPAT of \$3.3m as outlined in our Statement of Corporate Intent (SCI). As can be seen in this report, the company's performance has delivered ahead of expectation in comparison to the financial targets set in the SCI.

This result includes the distribution to electricity customers on our network of the community discount of \$1m – a benefit of Network Waitaki being 100% locally owned by the Waitaki Power Trust. The company has given over \$25m to the local community in discounts over the past 15 years while investing in the network to ensure it remains safe and reliable.

System Average Interruption Duration Index (SAIDI) for the year of 110.6 minutes total (normalised for weather events), compared well to the target of 160 minutes. System Average Interruption Frequency Index (SAIFI) for the year of 1.4 (normalised for weather events) is favourable compared to the 1.8 target. This is due to strong planning and efficient, safe work, and with the exception of a significant weather-related disruption in September, there were fewer unplanned outage disruptions to our network across the course of the year.



**Michael de Buyzer**

*Chairman*



**Dylan Andrews**

*Chief Executive Officer*

We have also continued to invest in our network with \$20.8m of capital projects delivered through the year. This has contributed to our total asset value rising from \$136.8m to \$150.5m. Key projects included the delivery of the zone substation in Awamoko, along with switchgear and 12km of new line. This was a major project to enhance capacity and security of supply at Otematata, as well as on the Waitaki Plains. 5km of new line from Waitaki to Kurow was installed to provide greater network resilience for customers in that area of our network. The network team also replaced the 11kV switchboard at Hampden.

We have been supporting New Zealand towards meeting the target of net zero emissions by 2050 by working with large energy users in our region. An example of the work the network team delivered was the commissioning of a new 3MW connection to supply electricity to Godfrey Hirst New Zealand's Oamaru yarn dyeing and spinning plant. This connection enabled them to upgrade from a coal-fired boiler to an electric resistive boiler and carry out a range of energy efficiency improvements. Other examples include the installation of additional rapid electric vehicle chargers across our region with the support of funding from EECA.

Our contracting arm closed out the year strongly, generating total revenue of \$13.75m from our customers (up from \$11.7m in 2022/3), and \$4.4m of revenue from outside our customer network (down from \$5m in 2022/3). This was a very good result given the new structure and direction we had brought to the team during the year. In the previous year we took an opportunity to expand our contracting service offering to further cater to those outside of our network through the establishment of a contracting depot in Central Otago. It was a strategy to service market demand at the time. However, market conditions changed rapidly in 2023 resulting in the tough decision to close the depot servicing Central Otago customers on a stay-over basis.

We were able to redeploy our resources within our own network to support the delivery of our CAPEX programme, which is one of the largest in recent memory and grow our business to our valued services customers that include Alpine Energy, OceanaGold and Alliance to name but a few.

Safety is a non-negotiable for us. Keeping our people safe and well is always front of mind in how we work. We have a safety culture that we endeavour to improve on every day. This is of critical importance, as we know safety culture drives safety results.

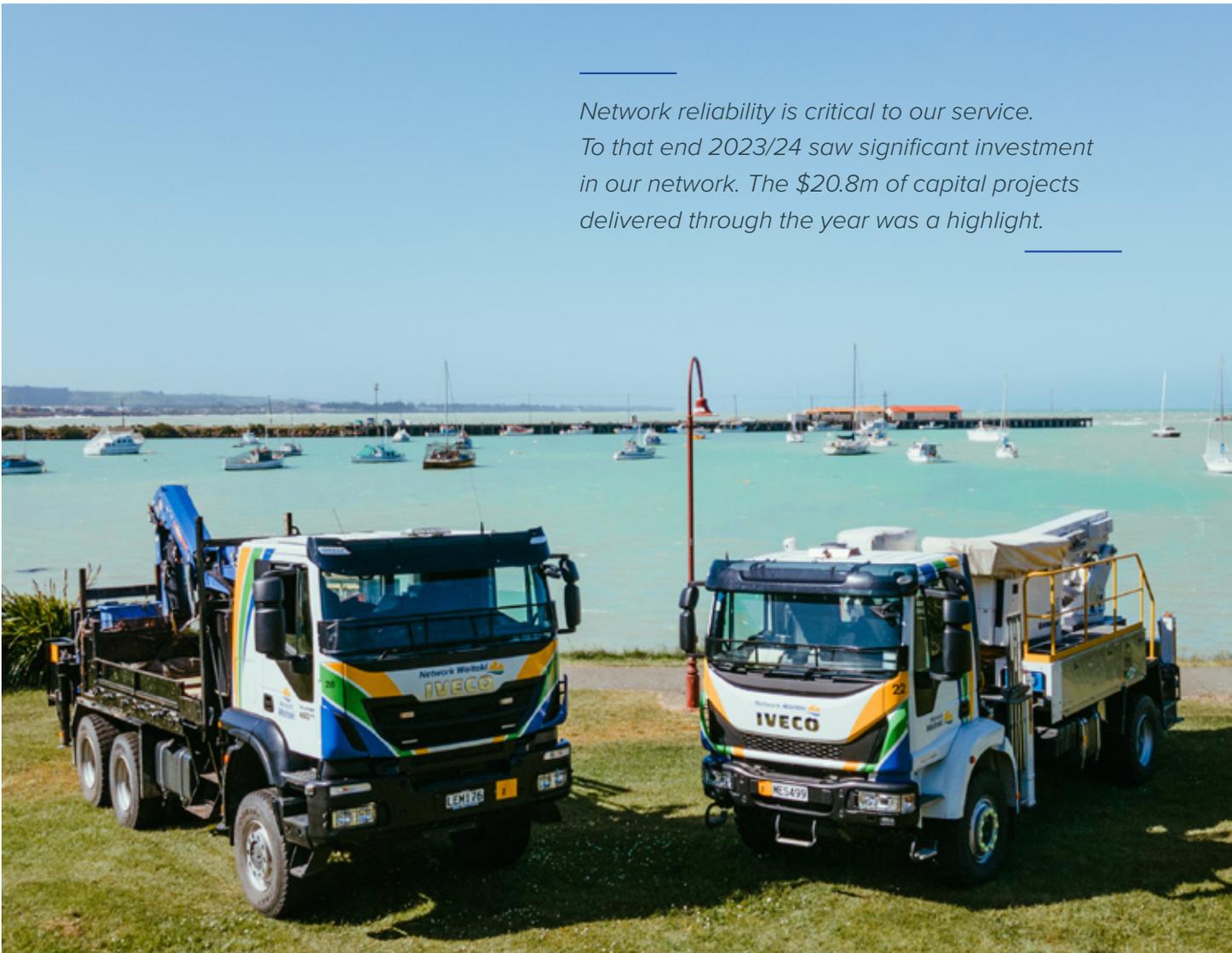
We strive to ensure critical safety risks are controlled, and that no serious or life altering injuries occur from critical risk areas, or any long-term harm arises from workplace health exposures.

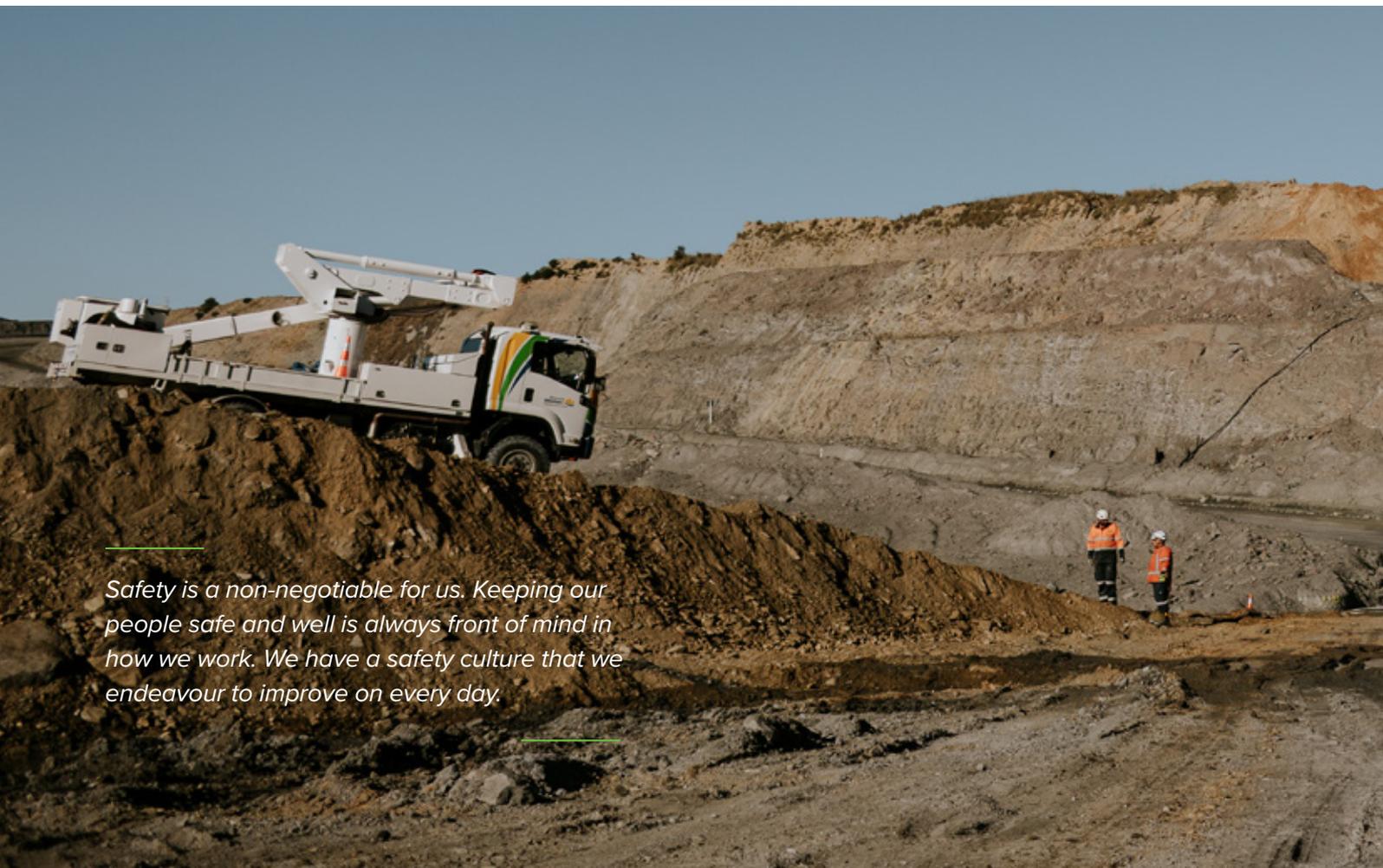
This past year we had three lost time injuries – two were strains, and one was a contusion injury from a trip. These events saw us exceed the levels we set out to achieve for our Lost Time Injury Frequency Rate (LTIFR) and Total Recordable Injury Frequency Rate (TRIFR). Strains and musculo-skeletal injury prevention and management will be a strategic focus over the next 24 months. Importantly, we maintained our record of no serious harm events to our people or the public.

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*Network reliability is critical to our service. To that end 2023/24 saw significant investment in our network. The \$20.8m of capital projects delivered through the year was a highlight.*

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*Safety is a non-negotiable for us. Keeping our people safe and well is always front of mind in how we work. We have a safety culture that we endeavour to improve on every day.*

Wellbeing remains a focus and we have continued to run the MATES programme, the organisational counselling programme (OCP) and unlimited free Virtual GP consultations with 'CareHQ', run through Southern Cross Health Care. These initiatives are designed to reinforce and develop our supportive culture.

Powering our community is at the heart of our purpose. Giving back is a way for us to celebrate and assist with the wellbeing, growth and development of our region. Every year Network Waitaki invests in our local community through a wide range of projects, programmes or activities ranging from community health care, maintenance or upgrading of sport facilities through to the greater involvement of those with disabilities, the arts and education. Our annual sponsorship programme shared \$156,721 with 47 organisations, including a \$25k contribution to Otago Rescue Helicopter Trust, which is an essential service for the care of our community.

We are also pleased to support the Waitaki District Council's approval of the contract for the development of the Network Waitaki Events Centre. We have made a \$1,250,000 commitment to the development of the Network Waitaki Events Centre. This important facility has been enabled by donations and sponsorship from across the community and is set to add to the public amenities that make Waitaki vibrant and a desirable place to live and work and play.





## Looking ahead

Electricity usage in our region is expected to grow. To meet this demand we continue our work towards ensuring the future capacity and security of supply into the region. We have secured a site for the new Transpower Grid Exit Point (GXP) and are working towards commissioning in 2027.

The development and approval of the 2024-2034 Asset Management Plan lays out where we will continue to invest over the next 10 years. Our network team are preparing to deliver investments in our network covering upgrades and replacements to transformers, switchgear upgrades and sub-transmission lines across our network.

Robust systems are crucial to maintaining a safety culture. As part of our safety business plan we are working towards accreditation to the ISO45001 Safety Management Systems standard. We achieved stage2 certification in May 2023. We believe achieving this voluntary standard demonstrates our commitment to health and safety in our community as well as providing reassurance to our customers and stakeholders of the processes and practices we follow.

The 2020 Lake Ōhau fire remains an important focus within the business. In November 2021, Fire and Emergency New Zealand (FENZ) released a Wildfire Investigation Report into the origin and cause of the fire. They found the fire was accidentally caused by an electrical short circuit on a power pole on the company's network. The company disputes FENZ's findings. In 2023, a group of plaintiffs filed proceedings in the High Court against the company alleging that the company's network infrastructure caused the fire and that the company is liable to them for losses suffered as a result of the fire. The company is defending the claim.

Attracting and retaining talented people across the company is a perennial challenge as we remain in a market where the specialist skills required in our sector are in demand. Retaining and redeploying skilled people so we could deliver on our customer commitments and capital investment programme was a core aim for the year. We are acutely aware of the need for our team to have capacity to scale up when needed to maintain the network and deliver network upgrades to plan.

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*We aim to strike a balance between borrowing to invest in the network, and the pricing we ask of our customers to ensure our networks' resilience and capacity for future growth in the region.*

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*Chris Dennison*  
*Former Board Chair*

Dylan Andrews joined as Chief Executive Officer in February 2024 following Geoff Douch's resignation in November 2023. Geoff's contribution was significant. He led the team since April 2019, steering us ably through the disruption of the pandemic while setting the course for a period of significant capital investment in the network, and we thank him for his leadership.

Dylan has an extensive career in the energy sector including holding senior executive roles at lines companies Electra and Counties Power. The Board was delighted to be able to secure a person with his degree of industry knowledge, experience and affinity with locally-owned community distribution networks.

Michael de Buyzer took on the role of Chairman from Chris Dennison who retired in 2023. Director and Chair of the Risk Committee, Mike Underhill also retired in November 2023. The governance and industry expertise that both Chris and Mike brought to the Board have been greatly valued.

Local chartered accountant and experienced company Director Natalie Evans was appointed to the Board in July 2023. Rob Caldwell joined the Board in February 2024. His experience in the electricity distribution industry includes 18 years as Chief Executive of a successful business which spanned distribution, generation and contracting in the sector.

As the investment in our network steps up over the course of the decade we are taking a responsible approach to how we fund it. We aim to strike a balance between borrowing to invest in the network, and the pricing we ask of our customers to ensure our networks' resilience and capacity for future growth in the region.

We recognise the need to understand the cost pressures facing our customers in our community and aim to reflect that in our approach to offering a reliable, efficient and safe network.

We have been able to leverage the strength of our balance sheet, to secure bank funding to ensure the investment cost is able to be spread out over time, and is not solely borne by today's customers.

We know we have to be careful about how we manage the combination of energy affordability and the risk associated with bank capital. To that end new financial disciplines, including an updated Treasury Policy, have been put in place as we have taken on debt for the first time to enable this approach to preparing for our future needs. It is essential we maintain our strong fiscal discipline that is expected of us as a community-owned trust.

The past year's strong financial result is reward for our diligent approach to how we carry out our work for our community and sets Network Waitaki up well for the coming year.

Lastly, on behalf of the Board and Management, we would like to thank our people for their hard work across the business, which has contributed to a successful period for Network Waitaki.

**Michael de Buyzer**

*Chairman*

**Dylan Andrews**

*Chief Executive Officer*

# POWERING — OUR — FUTURE

## Our Vision

Powering a vibrant Waitaki.

## Our Mission

Promoting regional growth and wellbeing through the provision of innovative and sustainable energy solutions for our customers.






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## Our Strategy

Our strategy is to be an innovative and sustainable energy solutions provider for our customers, through excellence in our core network and contracting business operations.

We are committed to operating in a commercially sustainable manner by using company resources efficiently. We aim to preserve and grow the value of the business for the long-term benefit of consumers through providing additional services or solutions for existing Waitaki customers.

Where we can, we will leverage our competencies for customers outside our network area to grow the value of the business for the long-term benefit of consumers.

This reflects the environment we are operating in now where customer requirements and expectations are changing and there is a need to ensure we remain relevant and sustainable over the long term. Electrification Growth as customers look for energy optionality is seeing increased demand for electricity, changing electricity consumption patterns, and we are seeing customers using our traditional network in new and different ways. These all present exciting future opportunities for us as a network operator as well as a service provider to the industry.

The ultimate goal of this strategy is to ensure we continue to have a successful and profitable business, that we remain relevant to our customers, and keep the price of lines charges in the Waitaki area reasonable.

While there is an exciting future for the energy sector and the opportunities to grow our business, our focus remains on excellence in our core network business, providing a safe and reliable supply of electricity to our customers and enabling them to participate in a low carbon energy future.

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# Health, Safety and Wellness

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*We care about our people and the public.*

Network Waitaki’s health and safety plan consists of five focus areas:

- risk management
- health and safety leadership and capability
- wellbeing
- safety management systems; and
- public safety.

While we achieved our goal of zero serious harm to our people and the public, our overall health and safety performance for the year showed a decline from the previous year’s performance.

Our Lost Time Injury Frequency Rate is 2.34 compared to a target of 1.18. This was up from zero the previous year. Our Total recordable Injury Frequency Rate is 3.52 against a target of 2.35. This was up from 1.2 the previous year.

Strains and musculo-skeletal injury prevention and management will be a strategic focus over the next 24 months.

Whilst no one was seriously harmed, 2023/24 was a timely reminder of the need to remain vigilant in managing our health and safety risks.

Our focus has been on the management of our 8 critical safety risks, which are: working with electricity, wellbeing, asset failure, working at height, dropped objects, mobile plant and equipment, traffic management and driving.





## 298 Field Leadership Interactions

|        |      |
|--------|------|
| LTI's  | 3    |
| LTIFR* | 2.34 |
| TRIFR* | 3.52 |

\*per 200,000 hours worked

*LTI: Lost Time Injury  
LTIFR: Lost Time Injury Frequency Rate  
TRIFR: Total Recordable Injury Frequency Rate*

Driving risk related incidents have increased in the past year. A review of this critical risk area saw a focus on secured loads, driving and long work hours, familiarisation with vehicles, towing and managing risk associated with remote and at times rugged terrain. In response we lifted our focus on daily pre-checks for anyone who is driving a vehicle for Network Waitaki.

Ongoing risk management exists with the challenges associated in achieving a high level of supervision for our less experienced line mechanics and trainees. To combat this, the position of Trade Coach was established to provide support to our field crews through assessment of task-based competencies, field-based coaching and the management of our training academy for new line mechanic apprentices. The implementation of the academy covered a range of safety and skill-based training which took the trainees through to a LMM2 level of competence prior to entering the field teams. This provided the trainees with a sound understanding of the safety and the basic tasks that line mechanics encounter. Feedback from all the supervisors highlighted the quality of the new trainees entering the crews and the reduced level of supervision required by the supervisors and experienced line mechanics.

With the increased trainee ratio with field crews, the Trade Coach position has added value in supporting our teams through the challenges of inexperienced field staff ensuring field safety is maintained and their ongoing training is well managed.

To better understand the area of wellbeing we conducted a mental wellbeing risk assessment. This process has helped inform our approach to developing wellbeing programmes.

This year we rolled out a bespoke MATES programme that was developed with the South Canterbury MATES Coordinator to support mental health awareness and connects those at risk to appropriate professional resources. The programme fosters workplace communities and promotes positive wellbeing among our staff.

Staff engagement and collaboration continues to be a strong focus in driving a positive health & safety culture as we work with our H&S reps from across the business.

Health and Safety Management Systems (ISO/AS/NZS 45001) certification was achieved in early 2023, with a set of recommendations to progress. We successfully completed the stage two surveillance audit at the end of May 2024. This process was a catalyst for Network Waitaki to work towards a more cohesive and fit-for-purpose Health and Safety Management System. We now have an aligned suite of clear and simple documentation that covers processes we have in place to manage risk and keep people safe.

This certification to the voluntary ISO AS/NZ Standard is an important milestone for our health and safety management systems. We also passed the NZS7901:2008 and NZS7901.2014 Public Safety Management Systems standard in April 2023.

External audit across our policies and systems helps us improve our daily actions to keep each-other and the communities we serve safe.



# Our People

*Our people and our culture are the key to our success.*



The skills we need are in high demand as the energy sector across New Zealand is in a period of significant investment in network infrastructure to meet the needs of consumers and businesses.

Recruiting skilled people to enable the network investment Network Waitaki has planned for the coming decade is essential. We have a core of long-tenured and experienced staff and low turn-over in our specialist roles. However, as we grow our services and scale-up our work to lift the resilience of our network, we need additional staff to get the volume of forecast work ahead done.

We remain in a tight candidate market, and this has had a particular effect on being able to recruit skilled roles such as line mechanics, arborists and network engineering/project management roles.

This year we developed a recruitment approach that piloted an alternative method to attracting skilled talent to our region and workplace, while maintaining our engagement with our various communities within the Waitaki region.

Working alongside MBIE's Department of Immigration, we established a small-scale pilot to test and understand the international visa recruitment process for highly skilled staff. We have been delighted to welcome two new members to the Network Waitaki staff from Fiji and the Philippines into our contracting team. It has been a valuable process to understand the regulatory requirements, timelines and employment support we need to wrap around people who are new to New Zealand as well as new to our business. The support for this programme from members of our team and the community in Oamaru has been great to see and we thank those involved for their contributions to making this pilot successful. While there is cost involved in this process, it is an option for us where we have a need we cannot fill from within our community, or from other areas of New Zealand.



Bringing people into Network Waitaki and committing to training them through their career pathway is an approach we know works to fill future skills gaps. School engagement through the Gateway programme and careers events and our scholarship programme provide an important avenue for us to bring people into the business. Every year we invest in young people – the future of our business and our community – with educational scholarships. Graduates have studied in areas that are relevant to our business and have gone on to enjoy a rewarding and diverse career in the engineering and power sector.

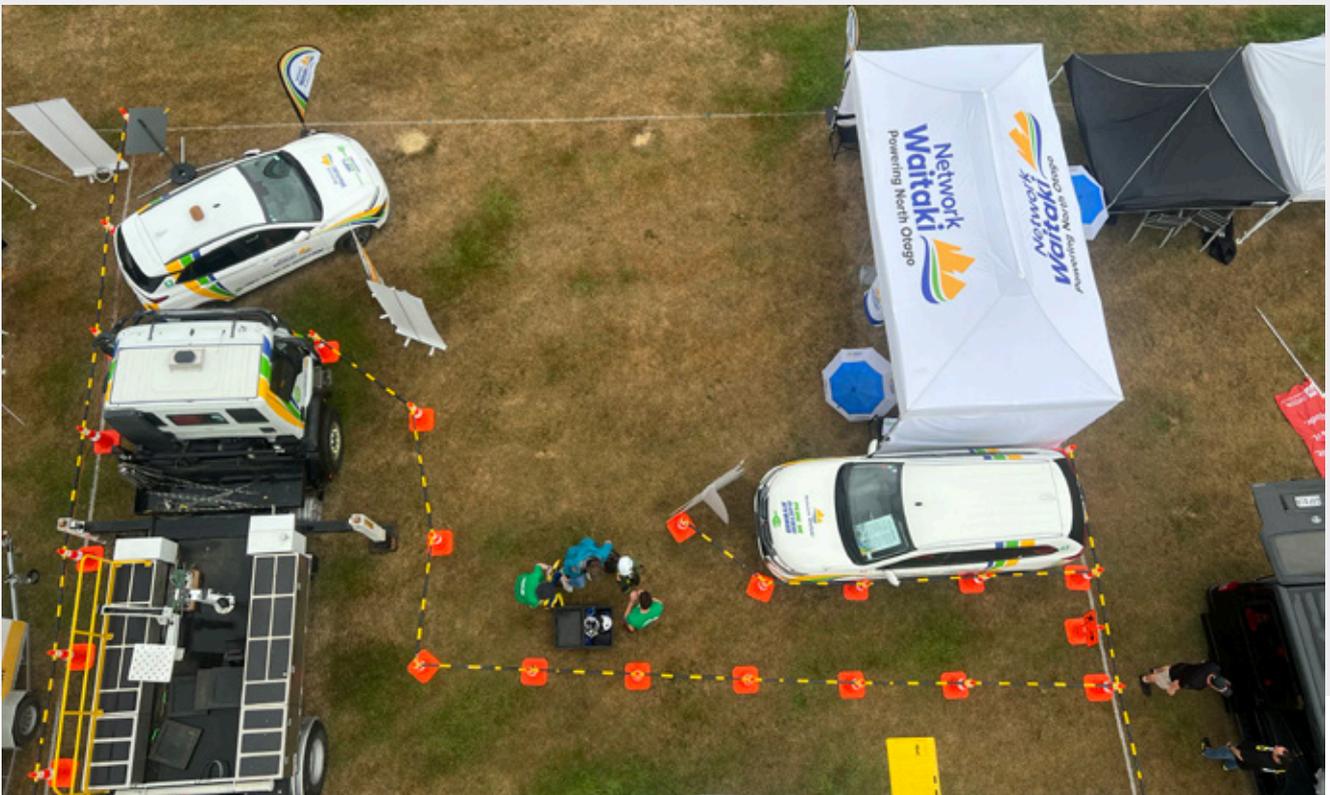
This approach also helps grow community understanding of the services we provide within our community to enable regional growth, the rewarding careers available and the value of 100% community trust ownership.

We know the Waitaki region has a pool of talented people with pre-existing trade qualifications that are transferable. However, starting again on a base trainee wage table rate is a barrier to attracting these

skilled people. This is an area we could not make progress on in 2023 and we intend to address in future discussions with the union as we are determined to provide an attractive future for all who wish to enter our industry – whether they are starting in their first job out of study or coming to us following roles in other skilled trades.

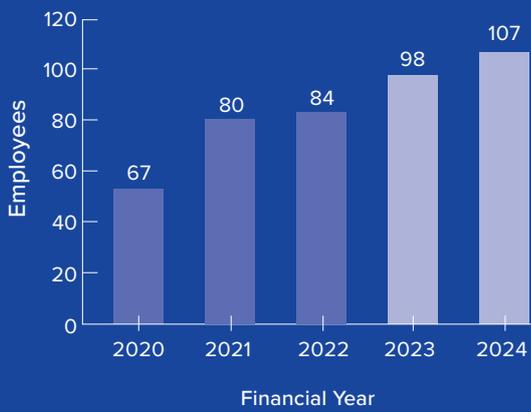
Through the union bargaining process we committed to creating a performance review process that has set out a framework for staff in the field to be rewarded and recognised for their leadership capability. This programme has been developed and initial feedback from our people shows it has been welcomed.

Following the staff engagement insights Network Waitaki introduced leadership training at supervisory level. This training initiative came through from our supervisory staff who felt they would benefit from support in this area of skills development. We see it as a useful way to deepen leadership skills and capabilities within the organisation.

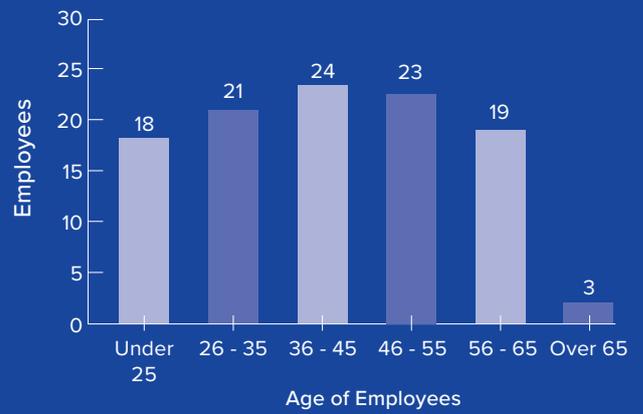


Oamaru A&P Show stand February 2024

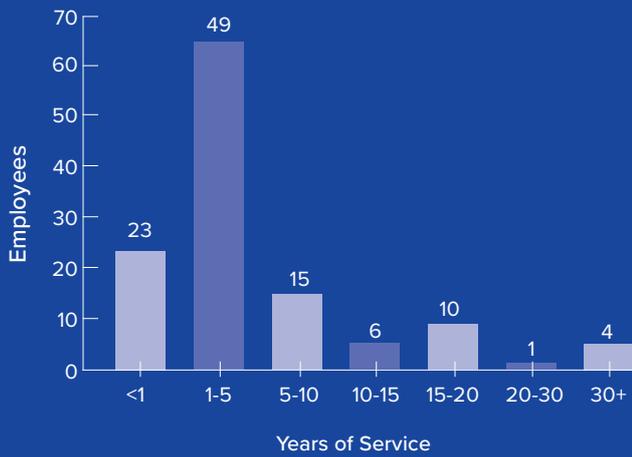
### TOTAL EMPLOYEE NUMBERS



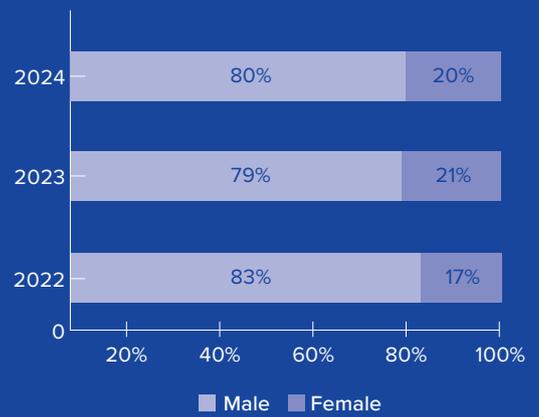
### AGE RANGE OF EMPLOYEES



### LENGTH OF SERVICE



### GENDER BALANCE MOVEMENT



# POWERING -OUR- COMMUNITY



# Customer and Community

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*Network Waitaki is proud to be 100% locally owned by the Waitaki Power Trust and together we are dedicated to sharing the benefits of trust ownership with our customers and community.*

## Powering Our Community

Trust ownership enables Network Waitaki to be fully engaged in promoting and supporting our community through a wide variety of initiatives and activities including the annual Community Sponsorship Programme.

In 2023/4, the Network Waitaki Sponsorship Programme supported 47 organisations with grants paid to a diverse range of community groups totaling \$156,721.

Our silver sponsorship agreement with the Otago Southland Rescue Helicopter Trust was renewed for a further three years beginning 1st November 2023. We understand the critical role this service plays in our community. We have had staff, and members of their families, that have been cared for by the rescue helicopter team after suffering medical events, and we are grateful that they received fast access to the critical life-saving expertise and equipment that is carried on the helicopters.

Supporting events, community initiatives and projects that help add to the vibrancy of the Waitaki region is an important annual contribution to our community.

We strive to maintain our standing as an integral part of the community – both through our Trust ownership structure and the significant role we play in the community as both a service provider and employer.

Our economic contribution to our local community through the employment of local staff and payments to local suppliers totaled \$17.8m. This was a significant increase from the previous year's economic contribution of \$10.3m and reflects the strong contribution by local suppliers to the Network Works Programme of capital investment.



### Network Waitaki Sponsorship Programme

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**47** Organisations Supported

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**\$156,721**  
Grants Paid to Community Groups

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CASE STUDY:

# Building Trusted Relationships with Local Businesses

*Network Waitaki relies on local businesses to support the work they do to maintain the network. One of those businesses is Oamaru helicopter company Heliventures.*

Heliventures services include precision aerial conductor stringing, fault surveying, precision lifting, and transport of people and equipment into remote or hard to access areas of the network. These services help Network Waitaki save significant time and costs on projects that would otherwise be problematic to complete across its large geographic network.

Craig McMillan, Heliventures Founder and Chief Pilot is proud of the skills the company has developed through the partnership.

“Over the years, we’ve built a very robust and strong business relationship. We have some specialty-built equipment we have developed over the years. It makes it really efficient in saving time and saving money. They know our capabilities and we know what they’re doing as well.”

A shared care for the people in the Waitaki region has its benefits, says Craig.

“Our service allows Network Waitaki to look after the assets in an extremely fast way, through aerial inspections they can troubleshoot a problem rapidly, getting the power back on for the consumer.

“For example, the Ōhau line, which is near the extremities of the network range, we can get line technicians there in a very timely manner. Instead of driving for two hours, we can have them there in around 35 minutes.

“The great thing about both of our businesses being local is it’s all about the customers. Last winter we got a few calls from the Network Waitaki team after heavy snowfall caused outages. We were able to get their local team to the fault so they could get the power back on for customers quickly.”

Their combined level of expertise, high standards, safety record and ability to deliver projects efficiently has attracted interest for their services from customers in other networks in Otago and as far afield as Northland.

“Our role on the large Northland project was to assist Network Waitaki with the tension stringing of the double circuit 110kV line. We were able to reduce the time required to complete this job by using our specialised side-pull hook on the helicopter to string the new conductor from pole-to-pole rather than pulling the line on rolling terrain from the ground.”

“It’s kind of a neat one because Network Waitaki is locally owned and some people might not be aware that the work we do together does reach far and wide.”

“The two companies kind of fuse together really well, and we have built a strong business case to service other areas as well.”





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*“It’s kind of a neat one because Network Waitaki is locally owned and some people might not be aware that the work we do together does reach far and wide.”*

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# Network Performance

## *Capacity, Security, Reliability and Resilience*

Energy volumes delivered through the Network were the highest experienced in the past decade. Network Waitaki delivered total volume for the year of 322.0 GWh. This was up by 38 GWh from the 284.0 GWh delivered in the previous year. Volumes were largely a result of the El Nino weather pattern bringing a dry summer which lifted irrigation demand from our rural customers.

The summer peak load driven by irrigation in the district contributes nearly 50% of total network demand. Our network coped with the additional demand experienced this year. We have been optimising the network over several years to keep below our maximum limits and this work freed up capacity to meet this demand.

We are aware of the critical role we play in enabling the production of food exports from our region. We expect demand will grow over time as irrigation plays an important role in ensuring food security and is a proven tool for our customers to adapt to climate conditions.

Network capacity to handle forecast heavier seasonal peaks, as well as new connections from customers transitioning to power supplied from our network, is an area we are addressing through our support of the new Transpower Grid Exit Point (GXP).

The Network team continued work towards ensuring the future capacity and security of supply into the region, we have secured a site for the GXP and it remains on-track for a commission date in the first half of 2027. This will provide additional capacity and security of supply for our region's customers.

The network performed well during the year against our key reliability measures. We achieved a favourable SAIDI result of 110.6 minutes (normalised for weather events) against target of 160 minutes (down from 117.6 minutes FY23) and a SAIFI result of 1.4 (normalised for weather events) against target of 1.8 (slightly up from 1.37 FY23).

Our overall network performance remains favourable to our peers and industry averages and is one of the higher performing rural networks in the country.

A core objective of an electricity distributor is to reliably distribute electricity to consumers.

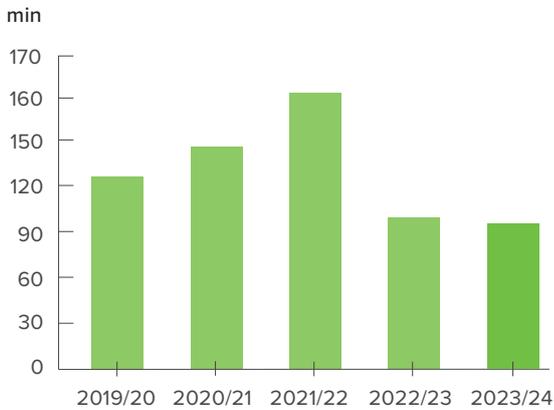


It is supported through investment in network infrastructure that is hardened to accommodate weather disruptions. Weather is always a factor in achieving our objective, and in September we managed a significant weather-related disruption to the Network. Human-error is another factor, and we also managed an unplanned outage in the Ohau/Omarama area due to a car vs pole on SH8. However, overall there were fewer unplanned outage disruptions to our network across the course of the year.

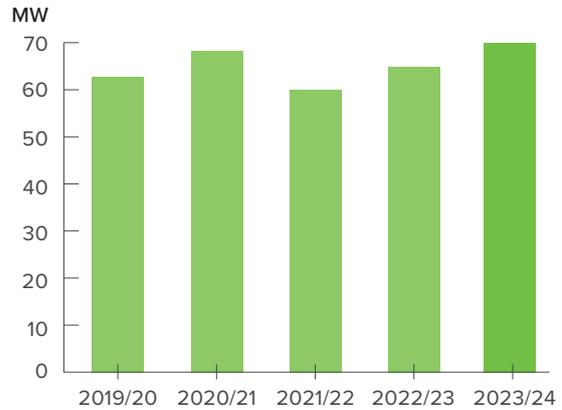
Our response to outages is crucial. Reliability has been achieved through strong planning and efficient, safe work.

The \$20.8m of capital projects delivered through the year was a significant undertaking for our team.

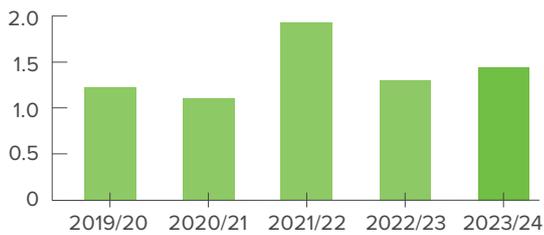
**SAIDI RESULT – AVERAGE OUTAGE DURATION**



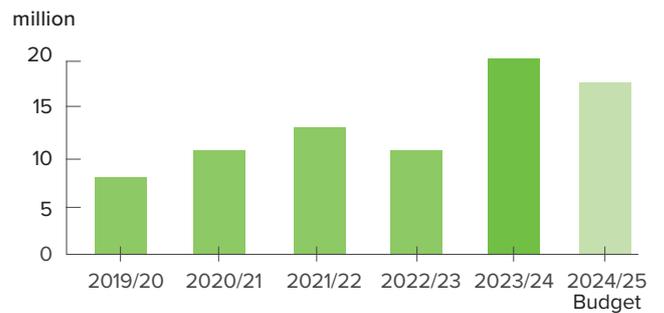
**MAXIMUM DEMAND ON THE NETWORK**



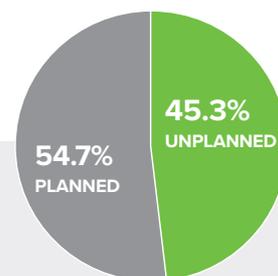
**SAIFI RESULT – AVERAGE OUTAGE FREQUENCY**



**CAPITAL INVESTMENT IN NETWORK**



**2024 SAIDI MINUTES**



Completing the Te Awamako zone substation, with new switchgear and 12km of new line was a major project to enhance capacity and security of supply at Otematata and the Waitaki Plains. This project provides additional capacity for irrigators in that area.

We completed work on the network that has added to its resilience. The team installed 5km of new line from Waitaki to Kurow and replaced the 11kV Switchboard at Hampden.

With the successful implementation of the Utility Network Project we are one step closer to establishing a GIS ecosystem that is ready to deliver location intelligence and spatial awareness while seamlessly integrating both office and field operations. Getting our systems to a level of best practice will assist us in the delivery of our work programme. It will help our operation through efficiency gains that are achievable with an enabled digital workforce.

The services we can offer through this technology are valued by our key customers in our network, and those our contracting team service outside it, as it has great potential to assist customers with their planning and service delivery needs. We hope they will see this as a benefit of our wider service offering.

We have provided new customer connections that enable others greater energy choice so they can connect to our network to reduce their emissions. The 3MW connection project for Godfrey Hirst New Zealand's Oamaru yarn dyeing and spinning plant is one such example.

# Energy Technology

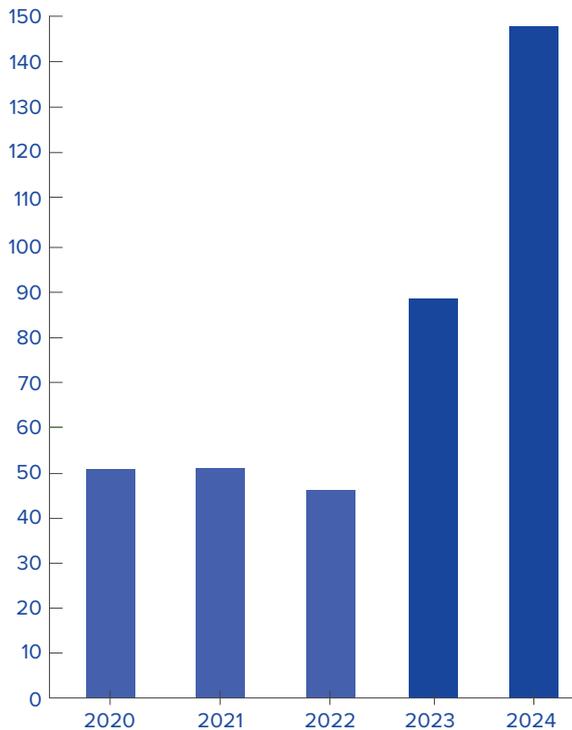
## Electric Vehicle Charging

We are also playing our part at a national level to drive down vehicle emissions, with the support of the Energy Efficiency & Conservation Authority (EECA) and the Waitaki District Council, through the establishment of a network of vehicle charging stations. The network now extends to 12 charging stations across sites in Omarama, Oamaru, Kurow, and Hampden. Our collaboration with EECA acknowledges our strategic position in the South Island, where we are able to offer this service for those living here and the opportunity to service those travelling through our network who require a reliable charging network.

Importantly, we want Waitaki to be the destination where travellers coming through our district choose to stop to recharge and experience the hospitality, shops and services our community offers in the Waitaki.

We are continuing to work in conjunction with the EECA Low Emissions Vehicle fund to identify opportunities to enhance the customer experience by reducing congestion at EV charging sites.

**PUBLIC EV CHARGING (MWH DELIVERED)**



## Fibre Network

While our fibre network is primarily for the management of our network, we make our network available for other users who require this service.

Our Fibre network performed well throughout the year and delivered revenues of \$477,444 (up on prior year revenue of \$449,870). This business unit remained profitable, and profits were in line with expectation.

## Metering

We own and operate a fleet of revenue meters and customer side load control devices which are leased to energy retailers trading on our network. From this, we received revenues for metering of \$415,805 for the year (down on prior year revenues of \$421,494).



CASE STUDY:

# Trust and reliability are at the heart of work done for Macraes Gold Mine

*According to Darren Eyre, the electrical superintendent at OceanaGold’s Macraes Gold Mine, Network Waitaki’s contracting team has a track record of delivering on-time and on-budget.*

“As a gold mine the gold is always there because it’s stored in concentration tanks or it’s in the ground - a reserve that’s locked in. We never lose that gold, what we lose is the time to process it – it’s costly and that’s not recoverable.”

“The team at Network Waitaki are always professional, accurate and get the job done in a way that doesn’t greatly impact our operations. On a mine site, time is money, so any downtime impacts our bottom line. Network Waitaki understand that and as a Critical Service Provider are helping us achieve our strategic goals. We’ve got a symbiotic relationship, one that is driven by service.”

Macraes is an example of the valuable service Network Waitaki’s Contracting Team deliver for customers from outside the geographic network – bringing revenue into the Waitaki region.

Network Waitaki worked with Macraes to support the installation of OceanaGold’s \$10m electric-hydraulic face shovel, the first of its kind in New Zealand. It is a nationally significant electrification project, plugging in to the national grid via a 6,600-volt power supply, the machine is powered by 100% renewable energy. The EV shovel will reduce emissions by approximately 3600 tonnes of carbon per year, equivalent to taking 1800 vehicles off the road.

“Network Waitaki were an absolutely critical part of that project as we had to alter the network to accommodate the 6600-volt power supply. They got involved, from high level General Managers through to the teams on the ground.”

Network Waitaki’s Contracting Team are involved on site at Macraes maintaining the safe operation of high voltage power services and have a deep understanding of how the operation works.

This led to collaboration around aligning GIS systems when OceanaGold upgraded from SLD systems (single line diagrams) to ArcGIS at the site, as Network Waitaki rolled out their ArcGIS project this year.

“Network reliability and safety are critical. A common cause of accidents in the electrical industry is incorrect isolations - thinking you’ve switched the right thing off and you haven’t.”

“They use GIS on their network, which is a global positioning system. Our surveyors use the GIS for our exploration. So, from conversations with their people here on site, they got their GIS technician involved with ours and together we’ve shared our ArcGIS files.

The mapped electrical system and safety protocols for servicing it are now available to technicians and those working on the site through ArcGIS and are on Google Earth. Darren says the new system improves safety and the reliability of the network within the mine.

“Their team has been an integral part of setting that up - right down to each pole, and we’ve got 1500. As the network grows and with personnel changes, you have to have ways like this for people to become familiar with the network.”

“The EV face shovel and the GIS project alone have been really, really positive outcomes.”



*“Network Waitaki were an absolutely critical part of that project as we had to alter the network to accommodate the 6600-volt power supply. They got involved, from high level General Managers through to the teams on the ground.”*



# Contracting Performance

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Contracting achieved a commendable overall outcome by ensuring safe and dependable programme delivery, with completed projects meeting stakeholders’ expectations for safe, high-quality delivery. The contracting business delivered a solid financial performance, generating a total of \$13.75m in work for our customers within our network and \$4.42m of external revenue achieved in a now challenging competitive market.

This year, we experienced an overall reduction in external revenue, indicative of a shift in market dynamics. Nonetheless, we achieved significant success in external projects for our key customer base of OceanaGold, Alpine Energy and Aurora Energy. The variety of work experienced outside our network, not only provides our team with challenging and stimulating projects, it also expands our skillset and experience, ultimately enhancing our overall revenue and business performance.

We have continued to expand on our capacity for both internal and external project delivery within our field teams. Our Electrical Services has again exceeded expected levels in FY24 owing to a full complement of staff and high utilisation throughout the year. Electrical Services have also surpassed expectations in generating external revenue primarily through project deliveries for Alliance Group Pukeuri, NetCon and OceanaGold leading to an overachievement in annual budgeted revenue.

The dedication and engagement of team members form the cornerstone of our continued successes. In preparation for our future requirements, we have strengthened our team by appointing two line mechanics, one trade assistant and one asset inspector to our Field Services Team, along with one electrician and one apprentice electrician within our Electrical Services Team.

This year we also embraced the addition of two international workers to our field teams with one immigrating from Fiji, and the second originating from the Philippines. Both individuals have seamlessly integrated into the field teams, benefitting from the business’s continual social and cultural support, reflecting our commitment to diversity and inclusivity.

Fulfilling our commitment to staff development and training, we had a team of experienced line mechanics complete Live Line Hot Stick and Glove and Barrier training in October and November expanding our live line capacity within our field services team and capacity in both internal and external project live line delivery. Both teams played a crucial role in the successful completion of Aurora projects this year, reinforcing the newly acquired skillset among the recently trained staff and providing our customer with a safe and effective, high-quality service utilising a methodology that minimises customer interruptions.

Our contracting business presents an ambitious strategic blueprint, dedicated to a journey of sustainable development, actively seeking external revenue streams while maintaining a steadfast commitment to providing safe and efficient service delivery for our network and the community it supplies. Our focus remains on capitalising on future opportunities while preserving and reinforcing our exceptional culture and collective values.

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### CONTRACTING TEAM MEMBERS



### CONTRACTING TOTAL REVENUE



### CONTRACTING EXTERNAL REVENUE



# Financial Performance

Network Waitaki’s financial performance underscored a solid year of progress. We achieved the set of financial targets committed to in our Statement of Corporate Intent as well as our budgeted expectations.

Overall revenue was favourable to budget at \$34.3m, up from \$33.0m in the prior period. Net Profit After Tax (NPAT) of \$3.4m, ahead of the \$3.3m SCI target. This reflects a 2.97% return on Shareholder Funds after tax.

Revenue growth against budget has been driven by increased line revenue with higher than budgeted energy volumes adding \$0.5m in additional revenue. Customer contributions ended slightly ahead of budget by \$232k.

This year we experienced an overall reduction in external contracting revenue which was indicative of the changing markets. Total revenue from contracting services was \$13.7m. It was down \$1.8m on budget.

The financial performance has generated operating cashflows of \$13m (up from \$7.7 million in 2023), enabling capital investment into plant, equipment and network assets totalling \$22.9m million to be completed whilst still maintaining cash reserves of \$1.7m at year end. This investment has seen our Total Assets grow by 10% - totalling \$150.5m at year end.

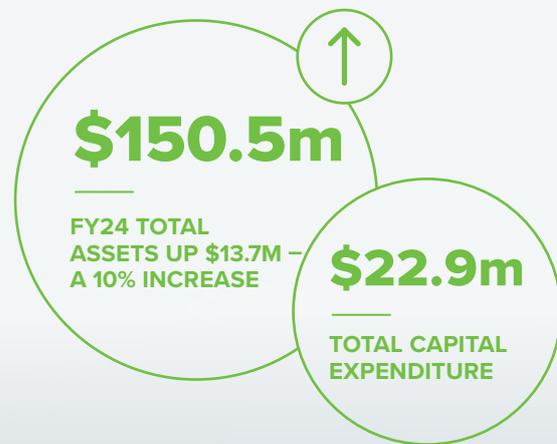
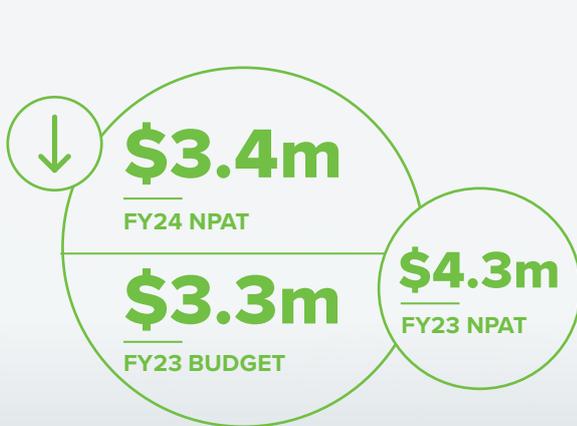
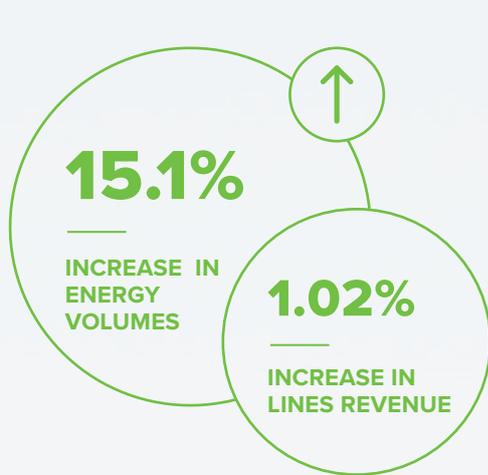
Tight fiscal management in spite of the inflationary environment has seen a slight reduction in operating expenses totalling \$10.7m compared to \$10.9m the prior year. Considering the significant capital investment across the network, this is a commendable achievement.

The successful implementation of a new finance and payroll system during FY24 provides a strong platform for the efficient and effective financial management of the company’s operations going forward.

New financial disciplines, including an updated Treasury Policy, have been put in place as we have taken on debt for the first time to support our capital works programme. Our year-end debt position is at \$10.15m. Debt to Total Assets ratio remains low at only 6.7%.

It is essential we maintain our strong fiscal disciplines expected of us as a consumer-owned trust.

| Network Waitaki Limited<br>Key Financial Performance Measures | Year ended 31 March 2024 |        |          |
|---|--------------------------|--------|----------|
|   | Actual                   | SCI    | Variance |
| NPBT to Shareholder Funds                                     | 4.35%                    | 3.99%  | 0.35%    |
| Net Assets per Share  | \$8.22                   | \$8.19 | \$0.04   |
| Earnings per Share before Tax                                 | \$0.36                   | \$0.33 | \$0.03   |
| Ratio of Shareholder Funds to Total Assets                    | 76.41%                   | 75.96% | 0.45%    |
| Rate of Return after Tax on Shareholder Funds                 | 2.97%                    | 2.87%  | 0.10%    |



# Board of Directors



**Michael de Buyzer**  
*LLB Notary Public*  
**Chairman**

Michael joined the Board in 2019 and was appointed Chair in 2023. He has been a partner with Berry & Co, Lawyers, Oamaru (who have offices in Queenstown and Invercargill) for over 30 years.

Michael was a Director of Whitestone Contracting Limited from 2008 until 31 December 2021, serving the last 5 years as company Chair. Michael is a founding trustee of the Observatory Village Charitable Trust, the sole shareholder of the Observatory Village companies which have developed and operate North Otago's largest Aged Care Facility caring for 120 plus residents and has been the Trust Chair since 2019.

A former Director of the Highlanders Rugby Franchise and NZ Law Limited, Michael has extensive governance experience and a broad legal practice which incorporates provision of advice to a varied mix of commercial entities.



**Chris Bailey**  
*MSc, B PhEd (Hons), Grad Cert ACE Mgmt, Dip Proj Mgmt*  
**Director**

Chris joined the Board in 2017. Chris is a leadership coach and professional director. Current governance roles include Ember Technology, Cactus Outdoor, Albion Clothing, Queenstown Medical Centre, Millpond, GreenHalo.

He has won awards in governance and business innovation and completed governance reviews in large organisations. He has previous Board experience in not-for-profits and digital start-ups.

Chris was an executive at High Performance Sport NZ and at Veterinary Enterprises Group.



**Rob Caldwell**  
*AT AFNZIM*  
**Director**

Rob joined the Board in February 2024. His experience in the Electricity Distribution industry includes 18 years as Chief Executive of a successful business which spanned distribution, generation and contracting in the sector. This leadership experience coupled with an accounting background provides Network Waitaki with wide range of skills at Board level. Rob is a Director of other businesses including in the civil contracting sector and has experience as chair of a Risk and Assurance Committee in that sector along with in the local government sector.



**Natalie Evans**  
*B.Com C.A.PP*  
**Director**

Natalie calls Oamaru home and the overall resilience of Network Waitaki is therefore close to her heart. Natalie joined the Board in 2023 and brings solid judgement garnered via a diverse background of experience in the fields of property, asset management, facilities management, tourism and accommodation. Natalie is a Chartered Accountant with a current practicing certificate. She is currently Executive Director of Anaro Group and Bella Vista Management Limited in addition to fulfilling Directorship roles in a number of property-owning companies and a retirement village.

Natalie supports the local community as is also a Trustee of the Observatory Village Charitable Trust and Treasurer of the Oamaru Whitestone Civic Charitable Trust.



**Jonathan Kay**  
*BE (Chemical & Materials)*  
*(Hons), ME, DipBus*  
**Director**

Jonathan joined the Board in 2019. Jonathan brings a wealth of experience in the energy sector, in particular the commercialisation of emerging technologies. He is currently Chair of Waipa Networks and a Director of Counties Energy, Horizon Energy and Whitestone Contracting.

Prior to this he has held senior management positions at Vector, Unison Networks and Landis+Gyr.



**Tony Wood**  
*BCom CA*  
**Director**

Tony joined the Board in 2012 and is Chair of the Finance and Audit Committee. He is a Chartered Accountant operating a medium sized practice in Oamaru from which he is able to bring a wealth of both business and local knowledge to the Board.

He is active in the local community, past Chair of North Otago Search & Rescue and currently Section Leader for Amateur Radio Emergency Communications in North Otago.

# Management Team



**Dylan Andrews**  
Chief Executive Officer

Dylan joined Network Waitaki in February 2024. Dylan holds an M.B.A. from the University of Reading's Henley Business School and completed the Advanced Management Programme at the University of Melbourne's Melbourne Business School.

Dylan has over 20 years of a range of executive roles in the energy sector. He has a strong affinity with community-owned distribution companies including a decade with Counties Power in Pukekohe leading areas of technology, strategy, and risk before moving to Electra in the Kapiti and Horowhenua region.

During his time with Electra he held responsibilities in technology, business transformation, strategy and risk management before taking on the role as general manager of the lines business and contracting, before becoming chief operating officer, and acting chief executive before moving to Network Waitaki.



**Gina Cavanagh**  
People and Culture Manager

Gina was appointed in March 2023 in the newly created role of People and Culture Manager.

Gina has come from a generalist human resources background, working across a number of different industries including previously working for a Dunedin based network and contracting company.

As a strategic partner to the leadership team, the role of People and Culture Manager ensures that the organisation has a diverse and engaged workforce that is aligned with the company's values and culture. Gina looks to foster a positive and inclusive workplace culture that promotes employee well-being, growth, and career advancement.

Gina holds a diploma in HR Management and is a member of the Human Resources Institute of New Zealand.



**Geoff Jones**  
GM Contracting

Geoff was appointed to the GM role in April 2023. He oversees the strategic growth and day-to-day operations of the contracting business. His responsibilities include upholding customer service standards, mitigating operational risks, maintaining the resource capacity and capability for internal and external project execution, and playing a pivotal role in the company's overall management.

Geoff brings more than two decades of expertise in the electrical distribution sector, with a broad spectrum of experience incorporating field delivery, network control room operations, project management and operational oversight.

Geoff holds diplomas in Business Management and Project Management. Additionally, he is a certified Line Mechanic and a member of the New Zealand Institute of Management and Leadership.



**Tricia Rands**

Chief Financial Officer

Tricia was appointed as the Chief Financial Officer in June 2023 and has responsibility for overseeing the financial operations of the company including financial planning, pricing and reporting along with treasury and risk management.

Tricia joined Network Waitaki in 2020. She previously held senior finance positions in the electricity distribution sector including both network and contracting operations as well as local government and audit experience.

Tricia has a Commerce Degree from Lincoln University and is a member of Chartered Accountants of Australia and New Zealand.



**Shane Watson**

GM Network

Shane was appointed in October 2021 to the newly created role of General Manager Network. He is responsible for the strategic development and operational management of the electricity and fibre networks, metering, and energy technology assets to ensure the delivery of safe, reliable, and cost-efficient electrical energy to meet the current and future needs of our customers and community.

Shane has held roles in the electrical distribution and transmission industry, with over 30 years' experience across consulting, asset management, engineering, procurement and delivery of major projects.

Shane has a degree in Electrical and Electronics Engineering, a Master of Business Administration Degree, is a current Chartered member of Engineering NZ and a Chartered member of Institute of Directors. He is also currently a Trustee of the Power Engineering Excellence Trust.

# Governance Report

## Roles and Responsibilities of the Board and Management

The primary objective of the Board is to protect and enhance the value of the company.

To ensure that Network Waitaki’s business objectives and strategies are achieved and to deliver value to the Company and its shareholder, the Board strives to understand, meet and appropriately balance the expectations of all its stakeholders, including its employees, customers and the wider community.

In carrying out its responsibilities and powers, the Board at all times recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law. The Board works to promote and maintain an environment within Network Waitaki that establishes these principles as basic guidelines for all of its employees and representatives.

The Chief Executive has responsibility for the day-to-day management of Network Waitaki. He is supported in this function by the Network Waitaki management team. Details of the members of the management team are set out on pages 34-35 of this annual report and on our website (<https://www.networkwaitaki.co.nz/company/about-nwl/network-waitaki-management-team/>). The Board maintains the ultimate responsibility for strategy and control of Network Waitaki.

## Board Membership

Network Waitaki’s Board comprises experienced directors from diverse backgrounds and who govern the Company on behalf of its shareholder and other stakeholders. The Board comprises six directors, all of whom are non-executive.

Biographies are set out on pages 30-31 of this annual report. The current directors possess an appropriate mix of skills, expertise and diversity to enable the Board to discharge its responsibilities and deliver the Company’s strategic priorities.

## Director Independence

The Board has reviewed the position and relationships of all directors in office and considers that all directors are independent.

## Board Committees

There are currently two Board committees, a Finance and Audit Committee and a Risk Committee. Each committee has a written charter setting out its purpose, objectives, responsibilities, structure and composition, meetings, and procedure, authority and reporting.

The members and chairs of each committee are:

| Committee                   | Members              |
|-----------------------------|----------------------|
| Finance and Audit Committee | Tony Wood (Chair)    |
|                             | Chris Bailey         |
|                             | Natalie Evans        |
| Risk Committee              | Jonathan Kay (Chair) |
|                             | Michael de Buyzer    |
|                             | Rob Caldwell         |

## External Auditor

In accordance with Section 45 of the Energy Companies Act 1992, the Controller and Auditor-General are responsible for the audit of Network Waitaki Limited. In accordance with Section 29 of the Public Finance Act 1977, the Controller and Auditor-General have contracted the audit of Network Waitaki Limited to *Maxwell John Dixon* using the staff and resources of PricewaterhouseCoopers. The auditor’s fee for 2023/24 is \$110,195 (2022/23 was \$90,947).

## Risk Management

Network Waitaki operates in an environment where it is subject to a wide range of operational and strategic risks. Network Waitaki has a systematic approach to identifying and managing those risks to ensure it operates a safe, compliant, and sustainable business, with clear accountability for risk management across the business.

Risk management is overseen by the Board through its risk subcommittee, chaired by Mike Underhill. The Board remains responsible for approving risk management policy, setting and monitoring the risk appetite for the business, and ensuring management have an effective risk management framework in place.

The key objectives of Network Waitaki's approach to risk management are:

- To protect people, the community, assets, reputation and financial position through effective identification, assessment, and management of risks
- To ensure the business remains sustainable, relevant and maintains its social license to operate
- To achieve the mission, vision, and strategic objectives within an acceptable level of risk (our risk appetite)
- To maintain a flexible and evolving risk management framework aligned to the AS/NZS ISO31000 Risk Management Standard
- To ensure the business has effective systems and tools to assist in the management and reporting of risks
- To consider the risks and opportunities arising from climate change, including the impact on the network and our business alongside changes to government policy and legislation
- To regularly assess new or emerging risks, and to reassess previously identified risks in all aspects of the business operation
- Consideration of all types of risks and how robust risk management supports better informed decision making
- o regularly review the effectiveness of risk controls, and where necessary undertake assurance activities to verify effectiveness of controls
- To ensure transparency and awareness of risks and risk controls across the business, including to Board level; and
- To promote risk management processes and foster a culture of risk management awareness in all aspects of the business operations.

## Internal Audit

Network Waitaki does not consider its scale large enough to require a dedicated independent internal audit function.

## Ethical and Responsible Behaviour

Underpinning our commitment to ethical and responsible behaviour is our code of conduct. The key principles of our code of conduct include:

- At Network Waitaki, we work ethically and professionally, aiming for excellence in everything we do
- We are committed to providing a modern, inclusive, and safe work environment that supports our employees and customers
- Network Waitaki employees will conduct themselves with integrity, will be fair and honest in their dealings and will treat others with the dignity they deserve
- Integrity at Network Waitaki means doing the right things and behaving properly at all times
- Network Waitaki will ensure employees understand that the way they conduct themselves as they go about their business has a direct relationship with the way people view the company
- Our team must work together and in partnership with customers and the wider community to provide a safe and healthy environment. We recognise how we behave reflects on Network Waitaki's reputation; and
- Minimum standards of behaviour and performance are necessary so that a harmonious and safe environment may exist in the workplace.

# Trend Statement

## Financial Performance

| \$000's                                | 2024    | 2023    | 2022    | 2021    | 2020    |
|--|---------|---------|---------|---------|---------|
| Operating Revenue (including interest) | 34,256  | 33,038  | 29,294  | 29,237  | 25,875  |
| Profit before Interest and Tax         | 5,486   | 6,094   | 6,509   | 8,409   | 5,666   |
| Interest                               | (482)   | (37)    | (79)    | 22      | 92      |
| Taxation                               | (1,590) | (1,710) | (1,816) | (2,181) | (1,549) |
| Net Surplus                            | 3,414   | 4,346   | 4,614   | 6,249   | 4,209   |
| Customer Discounts                     | 997     | 1,000   | 991     | 1,482   | 1,167   |

## Financial Position

| \$000's                        | 2024    | 2023    | 2022    | 2021    | 2020    |
|--------------------------------|---------|---------|---------|---------|---------|
| Current Assets                 | 10,363  | 13,396  | 11,940  | 14,947  | 13,421  |
| Non-Current Assets             | 140,174 | 123,366 | 118,205 | 112,102 | 104,702 |
| Total Assets                   | 150,537 | 136,762 | 130,145 | 127,049 | 118,123 |
| Less Liabilities               | 35,517  | 24,988  | 22,617  | 24,015  | 21,339  |
| Net Assets                     | 115,020 | 111,774 | 107,528 | 103,034 | 96,784  |
| Share Capital                  | 14,571  | 14,571  | 14,571  | 14,571  | 14,571  |
| Retained Earnings and Reserves | 100,449 | 97,203  | 92,957  | 88,463  | 82,213  |
| Equity                         | 115,020 | 111,774 | 107,528 | 103,034 | 96,784  |

## Financial Ratios

|  | 2024   | 2023   | 2022   | 2021   | 2020   |
|--|--------|--------|--------|--------|--------|
| NPBT to Shareholders Funds                   | 4.4%   | 5.4%   | 6.0%   | 8.2%   | 5.9%   |
| NPAT to Shareholders Funds                   | 2.97%  | 3.9%   | 4.3%   | 6.1%   | 4.3%   |
| Ratio of Shareholders' Funds to Total Assets | 76.4%  | 81.7%  | 82.6%  | 81.1%  | 81.9%  |
| NPBT Earnings Per Share in Cents             | 36     | 43     | 46     | 60     | 41     |
| Net Assets Per Share                         | \$8.22 | \$7.98 | \$7.68 | \$7.36 | \$6.91 |

## Network Performance

|                    | 2024  | 2023  | 2022  | 2021  | 2020  |
|--------------------|-------|-------|-------|-------|-------|
| SAIDI (normalised) | 110.6 | 117.6 | 166.9 | 146.7 | 124.1 |
| SAIFI (normalised) | 1.4   | 1.4   | 2.0   | 1.2   | 1.2   |

# Directors' Responsibility Statement

**The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of Network Waitaki Limited as at 31 March 2024 and its financial performance and cash flows for the year ended on that date.**

The Directors consider that the financial statements of Network Waitaki Limited have been prepared using appropriate accounting policies consistently applied and supported by reasonable judgements and estimates and that all relevant reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Network Waitaki Limited and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The Directors consider they have taken adequate steps to safeguard the assets of Network Waitaki Limited and to prevent and detect fraud and other irregularities.

The Directors have pleasure in presenting the Financial Statements of Network Waitaki Limited for the year ended 31 March 2024.

The Board of Directors of Network Waitaki Limited authorises these Financial Statements for issue on 27 May 2024.

For and on behalf of the Board of Directors.



**Michael de Buyzer**  
Chairman of the Board



**Tony Wood**  
Chairman of the Finance and Audit Committee

# Financial Statements

These financial statements should be read in conjunction with the attached notes.

## Comprehensive Income

for the year ended 31 March 2024

| \$NZD  | Notes | 2024              | 2023              |
|--|-------|-------------------|-------------------|
| Operating Revenue                                | 1     | 34,255,546        | 33,038,289        |
| Less Customer Discount                           |       | (996,971)         | (999,710)         |
| <b>Operating Revenue after Customer Discount</b> |       | <b>33,258,575</b> | <b>32,038,579</b> |
| Less Operating Expenses                          | 2     | (10,726,858)      | (10,869,115)      |
| Transmission Costs                               |       | (5,138,119)       | (4,231,177)       |
| Employee Costs                                   |       | (5,793,200)       | (5,135,209)       |
| Depreciation, Amortisation and Impairment        | 3     | (6,114,371)       | (5,325,419)       |
| <b>Operating Profit</b>                          |       | <b>5,486,036</b>  | <b>6,093,844</b>  |
| Finance Income                                   |       | 90,244            | 48,259            |
| Finance Costs                                    |       | (572,719)         | (85,491)          |
| Finance Income (Expense) Net                     |       | (482,475)         | (37,232)          |
| <b>Profit Before Tax</b>                         |       | <b>5,003,561</b>  | <b>6,056,612</b>  |
| Taxation   | 18    | (1,589,527)       | (1,710,376)       |
| <b>Net Profit for the Year</b>                   |       | <b>3,414,034</b>  | <b>4,346,236</b>  |
| Fair Value Movement of Cashflow Hedges           |       | (25,658)          | -                 |
| Income Tax on Items Direct to Equity             |       | 7,184             | -                 |
| <b>Total Comprehensive Income</b>                |       | <b>3,395,560</b>  | <b>4,346,236</b>  |

## Changes in Equity

for the year ended 31 March 2024

| \$NZD   | Share Capital     | Retained Earnings  | Hedging Reserve | Total Equity       |
|---|-------------------|--------------------|-----------------|--------------------|
| Balance at 1 April 2022                               | 14,571,119        | 92,956,769         | -               | 107,527,888        |
| Profit for the year, being total comprehensive income | -                 | 4,346,236          | -               | 4,346,236          |
| Dividend Paid   | -                 | (100,000)          | -               | (100,000)          |
| <b>Balance at 31 March 2023</b>                       | <b>14,571,119</b> | <b>97,203,005</b>  | <b>-</b>        | <b>111,774,124</b> |
| Balance at 1 April 2023                               | 14,571,119        | 97,203,005         | -               | 111,774,124        |
| Profit for the year                                   | -                 | 3,414,034          | -               | 3,414,034          |
| Fair Value Movement of Cashflow Hedges                | -                 | -                  | (25,658)        | (25,658)           |
| Income Tax on Items Direct to Equity                  | -                 | -                  | 7,184           | 7,184              |
| <b>Total Comprehensive Income</b>                     | <b>-</b>          | <b>3,414,034</b>   | <b>(18,474)</b> | <b>3,395,560</b>   |
| Dividend Paid   | -                 | (150,000)          | -               | (150,000)          |
| <b>Balance at 31 March 2024</b>                       | <b>14,571,119</b> | <b>100,467,039</b> | <b>(18,474)</b> | <b>115,019,684</b> |

# Financial Statements

These financial statements should be read in conjunction with the attached notes.

## Financial Position

as at 31 March 2024

| \$NZD   | Notes | 2024               | 2023               |
|---|-------|--------------------|--------------------|
| <b>Assets</b>                                     |       |                    |                    |
| <b>Current Assets</b>                             |       |                    |                    |
| Cash and Cash Equivalents                         | 12    | 1,711,783          | 2,984,874          |
| Trade and Other Receivables                       | 5     | 4,474,403          | 6,094,954          |
| Inventories                                       | 6     | 3,967,014          | 4,091,370          |
| Work in Progress                                  |       | 210,033            | 225,278            |
| <b>Total Current Assets</b>                       |       | <b>10,363,233</b>  | <b>13,396,476</b>  |
| <b>Non-Current Assets</b>                         |       |                    |                    |
| Property, Plant and Equipment                     | 9     | 139,755,116        | 122,586,376        |
| Right-of-use Assets                               | 10    | 353,783            | 536,987            |
| Intangible Assets                                 | 11    | 64,659             | 242,677            |
| <b>Total Non-Current Assets</b>                   |       | <b>140,173,558</b> | <b>123,366,040</b> |
| <b>Total Assets</b>                               |       | <b>150,536,791</b> | <b>136,762,516</b> |
| <b>Liabilities</b>                                |       |                    |                    |
| <b>Current Liabilities</b>                        |       |                    |                    |
| Trade and Other Payables                          | 7     | 6,196,109          | 5,092,850          |
| Employee Entitlements                             | 8     | 833,092            | 847,428            |
| Lease Liabilities                                 | 10    | 190,473            | 177,287            |
| Taxation Payable                                  |       | 280,365            | 56,230             |
| <b>Total Current Liabilities</b>                  |       | <b>7,500,040</b>   | <b>6,173,795</b>   |
| <b>Non-Current Liabilities</b>                    |       |                    |                    |
| Loans and Borrowings                              | 13    | 10,150,000         | 1,150,000          |
| Lease Liabilities                                 | 10    | 204,346            | 408,005            |
| Financial Derivatives                             | 17    | 25,658             | -                  |
| Deferred Tax                                      | 18    | 17,637,063         | 17,256,592         |
| <b>Total Non-Current Liabilities</b>              |       | <b>28,017,067</b>  | <b>18,814,597</b>  |
| <b>Total Liabilities</b>                          |       | <b>35,517,107</b>  | <b>24,988,392</b>  |
| <b>Equity</b>                                     |       |                    |                    |
| Share Capital                                     | 14    | 14,571,119         | 14,571,119         |
| Retained Earnings                                 | 15    | 100,467,039        | 97,203,005         |
| Hedging Reserve                                   | 16    | (18,474)           | -                  |
| <b>Total Shareholders' Equity</b>                 |       | <b>115,019,684</b> | <b>111,774,124</b> |
| <b>Total Liabilities and Shareholders' Equity</b> |       | <b>150,536,791</b> | <b>136,762,516</b> |

# Financial Statements

These financial statements should be read in conjunction with the attached notes.

## Cash Flows

for the year ended 31 March 2024

| \$NZD   | Notes | 2024                | 2023                |
|---|-------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>                     |       |                     |                     |
| <i>Cash was Provided from:</i>                                  |       |                     |                     |
| Receipts from Customers   |       | 34,879,126          | 29,178,986          |
| Interest Received   |       | 90,244              | 48,259              |
|   |       | <b>34,969,370</b>   | <b>29,227,245</b>   |
| <i>Cash was Applied to:</i>                                     |       |                     |                     |
| Payments to Suppliers and Employees                             |       | (19,951,433)        | (20,191,033)        |
| Income Tax Paid   |       | (983,883)           | (1,254,566)         |
| Interest Paid   |       | (572,719)           | (85,491)            |
| Net GST Paid  |       | (472,065)           | (9,665)             |
|   |       | <b>(21,890,100)</b> | <b>(21,540,755)</b> |
| <b>Net Cash from Operating Activities</b>                       | 4     | <b>12,989,270</b>   | <b>7,686,490</b>    |
| <b>Cash Flows from Investing Activities</b>                     |       |                     |                     |
| <i>Cash was Applied to:</i>                                     |       |                     |                     |
| Purchase of Property, Plant and Equipment and Intangible Assets |       | (22,921,888)        | (10,532,931)        |
|   |       | <b>(22,921,888)</b> | <b>(10,532,931)</b> |
| <b>Cash Flows from Financing Activities</b>                     |       |                     |                     |
| <i>Cash was Provided from:</i>                                  |       |                     |                     |
| Proceeds from Borrowings  |       | 9,000,000           | -                   |
|   |       | <b>9,000,000</b>    | <b>-</b>            |
| <i>Cash was Applied to:</i>                                     |       |                     |                     |
| Dividends Paid  |       | (150,000)           | (100,000)           |
| Finance Lease Principal Repayments                              |       | (190,473)           | (195,657)           |
|   |       | (340,473)           | (295,657)           |
| <b>Net Cash from Financing Activities</b>                       |       | <b>8,659,527</b>    | <b>(295,657)</b>    |
|   |       |                     |                     |
| <b>Net Increase/(Decrease) in Cash Held</b>                     |       | <b>(1,273,091)</b>  | <b>(3,142,098)</b>  |
| Cash and Cash Equivalents at Beginning of the Year              |       | 2,984,874           | 6,126,972           |
| <b>Cash and Cash Equivalents at End of the Year</b>             |       | <b>1,711,783</b>    | <b>2,984,874</b>    |

## Notes to the Financial Statements

### Reporting Entity

Network Waitaki Limited is a consumer trust-owned electricity distribution network operator in the Waitaki region. The Company's registered office is 10 Chelmer Street, Oamaru, New Zealand. Network Waitaki Limited is wholly owned by Waitaki Power Trust. Network Waitaki Limited is a limited liability company incorporated and domiciled in New Zealand.

### Date of Approval

These financial statements have been approved for issue by the Board of Directors on 27 May 2024. The directors' do not have the power to amend the financial statements after its issue.

### Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as applicable for profit-oriented entities.

Network Waitaki Limited is:

- a New Zealand registered company under the Companies Act 1993; and
- an energy company as defined in the Energy Companies Act 1992.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the Energy Companies Act 1992.

The company is eligible and has elected to report in accordance with Tier 2 for-profit accounting standards, NZ IFRS Reduced Disclosure Regime (NZ IFRS RDR) on the basis that the company has no public accountability and is not a large public sector non-profit entity. In adopting NZ IFRS RDR, the company has taken a number of disclosure concessions. The Company is a profit-oriented entity for the purpose of complying with NZ IFRS RDR.

### Functional and Presentation Currency

The Company's financial statements are presented in whole New Zealand dollars, which is the Company's functional and presentation currency.

Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Foreign currency monetary items at balance date are translated at the exchange rate in effect at the balance date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates ruling at the date when the fair value is determined.

Exchange differences on foreign currency balances are recognised in the Statement of Comprehensive Income in the period that they occur.

### GST

The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables.

### Measurement Base

The financial statements have been prepared on the historical cost basis, and its modification by the revaluation of certain assets as identified in specific accounting policies below. Accounting policies adopted and applied ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.

### Use of Accounting Estimates and Judgements

The preparation of financial statements in conformity with NZ IFRS RDR requires management to make certain critical accounting estimates and judgments that affect the application of policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable in the circumstances.

These estimates and judgments form the basis for the carrying values of assets and liabilities where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying judgments are regularly reviewed. Any changes to estimates are recognised in the period if the change affects that period, or in future periods if the change also affects future periods.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments that have had the most significant impact on the amounts recognised in these financial statements:

- Network reticulation assets are depreciated at the rates determined by the Commerce Commission in the Electricity Distribution Services Input Methodologies. These rates are considered a reasonable estimate of useful lives. Depreciation rates applied are outlined in Note 9
- Lease Liabilities. Key accounting estimates have been applied in respect of the useful life, recoverable amount and incremental borrowing rates applied to the valuation of lease liabilities. These are outlined in Note 10; and
- Long service leave entitlements are recognised on a proportional basis as probability of entitlement increases. This is outlined in Note 8.

Further details and the accounting policies utilising these judgements are included in note 9 of these financial statements.

### **New and amended standards adopted by the company**

No new or amended standards have been adopted by the company during the financial year.

## **Performance**

### **1. OPERATING REVENUE**

#### **Network Lines Revenue**

The Company provides network lines services to customers allowing connection to the wider distribution network. Such services are recognised as a series of distinct goods or services and is recognised as one performance obligation satisfied over time as the customer simultaneously receive and consume the benefits of the service. Revenue is recognised as the service is being provided using an output method based on the actual delivery services provided on a daily basis.

Pricing is determined annually, and retailers are charged based on a published price schedule and quantities delivered.

Individually assessed consumers are charged based on agreed prices, demand capacity and quantities delivered. Pricing includes a transmission and distribution charge relating to the operation of the network. Payment is due in respect of the network line service in the month following the service being provided. A receivable is recognised by the Company reflecting the amount owing for services provided.

As the delivery services are a promise to transfer a series of distinct services that are substantially the same, revenue is recognised based on a measure of progress for the single performance obligation that best depicts the transfer of services to the customer. It is therefore appropriate for revenue to be recognised in line with billing, as this best reflects the transfer of value to the customer. Revenue will be recognised over time.

#### **Capital Contributions Revenue**

The Company constructs assets and provides related electrical connection services to customers to enable a connection to the wider distribution network. Such contracts are not considered to have an enforceable right to payment for the performance obligation until the connection is complete. This single performance obligation is satisfied at a point in time when the electrical connection work is complete.

Pricing is determined with reference to the time and material associated with a specific contract for electrical work is based on the level of activity required to enable a connection. Payment is generally based on 50% deposit and the remainder due at the completion of the connection. A contract asset is recognised by the Company reflecting the amount owing for services provided.

As a practical expedient in line with NZ IFRS 15, Network Waitaki has not adjusted the promised amount of consideration for any deposit received in respect of electrical contract works for a significant component. This is due to the period between the point in time Network Waitaki transfers the electrical work to the customer and when the customer pays for the electrical work being less than one year.

#### **Contracting Revenue**

The Company provides contracting services to a range of customers including the provision of labour to other electricity distribution businesses. Such contracts are not considered to have an enforceable right to payment for the performance obligation until the contracted work is complete. This single performance obligation is satisfied at a point in time when the contracted work is complete.

Pricing is determined with reference to the time and material associated with a specific job. Payment is due in respect of contracting services in the month following the service being provided. A receivable is recognised by the Company reflecting the amount owing for services provided.

#### **Metering Revenue**

Revenue received from the rental of meters is recognised in accordance with the relevant agreements.

| <b>\$ NZD</b>  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| <i>The company derives revenue in the following major classifications:</i> |                   |                   |
| <b>Revenue Recognised Over Time</b>  |                   |                   |
| Network Lines Revenue  | 25,650,609        | 23,029,070        |
| Private Network Revenue  | 231,323           | 225,440           |
|  | 25,881,932        | 23,254,510        |
| <b>Revenue Recognised at a Point In Time</b>                               |                   |                   |
| Capital Contributions  | 2,312,278         | 2,215,132         |
| Contracting  | 4,420,558         | 5,053,070         |
| Fault Recoveries   | 219,107           | 396,411           |
|  | 6,951,943         | 7,664,613         |
| <b>Other Revenue</b>   |                   |                   |
| Metering   | 415,805           | 421,494           |
| Bad Debts Recovered  | -                 | 1                 |
| Fibre Rent Received  | 477,444           | 449,870           |
| EV Income  | 239,408           | 49,049            |
| Property and Other Rent Received   | 14,258            | 22,053            |
| Loss Rental Rebate   | 53,634            | 1,023,281         |
| Other Income   | 221,122           | 153,418           |
|  | 1,421,671         | 2,119,166         |
|  | <b>34,255,546</b> | <b>33,038,289</b> |

**Note:**

- i. As at 31 March 2024, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) is \$813,284 (2023 \$1,443,814), of which 100% will be recognised as revenue during the next reporting period.
- ii. \$1,443,814 of revenue recognised in the reporting period was included in the contract liability balance at the beginning of the period (2023 \$536,735).

**2. OPERATING EXPENSES**

| <b>\$ NZD</b>                                    | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| <i>Operating Expenses Comprise:</i>              |                   |                   |
| Operating Costs                                  | 7,515,409         | 6,730,125         |
| Consumer Asset Costs                             | 673,837           | 784,529           |
| Directors' Fees                                  | 294,244           | 278,312           |
| Insurance  | 900,328           | 825,752           |
| Professional Fees                                | 1,152,522         | 2,070,579         |
| Audit Fees (Financial Statements) – PWC          | 110,195           | 90,947            |
| Audit Disbursements (Financial Statements) – PWC | 7,000             | 8,250             |
| Taxation Services – Other firms                  | 7,823             | 14,805            |
| Regulatory Audit Including Disbursements – PWC   | 58,873            | 61,031            |
| Other Regulatory Audits – Other firms            | 6,617             | 4,785             |
|  | <b>10,726,848</b> | <b>10,869,115</b> |

### 3. DEPRECIATION, AMORTISATION, AND IMPAIRMENT

| \$ NZD  | 2024             | 2023             |
|---|------------------|------------------|
| <i>Depreciation of PPE comprises:</i>                 |                  |                  |
| Buildings   | 121,004          | 128,208          |
| Core Reticulation Network                             | 3,764,794        | 3,513,927        |
| Private Reticulation Network                          | 70,474           | 69,932           |
| Meters and Relays                                     | -                | -                |
| Plant and Equipment                                   | 1,094,206        | 1,010,992        |
| Fibre Network   | 181,975          | 182,308          |
| <b>Total Depreciation of PPE</b>                      | <b>5,232,453</b> | <b>4,905,367</b> |
| Loss on Disposal of Property, Plant and Equipment     | 520,695          | 182,369          |
| <b>Total Depreciation of PPE</b>                      | <b>5,753,148</b> | <b>5,087,736</b> |
| <i>Depreciation of Right-to-use Assets comprises:</i> |                  |                  |
| Network Reticulation System                           | 173,264          | 173,581          |
| Plant and Equipment                                   | 9,941            | 18,511           |
| <b>Total Depreciation of Right-to-use Assets</b>      | <b>183,205</b>   | <b>192,092</b>   |
| <i>Depreciation of Intangibles comprises:</i>         |                  |                  |
| Intangibles   | 178,018          | 131,480          |
| <b>Total Depreciation and Amortisation</b>            | <b>6,114,371</b> | <b>5,411,308</b> |

### 4. RECONCILIATION OF NET PROFIT WITH CASHFLOW FROM OPERATING ACTIVITIES

| \$ NZD  | 2024              | 2023             |
|---|-------------------|------------------|
| <b>Net Profit for the Year</b>                        | <b>3,414,034</b>  | <b>4,346,236</b> |
| <b>Add/(Less) Non-Cash Items:</b>                     |                   |                  |
| Depreciation and Amortisation                         | 6,114,371         | 5,411,308        |
| Deferred Taxation                                     | 387,655           | 558,995          |
|   | <b>6,502,026</b>  | <b>5,970,303</b> |
| <b>Add/(Less) Movements in Working Capital Items:</b> |                   |                  |
| (Increase) / Decrease in Trade and Other Receivables  | 1,620,551         | (2,859,593)      |
| (Increase) / Decrease in Inventories                  | 124,356           | (1,544,715)      |
| (Increase) / Decrease in Work in Progress             | 15,245            | (194,128)        |
| Increase / (Decrease) in Tax Payable                  | 224,135           | (103,185)        |
| Increase / (Decrease) in Trade and Other Payables     | 1,103,259         | 1,931,037        |
| Increase / (Decrease) in Employee Entitlements        | (14,336)          | 140,535          |
|   | 3,073,210         | (2,630,049)      |
| <b>Net Cash Flows from Operating Activities</b>       | <b>12,989,270</b> | <b>7,686,490</b> |

## Working Capital

### 5. TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in the financial asset policy.

| <b>\$ NZD</b>  | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| Trade Receivables                                    | 3,650,221        | 5,144,857        |
| Loss Allowance                                       | (107,819)        | (79,436)         |
| Total Receivables                                    | 3,542,402        | 5,065,421        |
| Other Receivables                                    | 252,711          | 303,225          |
| Prepayments  | 679,290          | 726,308          |
| Balance at End of Year                               | 4,474,403        | 6,094,954        |
| Less Non-Current Trade Receivables                   | -                | -                |
| <b>Current Trade and Other Receivables</b>           | <b>4,474,403</b> | <b>6,094,954</b> |
| Trade and Other Receivables less than 90 days old    | 4,255,101        | 6,010,027        |
| Trade and Other Receivables greater than 90 days old | 219,302          | 84,927           |
|  | <b>4,474,403</b> | <b>6,094,954</b> |

The Company applies the simplified approach to measure the loss allowance on amounts due from customers and trade receivables at an amount equal to lifetime expected credit losses, taking into account the historic default experience and future prospects of the electricity industry.

### 6. INVENTORIES

Inventories are valued at the lower of cost and net realisable value, with additional allowance for obsolescence where necessary. The cost of finished goods comprises direct materials and, where applicable, direct labour and other direct variable costs incurred in order to bring inventories to their present location and condition. Costs are assigned to individual items of inventory on a weighted average cost basis.

| <b>\$ NZD</b>    | <b>2024</b> | <b>2023</b> |
|------------------|-------------|-------------|
| Stores Inventory | 3,967,014   | 4,091,370   |

## 7. TRADE AND OTHER PAYABLES

Trade and Other Payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Trade and Other Payables are recognised at fair value.

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

| \$ NZD                                     | 2024             | 2023             |
|--|------------------|------------------|
| Trade Payables                             | 3,401,192        | 2,767,973        |
| Accruals                                   | 2,034,794        | 462,159          |
| Contract Liability - Capital Contributions | 813,284          | 1,443,814        |
| GST  | (53,161)         | 418,904          |
| <b>Balance at End of Year</b>              | <b>6,196,109</b> | <b>5,092,850</b> |

All trade and other payables have a maturity within one year

### Contract Liability – Capital Contributions

| \$ NZD   | 2024           | 2023             |
|--|----------------|------------------|
| Opening Balance  | 1,443,814      | 536,735          |
| Amount of transaction price received for unsatisfied performance obligations | 1,681,748      | 3,122,211        |
| Revenue recognised from performance obligations satisfied                    | (2,312,278)    | (2,215,132)      |
| <b>Closing Balance</b>   | <b>813,284</b> | <b>1,443,814</b> |

## 8. EMPLOYEE ENTITLEMENTS

### Wages, Salaries and Annual Leave

Employee Entitlements to salaries, wages and annual leave are recognised when they accrue to employees.

### Sick and Special Leave

Employee Entitlements to sick and special leave are recognised when taken by employees.

### Long Service Leave

Long service leave is not recognised in the first 10 years of service. After 10 years of service an allowance is made of 1/5 per year towards long service leave entitlement. Employees are entitled to long service leave after serving for 15 years.

| \$ NZD                             | 2024           | 2023           |
|------------------------------------|----------------|----------------|
| Leave Entitlements                 | 780,463        | 729,676        |
| Other Entitlements                 | 52,629         | 117,752        |
| <b>Total Employee Entitlements</b> | <b>833,092</b> | <b>847,428</b> |

## Non-Current Assets

### 9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise mainly buildings, land, meters and relays, and office equipment. Buildings, meters and relays purchased prior to the adoption of NZ IFRS, 1 April 2006, are shown at 'deemed cost' less subsequent depreciation and impairment write-down. Land purchased prior to 1 April 2006 is shown at deemed cost.

**Property, Plant and Equipment** acquired subsequent to the adoption of 'deemed cost', after 1 April 2006, is recorded at the value of the consideration given to acquire the assets, plus the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service, less subsequent depreciation and impairment write-down.

**Network Reticulation Assets** comprises mainly Low Voltage, 11kV and 33kV conductor and associated transformers and substations. Reticulation assets are shown at deemed cost less subsequent depreciation and impairment write-down. Reticulation assets are depreciated at the rates provided by the ODV handbook issued by the Commerce Commission in 2004. These rates are considered a reasonable estimate of useful lives.

**Network Reticulation Assets** acquired subsequent to the adoption of 'deemed cost' are recorded at the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service less subsequent depreciation and impairment write-down.

**Easements** are recorded at cost. Assets sited on easements will normally be renewed at the end of their economic life in the same location in which they are currently housed. On this basis, the easement itself has an indefinite life. Annually, easements are tested for signs of impairment.

**Contracting Equipment** comprises mainly plant and equipment used in the construction and repair of network reticulation systems. Items are recorded at the value of the consideration given to acquire the assets and the value of directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service less subsequent depreciation and impairment write-down.

**Depreciation of Property, Plant and Equipment** is provided on all property, plant and equipment, other than freehold land, at rates that will allocate the assets' cost or valuation, to their residual values, over their estimated lives. All network reticulation system assets and contracting equipment assets are depreciated on a straight-line basis; other assets are depreciated using both straight line and diminishing value.

The following depreciation rates have been used:

| Item                        | Depreciation Rate |
|-----------------------------|-------------------|
| Network Reticulation System | 1.0% to 10.0%     |
| Fibre Network               | 7.0%              |
| Buildings                   | 1.25% to 13.5%    |
| Meters and Relays           | 14.3% to 20.0%    |
| Plant and Equipment         | 5.0% to 67.0%     |

Gains and losses on disposal of property, plant and equipment are taken into account in determining the operating result for the year.

#### Work in Progress

Work in progress is stated at actual direct costs incurred, less non-recoverable amounts.

#### Impairment

Assets that have an indefinite useful life, for example easements, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**Property, Plant & Equipment**

| \$NZD                        | Core Reticulation Network | Private Reticulation Network | Land & Buildings | Meters & Relays  | Fibre Network    | Plant & Equipment | Total              |
|------------------------------|---------------------------|------------------------------|------------------|------------------|------------------|-------------------|--------------------|
| <b>Gross Carrying Amount</b> |                           |                              |                  |                  |                  |                   |                    |
| At 1 April 2022              | 146,170,873               | 2,546,254                    | 4,516,054        | 2,595,397        | 2,604,400        | 10,541,180        | 168,974,158        |
| Additions                    | 8,765,387                 | 158,158                      | 126,628          | -                | -                | 1,243,189         | 10,293,362         |
| Disposals                    | (567,343)                 | -                            | -                | -                | -                | (263,655)         | (830,998)          |
| At 31 March 2023             | 154,368,917               | 2,704,412                    | 4,642,682        | 2,595,397        | 2,604,400        | 11,520,714        | 178,436,522        |
| Additions                    | 15,245,178                | -                            | 14,735           | -                | -                | 1,273,929         | 16,533,842         |
| Disposals                    | (1,012,249)               | -                            | (267,930)        | -                | -                | (177,907)         | (1,458,085)        |
| Transfers                    | 239,397                   | -                            | (11,170)         | -                | -                | (228,227)         | -                  |
| <b>At 31 March 2024</b>      | <b>168,841,244</b>        | <b>2,704,412</b>             | <b>4,378,317</b> | <b>2,595,397</b> | <b>2,604,400</b> | <b>12,388,509</b> | <b>193,512,279</b> |

**Accumulated Depreciation and Impairment**

|                         |                   |                |                  |                  |                  |                  |                   |
|-------------------------|-------------------|----------------|------------------|------------------|------------------|------------------|-------------------|
| At 1 April 2022         | 42,714,419        | 68,256         | 890,089          | 2,595,397        | 2,095,878        | 5,892,735        | 54,256,774        |
| Charge for the Year     | 3,511,431         | 69,932         | 130,704          | -                | 182,308          | 1,010,992        | 4,905,367         |
| Disposals               | (326,233)         | -              | -                | -                | -                | (178,655)        | (504,888)         |
| At 31 March 2023        | 45,899,617        | 138,188        | 1,020,793        | 2,595,397        | 2,278,186        | 6,725,072        | 58,657,253        |
| Charge for the Year     | 3,763,130         | 70,474         | 122,668          | -                | 181,975          | 1,094,206        | 5,232,453         |
| Disposals               | (437,936)         | -              | (58,630)         | -                | -                | (142,818)        | (639,384)         |
| Transfers               | 160,029           | -              | -                | -                | -                | (160,029)        | -                 |
| <b>At 31 March 2024</b> | <b>49,384,840</b> | <b>208,662</b> | <b>1,084,831</b> | <b>2,595,397</b> | <b>2,460,161</b> | <b>7,516,431</b> | <b>63,250,322</b> |

**Net Book Values**

|                  |                    |                  |                  |          |                |                  |                    |
|------------------|--------------------|------------------|------------------|----------|----------------|------------------|--------------------|
| At 31 March 2023 | 108,469,300        | 2,566,224        | 3,621,889        | -        | 326,214        | 4,795,642        | 119,779,269        |
| Work in Progress | 1,808,214          | -                | 180,770          | -        | -              | 818,123          | 2,807,107          |
|                  | 110,277,514        | 2,566,224        | 3,802,659        | -        | 326,214        | 5,613,765        | 122,586,376        |
| At 31 March 2024 | 119,456,404        | 2,495,750        | 3,293,486        | -        | 144,239        | 4,875,078        | 130,261,957        |
| Work in Progress | 7,572,955          | -                | 536,308          | -        | -              | 1,388,896        | 9,493,159          |
|                  | <b>127,029,359</b> | <b>2,495,750</b> | <b>3,829,794</b> | <b>-</b> | <b>144,239</b> | <b>6,255,974</b> | <b>139,755,116</b> |

**10. LEASES**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally not the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### Leases

| \$ NZD                         | 2024           | 2023           |
|--------------------------------|----------------|----------------|
| Current                        | 190,473        | 177,287        |
| Non-current                    | 204,346        | 408,005        |
| <b>Total Lease Liabilities</b> | <b>394,820</b> | <b>585,292</b> |

Interest expenses on these leases totaling \$21,474 (2023: \$28,605) is included in finance costs in the income statement.

#### Right-Of-Use Assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

| \$NZD                        | Reticulation Network | Plant and Equipment | Total            |
|------------------------------|----------------------|---------------------|------------------|
| <b>Gross Carrying Amount</b> |                      |                     |                  |
| <b>At 1 April 2022</b>       | <b>1,199,957</b>     | <b>90,387</b>       | <b>1,290,344</b> |
| New Leases                   | -                    | 39,835              | 39,835           |
| Variable Lease Adjustments   | -                    | -                   | -                |
| Terminated Leases            | -                    | (90,387)            | (90,387)         |
| <b>At 31 March 2023</b>      | <b>1,199,957</b>     | <b>39,835</b>       | <b>1,239,792</b> |
| Variable Lease Adjustments   | -                    | -                   | -                |
| Terminated Leases            | -                    | -                   | -                |
| <b>At 31 March 2024</b>      | <b>1,199,957</b>     | <b>39,835</b>       | <b>1,239,792</b> |

#### Accumulated Depreciation and Impairment

|                         |                |               |                |
|-------------------------|----------------|---------------|----------------|
| <b>At 1 April 2022</b>  | <b>525,104</b> | <b>73,136</b> | <b>598,240</b> |
| Charge for the Year     | 173,581        | 18,511        | 192,092        |
| Terminated Leases       | -              | (87,528)      | (87,528)       |
| <b>At 31 March 2023</b> | <b>698,685</b> | <b>4,119</b>  | <b>702,804</b> |
| Charge for the Year     | 173,264        | 9,941         | 183,205        |
| Terminated Leases       | -              | -             | -              |
| <b>At 31 March 2024</b> | <b>871,949</b> | <b>14,060</b> | <b>886,009</b> |

### Net Book Values

|                         |                |               |                |
|-------------------------|----------------|---------------|----------------|
| At 31 March 2023        | 501,272        | 35,716        | 536,988        |
| <b>At 31 March 2024</b> | <b>328,008</b> | <b>25,775</b> | <b>353,783</b> |

### Lease Income

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial indirect costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective lease assets are included in the Financial Position based on their nature.

| \$ NZD   | 2024             | 2023             |
|--|------------------|------------------|
| <b>Lessees – Operating Leases</b>                |                  |                  |
| No later than one year                           | 496,813          | 483,474          |
| Later than one year and no later than five years | 1,987,250        | 1,888,410        |
| Later than five years                            | 3,285,900        | 3,583,081        |
|  | <b>5,769,963</b> | <b>5,954,965</b> |

## 11. INTANGIBLE ASSETS

Intangible Assets consist solely of computer software, which is recorded at the value of the consideration given to acquire the assets plus the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

Amortisation of intangible assets is provided for at rates that will allocate the assets' cost or valuation, to their residual values, over their estimated lives. All intangible assets are amortised on a straight-line basis.

Intangible assets are carried at cost less accumulated amortisation.

The following amortisation rates have been used:

| Item              | Amortisation Rate |
|-------------------|-------------------|
| Computer Software | 15% to 40%        |

| \$ NZD   | 2024             | 2023             |
|--|------------------|------------------|
| <b>Purchased Software</b>                      |                  |                  |
| <b>Gross Carrying Amount</b>                   |                  |                  |
| Opening Balance                                | 1,445,864        | 1,413,501        |
| Additions                                      | -                | 32,363           |
| Disposals                                      | -                | -                |
| <b>Closing Balance</b>                         | <b>1,445,864</b> | <b>1,445,864</b> |
| <b>Accumulated Amortisation and Impairment</b> |                  |                  |
| Opening Balance                                | 1,203,187        | 1,071,707        |
| Charge for Year                                | 178,018          | 131,480          |
| Disposals                                      | -                | -                |
| <b>Closing Balance</b>                         | <b>1,381,205</b> | <b>1,203,187</b> |
| Net Book Value                                 | 64,659           | 242,677          |
| Work in Progress                               | -                | -                |
| <b>Carrying Amount</b>                         | <b>64,659</b>    | <b>242,677</b>   |

## Net debt and equity

### 12. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Foreign currency bank account balances are revalued to NZD at spot rate as at balance date:

| <b>\$ NZD</b>          | <b>2024</b>      | <b>2023</b>      |
|------------------------|------------------|------------------|
| NZD bank account       | 1,636,377        | 2,337,173        |
| USD bank account       | 75,406           | 647,701          |
| <b>Closing Balance</b> | <b>1,711,783</b> | <b>2,984,874</b> |

All bank accounts are interest bearing.

#### SHORT TERM DEPOSITS

Short term deposits comprise cash deposits held with financial institutions with an original maturity greater than three months and less than twelve months. Interest income is recognised using the effective interest method.

#### FINANCIAL ASSETS

##### Classification

The Company's only financial assets are measured at amortised cost.

##### Amortised Cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Recognition and Measurement

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

##### Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at fair value through other comprehensive income (FVOCI), trade receivables and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Company writes off a financial asset where there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or in the case of trade receivables when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries are recognised in the statement of comprehensive income.

#### BORROWINGS

Borrowings are initially measured at fair value plus transaction costs. After initial recognition all borrowings are measured at amortised cost using the effective interest rate method.

### Borrowing Costs

Borrowing costs for assets are capitalised when the construction period of qualifying assets is greater than twelve months. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the current cost of borrowing from financial markets.

## 13. LOAN AND BORROWINGS

| \$ NZD                            | 2024              | 2023             |
|-----------------------------------|-------------------|------------------|
| Loan from Waitaki Power Trust     | 1,150,000         | 1,150,000        |
| Bank Loans                        | 9,000,000         | -                |
| <b>Total Loans and Borrowings</b> | <b>10,150,000</b> | <b>1,150,000</b> |

The Loan from Waitaki Power Trust is unsecured. The Bank Loans are secured by way of negative pledge over the asset of the company. The bank loan facility is due for renewal in April 2026.

| \$ NZD                            | Weighted Average Interest Rate |       | 2024              |                   | 2023             |                  |
|-----------------------------------|--------------------------------|-------|-------------------|-------------------|------------------|------------------|
|                                   | 2024                           | 2023  | Face Value        | Carrying Value    | Face Value       | Carrying Value   |
| <b>Longer than One Year</b>       |                                |       |                   |                   |                  |                  |
| Loan from Waitaki Power Trust     | 8.41%                          | 6.71% | 1,150,000         | 1,150,000         | 1,150,000        | 1,150,000        |
| Bank Loans                        | 6.79%                          |       | 9,000,000         | 9,000,000         |                  | -                |
| <b>Total Loans and Borrowings</b> |                                |       | <b>10,150,000</b> | <b>10,150,000</b> | <b>1,150,000</b> | <b>1,150,000</b> |

## 14. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

| \$ NZD  | 2024              | 2023              |
|---|-------------------|-------------------|
| Fully Paid-up Ordinary Shares                     | 14,000,000        | 14,000,000        |
| Non-Issued Shares and Shares Held by the Company  | -                 | -                 |
| <b>Total Number of Ordinary Shares Authorised</b> | <b>14,000,000</b> | <b>14,000,000</b> |

The Company has one class of shares, which is "ordinary shares". Each ordinary share has a value of \$1.00 and ranks equally for voting and distribution rights. All shares are held by Waitaki Power Trust.

A share premium of \$571,119 was paid with the acquisition of shares.

As at the date of authorisation for issue of these financial statements, no dividends have been proposed or declared that are not recognised as a distribution in the 2024 year (2023 Nil).

## 15. RETAINED EARNINGS

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date. Distribution of dividends to the Company shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

| \$ NZD                        | 2024               | 2023              |
|-------------------------------|--------------------|-------------------|
| Balance at beginning of year  | 97,203,005         | 92,956,769        |
| Net Surplus for Year          | 3,414,034          | 4,346,236         |
| Dividend Paid                 | (150,000)          | (100,000)         |
| <b>Balance at End of Year</b> | <b>100,467,039</b> | <b>97,203,005</b> |

### Capital Risk Management

The Company's objective when managing capital, which comprises share capital plus retained earnings, is to safeguard the ability to continue as a going concern and to provide acceptable returns to shareholders.

The Company is not subject to any externally imposed capital requirements.

In order to maintain or adjust the capital structure, the Company may adjust the amount of discount paid to consumers.

## 16. 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.

| \$ NZD                                 | 2024            | 2023     |
|--|-----------------|----------|
| Balance at beginning of year           | -               | -        |
| Fair Value Movement of Cashflow Hedges | (25,658)        | -        |
| Income Tax on Items Direct to Equity   | 7,184           | -        |
| <b>Balance at End of Year</b>          | <b>(18,474)</b> | <b>-</b> |

## 17. FINANCIAL RISK MANAGEMENT

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates relevant financial risks and acts to manage these risks where possible within the parameters set out by the board of directors. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and credit risk.

### Foreign Exchange Risk

The Company's revenue is entirely denominated in New Zealand dollars and it has limited currency exposure in the foreseeable future. The Company may from time to time purchase assets denominated in foreign currency. Board approval is required for foreign currency-denominated contracts valued above a specified threshold, together with a recommendation on the manner in which the foreign currency exposure is to be managed, which may include the pre-purchase of foreign currency or the use of foreign exchange contracts.

### Interest rate risk

The company manages its exposures to changes in interest rates on borrowings in line with the policy parameters set in its Treasury Policy. The Treasury Policy set minimum and maximum parameters allowing the company to have up to between 60% and 80% of its borrowings at fixed rates for terms up to 7 years to achieve an appropriate mix of mixed and floating interest rate exposures. This is achieved by borrowing at a floating rate and using interest rate swaps as hedges of the variability of cashflows attributable to movements in interest rates. The company applies a hedge ratio of 1:1.

The company determines the existence of an economic relationship between the hedging instrument and the hedging item based on the reference interest rates, tenor, repricing dates, maturities and notional amounts. The company assesses whether the derivatives designated in each hedging relationship is effective in offsetting changes in changes of the hedged items using the hypothetical derivative method.

| \$ NZD                                    | Weighted Average Interest Rate | Notional Amount of Hedge Instrument | Carrying Amount of Hedge Instrument Liability | Statement of Financial Position | Change in Carrying Value |
|---|--------------------------------|-------------------------------------|---|---------------------------------|--------------------------|
| NZD Interest Rate Swaps (terms 3-5 years) | 4.52%                          | 7,000,000                           | (25,658)                                      | Financial Derivatives           | (25,658)                 |

### Credit Risk

Credit risk is managed by the Company under policy approved by the board. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposure to customers, including outstanding receivables and committed transactions. Investments with approved counter parties are limited to a term of no more than 24 months. The company will diversify its investments, where it is economic to do so with no more than \$3 million or 25% of current investments, whichever is the greater, in any one institution. Credit risk associated with trade receivables is limited through electricity retailer invoicing for line and metering charges rather than individual consumer invoicing for line and metering charges. Credit risk is also limited in trade receivables by the requirement of a minimum of 50% deposit of the total cost of new connections before work is started. Credit risk for contracting activities are assessed on a per contract basis.

### Liquidity Risk

Cash flow forecasting is performed in the operating entities of the Company. The Company monitors its rolling forecast liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom at all times. Such financial forecasting takes into consideration the Company's debt financing plans and compliance with the Statement of Corporate Intent.

Surplus cash held over and above the balance required for working capital management is invested in interest-bearing accounts.

The table below analyses the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period, at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analyses if their contractual maturities are essential for an understanding of timing of the cash flows. The amounts disclosed in the table are contractual undiscounted cash flows.

#### At 31 March 2023

|   | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years     |
|---|------------------|-----------------------|-----------------------|------------------|
| Loan from Waitaki Power Trust           | 77,165           | 77,165                | 231,495               | 1,535,825        |
| Trade and Other Payables                | 5,092,850        | -                     | -                     | -                |
| <b>Total Non Derivative Liabilities</b> | <b>5,170,015</b> | <b>77,165</b>         | <b>231,495</b>        | <b>1,535,825</b> |

#### At 31 March 2024

|   | Less than 1 year  | Between 1 and 2 years | Between 2 and 5 years | Over 5 years     |
|---|-------------------|-----------------------|-----------------------|------------------|
| Loan from Waitaki Power Trust           | 96,715            | 96,715                | 290,145               | 1,633,575        |
| Bank Loans                              | 9,000,000         | -                     | -                     | -                |
| Trade and Other Payables                | 6,103,457         | -                     | -                     | -                |
| <b>Total Non Derivative Liabilities</b> | <b>15,200,172</b> | <b>96,715</b>         | <b>290,145</b>        | <b>1,633,575</b> |
| Interest Rate Swaps                     | 316,400           | 316,400               | 630,328               |                  |
|   | <b>15,516,572</b> | <b>413,115</b>        | <b>920,473</b>        | <b>1,633,575</b> |

The contractual cashflows of the bank loans are based on the next loan maturity/rollover which is independent of the facility term.

The loan from Waitaki Power Trust is interest only, with no maturity date; however, the Waitaki Power Trust has given an undertaking to give a minimum of 12 months' notice of the requirement to make any repayment of the advance outstanding or part thereof. The over 5-year amounts allow for payments up to 10 years.

## 18. INCOME TAX

Income tax expense in relation to the profit or loss for the period comprises current tax and deferred tax.

**Current tax** is the amount of income tax payable on the taxable profit from the current year, plus any adjustments to income tax payable in respect of the prior year. Current tax is calculated using rates that have been enacted or substantially enacted by balance date.

**Deferred tax** is the amount of income tax payable or receivable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

| <b>\$ NZD</b>  | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| <b>Tax Expenses For Period Made Up Of:</b>                     |                  |                  |
| Current Taxation Expense                                       | 1,201,872        | 1,151,381        |
| Deferred Taxation Expense                                      | 387,655          | 558,995          |
| <b>Tax Expense</b>   | <b>1,589,527</b> | <b>1,710,376</b> |
| Profit Before Income Tax                                       | 5,003,561        | 6,056,612        |
| Prima Facie Taxation @28 cents                                 | 1,400,997        | 1,695,851        |
| <b>Movement In Income Tax Due To:</b>                          |                  |                  |
| Non-Deductible Expenses  | (35,573)         | 7,875            |
| Prior Period Adjustment  | (16,456)         | 6,650            |
| Change in Temporary differences:                               |                  |                  |
| Effect on deferred tax of removal of depreciation on buildings | 240,559          | 14,525           |
| <b>Tax Expense</b>   | <b>1,589,527</b> | <b>1,710,376</b> |
| <b>Deferred Tax Movements:</b>                                 |                  |                  |
| Capital Contributions  | 27,041           | (38,314)         |
| Depreciation   | 900,948          | 664,469          |
| Prior Period Adjustment  | (173,297)        | (155,437)        |
| Other  | (367,036)        | 88,276           |
|  | 387,655          | 558,995          |
| <b>Current Taxation Expense</b>                                | <b>1,201,872</b> | <b>1,151,381</b> |

#### Deferred Tax Liability

| <b>\$ NZD</b>                              | <b>Depreciation</b> | <b>Other</b>     | <b>Total</b>      |
|--|---------------------|------------------|-------------------|
| Opening Balance as at 1 April 2022         | 14,321,824          | 2,375,773        | 16,697,597        |
| Change in the Year - Income                | 509,032             | 49,963           | 433,068           |
| Closing Balance as at 31 March 2023        | 14,830,856          | 2,425,736        | 17,256,592        |
| Change in the Year - Income                | 727,651             | (339,996)        | 387,655           |
| Change in the Year - Equity                | -                   | (7,184)          | (7,184)           |
| <b>Closing Balance as at 31 March 2024</b> | <b>15,558,507</b>   | <b>2,078,556</b> | <b>17,637,063</b> |

**19. RELATED PARTY TRANSACTIONS\***

| \$ NZD  | 2024      | 2023      |
|---|-----------|-----------|
| <b>Payments From:</b>   |           |           |
| <b>Waitaki Power Trust to Network Waitaki Ltd</b>   |           |           |
| Loan Outstanding at Balance Date  | 1,150,000 | 1,150,000 |
| <b>Network Waitaki Ltd to Waitaki Power Trust</b>   |           |           |
| Interest  | 93,725    | 59,640    |
| <b>Outstanding Balance at Balance Date</b>  | <b>-</b>  | <b>-</b>  |
| <b>Network Waitaki Limited to A.J. Wood Chartered Accountants Ltd</b>   |           |           |
| A.J. Wood Chartered Accountants Ltd is related to Network Waitaki Ltd through its director, Tony Wood, who is a shareholder and director of A. J. Wood Chartered Accountants Ltd  |           |           |
| Director's Fees   | 44,828    | 41,150    |
| <b>Network Waitaki Ltd to Berry &amp; Co</b>  |           |           |
| Berry & Co is related to Network Waitaki Ltd through its director, Michael de Buyzer, who is partner of Berry & Co.   |           |           |
| Purchase of goods and services  | 15,064    | 8,294     |
| Payable Balance at balance date   | -         | 7,642     |
| <b>Network Waitaki Ltd to Lone Wolf Enterprises Ltd</b>   |           |           |
| Lone Wolf Enterprises Ltd is related to Network Waitaki Ltd through its director, Jonathan Kay, who is a shareholder and director of Lone Wolf Enterprises Ltd.                   |           |           |
| Director's Fees   | 44,828    | 41,150    |
| <b>Network Waitaki Ltd to Original Performance Solutions Ltd</b>  |           |           |
| Original Performance Solutions Ltd is related to Network Waitaki Ltd through its director, Chris Bailey, who is a shareholder and director of Original Performance Solutions Ltd. |           |           |
| Directors Fees  | 44,828    | 41,150    |
| <b>Network Waitaki Ltd to I.T.online Ltd (Ember Technology)</b>   |           |           |
| Original Performance Solutions Ltd is related to Network Waitaki Ltd through its director, Chris Bailey, who is a Director of I.T.online Ltd (Ember Technology).                  |           |           |
| Purchase of goods and services  | 3,500     | 7,500     |
| Payable Balance at balance date   | -         | 500       |
| <b>Network Waitaki Ltd to Whitestone Contracting Ltd</b>  |           |           |
| Whitestone Contracting Ltd is related to Network Waitaki Ltd through its director, Jonathan Kay, who is a director of Whitestone Contracting Ltd since 1 January 2022.            |           |           |
| Purchase of goods and services  | 1,430,544 | 604,972   |
| Payable Balance at balance date   | 73,097    | 115,366   |
| <b>Network Waitaki Ltd to Key Management Personnel</b>  |           |           |
| Payments to key management personnel are made in accordance with employment agreements.   |           |           |
| Employee Costs  | 1,169,135 | 1,258,161 |

## 20. COMMITMENTS

On 20 December 2021, Network Waitaki Limited entered into an agreement with the Waitaki District Council and the Waitaki Event Centre Trust for sponsorship and naming rights to the Waitaki Event Centre. The initial payment of \$1.25m has been accrued and is included in the financial statements as a current liability. The future aggregate payments are as follows:

| <b>\$ NZD</b>                             | <b>2024</b>      | <b>2023</b>      |
|---|------------------|------------------|
| Within One Year                           | -                | 1,250,000        |
| After one year but not more than 10 years | 1,270,000        | 1,270,000        |
| <b>Total</b>                              | <b>1,270,000</b> | <b>2,520,000</b> |

### Capital Commitments Contracted at Balance Date Was:

| <b>\$ NZD</b>      | <b>2024</b>      | <b>2023</b>      |
|--------------------|------------------|------------------|
| Network Assets     | 939,793          | 2,295,883        |
| Non-Network Assets | 979,470          | 665,792          |
| <b>Total</b>       | <b>1,919,263</b> | <b>2,961,675</b> |

## 20. CONTINGENT LIABILITIES

On 4 October 2020 a fire started in the Lake Ohau area. The fire spread over 5,000 hectares of land and destroyed 48 homes and buildings. In November 2021, Fire and Emergency New Zealand (FENZ) released a Wildfire Investigation Report into the origin and cause of the fire. They found the fire was accidentally caused by an electrical short circuit on a power pole on the company's network. The company disputes FENZ's findings. In 2023, a group of plaintiffs filed proceedings in the High Court against the company alleging that the company's network infrastructure caused the fire and that the company is liable to them for losses suffered as a result of the fire. The alleged losses suffered are said to be \$53 million. The company denies the plaintiffs' claims. The proceedings are at a relatively early stage and no substantive hearing has been set down.

Also on 4 October 2020, a vegetation fire occurred in McKenzie Road, Livingstone which spread over 948 hectares of land. Fire and Emergency New Zealand have concluded that the fire was most likely caused by a tree falling on and breaking 11kV conductors on the company's network. The damaged conductors then ignited vegetation. The Company agrees with these conclusions. A nearby landowner has indicated they will claim against the company for the damage they suffered due to the fire. The Company disputes liability to this landowner. To date, no claim has been filed in Court.

## 21. SUBSEQUENT EVENTS

A review of events subsequent to 31 March 2024 through to the date the annual report was issued has been undertaken, and it has been determined that there were no such events requiring recognition or disclosure in the Annual Report.

# Statement of Service Performance

Performance targets, as set out in the Statement of Corporate Intent (SCI) approved by Directors

## Financial Performance Measures

### Statement of Comprehensive Income for year ended 31 March 2024

| \$NZD   | Actual \$         | SCI \$            | Variance \$      |
|---|-------------------|-------------------|------------------|
| <b>Statement of Comprehensive Income</b>      |                   |                   |                  |
| Revenue Excluding Capital Contributions       | 31,943,268        | 33,129,399        | (1,186,131)      |
| Capital Contributions                         | 2,312,278         | 2,080,000         | 232,278          |
| <b>Total Revenue</b>                          | <b>34,255,546</b> | <b>35,209,399</b> | <b>(953,853)</b> |
| Less Expenses Excluding Depreciation          | (21,658,167)      | (23,270,466)      | 1,612,299        |
| Less Depreciation                             | (6,114,371)       | (5,784,388)       | (329,983)        |
| <b>Net Profit before Discount and Tax</b>     | <b>6,483,007</b>  | <b>6,154,545</b>  | <b>328,462</b>   |
| Less Interest Income/(Expense)                | (482,475)         | (583,354)         | 100,879          |
| Less Discount                                 | (996,971)         | (1,000,000)       | 3,029            |
| <b>Net Profit Before Taxation</b>             | <b>5,003,561</b>  | <b>4,571,191</b>  | <b>432,370</b>   |
| Less Taxation                                 | (1,589,527)       | (1,279,933)       | (309,594)        |
| <b>Net Profit After Discount and Taxation</b> | <b>3,414,034</b>  | <b>3,291,258</b>  | <b>122,776</b>   |

#### Comment

External contracting revenue was down on budget. This was offset in part by increased lines revenue due to the dry summer. Expenses excluding depreciation were held below budget allowing the company to achieve a better than budgeted Net Profit result.

### Balance Sheet as at 31 March 2024

| \$NZD                       | Actual \$          | SCI \$             | Variance \$    |
|-----------------------------|--------------------|--------------------|----------------|
| <b>Shareholders' Equity</b> |                    |                    |                |
| Current Assets              | 10,363,233         | 7,675,128          | 2,688,105      |
| Current Liabilities         | (7,500,040)        | (5,028,481)        | (2,471,559)    |
| Working Capital             | 2,863,193          | 2,646,647          | 216,546        |
| Non-Current Assets          | 140,173,558        | 143,206,383        | (3,032,825)    |
| Non-Current Liabilities     | (28,017,067)       | (31,247,803)       | 3,230,736      |
| <b>Total Net Assets</b>     | <b>115,019,684</b> | <b>114,605,227</b> | <b>414,457</b> |

#### Comment

The company has maintained a strong working capital position during a period of high capital expenditure.

### Key Financial Reporting Measures

|   | Actual | SCI    | Variance |
|---|--------|--------|----------|
| NPBT to Shareholder Funds                     | 4.35%  | 3.99%  | 0.35%    |
| Net Assets per Share                          | \$8.22 | \$8.19 | \$0.04   |
| NPBT Earnings per Share in Cents              | 36c    | 33c    | 3c       |
| Ratio of Shareholders' Funds to Total Assets  | 76.41% | 75.96% | 0.45%    |
| Rate of Return After Tax on Shareholder Funds | 2.97%  | 2.87%  | 0.10%    |

#### Comment

The company has achieved ahead of target on these financial reporting measures. These measures reflect the good Net Profit result and debt levels being less than budgeted at the end of the year.

## Non-Financial Reporting Measures

|  | Actual       | SCI          | Variance    |
|--|--------------|--------------|-------------|
| <b>Reliability</b>                     |              |              |             |
| SAIDI minutes (unplanned)              | 50.1         | 55.0         | 4.8         |
| SAIDI minutes (planned)                | 60.5         | 105.0        | 44.5        |
| <b>SAIDI minutes total<sup>1</sup></b> | <b>110.6</b> | <b>160.0</b> | <b>49.4</b> |
| SAIFI minutes (unplanned)              | 1.2          | 1.3          | 0.1         |
| SAIFI minutes (planned)                | 0.2          | 0.5          | 0.3         |
| <b>SAIFI total<sup>2</sup></b>         | <b>1.4</b>   | <b>1.8</b>   | <b>0.4</b>  |

- SAIDI is the average duration of supply interruptions per connection consumer in a year in minutes.
- SAIFI is the average number of supply interruptions per connection consumer in a year.

These SAIDI and SAIFI measures above have been normalised to exclude Major Event Days in line with standard industry measures of network reliability.

### Comment

The SAIDI and SAIFI measures above show performance ahead of the SCI targets. However it should be noted that the results have been 'normalised' in line with industry standards to exclude the major wind event experienced in Oct 23.

## Health and Safety

|  | Actual  | SCI   | Variance     |
|--|---|---|--------------|
| Lost time incidents arising from critical safety risk areas          | 3   | 0   | 3            |
| Lost Time Injury Frequency Rate (LTIFR)                              | 2.34  | 1.18  | 1.16         |
| Total Recordable Injury Frequency Rate (TRIFR)                       | 3.52  | 2.35  | 1.17         |
| Health and Safety Management Systems accreditation (ISO/AS/NZS45001) | Achieved Stage 1 Certification                                  | Obtain                                      | Achieved     |
| External Field Work Assessments                                      | 2   | 2   | Achieved     |
| Public Safety Management System Accreditation (NZS7901)              | Maintain  | Maintain                                    | Achieved     |
| Review of Critical Risks   | 0   | 4   | Not Achieved |
| Health and Wellbeing Programme annual review (WorkWell)              | Discontinued  | 1   |              |
| Environmental Management Systems                                     | An initial carbon footprint inventory report has been completed | Identify suitable program and align systems | In Progress  |

### Comment

The lost time incidents and frequency rates represent a number of short-term strain injuries. The achievements of Stage 1 ISO45001 accreditation was a key achievement during the year along with the continuation of our External Field Work Assessments.

An initial carbon footprint inventory was a first step in our journey in developing environmental and sustainability systems and reporting.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF NETWORK WAITAKI LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2024

The Auditor-General is the auditor of Network Waitaki Limited (the company). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements and the performance information (as set out in the statement of service performance) of the company on his behalf.

#### Opinion

We have audited:

- the financial statements of the company on pages 40 to 59, that comprise the financial position as at 31 March 2024, the comprehensive income, changes in equity and 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, as set out in the statement of service performance, of the company on pages 60 to 61.

In our opinion:

- the financial statements of the company:
  - present fairly, in all material respects:
    - its financial position as at 31 March 2024; 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 Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 31 March 2024.

Our audit was completed on 28 May 2024. 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 Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, 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 Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is also responsible on behalf of the company for preparing performance information that is fairly presented.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Energy Companies Act 1992.

### **Responsibilities of the auditor for the audit of the financial statements and the 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 it 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 the 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 risks of material misstatement of the financial statements and the 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 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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 and performance information 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 company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.



### Other Information

The Directors are responsible for the other information. The other information comprises the information included on pages 2-39, and pages 65-68 (but does not include the financial statements and our auditor's report thereon). The other information we obtained prior to the date of this auditor's report comprised the Directors' Responsibility Statement. The remaining other information is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

### Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we have carried out an assurance engagement in the area of compliance with the Electricity Distribution (Information Disclosure) Determination 2012 which is compatible with the independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the company.

A handwritten signature in black ink, appearing to read 'Maxwell John Dixon', written over a horizontal line.

Maxwell John Dixon  
PricewaterhouseCoopers  
On behalf of the Auditor-General  
Christchurch, New Zealand

# Statutory Information

## DIRECTORS' INTERESTS

The following Directors of Network Waitaki Ltd have declared interests in identified entities as shareholder and/or director. The declaration serves as notice that the Director may benefit from any transactions between Network Waitaki Ltd and the identified entities.

### Michael de Buyzer (Chairman)

Michael has been a Director since June 2019, Chairman from Aug 2023 and declares the following interests:

|                                      |                          |
|--------------------------------------|--------------------------|
| Banco Trustees Ltd                   | Director and Shareholder |
| BCO Trustees (2011) Ltd              | Director and Shareholder |
| BCO Trustees (2012) Ltd              | Director and Shareholder |
| BCO Trustees (2013) Ltd              | Director and Shareholder |
| BCO Trustees (2014) Ltd              | Director and Shareholder |
| BCO Trustees (2015) Ltd              | Director and Shareholder |
| BCO Trustees (2016) Ltd              | Shareholder              |
| BCO Trustees (2017) Ltd              | Director and Shareholder |
| BCO Trustees (2018) Ltd              | Shareholder              |
| BCO Trustees (2019) Ltd              | Director and Shareholder |
| BCO Trustees (2020) Ltd              | Director and Shareholder |
| BCO Trustees (2021) Ltd              | Director and Shareholder |
| BCO Trustees (2022) Ltd              | Director and Shareholder |
| BCO Trustees (2023) Ltd              | Director and Shareholder |
| BCO Trustees (2024) Ltd              | Director and Shareholder |
| BCO Trustees (Mertha) Ltd            | Director and Shareholder |
| BCO Trustees (Robertson) Ltd         | Director and Shareholder |
| BCO Trustees (Schofield) Ltd         | Director and Shareholder |
| Berry & Co                           | Partner                  |
| Camp Street Properties Ltd           | Director and Shareholder |
| Friendly Bay Ltd                     | Director and Shareholder |
| Mallinson Trustees Ltd               | Director                 |
| McBride Street Queenstown Ltd        | Director and Shareholder |
| McPhail Investments Ltd              | Director                 |
| Observatory Village Charitable Trust | Trustee                  |
| S & M Walker Family Trustee Ltd      | Director and Shareholder |
| Walker Investment Trustee Ltd        | Director and Shareholder |

### Chris Bailey

Chris has been a Director since June 2017 and declares the following interests:

|                                |                          |
|--------------------------------|--------------------------|
| Albion Clothing Ltd            | Chair                    |
| Cactus Outdoor Ltd             | Chair and Shareholder    |
| Chrysalis Housing              | Director and Shareholder |
| Chrysalis Trustee Services Ltd | Director and Shareholder |
| Ember Technology               | Director                 |
| Greenhalo Ltd                  | Director and Shareholder |
| I.T.online Ltd                 | Director and Shareholder |
| Original Performance Solutions | Director and Shareholder |
| Queenstown Medical Centre Ltd  | Director                 |
| Strava Ltd                     | Chair                    |

### Rob Caldwell

Rob has been a Director since February 2024 and declares the following interests:

|                          |   |
|--------------------------|---|
| DNA Gold Buyers          | Director                                  |
| Grey District Council    | Independent Chair, Risk and Assurance     |
| The New Zealand Refinery | Chairperson                               |
| Westroads Ltd            | Deputy Chair and Chair Risk and Assurance |

**Natalie Evans**

Natalie has been a Director since July 2023 and declares the following interests:

|   |                          |
|---|--------------------------|
| Anaro Group Ltd                           | Director and Shareholder |
| Anaro Investments Ltd                     | Director and Shareholder |
| Bella Vista Management Ltd                | Director and Shareholder |
| McMaster Properties Ltd                   | Director and Shareholder |
| NB Investments Ltd                        | Director and Shareholder |
| Oamau Whitestone Civic Trust (Charitable) | Treasurer                |
| Observatory Village Charitable Trust      | Trustee                  |
| OKiwi Investments Ltd                     | Director and Shareholder |
| Pembrook Investments Ltd                  | Director                 |
| Rei Investment Ltd                        | Director and Shareholder |
| Vogel Investments Ltd                     | Director and Shareholder |
| Wenlock Investments Ltd                   | Director                 |

**Jonathan Kay**

Jonathan joined the board in June 2019 and declares the following interests:

|                                 |                          |
|---------------------------------|--------------------------|
| Aquaheat Facility Services Ltd  | Director                 |
| Aquaheat Fire New Zealand Ltd   | Director                 |
| Aquaheat New Zealand Ltd        | Director                 |
| Caldwell and Levesque Ltd       | Director                 |
| Coollogic Refrigeration Ltd     | Director                 |
| Counties Energy Ltd             | Director                 |
| Horizon Energy Distribution Ltd | Director                 |
| Horizon Energy Group Ltd        | Director                 |
| Horizon Energy Ltd              | Director                 |
| Horizon Services Ltd            | Director                 |
| Lone Wolf Enterprises Limited   | Director and Shareholder |
| Waipa Networks Limited          | Chairman                 |
| Waipa Networks Growth Ltd       | Director                 |
| Whitestone Contracting Limited  | Director                 |

**Tony Wood**

Tony joined the board in July 2012 and declares the following interests:

|  |                          |
|--|--------------------------|
| A J Wood Chartered Accountants Ltd                                     | Director and Shareholder |
| A J Wood Trustees Ltd (also Trustee to various Clients' Family Trusts) | Director and Shareholder |
| Mackismith Properties Ltd  | Director and Shareholder |
| Wood Family Trust  | Trustee                  |

**Use of Company Information**

There were no notices from Directors of Network Waitaki Limited or a Director of a related body corporate requesting to use company information received in their capacity as Directors which would not otherwise have been available to them.

**Dividends**

No dividend is proposed for the year ended 31 March 2024 (2023 Nil).

**Discount**

A discount (excluding GST) of \$996,971 has been paid to Customers in the year (2023 \$999,710).

**Donations**

The company made donations (excluding GST) totaling \$156,721 in the year (2023 \$149,551).

### Indemnification And Insurance of Officers And Directors

The Company continues to indemnify all Directors named in this report against any liability to any person other than Network Waitaki Limited or a related company for any act done or omission made in a Director's capacity as a Director of Network Waitaki Limited and all costs incurred in defending or settling any claim or proceedings related to such liability, unless the liability is criminal liability or liability for breach of Section 131 of the Companies Act 1993.

During the financial year, Network Waitaki Limited paid insurance premiums in respect of Directors' and Officers' liability insurance. The policies do not specify the premium for individual Directors and executive officers.

The Directors' and Officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than Network Waitaki Limited or a related body corporate) incurred in their position as Director or executive officer unless the conduct involves a willful breach of duty or an improper use of inside information or position to gain advantage.

### Remuneration Of Directors

| \$ NZD                                      | Total Directors' fees paid |
|---|----------------------------|
| Chris Dennison (to Jun 23)                  | 18 437                     |
| Michael de Buyzer (Chairperson from Jul 23) | 63,414                     |
| Chris Bailey                                | 44,828                     |
| Rob Caldwell (from Feb 24)                  | 9,984                      |
| Natalie Evans (from Jul 23)                 | 34,403                     |
| Jonathan Kay                                | 44,828                     |
| Mike Underhill (to Dec 23)                  | 33,360                     |
| Tony Wood                                   | 44,828                     |
| <b>Total</b>                                | <b>294,082</b>             |

### Employee Remuneration

The Companies Act 1993 requires the number of current and former employees receiving remuneration greater than \$100,000 to be disclosed. Details of remuneration ranges for employees of Network Waitaki Limited are:

| Remuneration Range    | 2024 | 2023 |
|-----------------------|------|------|
| \$100,000 - \$109,999 | 7    | 9    |
| \$110,000 - \$119,999 | 6    | 7    |
| \$120,000 - \$129,999 | 11   | 6    |
| \$130,000 - \$139,999 | 6    | 5    |
| \$140,000 - \$149,999 | 3    | 2    |
| \$150,000 - \$159,999 | 3    | 2    |
| \$160,000 - \$169,999 | 3    | 2    |
| \$170,000 - \$179,999 | 2    | 1    |
| \$230,000 - \$239,999 | 1    | 1    |
| \$270,000 - \$279,999 | 1    | 0    |
| \$360,000 - \$369,999 | 0    | 1    |

This annual report is dated 27 May 2024 and signed on behalf of the Board by:



**Michael de Buyzer**  
Chairman of the Board



**Tony Wood**  
Chairman of the Finance and Audit Committee

# Directory

## NETWORK WAITAKI LIMITED

### DIRECTORS:

- Chris Dennison (Chairperson to Jun 23)
- Michael de Buyzer (Chairperson from Jul 23)
- Chris Bailey
- Rob Caldwell (from Feb 24)
- Natalie Evans (from Jul 23)
- Jonathan Kay
- Michael Underhill (to Dec 23)
- Tony Wood

### CHIEF EXECUTIVE OFFICER:

- Dylan Andrews

## WAITAKI POWER TRUST

### TRUSTEES:

- Doreen Cleave (Chairperson)
- John Clements
- Morgan Easton (from Oct 23)
- Lichelle Guyan
- Herbert Tonkin
- Jock Webster (to Sept 23)

### SOLICITORS:

- Berry & Co, Oamaru
- Galloway Cook Allan, Dunedin
- Lane Neave, Christchurch

### AUDITORS:

Maxwell John Dixon  
PricewaterhouseCoopers  
Christchurch  
ON BEHALF OF The Auditor-General

### PRINCIPAL BANKERS:

ANZ, Dunedin  
ASB, Christchurch

### REGISTERED OFFICE

10 Chelmer Street  
PO Box 147  
Oamaru 9444  
**Email:** [service@networkwaitaki.co.nz](mailto:service@networkwaitaki.co.nz)  
**Phone:** (03) 433 0065  
**Freephone:** 0800 440 220  
[www.networkwaitaki.co.nz](http://www.networkwaitaki.co.nz)







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EUROCARGO  
**Network Waitaki** 

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Network Waitaki  
**IVECO**

WR0762

**Network Waitaki** 

[www.networkwaitaki.co.nz](http://www.networkwaitaki.co.nz)