



WAITAKI POWER TRUST

For the year ended 31 March 2024



2024 ANNUAL REPORT

CONTENTS

Directory	2
Annual Review	3
Trustees' Report	8
Financial Statements	
Comprehensive Income	10
Changes in Equity	10
Financial Position	11
Cash Flows	12
Notes to the Financial Statements	13
Independent Auditor's Report	35

DIRECTORY

TRUSTEES:

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

BANKERS:

ANZ
The Octagon
Dunedin 9054

SECRETARY:

Sandra Tonkin

AUDITORS:

Maxwell (John) Dixon
PricewaterhouseCoopers
Christchurch

SOLICITORS:

Berry & Co
Eden Street
Oamaru

WEBSITE:

www.waitakipowertrust.co.nz

Ben Nettleton
Wellington

Annual Review

2024 Review

We are pleased to report another strong performance from Network Waitaki Limited in the 2024 Financial Year.

The year has seen many changes in the Governance of Network Waitaki Ltd (NWL). In October 2023, our CEO, Geoff Douch, left to take up the CEO position at Electra. Geoff had four and a half successful years with the company, leading the team through the Ohau recovery and strengthening the company reputation and culture. The Trust wished Geoff well and welcomed the Board appointment of Dylan Andrews in February 2024.

Dylan brings a wealth of experience in executive roles at Counties Energy and Electra that are also Trust owned electricity distribution businesses. We look forward to working with Dylan and the Board to ensure the Company's ongoing success.

There was also a change in our board of directors. Chris Dennison retired last year, and Michael Underwood resigned during the year. This paved the way for Michael de Buyzer to take over as Chair and the Trust's appointment of Natalie Evans and Rob Caldwell to the Board. Rob, who was acting CEO for Network Waitaki between November and February, is an experienced director and was previously CEO of Westpower Ltd. Many of you will know Natalie, a business owner and director who is involved in several local organisations.

Trustee Jock Webster retired and Morgan Easton was appointed. Jock was a Trustee for many years, and we thank him for the professionalism he brought to the Trust.

It has been almost a year since Morgan was appointed and he reflects that it's been a very interesting year with a lot to learn. Having grown up on farms in the Waitaki Valley the Power Board, and then Network Waitaki was always something familiar, but other than delivering power to our properties he had limited knowledge of its ownership structure or the role of the Trust. Having recently attended the Energy Trust NZ (ETNZ) autumn conference he can now fully appreciate the importance of the trust ownership model and the benefits that this structure has for its consumers.

ETNZ is the national organisation of consumer-owned power distribution company that represents and advocates on behalf of regional member energy trusts located throughout New Zealand. The executive has recently confirmed the strategic direction and implemented a new structure to support the goals of the organisation. We are pleased to report that Lichelle Guyan was elected to the executive of ETNZ in May 2023 and re-appointed this year.

Trustees were also pleased to see the Consumer Trust ownership model was mentioned as a glowing example of a well-run Electricity Distribution (with Network Waitaki mentioned) in a letter to the Editor of the Otago Daily Times on 30 March 2024.

Network Waitaki is preparing for increased use of electricity in our region, and this is occurring throughout New Zealand as we support the government's commitment to the Paris Agreement where emissions need to be reduced by 45% by 2030 and reach net zero by 2050.

Generation, transmission and distribution will need to be eight-fold greater in each of the next 30 years than the average level of investment in the grid over the past 30 years.

To meet this demand, NWL is building a Grid Exit Point (GXP) in the Black Point Area to increase capacity into the region. Final details are still being negotiated with Transpower, but the GXP is expected to be commissioned by 2027. It will ensure a secure supply into the region which is very important for our consumers and our economy, and may encourage more industry into the area. As part of this development, which is a significant project for NWL in both cost and infrastructure, a new 110kV Substation in Wilsons Road and a transmission line from Pukeuri to Wilsons Road have been completed. While this represents a significant investment for the company, this will future-proof electricity supply to the region for the next 40 years.

Network Waitaki now has an in-house Vegetation Management team which allows prioritisation of tree management and vegetation removal in line with legislation. This is an incredibly important part of the business with vegetation being one of the most significant cause of faults in high winds and storms.

Annual Review (continued)

Maintenance and renewal programmes continue and, despite continuing difficulties with recruiting skilled linemen, are tracking in line with targets set by the Company. Pole inspections, line patrols, testing, replacement of poles are up to date. Other works during the year include:

- Commissioning of 3MW New Woollen Spinners Connection
- 5 km New Line Kurow – Waitaki
- 12 km New Line to Awamoko
- Hampden 11kV Switchboard Replacement
- 5 km New Fibre
- 3km New and Replacement 11kV cable
- 6 km Line Replacements
- 175 Pole Replacements
- 10,000 Poles Inspected
- 600 Service Boxes Inspected
- 1,200 Earth Tests Completed
- 197 Vegetation Sites Resolved

External to our area, but helping our local economy, the Contracting team has been working with other lines companies in Central Otago and Dunedin in addition to working with Oceana Gold at Macraes

Reliability of supply, which monitors planned and unplanned outages shows NWL has a well maintained and well-run network.

While the Waitaki Power Trust has a responsibility to ensure our network is sustainable, resilient and fit for purpose, Trustees believe a consumer-owned organisation has a further responsibility to ensure our consumers and community are benefiting from local ownership. To us, this includes helping community organisations achieve their goals and to offer opportunities to help grow our people in all aspects.

Community engagement this year included:

- A series of activities and a book on the history of electricity in the region to celebrate the Company's 100th anniversary.
- Sponsorship of the Network Waitaki Victorian fete and Christmas trees in the district.
- Supporting the North Otago A&P Show
- \$119,079 given out to 44 different local applicants
- Silver sponsor of the Otago rescue Helicopter trust (\$25,000 pa)
- An annual scholarship which provides help towards study fees and the opportunity to work outside semesters. This year, Esther Gbolagun received the 2023 Network Waitaki scholarship. She is studying towards a Bachelor of Science majoring in computer science at Otago University.
- Gateway Programme – NWL have employed two students from local school.
- Support for the "Energy Mate", a free in-home coaching service to encourage healthy homes without risk of energy hardship.

Network Waitaki's Performance against the 2023-2024 Statement of Corporate Intent (SCI)

The key performance measures for the company are set out in the SCI, which include health and safety, financial and network performance targets.

The overall net result was pleasing when compared to the Statement of Corporate Intent and the staff of Network Waitaki are to be congratulated.

Overall, the company is in a very sound, and positive position to move forward in 2024/2025.

Annual Review (continued)

FINANCIAL PERFORMANCE

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH 2024

	ACTUAL \$	SCI \$	VARIANCE \$
Statement of Comprehensive Income			
Revenue Excluding Capital Contributions	31,943,268	33,129,399	(1,186,131)
Capital Contributions	2,312,278	2,080,000	232,278
Total Revenue	34,255,546	35,209,399	(953,853)
Less Expenses Excluding Depreciation	(21,658,168)	(23,270,466)	1,612,298
Less Depreciation	(6,114,371)	(5,784,388)	(329,983)
Net Profit before Discount, Tax and Interest Expense	6,483,007	6,154,545	328,462
Less Interest Income / (Expense)	(482,475)	(583,354)	100,879
Less Discount	(996,971)	(1,000,000)	3,029
Net Profit Before Taxation	5,003,561	4,571,191	432,370
Less Taxation	(1,589,527)	(1,279,933)	(309,594)
Net Profit After Discount and Taxation	3,414,034	3,291,258	122,776

Comment

External contracting revenue was down on budget which reflects the decision to close the depot in Otago due to decreased work in the area. This reduced revenue 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.

FINANCIAL POSITION AS AT 31 MARCH 2024

	ACTUAL \$	SCI \$	VARIANCE \$
Shareholders' Equity	115,019,684	114,605,227	414,457
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
Total Net Assets	115,019,684	114,605,227	414,457

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	4.34%	3.99%	0.35%
Net Assets per Share	\$8.23	\$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%

Comments

All key financial reporting measures are favourable to target and it is encouraging to note that year on year, the Company has been growing its net assets per share by approximately 30c per share per year for the last 6 years. Increased profitability compared to SCI targets are through revenue growth. These measures reflect the good Net Profit result and debt levels being less than budgeted at the end of the year.

Annual Review (continued)

NON-FINANCIAL PERFORMANCE

Non-Financial Performance Measures

Reliability	ACTUAL	SCI	VARIANCE
SAIDI minutes (unplanned)	50.1	55.0	4.9
SAIDI minutes (planned)	60.5	105.0	44.5
SAIDI minutes total	110.6	160.0	49.4
SAIFI minutes (unplanned)	1.2	1.3	0.1
SAIFI minutes (planned)	0.2	0.5	0.3
SAIFI total	1.4	1.8	0.4

Comments

The SAIDI and SAIFI reliability 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 October 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 Program annual review (WorkWell)	Discontinued	1	
Environmental Management Systems	An initial carbon footprint inventory report has been completed	Identify suitable program and align systems	Not Achieved

Comments

The lost time incidents and frequency rates represent a few short-term strain injuries which is unfortunate. The company continues to do everything practical possible to reduce injury while operating the business.

It is exciting that the first step in developing environmental and sustainability systems has been taken with an initial carbon footprint inventory.

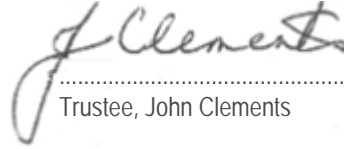
ACKNOWLEDGEMENTS

As Chair of the Trust, I would like to thank my fellow Trustees for their input, attention to detail and for always remembering our Consumers.

To the Network Waitaki staff, Directors and Chief Executive a very sincere 'thank you' for the work you do for the Company and our community, and finally Sandra Tonkin, our Waitaki Power Trust Secretary for her assistance throughout the year.



.....
Chairperson, Doreen Cleave



.....
Trustee, John Clements



.....
Trustee, Morgan Easton



.....
Trustee, Herbert Tonkin



.....
Trustee, Lichelle Guyan

Trustees' Report

GENERAL DISCLOSURES

The Trustees present their Annual Report together with Audited Financial Statements for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

To hold the shares in Network Waitaki Limited for the benefit of the consumers of Network Waitaki Limited.

REVIEW OF FINANCIAL PERFORMANCE

The Trust had a profit for the year of \$59,814 (loss for 2023 was \$49,060).

DONATIONS

No donations were made during the 2023 or 2024 years by the Trust; however, donations were made by Network Waitaki Limited amounting to \$156,721 (excluding GST) in 2024 and \$149,551 in 2023.

REMUNERATION OF TRUSTEES AND DIRECTORS

Remuneration paid to Trustees:

	Trustee Fees
Doreen Cleave	\$26,448
John Clements	\$20,938
Lichelle Guyan	\$20,938
Herbert Tonkin	\$20,938
Morgan Easton	\$10,754
John Webster	\$10,184
Total Trustees' fees	\$110,200

Remuneration paid to Directors:

Shareholders authorised total Directors' remuneration of \$294,082 for activities undertaken by Directors on behalf of the Company.

	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
Total Directors' fees	\$294,082

EMPLOYEE REMUNERATION

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

Remuneration Range	Number of Employees
\$100,000 - \$109,999	7
\$110,000 - \$119,999	6
\$120,000 - \$129,999	11
\$130,000 - \$139,999	6
\$140,000 - \$149,999	3
\$150,000 - \$159,999	3
\$160,000 - \$169,999	3
\$170,000 - \$179,999	2
\$230,000 - \$239,999	1
\$270,000 - \$279,999	1

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with in this report that has significantly affected or may significantly affect the operation of Network Waitaki Limited, the results of those operations or the state of affairs of Network Waitaki Limited.

Trustees' Report (continued)

USE OF TRUST INFORMATION

There were no notices from Trustees of Waitaki Power Trust requesting to use Trust information received in their capacity as Trustees which would not otherwise have been available to them.

TRUSTEES' AND DIRECTORS' BENEFITS

No Trustee or Director has received, or become entitled to receive, any additional benefit.

TRUSTEES' AND DIRECTORS' INDEMNITY LIABILITY INSURANCE

A liability insurance cover is in place for Trustees, Directors and Officers.

SPONSORSHIPS AND DONATIONS

Network Waitaki Limited has supported the community by providing the following sponsorships and donations:

Ardgowan School	2,400.00	Oamaru Blue Light	1,500.00
Awamoa Football Club Inc	1,000.00	Oamaru Combined Churches Christmas Parcels Trust	2,000.00
CCSDA Waitaki	600.00	Oamaru Free Kindergarten Association Inc	2,300.00
EPro8 Challenge	4,217.39	Oamaru Intermediate School	5,324.35
Event Centre	1,250,000.00	Oamaru Pacific Island Community Group Inc	7,400.00
Football Waitaki Inc	1,250.00	Oamaru Swim Club	1,200.00
Maheno Junior Netball Club	4,000.00	Oamaru Whitestone Civic Trust	5,000.00
Maheno Netball Club	2,000.00	Oamaru Whitestone Civic Trust	6,956.52
Maheno Public Hall Society	7,500.00	Otago Neighbourhood Support Charitable Trust	1,000.00
Maheno School	2,060.00	Otago Southland Rescue Helicopter Trust	25,000.00
Musical Theatre Oamaru Inc	1,739.13	Pathfinders Gymnastics Club	1,000.00
New Zealand Deerstalkers Association (North Otago)	2,000.00	Riverside Football Club	527.00
North Otago A&P Association - Show Sponsorship	1,000.00	Royal New Zealand Plunket Trust	1,000.00
North Otago Art Society	2,000.00	Sport Otago	4,000.00
North Otago Basketball Assn	1,000.00	St Joseph's School - Oamaru	1,130.44
North Otago Cricket Assn Inc	5,000.00	Tainui Hockey Club	500.00
North Otago Harrier & Amateur Athletic Club (Inc)	500.00	Totara School	1,395.65
North Otago Lawn Tennis	558.00	Waianakarua and Waiareka Valley Lions Clubs	1,000.00
North Otago New Zealand Riding for the Disabled	1,041.01	Waitaki District Council - Oamaru Opera House	2,608.70
North Otago Recreational Turf Trust	8,000.00	Waitaki Road Safe	1,462.00
North Otago Rugby	8,000.00	Waitaki Valley Community Society Incorporated	1,500.00
North Otago Sports Bodies	13,000.00	Waitaki Valley School	3,000.00
North Otago Toy Library Inc	1,777.00	Weston School	7,000.00
Oamaru Athletic Marist R.F.C	500.00		

The activities of each of these groups help in the promotion of the North Otago Community and the growth of the local economy.

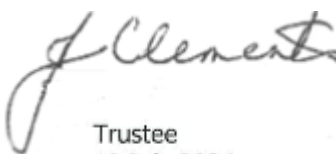
AUDITORS

The Auditor for the Trust is PricewaterhouseCoopers. In accordance with Section 45 of the Energy Companies Act 1992, PricewaterhouseCoopers, on behalf of the Controller and Auditor-General, is the Auditor of Network Waitaki Limited.

For and on behalf of the Trust,



Chairperson
10 July 2024



Trustee
10 July 2024

Comprehensive Income

for the year ended 31 March 2024

	Notes	GROUP		TRUST	
		2024	2023	2024	2023
		\$	\$	\$	\$
Operating revenue	1	34,255,546	33,038,289	-	-
Customer discount		(996,971)	(999,710)	-	-
Dividend received		-	-	150,000	100,000
		<u>33,258,575</u>	<u>32,038,579</u>	<u>150,000</u>	<u>100,000</u>
<i>Less</i>					
Operating expenses	2	(10,907,715)	(11,070,375)	(180,866)	(201,260)
Transmission		(5,138,119)	(4,529,103)	-	-
Employee costs		(5,793,200)	(5,135,209)	-	-
Depreciation and amortisation	3	(6,117,416)	(5,418,750)	(3,045)	(7,442)
Operating profit		<u>5,302,125</u>	<u>5,885,142</u>	<u>(33,911)</u>	<u>(108,702)</u>
Finance income		90,244	48,261	93,725	59,642
Finance costs		(478,994)	(25,851)	-	-
Finance income net		<u>(388,750)</u>	<u>22,410</u>	<u>93,725</u>	<u>59,642</u>
Profit (Loss) before tax		4,913,375	5,907,552	59,814	(49,060)
Taxation	19	<u>1,589,527</u>	<u>1,710,376</u>	<u>-</u>	<u>-</u>
Net profit/(loss) for the year		<u>3,323,848</u>	<u>4,197,176</u>	<u>59,814</u>	<u>(49,060)</u>
Fair Value Movement of Cashflow Hedges		(25,658)			
Income Tax on Item Direct to Equity		<u>7,184</u>			
Total comprehensive income/(loss)		<u>3,305,374</u>	<u>4,197,176</u>	<u>59,814</u>	<u>(49,060)</u>

Changes in Equity

for the year ended 31 March 2024

GROUP	Group Equity	Retained Earnings	Total Equity
Balance at 1 April 2022	14,500,100	94,280,689	108,780,789
Profit for the year, being total comprehensive income	-	<u>4,197,176</u>	<u>4,197,176</u>
Balance at 31 March 2023	<u>14,500,100</u>	<u>98,477,865</u>	<u>112,977,965</u>
Balance at 1 April 2023	14,500,100	98,477,865	112,977,965
Hedging Reserve	-	(18,474)	(18,474)
Profit for the year, being total comprehensive income	-	<u>3,323,848</u>	<u>3,323,848</u>
Balance at 31 March 2024	<u>14,500,100</u>	<u>101,692,239</u>	<u>116,283,339</u>
TRUST	Trust Equity	Retained Earnings	Total Equity
Balance at 1 April 2022	14,500,100	752,801	15,252,901
Loss for the year, being total comprehensive loss	-	<u>(49,060)</u>	<u>(49,060)</u>
Balance at 31 March 2023	<u>14,500,100</u>	<u>703,741</u>	<u>15,203,841</u>
Balance at 1 April 2023	14,500,100	703,741	15,203,841
Profit for the year, being total comprehensive profit	-	<u>59,814</u>	<u>59,814</u>
Balance at 31 March 2024	<u>14,500,100</u>	<u>763,555</u>	<u>15,263,655</u>

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

Financial Position

as at 31 March 2024

	Notes	GROUP		TRUST	
		2024	2023	2024	2023
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	14	1,816,113	3,024,124	104,330	39,250
Short term deposits		-	-	-	-
Trade and other receivables	5	4,505,059	6,124,393	30,656	29,439
Inventories	6	3,967,014	4,091,370	-	-
Work in progress		210,033	225,277	-	-
TOTAL CURRENT ASSETS		10,498,219	13,465,164	134,986	68,689
NON-CURRENT ASSETS					
Investments	9	-	-	14,000,000	14,000,000
Loan to Network Waitaki Limited	10	-	-	1,150,000	1,150,000
Property, plant and equipment	11	139,755,116	122,589,421	-	3,045
Right-of-use assets	12	353,783	536,988	-	-
Intangible assets	13	64,659	242,677	-	-
TOTAL NON-CURRENT ASSETS		140,173,558	123,369,086	15,150,000	15,153,045
TOTAL ASSETS		150,671,777	136,834,250	15,284,986	15,221,734
CURRENT LIABILITIES					
Trade and other payables	7	6,217,440	5,110,743	21,331	17,893
Employee entitlements	8	833,092	847,428	-	-
Lease liabilities	12	190,473	177,287	-	-
Tax payable		280,365	56,230	-	-
TOTAL CURRENT LIABILITIES		7,521,371	6,191,688	21,331	17,893
NON-CURRENT LIABILITIES					
Borrowings	18	9,000,000	-	-	-
Financial derivatives	17	25,658	-	-	-
Lease liabilities	12	204,346	408,005	-	-
Deferred tax	19	17,637,063	17,256,592	-	-
TOTAL NON-CURRENT LIABILITIES		26,867,067	17,664,597	-	-
TOTAL LIABILITIES		34,388,438	23,856,285	21,331	17,893
EQUITY					
Trust equity	15	14,500,100	14,500,100	14,500,100	14,500,100
Retained earnings	16	101,783,239	98,477,865	763,555	703,741
TOTAL EQUITY		116,283,339	112,977,965	15,263,655	15,203,841
TOTAL LIABILITIES AND EQUITY		150,671,777	136,834,250	15,284,986	15,221,734

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

Cash Flows

for the year ended 31 March 2024

	Notes	GROUP 2024 \$	2023 \$	TRUST 2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Receipts from customers		34,879,126	29,178,986	-	-
Interest received		85,415	29,721	88,896	41,102
Dividend received		-	-	150,000	100,000
		<u>34,964,541</u>	<u>29,208,707</u>	<u>238,896</u>	<u>141,102</u>
<i>Cash was disbursed to:</i>					
Payments to suppliers and employees		(20,128,861)	(20,391,904)	(177,428)	(200,871)
Income tax (paid)/received		(983,883)	(1,254,566)	-	-
Interest paid		(478,994)	(25,851)	-	-
Net GST (paid)/received		(468,453)	(9,332)	3,612	333
		<u>(22,060,191)</u>	<u>(21,681,653)</u>	<u>(173,816)</u>	<u>(200,538)</u>
NET CASH FROM OPERATING ACTIVITIES	4	12,904,350	7,527,054	65,080	(59,436)
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Transfer from term deposits		-	70,000	-	70,000
		<u>-</u>	<u>70,000</u>	<u>-</u>	<u>70,000</u>
<i>Cash was applied to:</i>					
Transfer to term deposits		-	-	-	-
Purchase of property, plant and equipment		(22,921,888)	(10,532,931)	-	-
		<u>(22,921,888)</u>	<u>(10,532,931)</u>	<u>-</u>	<u>-</u>
NET CASH FROM INVESTING ACTIVITIES		<u>(22,921,888)</u>	<u>(10,462,931)</u>	<u>-</u>	<u>70,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from:</i>					
Proceeds from borrowings		9,000,000	-	-	-
<i>Cash was applied to:</i>					
Principal elements of lease liabilities		(190,473)	(195,657)	-	-
NET CASH FROM FINANCING ACTIVITIES		<u>8,809,527</u>	<u>(195,657)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		<u>(1,208,012)</u>	<u>(3,131,534)</u>	<u>65,080</u>	<u>10,564</u>
Cash and cash equivalents at beginning of the year		3,024,124	6,155,658	39,250	28,686
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u>1,816,112</u>	<u>3,024,124</u>	<u>104,330</u>	<u>39,250</u>

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

Notes to the Financial Statements

REPORTING ENTITY

Waitaki Power Trust (the Trust), and its subsidiary (together the Group) is the owner of an electricity distribution network in North Otago. The Group also undertakes contracting services. The Group's registered office is at 10 Chelmer Street, Oamaru, New Zealand.

The principal function of the Waitaki Power Trust is to hold the shares of Network Waitaki Limited for the benefit of the consumers of Network Waitaki Limited.

DATE OF APPROVAL

These financial statements have been approved for issue by the Trustees on 10 July 2024.

BASIS OF PREPARATION

These 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 appropriate for profit-orientated entities. The Trust 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 Trust has no public accountability and is not a large for profit public sector entity.

The financial statements have been prepared in accordance with the requirements of Clause 12.5 of the Trust Deed, the Companies Act 1993 and the Energy Companies Act 1992.

The financial statements for the 'Trust' are for the Waitaki Power Trust as a separate legal entity.

The financial statements for the Group are for the economic entity comprising Waitaki Power Trust and its subsidiary.

Waitaki Power Trust's subsidiary, Network Waitaki Limited, is:

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

Waitaki Power Trust is a profit-oriented entity for the purpose of complying with NZ IFRS RDR. In adopting NZ IFRS RDR, the Trust has taken a number of disclosure concessions.

The consolidated financial statements are prepared by combining the financial statements of the entities that comprise the consolidated entity, being the parent entity, and its subsidiary as defined in NZ IAS 27 Consolidated and Separate Financial Statements. Reliance for the consolidated figures has been placed on Network Waitaki Limited's audited accounts.

Subsidiary

The subsidiary is the entity over which the Group has control. The Trust is deemed to have control since it has the ability to appoint or remove members of the Board of Directors of the subsidiary.

The Group financial statements incorporate the financial statements of the entities that comprise the consolidated group, being the Parent, Waitaki Power Trust and its subsidiary, Network Waitaki Limited. Consistent accounting policies are used in preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net asset acquired exceeds the cost of acquisition, the deficiency is credited to profit or loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtained control and until such time as the Company ceases to control the subsidiary.

In preparing consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Functional and presentation currency

The Group's financial statements are presented in whole New Zealand dollars, rounded to the nearest dollar, which is the Group'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 Statements of Comprehensive Income in the period that they occur.

Notes to the Financial Statements (continued)

GST

The Waitaki Power Trust was registered for GST effective 1 April 2018. Waitaki Power Trust's financial statements were previously prepared inclusive of GST. The Group's Statements of Comprehensive Income and Statements of Cash Flows were previously prepared so that Parent components were stated inclusive of GST and the Subsidiary's components stated exclusive of GST.

All items in the Statements of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

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 is 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 judgements 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 under the circumstances.

These estimates and judgements form the basis for making judgements about 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 judgements are regularly reviewed. Any changes to estimates are recognised in the period if the change affects that period, or in future periods if it also affects future periods.

In the process of applying the Group's accounting policies, management has made the following estimates and judgements 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. These rates are considered a reasonable estimate of useful lives. Depreciation rates applied are outlined in Note 11
- 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 12.
- Long service leave entitlements are recognised on a proportional basis as probability of entitlement increases. This is outlined in Note 8.

New and amended standards adopted by the Group

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

PERFORMANCE

1. OPERATING REVENUE

Investment income

- Interest is recognised using the effective interest method.
- Dividends are recognised when the right to receive payment is established.
- Rental income is recognised on an accrual basis, in accordance with the substance of the relevant agreements.

Lease income

Revenue from operating leases is recognised on a straight-line basis over the period between rental reviews.

Network lines revenue

The Group 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 receives and consumes 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. 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 Group 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 and 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, the Group 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 when the Group transfers the electrical work to the customer and when the customer pays for the electrical work being less than one year.

Contracting revenue

The Group 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 Group reflecting the amount owing for services provided.

Metering revenue

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

Notes to the Financial Statements (continued)

1. OPERATING REVENUE (continued)

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
<i>Operating revenue comprises:</i>				
Revenue recognised over time				
Network lines revenue	25,650,609	23,029,070	-	-
Private network revenue	231,323	225,440	-	-
	<u>25,881,932</u>	<u>23,254,510</u>	-	-
Revenue recognised at a point in time				
Capital contributions	2,312,278	2,215,132	-	-
Contracting	4,420,558	5,053,070	-	-
Fault recoveries	219,107	396,411	-	-
	<u>6,951,943</u>	<u>7,664,613</u>	-	-
Other Revenue				
Metering	415,805	421,494	-	-
Bad debts recovered	-	1	-	-
Fibre rent received	477,444	449,870	-	-
EV Charging Income	239,408	49,049	-	-
Rent received	14,258	22,053	-	-
Loss rental rebate	53,634	1,023,281	-	-
Other income	221,122	153,418	-	-
	<u>1,421,671</u>	<u>2,119,166</u>	-	-
	<u>34,255,546</u>	<u>33,038,289</u>	-	-

- (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

<i>Operating expenses comprise:</i>				
Operating costs	7,404,742	6,657,593	46,053	77,019
Consumer Asset Costs	673,837	784,529	-	-
Directors' fees	294,244	278,312	-	-
Insurance	910,358	835,802	10,030	10,050
Professional Fees	1,157,680	2,072,320	5,158	1,741
Trustee fees	110,200	103,600	110,200	103,600
Donations	156,721	149,551	-	-
Audit fees – PwC	119,620	99,797	9,425	8,850
Audit Disbursements (Financial Statements)-PwC	7,000	8,250	-	-
Taxation Services – Other Firms	7,823	14,805	-	-
Other regulatory audits – PwC	58,873	61,031	-	-
Other regulatory audits –other firms	6,617	4,785	-	-
Bad debts written off	-	-	-	-
	<u>10,907,715</u>	<u>11,070,375</u>	<u>180,866</u>	<u>201,260</u>

Notes to the Financial Statements (continued)

3. DEPRECIATION AND AMORTISATION

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
<i>Depreciation of PPE comprises:</i>				
Buildings	122,668	130,704	-	-
Core reticulation network	3,763,130	3,511,431	-	-
Private reticulation network	70,474	69,932	-	-
Meters and relays	-	-	-	-
Plant and equipment	1,097,251	1,018,434	3,045	7,442
Fibre network	181,975	182,308	-	-
Intangibles	178,018	131,480	-	-
Total depreciation of PPE	5,413,516	5,044,289	3,045	7,442
Loss on disposal of property, plant and equipment	520,695	182,369	-	-
Total depreciation and amortisation of PPE	5,934,211	5,226,658	3,045	7,442
<i>Depreciation of right-to-use assets comprises:</i>				
Network reticulation system	173,264	173,581	-	-
Plant and equipment	9,941	18,511	-	-
Total depreciation of right-to-use assets	183,205	192,092	-	-
Total depreciation and amortisation	6,117,416	5,418,750	3,045	7,442

4. RECONCILIATION OF NET PROFIT WITH CASHFLOW FROM OPERATING ACTIVITIES

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net profit/(loss) for the year	3,323,848	4,197,176	59,814	(49,060)
Add / (less) non-cash items:				
Depreciation and amortisation	6,117,416	5,418,750	3,045	7,442
Deferred taxation	387,655	558,995	-	-
	6,505,071	5,977,745	3,045	7,442
Add / (less) movements in working capital items:				
(Increase) / decrease in trade and other receivables	1,619,334	(2,878,050)	(1,217)	(18,457)
(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	1,106,697	1,931,675	3,438	638
Increase / (decrease) in employee entitlements	(14,336)	140,535	-	-
	3,075,431	(2,647,868)	2,221	(17,819)
Net cash flows from operating activities:	12,904,350	7,527,053	65,080	(59,437)

Notes to the Financial Statements (continued)

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 Group 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.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables	3,650,221	5,144,857	-	-
Loss allowance	(107,819)	(79,436)	-	-
Total receivables	3,542,402	5,065,421	-	-
Other receivables	276,567	322,252	23,856	19,027
Prepayments	683,519	730,537	4,229	4,229
GST	2,571	6,183	2,571	6,183
Balance at the end of the year	4,505,059	6,124,393	30,656	29,439
Less non-current trade receivables	-	-	-	-
Current trade and other receivables	4,505,059	6,124,393	30,656	29,439
Trade and other receivables less than 90 days old	4,285,757	6,039,466	30,656	29,439
Trade and other receivables greater than 90 days old	219,302	84,927	-	-
Gross trade and other receivables	4,505,059	6,124,393	30,656	29,439

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.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Stores inventory	3,967,014	4,091,370	-	-

7. TRADE AND OTHER PAYABLES

Trade and other payables are recognised when the Group 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 Group has a present legal or constructive obligation as a result of a past event, 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.

Notes to the Financial Statements (continued)

7. TRADE AND OTHER PAYABLES (continued)

	GROUP 2024	2023	TRUST 2024	2023
	\$	\$	\$	\$
Trade payables	3,401,192	2,767,973	-	-
Accruals	2,056,125	480,052	21,331	17,893
Contract liability - capital contributions	813,284	1,443,814	-	-
GST payable	(53,161)	418,904	-	-
Balance at end of year	6,217,440	5,110,743	21,331	17,893

All trade and other payables have a maturity within one year.

	GROUP 2024	2023	TRUST 2024	2023
	\$	\$	\$	\$
Contract liability – capital contributions				
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)	-	-
Closing balance	813,284	1,443,814	-	-

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. A provision is made for the additional amount that the Group expects to pay as a result of unused sick or special leave that has accumulated at balance date.

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. This allowance is then discounted back to current value. Employees are entitled to long service leave after serving for 15 years.

Annual leave entitlements	780,463	729,676	-	-
Other entitlements	52,629	117,752	-	-
Total employee entitlements	833,092	847,428	-	-

Non-current Assets

9. INVESTMENTS

Subsidiary Entity	Interest Held	Date Started Trading	Balance Date	Principal Activity
Network Waitaki Limited	100%	27 September 1999	31 March	Ownership and operation of a network reticulation system

Notes to the Financial Statements (continued)

9. INVESTMENTS (continued)

Waitaki Power Trust investment in Network Waitaki Limited

	Shares at cost \$
Opening balance as at 1 April 2022	14,000,000
Movement for the year	-
Closing balance as at 31 March 2023	<u>14,000,000</u>
Opening balance as at 1 April 2023	14,000,000
Movement for the year	-
Closing balance as at 31 March 2024	<u>14,000,000</u>

10. ADVANCES TO SUBSIDIARY

Waitaki Power Trust Advance to Network Waitaki Limited

	\$
Opening balance as at 1 April 2022	1,150,000
Movement for the year	-
Closing balance as at 31 March 2023	<u>1,150,000</u>
Opening balance as at 1 April 2023	1,150,000
Movement for the year	-
Closing balance as at 31 March 2024	<u>1,150,000</u>

11. 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.

Capital contributions are amortised over 10 years.

Notes to the Financial Statements (continued)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

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.

WAITAKI POWER TRUST

	Plant & Equipment	Total
Gross Carrying Amount		
At 1 April 2022	11,108	11,108
Additions		
At 31 March 2023	11,108	11,108
Additions	-	-
Disposals	-	-
At 31 March 2024	11,108	11,108
Accumulated Depreciation and Amortisation		
At 1 April 2022	620	620
Charge for the Year		
Disposals	7,442	7,442
At 31 March 2023	8,062	8,062
Charge for the Year	3,046	3,046
At 31 March 2024	11,108	11,108
Net Book Values		
At 31 March 2024	-	-

Notes to the Financial Statements (continued)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP

	Core Reticulation Network	Private Reticulation Network	Land & Buildings	Meters & Relays	Fibre Network	Plant & Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount							
At 1 April 2022	146,170,873	2,546,254	4,516,054	2,595,397	2,604,400	10,552,288	168,985,266
Additions	8,765,387	158,158	126,628	-	-	1,243,189	10,293,362
Disposals	(567,343)	-	-	-	-	(263,655)	(830,998)
Transfers	-	-	-	-	-	-	-
At 31 March 2023	154,368,917	2,704,412	4,642,682	2,595,397	2,604,400	11,531,822	178,447,630
Additions	15,245,178	-	14,735	-	-	1,273,929	16,533,842
Disposals	(1,012,249)	-	(267,930)	-	-	(177,907)	(1,458,086)
Transfers	239,397	-	(11,170)	-	-	(228,227)	-
At 31 March 2024	168,841,243	2,704,412	4,378,317	2,595,397	2,604,400	12,399,617	193,523,386
Accumulated Depreciation and Amortisation							
At 1 April 2022	42,714,419	68,256	890,089	2,595,397	2,095,878	5,893,356	54,257,395
Charge for the Year	3,511,431	69,932	130,704	-	182,308	1,018,434	4,912,809
Disposals	-	-	-	-	-	-	-
Transfers	(326,233)	-	-	-	-	(178,655)	(504,888)
At 31 March 2023	45,899,617	138,188	1,020,793	2,595,397	2,278,186	6,733,135	58,665,316
Charge for the Year	3,763,130	70,474	122,668	-	181,975	1,097,250	5,235,497
Disposals	(437,936)	-	(58,630)	-	-	(142,818)	(639,384)
Transfers	160,029	-	-	-	-	(160,029)	-
At 31 March 2024	49,384,840	208,662	1,084,831	2,595,397	2,460,161	7,527,540	63,261,429
Net Book Values							
At 31 March 2023	108,469,300	2,566,224	3,621,889	-	326,214	4,798,687	119,782,314
Work in Progress	1,808,214	-	180,770	-	-	818,123	2,807,107
	110,277,514	2,566,224	3,802,659	-	326,214	5,616,810	122,589,421
At 31 March 2024	119,456,404	2,495,750	3,293,486	-	144,239	4,872,078	130,261,957
Work in Progress	7,572,955	-	536,308	-	-	1,388,896	9,493,159
	127,029,359	2,495,750	3,829,794	-	144,239	6,255,974	139,755,116

Notes to the Financial Statements (continued)

12. 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 Group.

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 payments 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 Group under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group, 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 Group 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.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Current	190,474	177,287	-	-
Non-current	204,346	408,005	-	-
Total lease liabilities	394,820	585,292	-	-

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 assets 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.

Notes to the Financial Statements (continued)

12. LEASES (continued)

Right-of-use Assets (Group)

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

Accumulated Depreciation (Group)

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

Net Book Values

At 31 March 2023	501,272	35,716	536,988
At 31 March 2024	328,008	25,775	353,783

The Trust has no right-of-use assets.

LEASE INCOME

Lease income from operating leases where the Group 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. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
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	-	-
	5,769,963	5,954,965	-	-

Notes to the Financial Statements (continued)

13. 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:

<i>Item</i>	<i>Depreciation Rate</i>
Computer Software	15% to 40%

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

The Trust has no intangible assets.

Notes to the Financial Statements (continued)

Net debt and equity

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes 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.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
NZD bank account	1,740,707	2,376,423	104,330	39,250
USD bank account	75,406	647,701	-	-
Term deposits (less than 90 days)	-	-	-	-
Closing Balance	1,816,113	3,024,124	104,330	39,250

All term deposits and bank accounts are interest bearing including the USD bank account.

Short term deposits

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

Financial assets

Classification

The only financial instruments that the Group has are loans, receivables and available for sale investment in subsidiary.

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 Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at 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 Group always recognises lifetime ECL for trade receivables and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group'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 Group 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 Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries are recognised in the statement of comprehensive income.

Notes to the Financial Statements (continued)

Borrowings

Borrowings are initially measured at fair value plus transaction costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statements of Comprehensive Income over the period of the borrowings, using the effective interest method.

Borrowing costs

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

15. TRUST EQUITY

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Fully paid-up trust equity	14,500,100	14,500,100	14,500,100	14,500,100

This is the Trust's equity and not that of Network Waitaki Limited.

16. RETAINED EARNINGS

Balance at beginning of the year	98,477,865	94,280,689	703,741	752,801
Hedging Reserve	(18,474)	-	-	-
Net surplus / (deficit) for the year	3,323,848	4,197,176	59,814	(49,060)
Balance at the end of the year	101,783,239	98,477,865	763,555	703,741

Capital risk management

The Group'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 Group is not subject to any externally imposed capital requirements.

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

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.

Market risk

(i) Foreign exchange risk

The Group's revenue is entirely denominated in New Zealand dollars and it has limited currency exposure in the foreseeable future. The Group 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 use of foreign exchange contracts.

(ii) Interest rate risk

The group 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 group 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 group applies a hedge ratio of 1:1

The group 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 group 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.

Notes to the Financial Statements (continued)

\$NZD	Weighted Average Interest Rate	Notional Amount of Hedge Instrument	Carrying Amount of Hedge Instrument Liability	Statement of Financial Position	Change in Carrying Value
2023	-	-	-	-	-
2024 NZD Interest Rate Swaps (terms 3-5 years)	4.52%	7,000,000	(25,658)	Financial Derivatives	(25,658)

Credit risk for the subsidiary

Credit risk is managed by the Group 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 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 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.

Credit risk for the Trust

For banks, only the ANZ Banking Group (New Zealand) Limited, Bank of New Zealand, National Australia Bank (NZ) Limited, The National Bank of New Zealand Limited, Westpac Banking Corporation, any member of Trust Bank group or any other bank listed in the register of registered banks referred to in Section 69 of the Reserve Bank of New Zealand Act 1989 are acceptable.

For other investments, only the shares or other equity securities or debt securities of Network Waitaki Limited or its successor Company, or the stock, funds or other securities of the New Zealand Government are acceptable.

Liquidity risk

Liquidity risk management has the objective of maintaining sufficient cash and the availability of funding through an adequate amount of credit facilities to meet the short and long-term commitments of the Group as they arise in an orderly manner. Management monitors rolling forecasts of the Group's liquidity requirements on the basis of expected cash flow. The Board of Directors approves all new borrowing facilities for Network Waitaki Limited. Trustee approval is required for all new borrowing related to the Parent.

Surplus cash held by the operating entities over and above the balance required for working capital management is invested in interest-bearing call accounts and term deposits.

Note 17 analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period, at the statements 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 cash flows. The amounts disclosed in the table are contractual undiscounted cash flows.

Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value for any financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Notes to the Financial Statements (continued)

Analyses of Financial Liabilities

	Less than 1 Year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
GROUP				
<i>At 31 March 2023</i>				
Trade and Other Payables	5,110,743	-	-	-
Employee Entitlements	847,428	-	-	-
Total Non Derivative Liabilities	5,958,171	-	-	-
<i>At 31 March 2024</i>				
Trade and Other Payable	6,270,601	-	-	-
Employee Entitlements	833,092	-	-	-
Bank Loans	9,000,000	-	-	-
Total Non Derivative Liabilities	16,103,693	-	-	-
Interest Rate Swaps	316,400	316,400	630,328	-
	16,420,093	316,400	630,328	-

TRUST

<i>At 31 March 2023</i>				
Trade and Other Payables	17,893	-	-	-
<i>At 31 March 2024</i>				
Trade and Other Payable	21,331	-	-	-

18. LOANS AND BORROWINGS

	2024	2023
	\$	\$
GROUP		
Bank Loans	9,000,000	-
Total Loan and Borrowings	9,000,000	-

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.

	Weighted Average Interest Rate		2024		2023	
	2024	2023	Face Value	Carrying Value	Face Value	Carrying Value
Longer than One Year						
Bank Loans	6.79%	-	9,000,000	9,000,000	-	-
Total Loans and Borrowings			9,000,000	9,000,000	-	-

Notes to the Financial Statements (continued)

Other

19. 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 the temporary difference arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Tax expense for period made up of:				
Income tax expense	1,201,872	1,151,381	-	-
Deferred taxation expense	387,655	558,995	-	-
	1,589,527	1,710,376	-	-
Operating surplus (loss) before income tax	4,913,375	5,907,552	59,814	(49,060)
Prima facie taxation	1,420,735	1,744,911	19,738	-
<i>Movement in income tax due to:-</i>				
Non-deferred tax differences				
Non-deductible expenses	(35,573)	7,875	-	-
Prior period adjustment	(16,456)	6,650	-	-
Trust loss not recognised	(19,738)	(49,060)	(19,738)	(49,060)
Effect on deferred tax of removal of depreciation on buildings	240,559	-	-	-
	168,792	(34,535)	(19,738)	(49,060)
Tax Expense	1,589,527	1,710,376	-	-
Deferred tax expense				
Capital contributions	27,041	(38,314)	-	-
Prior period adjustments	(173,297)	(155,437)	-	-
Depreciation	900,948	664,469	-	-
Other	(367,036)	88,277	-	-
	387,655	558,995	-	-
Current income tax expense	1,201,872	1,151,381	-	-

Notes to the Financial Statements (continued)

GROUP DEFERRED TAX	Depreciation	Other	Total
Deferred Tax Liability			
Opening Balance as at 1 April 2022	14,321,824	2,375,773	16,697,597
Change in the Year	509,032	49,963	558,995
Closing Balance as at 31 March 2023	14,830,856	2,425,736	17,256,592
Opening Balance as at 1 April 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)
Closing Balance as at 31 March 2024	15,558,507	2,078,556	17,637,063

Waitaki Power Trust tax loss carried forward for 2024 is \$ 1,264,406 (2023: \$1,324,219).

20. RELATED PARTY TRANSACTIONS

Payments from Waitaki Power Trust to Network Waitaki Limited

The loan is interest only, with no maturity date; however, the Waitaki Power Trust has agreed to give Network Waitaki Ltd a minimum of 12 months' notice of the requirement to make any repayment of the advance outstanding or part thereof. Interest payable from the Borrower to the Lender on the balance of the loan outstanding is calculated at an interest rate equivalent to the prescribed rate for Fringe Benefit Tax

Loan Outstanding at Balance Date 1,150,000

Payments from Network Waitaki Limited to Waitaki Power Trust

Interest 93,725

Payments from Network Waitaki Limited to A.J. Wood Chartered Accountants Limited

A.J. Wood Chartered Accountants Ltd is related to Network Waitaki Limited through its Director, Tony Wood, who is a Shareholder and Director of A. J. Wood Chartered Accountants Ltd.

Directors Fees 44,828

Payments from Network Waitaki Limited to Berry & Co

Berry & Co is related to Network Waitaki Limited through its director, Michael de Buyzer, who is Partner of Berry & Co.

Purchase of goods and services 15,064

Payments from Network Waitaki Limited to Clements Electrical Limited

Clements Electrical Limited is related to Network Waitaki Limited through John Clements being a Trustee of the Waitaki Power Trust and being a Shareholder of Clements Electrical Limited.

Contracting services 26,095

Payments from Clements Electrical to Network Waitaki Limited

Clements Electrical Limited is related to Network Waitaki Limited through John Clements being a Trustee of the Waitaki Power Trust and being a Shareholder of Clements Electrical Limited.

Contracting services 7,196

Payments outstanding at balance date – trade receivables 184

Payments from Network Waitaki Limited to I.T.online Ltd (Ember Technology)

I.T.online 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

Notes to the Financial Statements (continued)

20. RELATED PARTY TRANSACTIONS (continued)

Payments from Network Waitaki Limited to Lone Wolf Enterprises Limited

Lone Wolf Enterprises Limited is related to Network Waitaki Limited through its Director, Jonathan Kay, who is a Shareholder and Director of Lone Wolf Enterprises Limited.

Directors Fees	44,828
----------------	--------

Payments from Network Waitaki Limited to Original Performance Solutions Limited

Original Performance Solutions Limited is related to Network Waitaki Limited through its Director, Chris Bailey, who is a Shareholder and Director of Original Performance Solutions Limited.

Directors Fees	44,828
----------------	--------

Payments from Network Waitaki Limited to Whitestone Contracting Limited

Whitestone Contracting Limited is related to Network Waitaki Limited through its Director, Jonathan Kay, who is a Director of Whitestone Contracting

Purchase of goods and services	1,430,544
Payables Balance as at 31 March 2024	73,097

Payments from Network Waitaki Limited to key management personnel

Payments to key management personnel are made in accordance with employment agreements.

Employee Costs	1,169,135
----------------	-----------

21. 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:

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Within One Year	-	1,250,000	-	-
After on year but not more than 10 years	1,270,000	1,270,000	-	-
Total	1,270,000	2,520,000	-	-

Capital commitments contracted at balance date was:

	GROUP		TRUST	
	2024	2023	2024	2023
	\$	\$	\$	\$
Network Assets	939,793	2,295,883	-	-
Non-Network Assets	979,470	665,792	-	-
Total	1,919,263	2,961,675	-	-

22. 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 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 Fire and Emergency'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.

23. 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.



Independent auditor's report

To the Trustees of Waitaki Power Trust

Our opinion

In our opinion, the accompanying financial statements of Waitaki Power Trust (the Trust), including its subsidiary (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2024, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR).

What we have audited

The Group's financial statements comprise:

- the Financial Position as at 31 March 2024;
- the Comprehensive Income for the year then ended;
- the Changes in Equity for the year then ended;
- the Cash Flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with 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 and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of compliance with the Electricity Distribution (Information Disclosure) Requirement 2012. The provision of these other services have not impaired our independence as auditor of the Group.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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.



Responsibilities of the Trustees for the financial statements

The Trustees are responsible, on behalf of the Trust, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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 is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-7/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trust's Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

A handwritten signature in black ink that reads 'Maxwell John Dixon'.

Chartered Accountants

Christchurch

11 July 2024