



WAITAKI POWER TRUST

For the year ended 31 March 2025



2025 ANNUAL REPORT

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DIRECTORY

TRUSTEES:

Doreen Cleave (Chairperson)
John Clements
Morgan Easton
Lichelle Guyan
Herbert Tonkin

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

2025 Review

The Waitaki Power Trust is pleased to report on Network Waitaki Limited's performance for the year ending 31 March 2025.

Network Waitaki Ltd performed well against the performance targets committed to in their Statement of Corporate Intent (SCI).

The SCI lays out the Health & Safety, Financial and Network Performance targets Network Waitaki aims to achieve each year to ensure it meets the expectations of our community.

As the 100% shareholder in Network Waitaki our role as Trustees is to review and approve the SCI. This is part of how we ensure the value of the investment is protected and enhanced for our consumers, now and in the future.

On the Health and Safety targets it was pleasing to see no critical risk lost time injuries to staff or members of our community.

This is a result of the commitment to developing a safety culture the company has been building over time, which has taken another positive step forward with critical risk programme review activities and stage two accreditation to the ISO45001 Safety Management Systems Standard being important achievements for the year.

Despite a challenging economic environment, the company remains in a sound financial position. Network Waitaki reported a Net Profit after Tax of \$5.1m from total revenue of \$35.5m. The stable financial performance generated operating cashflows of \$12.6m (in-line with \$12.9 million FY2024), enabling continued capital investment into plant, equipment and network assets totalling \$19.7 million to be completed whilst still maintaining cash reserves of \$1.9m at year end.

Network Waitaki also paid a discount, and this past year returned \$1.15m (GST inclusive) to consumers through energy retailers. This is a benefit of your network being owned 100% by the Waitaki Power Trust.

This financial result has been achieved following a focus on tight cost control measures to counteract the inflationary environment experienced over the year.

Sustained profitability is essential so that Network Waitaki can support the reinvestment that is needed in the network over the coming decade. The costs of maintaining our community asset over the next decade are substantial and they are essential to maintain safe, reliable supply of energy to homes and businesses in our district.

This reinvestment is being carried out through a combination of borrowing and the unavoidable increase in the distribution charge passed on to customers.

Trustees understand affordability is a real issue for power users, especially in the current economic climate. While the network requires investment, there is a concerted effort to spread the cost over a long period, so costs don't only fall on today's users where upgrades have longer term benefits for the next generation of customers.

The company is carefully managing the required investment in network replacements and upgrades while ensuring their reliability targets are achieved. Over the past year they deferred non-essential projects, lowering capital expenditure and associated finance costs.

Prudent borrowing is a strategy being used by the company to fund renewals and upgrades to the network infrastructure in a way that spreads costs and minimises lifts to consumer charges. This has been carried out with appropriate controls to ensure debt remains within manageable limits and funds projects that have clear returns on investment. Network Waitaki's year-end debt position is at \$17.65m. Debt to Total Assets ratio remains low at 10.8%.

This is a balance between ensuring we can safely and reliably supply power to our community today while planning ahead for those who may need to connect to the network in future.

Key projects include the commissioning of the Te Awamako zone substation on Wilsons Road 12km from Papakaio

To meet the electricity demand on our network, Network Waitaki has partnered with Transpower to develop the design and cost projections for the construction of a new North Otago Grid Exit Point (GXP). It is anticipated that this further investment in critical infrastructure will be needed over the coming decade.

Annual Review (continued)

Other works to the network during the year include:

- Duntroon 11kV Switchboard replaced
- 39 km new fibre cable
- 3 km new and replacement 11kV cable
- 26 km new and replacement 11kV lines
- 440 poles installed or replaced
- 10,000 poles inspected
- 800 service boxes inspected
- 1,100 earth tests completed
- 238 vegetation sites resolved.

Operating a reliable and safe energy distribution network is core business for Network Waitaki. Network Performance against SCI targets all showed improvement.

System Average Interruption Duration Index (SAIDI) for the year of 127.1 minutes total, compared well to the target of 160 minutes. System Average Interruption Frequency Index (SAIFI) for the year of 1.0 is favourable compared to the 1.8 target.

Network performance remains favourable to peers and industry averages and Network Waitaki remain one of the higher performing rural networks in the country.

This result was due to a combination of factors. The region experienced favourable seasonal weather which reduced the frequency and severity of weather event impacts on the network. Incremental improvements in the network and how maintenance is planned and carried out have lifted overall reliability, and improvements to how the team at Network Waitaki both maintain the network and respond to events.

In an economically challenging period, the Contracting team supported network renewal projects in our region. It also sustained its capacity to deliver through completing contracted work for other South Island lines companies, and key customer Oceania Gold at Macraes which added to revenue from outside of the network. Working external to our network area helps sustain the company's work force as well as helping our local economy.

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.

Community engagement this year included:

- \$119,500 in sponsorship donations to 55 different local applicants/organisations
- Silver sponsor of the Otago rescue Helicopter trust
- Support for the "Energy Mate" programme - a free in-home coaching service to encourage healthy homes without risk of energy hardship.
- Supported and attended the North Otago A&P Show also had "Energy Mates" and "Powerswitch" on site
- Took part in emergency management training with North Otago agencies - Waitaki Volunteer fire brigade, Waitaki District Council, FENZ and St Johns
- Sponsorship of the Network Waitaki Victorian fete and Christmas trees in the district
- As sponsors of the North Otago Rugby Football Union, Network Waitaki were proud to support the annual junior rugby fun day.

It was also a productive year for the Trust as we progressed our Long-Term Plan Objectives.

The Regulatory environment was busy during the period with the Electricity Authority, Energy Efficiency and Conservation Authority (EECA) and the Electricity Networks Aotearoa (ENA) all putting out consultations on a range of topics. Network Waitaki and Waitaki Power Trust are active in completing submissions and ETNZ responds (where appropriate) from a collective membership and consumer perspective.

The Distribution Connection Pricing Consultation was a proposal by the Electricity Authority that the Trust felt could impact consumers. The Distribution Connection Pricing Consultation seeks to improve connection pricing methodologies, so they are more efficient and have greater consistency across distributors.

Annual Review (continued)

This proposal could bring substantial changes to the way networks charge new customers and may have some risks attached. We met with our local MP Miles Anderson to highlight the issue and completed a submission. Our submission can be found on our website under reports and submissions. A decision from the authority is pending.

Our network also maintains a strong presence at a national level in the industry through our involvement with Energy Trust New Zealand (ETNZ) so we are well-informed of issues that may impact on our network. Trustee Lichelle Guyan was re-elected to the executive committee of ETNZ.

The Trust reviewed and consulted on the Trust Deed with changes being adopted in February. The Trust Deed details how the Trust operates and ensures clarity over governance processes. A thorough review of the Trust Deed was completed after issues were highlighted during the last election in 2022. The main changes were clarification of voter eligibility and setting the ownership review to be held at 10 yearly intervals to better align with the long-term view that needs to be taken regarding network infrastructure investment. The next review will now be held by October 2031.

The Trust thanks the Directors and management of Network Waitaki for their considerable effort this past year which has resulted in the strong achievement of the SCI key performance measures.

Annual Review (continued)

FINANCIAL PERFORMANCE

STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 31 MARCH 2025

	ACTUAL \$	SCI \$	VARIANCE \$
Statement of Comprehensive Income			
Revenue Excluding Capital Contributions	33,436,313	34,803,578	(1,367,265)
Capital Contributions	2,084,324	1,730,000	354,324
Total Revenue	35,520,637	36,533,578	(1,012,941)
Less Expenses Excluding Depreciation	(18,402,172)	(22,024,178)	3,622,006
Less Depreciation	(7,615,615)	(6,109,700)	(1,505,915)
Net Profit before Discount, Tax and Interest Expense	9,502,850	8,399,700	1,103,150
Less Interest Income / (Expense)	(960,918)	(1,352,100)	391,182
Less Sponsorship	(335,152)	(277,000)	(58,152)
Less Discount	(989,160)	(1,000,000)	10,840
Net Profit Before Taxation	7,216,620	5,770,600	1,446,020
Less Taxation	(2,104,879)	(1,615,768)	(489,111)
Net Profit After Discount and Taxation	5,111,741	4,154,832	956,909

Comment

External contracting revenue was down reflecting difficult market conditions. Expenses excluding depreciation were held below budget allowing the company to achieve a better than forecast Net Profit result. The reduced Interest Expense is the result of lower than forecast debt levels.

FINANCIAL POSITION AS AT 31 MARCH 2025

	ACTUAL \$	SCI \$	VARIANCE \$
Shareholders' Equity	119,824,797	118,444,494	1,380,303
Current Assets	9,975,856	9,720,199	255,657
Current Liabilities	(5,859,958)	(5,133,769)	(726,189)
Working Capital	4,115,898	4,586,430	(470,532)
Non-Current Assets	152,127,560	154,765,177	(2,637,617)
Non-Current Liabilities	(36,418,661)	(40,907,113)	4,488,452
Total Net Assets	119,824,797	118,444,494	1,380,303

Comment

KEY FINANCIAL REPORTING MEASURES

	ACTUAL	SCI	VARIANCE
NPBT to Shareholder Funds	6.02%	4.87%	1.15%
Net Assets per Share	\$8.56	\$8.46	\$0.10
NPBT Earnings per Share in Cents	52c	41c	11c
Ratio of Shareholders' Funds to Total Assets	73.92%	72.01%	1.91%
Rate of Return After Tax on Shareholder Funds	4.27%	3.51%	0.76%

Comments

The company has achieved ahead of target on these financial reporting measures. These measures reflect the strong 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)	32.8	55.0	(22.2)
SAIDI minutes (planned)	94.3	105.0	(10.7)
SAIDI minutes total	127.1	160.0	(32.9)
SAIFI minutes (unplanned)	0.7	1.3	(0.6)
SAIFI minutes (planned)	0.3	0.5	(0.2)
SAIFI total	1.0	1.8	(0.8)

Comments

The SAIDI and SAIFI performance indicates favourable results against SCI targets. There was a significant decrease in events from last year.

Health and Safety	ACTUAL	SCI	VARIANCE
Lost time incidents arising from critical safety risk areas	0	0	-
Lost Time Injury Frequency Rate (LTIFR*)	1.07	1.14	(0.07)
Total Recordable Injury Frequency Rate (TRIFR*)	4.30	2.29	2.01
Health and Safety Management Systems accreditation (ISO/AS/NZS45001)	Maintain	Maintain	Achieved
External Field Work Assessments	2	2	Achieved
Public Safety Management System Accreditation (NZS7901)	Maintain	Maintain	Achieved
Review of Critical Risks	4	4	Achieved
Health and Wellbeing Program annual review (WorkWell)	Discontinued	1	Not Achieved
Environmental Management Systems	A second carbon footprint inventory report has been completed	Identify suitable program and align systems	Not Achieved

Comments

Throughout the year, we have seen a consistent decline in Lost Time Injury Frequency Rates (LTIFR) and other associated frequency rates. Our Total Recordable Injury Frequency Rate (TRIFR) is above the industry benchmark of 3.2 for Electricity Distribution Businesses of a similar size (100-200 FTE). There were four recordable incidents reported, including one cut finger requiring medical treatment, two injuries requiring return to work with light duties, and one strain injury resulting in time away from work. None of these were related to critical risks and no incidents resulted in serious harm.

We remain committed to continuous improvement of our Health and Safety Management System (HSMS), supported by external field assessments and the ongoing achievement and maintenance of ISO 45001 Stage 2 certification

A second carbon footprint inventory has been completed to benchmark our environmental performance.

Annual Review (continued)

ACKNOWLEDGEMENTS

As Chair of the Trust, I sincerely thank my fellow Trustees for their invaluable contributions, keen attention to detail, and—above all—their steadfast commitment to prioritizing our consumers.

To the staff, management, and directors of Network Waitaki, I extend my heartfelt gratitude for your unwavering dedication and passion in serving both our company and community.

And finally, a special thank you to Sandra Tonkin, our secretary, for her dedication and invaluable assistance throughout the year.



Chairperson, Doreen Cleave



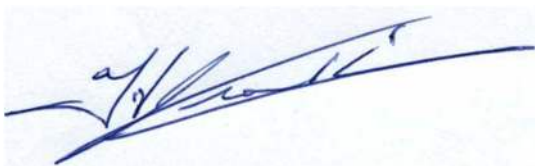
Trustee, John Clements



Trustee, Morgan Easton



Trustee, Lichelle Guyan



Trustee, Herbert Tonkin

Trustees' Report

GENERAL DISCLOSURES

The Trustees present their Annual Report together with Audited Financial Statements for the year ended 31 March 2025.

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 \$112,601 (profit for 2024 was \$59,814).

DONATIONS

No donations were made during the 2024 or 2025 years by the Trust; however, donations were made by Network Waitaki Limited amounting to \$141,352 (excluding GST) in 2025 and \$156,721 in 2024.

REMUNERATION OF TRUSTEES AND DIRECTORS

Remuneration paid to Trustees:

	Trustee Fees
Doreen Cleave	\$29,037
John Clements	\$21,509
Morgan Easton	\$21,509
Lichelle Guyan	\$21,509
Herbert Tonkin	\$21,509
Total Trustees' fees	\$115,073

Remuneration paid to Directors:

Shareholders authorised total Directors' remuneration of \$301,276 for activities undertaken by Directors on behalf of the Company.

	Total Directors' fees paid
Michael de Buyzer	\$79,262
Chris Bailey	\$47,243
Rob Caldwell	\$47,243
Natalie Evans	\$47,243
Jonathan Kay	\$47,243
Brett King (from Oct 24)	\$21,574
Tony Wood (to June 24)	\$11,468
Total Directors' fees	\$301,276

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	10
\$110,000 - \$119,999	4
\$120,000 - \$129,999	11
\$130,000 - \$139,999	4
\$140,000 - \$149,999	7
\$150,000 - \$159,999	2
\$160,000 - \$169,999	2
\$170,000 - \$179,999	3
\$200,000 - \$209,999	1
\$240,000 - \$249,999	1
\$330,000 - \$339,999	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:

Albion Richmond Cricket Club	500	North Otago Youth Support (The Youth Centre)	2,392
Ardgowan Primary School	5,000	NZ International Biology Olympiad (Annika Hayes)	500
Awakino Alpine Charitable Trust	610	Oamaru Athletic Marist Rugby Football Club Inc	778
Awamoa Football Club	1,094	Oamaru Blue Light Ventures Inc	1,500
Awamoa Gardens Croquet Club Inc	600	Oamaru Combined Churches Christmas Parcels Trust	2,000
Camp Iona Charitable Trust	1,610	Oamaru Intermediate School	1,000
CCS Disability Action Waitaki	650	Oamaru Old Boys Rugby Football Club	2,209
Excelsior Sports Club	1,624	Oamaru Rowing Club Inc	1,909
Five Forks Community Hall	2,500	Oamaru Steam & Rail Restoration Society Inc	1,000
Football Otago Youth Development Academy Trust (Jack White)	500	Oamaru Tap Dancing Association	500
Friends of the Forrester Gallery Society Inc	1,500	Oamaru Whitestone Civic Trust - Victorian Fete	10,000
Gospel Chapel Orwell Street Oamaru Board	4,125	Old Boys Netball Oamaru Inc	1,000
Habour Street Jazz Inc	2,000	Otago Neighbourhood Support - Waitaki	1,000
Hampden Community Energy Society	1,000	Otago Neighbourhood Support (Waitaki)	1,000
IHC North Otago	1,000	Otago Southland Rescue Helicopter	25,000
Maheno Junior Rugby Club	937	Our Hub Oamaru Creative Arts Space	585
Maheno Netball Club (Maheno Junior Netball)	1,805	Royal New Zealand Plunket Trust	1,058
Maheno Public Hall Society Inc	5,000	Scotts Own Sea Scouts	409
Maheno School	1,896	Special Olympics North Otago Trust	1,500
North Otago Basketball Association	2,000	Sport Otago	2,000
North Otago Bird Fanciers Club	1,000	St Joseph's Catholic Primary School	1,573
North Otago Cricket Association	5,000	Steampunk NZ Trust	2,000
North Otago Matariki Hui Ako 2024	342	Valley Football Club	1,000
North Otago Principals' Association	3,000	Waitaki Arts Trail	2,000
North Otago Recreational Turf Trust	2,000	Waitaki Collie Dog Club	700
North Otago Riding for the Disabled	895	Waitaki Girls High School	1,327
North Otago Rugby Football Union Inc	8,000	Waitaki Multicultural Inc	2,513
North Otago Sports Awards	8,000	Weston School	5,000
North Otago Toy Library	2,220	Youthtown Archery Tag Series	1,500

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
9 July 2025



Trustee
9 July 2025

Statement of Comprehensive Income

for the year ended 31 March 2025

	Notes	GROUP		TRUST	
		2025	2024	2025	2024
		\$	\$	\$	\$
Operating revenue	1	35,520,637	34,255,546	-	-
Customer discount		(989,160)	(996,971)	-	-
Dividend received		-	-	200,000	150,000
		<u>34,531,477</u>	<u>33,258,575</u>	<u>200,000</u>	<u>150,000</u>
<i>Less</i>					
Operating expenses	2	(7,630,611)	(10,907,715)	(185,526)	(180,866)
Transmission costs		(5,253,687)	(5,138,119)	-	-
Employee costs		(6,039,552)	(5,793,200)	-	-
Depreciation, amortisation and impairment	3	<u>(7,615,615)</u>	<u>(6,117,416)</u>	<u>-</u>	<u>(3,045)</u>
Operating profit		7,992,012	5,302,125	14,474	(33,911)
Finance income		62,678	90,244	98,127	93,725
Finance costs		<u>(925,469)</u>	<u>(478,994)</u>	<u>-</u>	<u>-</u>
Finance income net		(862,791)	(388,750)	98,127	93,725
Profit before tax		7,129,221	4,913,375	112,601	59,814
Taxation	20	<u>2,104,879</u>	<u>1,589,527</u>	<u>-</u>	<u>-</u>
Net profit for the year		<u>5,024,342</u>	<u>3,323,848</u>	<u>112,601</u>	<u>59,814</u>
Fair Value Movement of Cashflow Hedges		(148,095)	(25,658)	-	-
Income Tax on Item Direct to Equity		<u>41,467</u>	<u>7,184</u>	<u>-</u>	<u>-</u>
Total comprehensive income		<u>4,917,714</u>	<u>3,305,374</u>	<u>112,601</u>	<u>59,814</u>

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

Statement of Changes in Equity

for the year ended 31 March 2025

	Trust Equity	Retained Earnings	Total Equity	
TRUST				
Balance at 1 April 2023	14,500,100	703,741	15,203,841	
Net Profit for the year, being total comprehensive income	-	59,814	59,814	
Balance at 31 March 2024	14,500,100	763,555	15,263,655	
Balance at 1 April 2024	14,500,100	763,555	15,263,655	
Net Profit for the year, being total comprehensive income	-	112,601	112,601	
Balance at 31 March 2025	14,500,100	876,156	15,376,256	
GROUP				
	Group Equity	Retained Earnings	Hedging Reserve	Total Equity
Balance at 1 April 2023	14,500,100	98,477,865	-	112,977,965
Profit for the year	-	3,323,848	-	3,323,848
Fair Value Movement of Cashflow Hedges	-	-	(25,658)	(25,658)
Income Tax on Items Direct to Equity	-	-	7,184	7,184
Total Comprehensive Income	-	3,323,848	(18,474)	3,305,374
Balance at 31 March 2024	14,500,100	101,801,713	(18,474)	116,283,339
Balance at 1 April 2024	14,500,100	101,801,713	(18,474)	116,283,339
Profit for the year	-	5,024,342	-	5,024,342
Fair Value Movement of Cashflow Hedges	-	-	(148,095)	(148,095)
Income Tax on Items Direct to Equity	-	-	41,467	41,467
Total Comprehensive Income	-	5,024,342	(106,628)	4,917,714
Balance at 31 March 2025	14,500,100	106,826,055	(125,102)	121,201,053

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

Statement of Financial Position

as at 31 March 2025

	Notes	GROUP		TRUST	
		2025	2024	2025	2024
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	14	1,974,626	1,816,113	64,960	104,330
Short term deposits		150,000	-	150,000	-
Trade and other receivables	5	3,959,388	4,505,059	32,561	30,656
Inventories	6	4,013,830	3,967,014	-	-
Work in progress		-	210,033	-	-
Financial derivatives	18	100,837	-	-	-
TOTAL CURRENT ASSETS		10,198,681	10,498,219	247,521	134,986
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	151,858,518	139,755,116	-	-
Right-of-use assets	12	170,243	353,783	-	-
Intangible assets	13	98,799	64,659	-	-
TOTAL NON-CURRENT ASSETS		152,127,560	140,173,558	15,150,000	15,150,000
TOTAL ASSETS		162,326,241	150,671,777	15,397,521	15,284,986
CURRENT LIABILITIES					
Trade and other payables	7	4,586,735	6,217,440	21,265	21,331
Employee entitlements	8	866,383	833,092	-	-
Lease liabilities	12	189,563	190,473	-	-
Tax payable		213,845	280,365	-	-
TOTAL CURRENT LIABILITIES		5,856,526	7,521,370	21,265	21,331
NON-CURRENT LIABILITIES					
Borrowings	19	16,500,000	9,000,000	-	-
Financial derivatives	18	274,590	25,658	-	-
Lease liabilities	12	6,350	204,346	-	-
Deferred tax	20	18,487,721	17,637,063	-	-
TOTAL NON-CURRENT LIABILITIES		35,268,661	26,867,067	-	-
TOTAL LIABILITIES		41,125,187	34,388,438	21,265	21,331
EQUITY					
Trust equity	15	14,500,100	14,500,100	14,500,100	14,500,100
Retained earnings	16	106,826,055	101,801,713	876,156	763,555
Hedging reserve	17	(125,102)	(18,474)	-	-
TOTAL EQUITY		121,201,053	116,283,339	15,376,256	15,263,655
TOTAL LIABILITIES AND EQUITY		162,326,240	150,671,777	15,397,521	15,284,986

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

Statement of Cash Flows

for the year ended 31 March 2025

	Notes	GROUP 2025 \$	2024 \$	TRUST 2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
<i>Cash was provided from:</i>					
Receipts from customers		35,054,357	34,879,126	-	-
Interest received		61,838	85,415	97,287	88,896
Dividend received		-	-	200,000	150,000
		35,116,195	34,964,541	297,287	238,896
<i>Cash was disbursed to:</i>					
Payments to suppliers and employees		(20,325,764)	(20,128,861)	(185,769)	(177,428)
Income tax (paid)/received		(1,279,274)	(983,883)	-	-
Interest paid		(925,469)	(478,994)	-	-
Net GST (paid)/received		(8,652)	(468,453)	(888)	3,612
		(22,539,159)	(22,060,191)	(186,657)	(173,816)
NET CASH FROM OPERATING ACTIVITIES	4	12,577,036	12,904,350	110,630	65,080
CASH FLOWS FROM INVESTING ACTIVITIES					
<i>Cash was provided from:</i>					
Transfer from term deposits		-	-	-	-
		-	-	-	-
<i>Cash was applied to:</i>					
Transfer to term deposits		(150,000)	-	(150,000)	-
Purchase of property, plant and equipment		(19,569,617)	(22,921,888)	-	-
		(19,719,617)	(22,921,888)	(150,000)	-
NET CASH FROM INVESTING ACTIVITIES		(19,719,617)	22,921,888)	(150,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
<i>Cash was provided from;</i>					
Proceeds from borrowings		7,500,000	9,000,000	-	-
<i>Cash was applied to:</i>					
Principal elements of lease liabilities		(198,906)	(190,473)	-	-
NET CASH FROM FINANCING ACTIVITIES		7,301,094	8,809,527	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		158,513	(1,208,012)	(39,370)	65,080
Cash and cash equivalents at beginning of the year		1,816,113	3,024,124	104,330	39,250
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		1,974,626	1,816,112	64,960	104,330

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 9 July 2025.

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 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 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

FRS-44 New Zealand Additional Disclosures came into effect from 1 April 2024. This standard has impacted on the disclosure of fees for audit firms' services. This standard has impacted on the disclosure of disbursements paid to audit firms such as travel and accommodation which are now included as part of the total fees. See Note 2
No other new or amended standards have been adopted by the company 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Operating revenue comprises:</i>				
Revenue recognised over time				
Network lines revenue	28,147,234	25,650,609	-	-
Private network revenue	238,292	231,323	-	-
	<u>28,385,526</u>	<u>25,881,932</u>	-	-
Revenue recognised at a point in time				
Capital contributions	2,663,945	2,312,278	-	-
Contracting	2,397,880	4,420,558	-	-
Fault recoveries	272,276	219,107	-	-
	<u>5,334,101</u>	<u>6,951,943</u>	-	-
Other Revenue				
Metering	404,362	415,805	-	-
Bad debts recovered	859	-	-	-
Fibre rent received	500,618	477,444	-	-
EV Income	514,082	239,408	-	-
Rent received	1,084	14,258	-	-
Loss rental rebate	50,280	53,634	-	-
Other income	329,725	221,122	-	-
	<u>1,801,010</u>	<u>1,421,671</u>	-	-
	<u>35,520,637</u>	<u>34,255,546</u>	-	-

- (i) As at 31 March 2025, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) is \$230,046 (2024 \$813,284), of which 100% will be recognised as revenue during the next reporting period.
- (ii) \$813,284 of revenue recognised in the reporting period was included in the contract liability balance at the beginning of the period (2024 \$1,443,814).

2. OPERATING EXPENSES

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Operating expenses comprise:</i>				
Operating costs	4,444,049	7,404,742	46,539	46,053
Consumer Asset Costs	472,655	673,837	-	-
Directors' fees	297,455	294,244	-	-
Insurance	941,011	910,358	10,548	10,030
Professional fees	1,002,509	1,157,680	3,918	5,158
Trustee fees	115,071	110,200	115,071	110,200
Donations	141,360	156,721	-	-
Audit fees (Financial Statements) – PwC	120,265	126,620	9,450	9,425
Information Disclosure Assurance – PwC	71,675	58,873	-	-
Taxation Services – Other Firms	15,803	7,823	-	-
Other Regulatory Audits – other firms	8,758	6,617	-	-
	<u>7,630,611</u>	<u>10,907,715</u>	<u>185,526</u>	<u>180,866</u>

Notes:

- i. Audit Fees and Other Assurance Services include disbursements such as travel and accommodation costs.
- ii. The reduction in Operating Expenses reflects the one-off costs during 2024 of the Event Centre Contribution and finance system implementation along with reduced costs during 2025 as a result of the drop in external contracting revenue.

Notes to the Financial Statements (continued)

3. DEPRECIATION, AMORTISATION AND IMPAIRMENT

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
<i>Depreciation of PPE comprises:</i>				
Buildings	130,114	122,668	-	-
Core reticulation network	4,211,007	3,763,130	-	-
Private reticulation network	70,603	70,474	-	-
Meters and relays	-	-	-	-
Plant and equipment	1,311,487	1,097,251	-	3,045
Fibre network	144,239	181,975	-	-
Intangibles	62,539	178,018	-	-
Total depreciation of PPE	5,929,989	5,413,516	-	3,045
Loss on disposal of property, plant and equipment	1,502,086	520,695	-	-
Total depreciation and amortisation of PPE	7,432,075	5,934,211	-	3,045
<i>Depreciation if right-to-use assets comprises:</i>				
Network reticulation system	173,581	173,264	-	-
Plant and equipment	9,959	9,941	-	-
Total depreciation of right-to-use assets	183,540	183,205	-	-
Total depreciation and amortisation	7,615,615	6,117,416	-	3,045

4. RECONCILIATION OF NET PROFIT WITH CASHFLOW FROM OPERATING ACTIVITIES

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net profit/(loss) for the year	5,024,342	3,323,848	112,601	59,814
Add / (less) non-cash items:				
Depreciation and amortisation	7,615,615	6,117,416	-	3,045
Deferred taxation	892,125	387,655	-	-
	8,507,740	6,505,071	-	3,045
Add / (less) movements in working capital items:				
(Increase) / decrease in trade and other receivables	545,671	1,619,334	(1,905)	(1,217)
(Increase) / decrease in inventories	(46,816)	124,356	-	-
(Increase) / decrease in work in progress	210,033	15,245	-	-
Increase / (decrease) in tax payable	(66,520)	224,135	-	-
Increase / (decrease) in trade and other payables	(1,630,705)	1,106,697	(66)	3,438
Increase / (decrease) in employee entitlements	33,291	(14,336)	-	-
	(955,046)	3,075,431	(1,971)	2,221
Net cash flows from operating activities:	12,577,036	12,904,350	110,630	65,080

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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Trade receivables	816,999	1,403,490	-	-
Loss allowance	(102,679)	(107,819)	-	-
Accruals	2,330,892	2,246,731	-	-
Total receivables	3,045,212	3,542,402	-	-
Other receivables	188,511	276,567	24,696	23,856
Prepayments	722,206	683,519	4,406	4,229
GST	3,459	2,571	3,459	2,571
Balance at the end of the year	3,959,388	4,505,059	32,561	30,656
Less non-current trade receivables	-	-	-	-
Current trade and other receivables	3,959,388	4,505,059	32,561	30,656
Trade and other receivables less than 90 days old	3,908,163	4,285,757	32,561	30,656
Trade and other receivables greater than 90 days old	51,225	219,302	-	-
Gross trade and other receivables	39,959,387	4,505,059	32,561	30,656

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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Stores inventory	4,013,830	3,967,014	-	-

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		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Trade payables	3,204,285	3,401,192	-	-
Accruals	1,213,330	2,056,125	21,265	21,331
Contract liability - capital contributions	230,045	813,284	-	-
GST payable	(60,925)	(53,161)	-	-
Balance at end of year	4,586,735	6,217,440	21,265	21,331

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

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Contract liability – capital contributions				
Opening balance	813,284	1,443,814	-	-
Amount of transaction price received for unsatisfied performance obligations	1,501,085	1,681,748	-	-
Revenue recognised from performance obligations satisfied	(2,084,324)	(2,312,278)	-	-
Closing balance	230,046	813,284	-	-

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. Employees are entitled to long service leave after serving for 15 years.

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Leave entitlements	810,050	780,463	-	-
Other entitlements	56,333	52,629	-	-
Total employee entitlements	866,383	833,092	-	-

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 2023	14,000,000
Movement for the year	-
Closing balance as at 31 March 2024	<u>14,000,000</u>
Opening balance as at 1 April 2024	14,000,000
Movement for the year	-
Closing balance as at 31 March 2025	<u>14,000,000</u>

10. ADVANCES TO SUBSIDIARY

Waitaki Power Trust Advance to Network Waitaki Limited

	\$
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>
Opening balance as at 1 April 2024	1,150,000
Movement for the year	-
Closing balance as at 31 March 2025	<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.

Notes to the Financial Statements (continued)

11. PROPERTY, PLANT AND EQUIPMENT (continued)

WAITAKI POWER TRUST

	Plant & Equipment	Total
Gross Carrying Amount		
At 1 April 2023	11,108	11,108
Additions	-	-
Disposals	-	-
At 31 March 2024	<u>11,108</u>	<u>11,108</u>
Additions	-	-
Disposals	-	-
At 31 March 2025	<u>11,108</u>	<u>11,108</u>
Accumulated Depreciation and Amortisation		
At 1 April 2023	8,062	8,062
Charge for the Year	3,046	3,046
At 31 March 2024	<u>11,108</u>	<u>11,108</u>
Charge for the Year	-	-
At 31 March 2025	<u>11,108</u>	<u>11,108</u>
Net Book Values		
At 31 March 2024	-	-
At 31 March 2025	<u>-</u>	<u>-</u>

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 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
Additions	17,625,397	-	775,045	-	-	2,172,321	20,572,763
Disposals	(1,146,056)	-	-	-	-	(194,683)	(1,340,739)
Transfers	(250,204)	-	-	-	-	250,204	-
At 31 March 2025	185,070,380	2,704,412	5,153,362	2,595,397	2,604,400	14,627,459	212,745,411
Accumulated Depreciation and Amortisation							
At 1 April 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
Charge for the Year	4,211,007	70,603	130,114	-	144,239	1,311,487	5,867,450
Disposals	(553,051)	-	-	-	-	(187,560)	(740,611)
Transfers	(65,887)	-	616	-	-	65,271	-
At 31 March 2025	52,976,909	279,265	1,215,561	2,595,397	2,604,400	8,716,738	68,388,268
Net Book Values							
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
At 31 March 2025	132,093,472	2,425,147	3,937,801	-	-	5,910,723	144,367,143
Work in Progress	7,128,590	-	362,785	-	-	-	7,491,371
	139,222,062	2,425,147	4,300,586	-	-	5,910,723	151,858,518

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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Current	189,564	190,474	-	-
Non-current	6,350	204,346	-	-
Total lease liabilities	195,913	394,820	-	-

Interest expenses on these leases totaling \$13,041 (2024: \$21,474) is included in finance costs in the Statement of Comprehensive Income.

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 2023	1,199,957	39,835	1,239,792
New Leases	-	-	-
Variable Lease Adjustments	-	-	-
Terminated Leases	-	-	-
At 31 March 2024	1,199,957	39,835	1,239,792
New Leases	-	-	-
Variable Lease Adjustments	-	-	-
Terminated Leases	-	-	-
At 31 March 2025	1,199,957	39,835	1,239,792
Accumulated Depreciation (Group)			
1 April 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
Charge for the Year	173,581	9,959	183,540
Terminated Leases	-	-	-
At 31 March 2025	1,045,530	24,019	1,069,549
Net Book Values			
At 31 March 2024	328,008	25,775	353,783
At 31 March 2025	154,427	15,816	170,243

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	
	2025	2024	2025	2024
	\$	\$	\$	\$
No later than one year	507,742	496,813	-	-
Later than one year and no later than five years	2,030,970	1,987,250	-	-
Later than five years	2,850,796	3,285,900	-	-
	5,389,508	5,769,963	-	-

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%

Intangible Assets (Group)

	Software	Consents	Total
	\$	\$	\$
Gross Carrying Amount			
1 April 2023	1,445,864	-	1,445,864
Additions	-	-	-
Disposals	-	-	-
At 31 March 2024	1,445,864	-	1,445,864
Additions	-	-	-
Disposals	-	-	-
At 31 March 2025	1,445,864	-	1,445,864
Accumulated Depreciation and Impairment			
1 April 2023	1,203,187	-	1,203,187
Charge for the Year	178,018	-	178,018
Disposals	-	-	-
At 31 March 2024	1,381,205	-	1,381,205
Charge for the Year	62,539	-	62,539
Disposals	-	-	-
At 31 March 2025	1,443,744	-	1,443,744
Net Book Values			
At 31 March 2024	64,659	-	65,659
At 31 March 2025	2,120	-	2,120
Work in Progress	-	96,679	96,679
At 31 March 2025	2,120	96,679	98,799

The Trust has no intangible assets.

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	
	2025	2024	2025	2024
	\$	\$	\$	\$
NZD bank accounts	1,974,626	1,740,707	64,960	104,330
USD bank account	-	75,406	-	-
Term deposits (less than 90 days)	-	-	-	-
Closing Balance	1,974,626	1,816,113	64,960	104,330

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)

14. CASH AND CASH EQUIVALENTS (continued)

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 for qualifying assets is greater than twelve 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
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

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Balance at beginning of the year	101,801,713	98,477,865	763,555	703,741
Net surplus / (deficit) for the year	5,024,342	3,323,848	112,601	59,814
Balance at the end of the year	106,826,055	101,801,713	876,156	763,555

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. 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.

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Balance at beginning of the year	(18,474)	-	-	-
Fair Value Movement of Cashflow Hedges	(148,095)	(25,658)	-	-
Income Tax on Items Direct to Equity	41,467	7,184	-	-
Balance at the end of the year	(125,102)	(18,474)	-	-

18. 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.

Notes to the Financial Statements (continued)

18. FINANCIAL RISK MANAGEMENT (continued)

\$ NZD	Notional Amount of Hedge Instrument	Carrying Amount of Hedge Instrument	Statement of Financial Position	Change in Carrying Value
2025	USD	Asset		
Forward USD Exchange Contracts	914,160	100,837	Financial Derivatives	100,837

(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.

\$NZD	Weighted Average Interest Rate	Notional Amount of Hedge Instrument	Carrying Amount of Hedge Instrument Liability	Statement of Financial Position	Change in Carrying Value
2024 NZD Interest Rate Swaps (terms 3-5 years)	4.52%	7,000,000	(25,658)	Financial Derivatives	(25,658)
2025 NZD Interest Rate Swaps (terms 2-5 years)	4.18%	16,500,000	(274,590)	Financial Derivatives	(248,932)

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.

Notes to the Financial Statements (continued)

18. FINANCIAL RISK MANAGEMENT (continued)

Note 18 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.

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 2024</i>				
Trade and Other Payables	6,270,601	-	-	-
Bank Loans	9,000,000	-	-	-
Total Non-Derivative Liabilities	15,270,601	-	-	-
Interest Rate Swaps	316,400	316,400	630,328	-
	15,587,001	316,400	630,328	-
<i>At 31 March 2025</i>				
Trade and Other Payable	4,586,735	-	-	-
Bank Loans	16,500,000	-	-	-
Total Non-Derivative Liabilities	21,086,735	-	-	-
Interest Rate Swaps	565,085	565,085	1,094,657	-
	21,651,820	565,085	1,094,657	-
TRUST				
<i>At 31 March 2024</i>				
Trade and Other Payables	21,331	-	-	-
<i>At 31 March 2025</i>				
Trade and Other Payable	21,265	-	-	-

19. LOANS AND BORROWINGS

	2025	2024
GROUP	\$	\$
Bank Loans	16,500,000	9,000,000
Total Loan and Borrowings	16,500,000	9,000,000

The Bank Loans are secured by way of negative pledge over the asset of the company. The current bank loan facility expires in April 2026. An extension of the facility to August 2028 has been agreed.

Notes to the Financial Statements (continued)

19. LOANS AND BORROWINGS (continued)

	Weighted Average Interest Rate		2025		2024	
	2025	2024	Face Value	Carrying Value	Face Value	Carrying Value
	Longer than One Year					
Bank Loans	5.37%	6.79	16,500,000	16,500,000	9,000,000	9,000,000
Total Loans and Borrowings			16,500,000	16,500,000	9,000,000	9,000,000

Other

20. 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Tax expense for period made up of:				
Income tax expense	1,232,537	1,201,872	-	-
Deferred taxation expense	872,342	387,655	-	-
	2,104,879	1,589,527	-	-
Operating surplus (loss) before income tax	7,129,221	4,913,375	112,601	59,814
Prima facie taxation	2,057,812	1,420,735	37,158	19,738
<i>Movement in income tax due to:-</i>				
Non-deferred tax differences				
Non-deductible expenses	8,186	(35,573)	58	-
Prior period adjustment	76,098	(16,456)	-	-
Trust loss not recognised	(37,217)	(19,738)	(37,217)	(19,738)
Effect on deferred tax of removal of depreciation on buildings	-	240,559	-	-
	47,067	168,792	(37,159)	(19,738)
Tax Expense	2,104,879	1,589,527	-	-
Deferred tax expense				
Capital contributions	(1,011)	27,041	-	-
Prior period adjustments	(38,687)	(173,297)	-	-
Depreciation	742,486	900,948	-	-
Other	189,337	(367,036)	-	-
	892,125	387,656	-	-
Current income tax expense	1,212,754	1,201,872	-	-

Notes to the Financial Statements (continued)

20. INCOME TAX (continued)

GROUP DEFERRED TAX	Depreciation	Other	Total
Deferred Tax Liability			
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
Opening Balance as at 1 April 2024	15,558,507	2,078,556	17,637,063
Change in the Year – Income	742,486	149,639	892,125
Change in the Year – Equity	-	(41,467)	(41,467)
Closing Balance as at 31 March 2025	16,300,993	2,186,728	18,487,721

Waitaki Power Trust tax loss carried forward for 2025 is \$ 1,505,752 (2024: \$1,382,835).

21. 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
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Payments from Network Waitaki Limited to Waitaki Power Trust

Interest	96,649
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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	11,468
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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	28,861
Payments outstanding at balance date – trade payables	4,418

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	17,435
Payments outstanding at balance date – trade payables	115

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	11,697
Payments outstanding at balance date – trade receivables	4,306

Payments from Network Waitaki Limited to SBK Ltd

SBK Ltd is related to Network Waitaki Ltd through its Director, Brett King, who is a shareholders and director of SBK Ltd

Purchase of goods and services	21,574
Payments outstanding at balance date – trade payables	3,975

Notes to the Financial Statements (continued)

21. 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	47,243
Payments outstanding at balance date – trade payables	3,975

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	47,243
Payments outstanding at balance date – trade payables	3,975

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	750,372
Payments outstanding at balance date – trade payables	56,762
Sale of goods and services	19,719

Payments from Network Waitaki Limited to key management personnel

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

Employee Costs	1,155,434
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22. 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	
	2025	2024	2025	2024
	\$	\$	\$	\$
Within One Year	127,000	-	-	-
After one year but not more than 10 years	1,143,000	1,270,000	-	-
Total	1,270,000	1,270,000	-	-

Capital commitments contracted at balance date was:

	GROUP		TRUST	
	2025	2024	2025	2024
	\$	\$	\$	\$
Network Assets	2,567,292	939,793	-	-
Non-Network Assets	657,120	979,470	-	-
Total	3,224,412	1,919,263	-	-

Notes to the Financial Statements (continued)

23. 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 2024, 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.

Network Waitaki has entered into agreements with Transpower for the completion of a solution study and design along with the pre-purchase of materials in relation to the development of the new North Otago GXP. These agreements require Network Waitaki to repay the agreed amounts expended by Transpower if the GXP development does not proceed. The total value of the agreements is \$3.6m.

24. SUBSEQUENT EVENTS

A review of events subsequent to 31 March 2025 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 consolidated financial statements (the 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 2025, 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 statement of financial position as at 31 March 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of 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.

In our capacity as auditor and assurance practitioner, our firm provides other assurance services. The firm has no other relationship with, or interests in, 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 determines 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 intends to liquidate the Group or to cease operations, or has 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/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/>

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 Trust's 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 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

9 July 2025

Christchurch