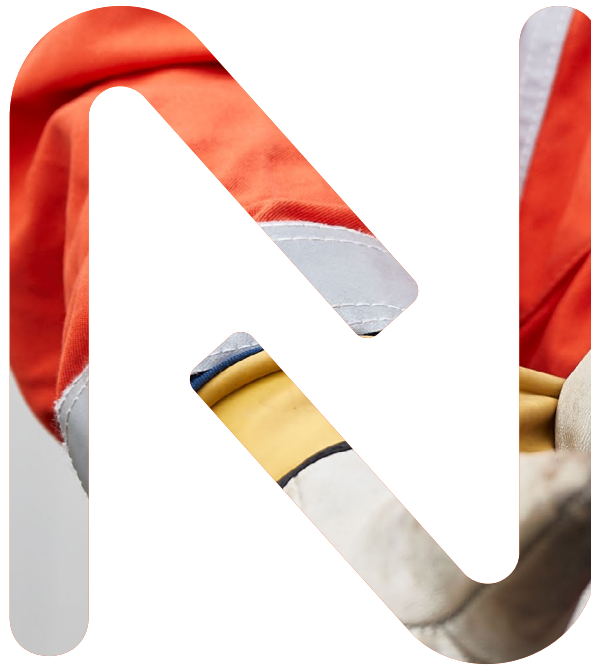
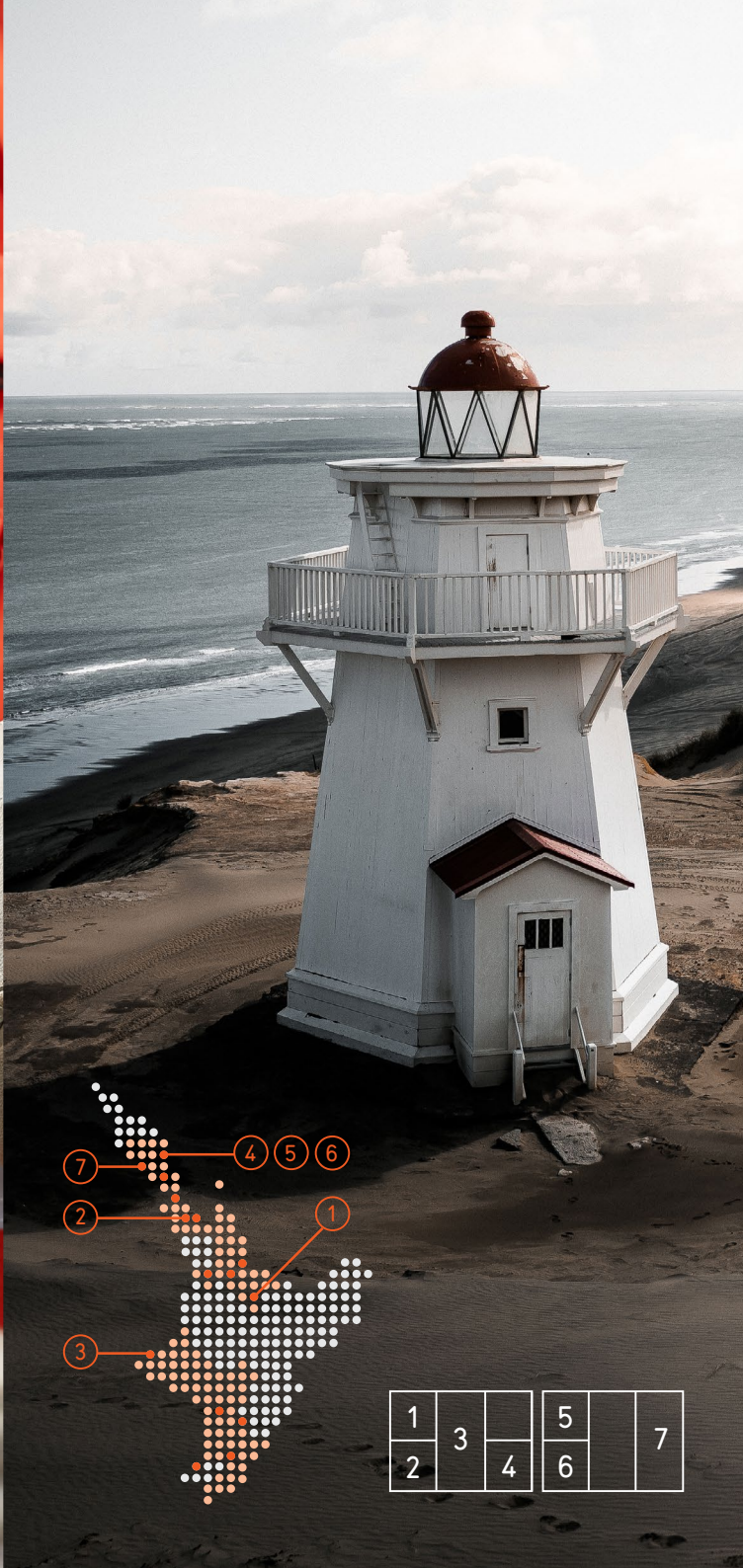


Northpower



Annual
report
2025







Partners in infrastructure



Our commitment - Right Partner, Right Team, Right Scale

Northpower's purpose is centred on infrastructure – investing in infrastructure that supports Northland; servicing energy infrastructure across the North Island; and building the skills and careers of our people.

This decade continues to be a critical period for deepening that contribution. As Tai Tokerau and Aotearoa New Zealand reach for growth and a future supported by electrification, we are actively scaling our investment and construction efforts.

This Annual Report spotlights the changes we are making in these areas. It sets out the specific investments we are making in support of Northland, and showcases the work we are doing to be the Right Partner, Right Team and Right Scale for our clients.

Our results - A year of practical delivery, and improved results

We're proud of our investments in Northland - we've invested \$53 million into our networks to ensure they remain a match for regional growth, and delivered our first utility-scale solar project, Te Puna Mauri ō Omaru in Ruawai, a 16.8MWdc plant. It's the first of several projects in our generation pipeline.

We're also proud of our 1,250 strong Energy Services team – their construction efforts totalled more than \$400 million this year, our biggest contribution to network modernisation ever. Our services offering now extends across solar, battery, and drone enabled data capture. Key new areas for our clients.

As our delivery has stepped up, so have our teams. This year, we invested \$2.5 million in building capability, with more than 100 trainees and over 160 developing leaders in our development programs. It's our way of supporting our teams' development, and investing in the professionalism that will shape our sector's future.

Our context - A sector combining for effect

We've enjoyed working in partnership with our clients this year, and supporting them in the work they are doing for their communities. Thank you, we deeply appreciate your continued belief and support which has strengthened our delivery over the past two decades.

Thank you also to our supply partners and peer companies. The energy transition demands a coordinated team effort, and the sector is increasingly aligning to get the job done. We appreciate your generosity in sharing your ideas, and your support when the storms have rolled in.

We are proud to contribute to Aotearoa New Zealand's electrification efforts.

Deepening our impact

Infrastructure



16.9GWh

of renewable
energy produced



63,189

customers connected
to our electricity network



25,887

customers connected
to our fibre network



\$53m

invested in local fibre
and electricity networks



\$525m

local infrastructure
asset value

Energy Services



680,000

electricity connections
maintained across the
North Island



1,250

staff across 14 locations



\$401m

of energy infrastructure
delivered to our clients

Capability



\$2.5m

invested in capability
development this year



100%

Kiwi owned



121

trainees in
the business

\$513m

revenue

↑ FY24 \$461m

\$90m

EBITDAF

↑ FY24 \$80m

\$71m

net operating cashflows

↑ FY24 \$63m

\$18.6m

distributions and discounts
from Northpower and NEPT

↑ FY24 \$15m



680,000

electricity connections
maintained across the
North Island



\$401m

energy infrastructure
delivered



14

locations across the
North Island

Right partner

Northpower provides expert engineering, construction, and maintenance services across electricity distribution and transmission, communications, and generation. With over 90 years of experience and 1,250 skilled professionals, we deliver high-quality outcomes for major utilities including Transpower, Vector, and Powerco as well as supporting complex projects with precision and innovation for the wider industry, as demand for electrification accelerates across Aotearoa New Zealand.



Harnessing AI with Vector

We are supporting our client, Vector, to harness the power of AI. Our Inspection Solutions team is providing practical in-field overhead data in order to train the AI model. With 96,000 high-resolution images captured with drones, the project aims to teach the AI model to assess asset conditions.



Enhancing Powerco's network with fibre

We deliver services that enhance the performance of all our clients' electricity networks. For the installation of 162 km of fibre across a large area of Powerco's Coromandel network, we mobilised 119 field specialists from six locations. Teams overcame challenging terrain by using helicopters and drones to string fibre above mature forests and over rivers.



Complex project co-ordination for Transpower

Our specialists are well versed in managing complex projects, such as the replacement of 45 cable joints along a 220 kV Transpower cable, which supplies Auckland and Northland. The cable traverses rural and suburban areas of East Auckland, requiring teams and contractors working across multiple sites at one time to deliver a successful outcome.



\$53m

invested in local electricity
and fibre infrastructure



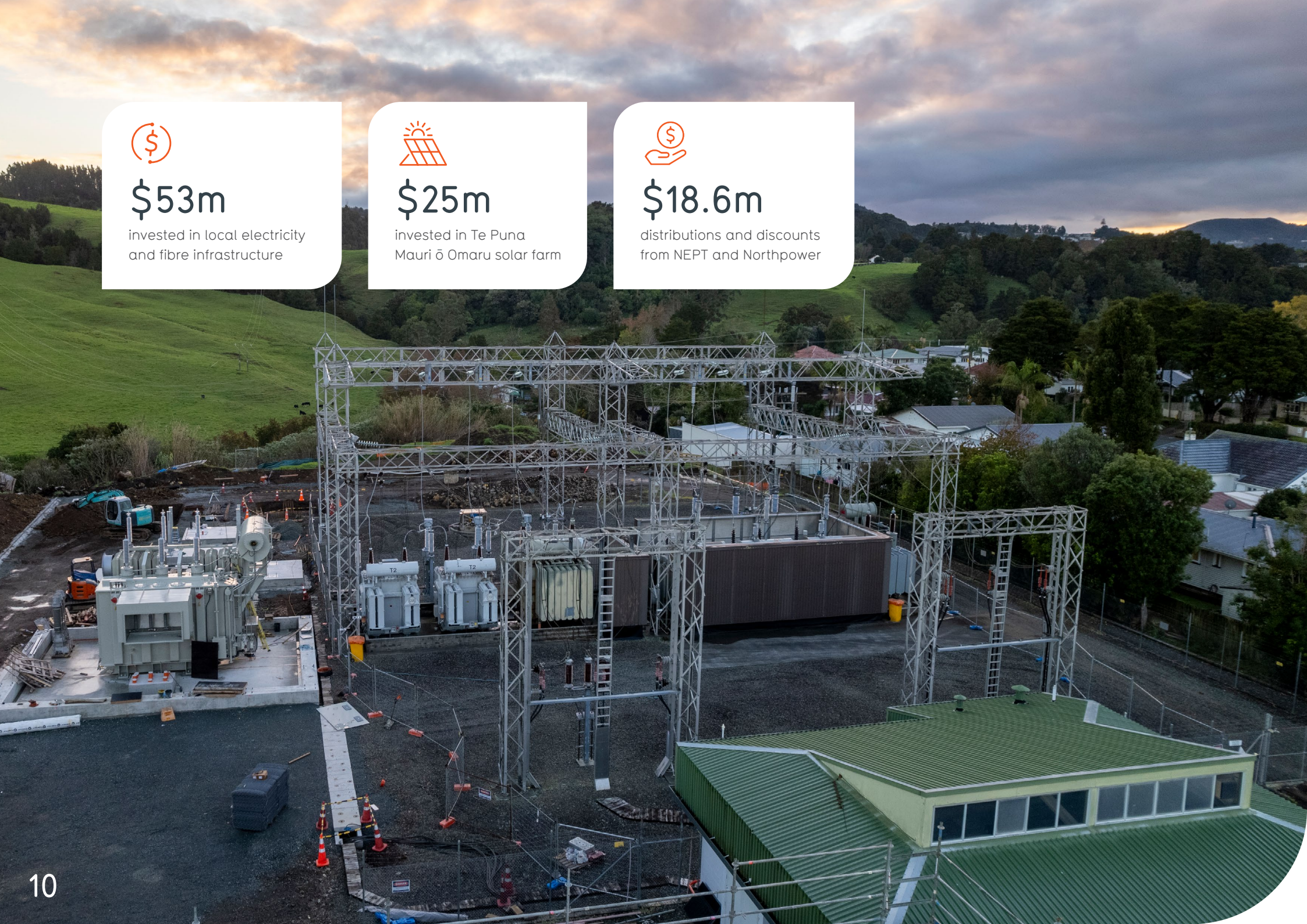
\$25m

invested in Te Puna
Mauri ō Omaru solar farm



\$18.6m

distributions and discounts
from NEPT and Northpower



Right scale

We are committed to enhancing the benefits and delivering value to the communities of Whangārei and Kaipara. Investing more than \$53 million in local electricity and fibre infrastructure, building our first solar farm at Ruawai to advance the energy transition and attract investment to Northland. Our service teams extend from Whangārei to the Kapiti Coast, managing more than 40% of the electricity connections across the North Island.



Bringing power home

Investing in Northland renewables and providing tangible benefits for our communities is evidenced through the delivery of Te Puna Mauri ō Omaru - the first community-owned solar farm over 10MW in Aotearoa New Zealand. With the capacity to power 3,000 customer homes every year, the Ruawai farm represents a \$25 million investment, bringing renewable generation to the region.



Upgrading our largest substation

Through our \$22.4 million investment to upgrade the Kensington substation, we will deliver increased capacity and reliability to more than 28,500 homes and businesses in Whangārei. The project includes new transformers, a new switchroom building and switchyard equipment, and is scheduled for completion in December 2026.



121

trainees



160

developing leaders



71%

staff engagement score

Right team

Northpower's proven expertise, and skilled professionals deliver engineering, construction and maintenance services. As the energy sector evolves to meet the demand for increased electrification, we are investing in capability across our businesses by developing skills, leadership, and the resilience needed to deliver exceptional service and value for our clients, communities, and the transition ahead.



Building capability

By investing in our people, we can deepen our impact for our customers, clients and local communities. Whare Ako (our house of learning) builds the capability of our people. We have a series of initiatives to help staff gain new qualifications, and train up new talent and leaders within the business, as well as keep existing leaders operating at their peak.



Cutting edge drone technology

Bringing together the latest in innovative technology, we deliver state-of-the-art asset inspection data, with pinpoint accuracy. Our drone inspections team can assess electrical infrastructure with unparalleled accuracy by leveraging cutting-edge technology. High-resolution drone cameras digitally capture the condition of assets, which the team analyse and then detect faults to create targeted solutions for our clients.



Driving Economic Growth and Community Development

Northpower, with other large infrastructure focused organisations in the North, is part of the Northland Corporate Group (NCG). The group is focussing on the region's economic potential, to attract investments that would unlock Northlands capability to support Auckland and Aotearoa..

Our governance



Mark Trigg
Chair



David Hunt
Director



Phil Huchings
Director



Michelle Kong
Director



Laurie Kubiak
Director



Kerry Friend
Director



David Prentice
Director



Julia Steenson
Future Director

Our leadership



Andrew McLeod

Chief Executive



Josie Boyd

Chief Operating Officer
Contracting



Mike Gibbs

Chief Operating Officer
Network



Darren Mason

Northpower Fibre
Chief Executive



Ollie O'Neill

Chief Financial Officer



Andrea O'Brien

Executive General Manager
People and Capability



Ed Overy

Executive General Manager
Digital



Iley Joblin

Executive General Manager
Legal and Risk

Board of directors' report

The Board of Directors are appointed by the Northpower Electric Power Trust to supervise the management of the Company. The Board establishes the Company's objectives, overall policy framework, and monitors management performance.

Principal activities

The Group's principal activities are the distribution and generation of electricity, electrical contracting and telecommunications fibre.

Directors holding office during the year

Northpower Limited, and Northpower Fibre Limited

M D Trigg (Chair)
R C Booth (retired 31 July 2024)
K M Drinkwater (retired 31 July 2024)
K M Friend
P G Hutchings
M K Kong
L S Kubiak
D J Prentice
D T Hunt (appointed 1 July 2024)

Northpower Generation Limited (incorporated 5 July 2024)

M D Trigg	K M Friend	P G Hutchings
M K Kong	L S Kubiak	D J Prentice
D T Hunt (appointed 31 July)		
K M Drinkwater (retired 31 July 2024)		
R C Booth (retired 31 July 2024)		

Te Puna Mauri ō Omaru Limited (incorporated 8 July 2024)

O M O'Neill A I McLeod

West Coast Energy Pty Limited, and Northpower Western Australia Pty Limited

P G Hutchings O M O'Neill A I McLeod

Results

The group recorded an after tax profit of \$19.6 million for the period, as set out in the Consolidated Statement of Comprehensive Income.

Dividend

A fully imputed dividend of \$0.6 million was declared for the year.

Donations

The Group made donations of \$160,000 to Northland Emergency Services Trust, \$20,000 to Healthy Home (Community Business and Environment Centre) and other sundry donation of \$7,472 during the year.

Insurance of Directors

The company has insured all its Directors against liabilities to other parties that may arise from their positions as Directors.

Share dealings

It is not possible for any Director to acquire or dispose of any interest in shares in the Company.

Use of company information

The Board received no notices during the year from Directors requesting use of Company information received in their capacity as Directors, which would not otherwise have been available to them.

Directors' interest

The following Directors have made general disclosures of interest pursuant to Section 140 of the Companies Act 1993 that the named Directors are to be regarded as having an interest in any contract that may be made with the entities listed below:

M D Trigg

Director – Langman Lane Limited
Director – Ngāti Tūwharetoa Holdings Limited
Chair – Ngāti Tūwharetoa Geothermal Assets Limited
Chair – Liquigas Limited
Trustee – Mark Desmond Trigg Trust

R C Booth (retired 31 July 2024)

Panel Member – Far North Holdings Appointments Panel
RC & SA Booth Partnership
R&S Booth Trust
Puketitōi Farm Limited
Shareholder – Fonterra
Shareholder – LIC
Shareholder – Ballance
Shareholder – Superstore Properties

K M Drinkwater (retired 31 July 2024)

Director – Far North Holdings
Director – Bay of Islands Marina
Chair – Duffy Books In Homes New Zealand (Alan Duff Charitable Foundation)
Director – Books In Homes USA
Director/Shareholder – Bright Idea Solutions Company Limited

K M Friend

Director – Trade Window Holdings Limited
 Director – Trade Window Limited
 Director – Trade Window Services Limited
 Trustee – Tomodachi No. 1 Trust
 Trustee – Tomodachi No. 2 Trust

P G Hutchings

Shareholder – Career Engagement Group Limited
 Director – West Coast Energy Pty Limited
 Director – Northpower Western Australia Pty Limited

M K Kong

Director – The Exponential Agency Limited
 Shareholder – Trosk Limited
 Chief Commercial Officer – IntDevice

L S Kubiak

Director/Shareholder/Chief Executive Officer -
 Nautech Electronics Limited
 Director/Shareholder - Quilisma Limited
 Trustee/Beneficiary - Quilisma Family Trust
 Trustee - Holy Trinity Cathedral Music Trust
 Director/Shareholder - QPE Gamma 1 Pty Ltd (Australia)

D J Prentice

Chair/Director - Martin, Jenkins & Associates
 Advisor - Gore District Council –
 Capital Works Committee
 Director/Shareholder - DRP Consultants Limited
 Chief Executive Officer - NZ Windfarms
 Director - Te Rere Hau Limited
 Director - Te Rere Hau Holdings Limited

D T Hunt

Deputy Chair – Accident Compensation Corporation
 Board Member - DairyNZ Inc and subsidiaries
 Trustee - Pyatt and Hunt Family Trust
 Consulting Associate - Concept Consulting Group Ltd
 Panel Member - Commerce Commission governance
 and effectiveness review
 Director - NZX Regulation Ltd

Remuneration of employees

The remuneration of employees as reflected in the table below contains severance payments made to some employees.

Bands	No. of Employees
\$100,000 - \$109,999	118
\$110,000 - \$119,999	133
\$120,000 - \$129,999	125
\$130,000 - \$139,999	129
\$140,000 - \$149,999	85
\$150,000 - \$159,999	69
\$160,000 - \$169,999	59
\$170,000 - \$179,999	48
\$180,000 - \$189,999	44
\$190,000 - \$199,999	36
\$200,000 - \$209,999	23
\$210,000 - \$219,999	13
\$220,000 - \$229,999	9
\$230,000 - \$239,999	12
\$240,000 - \$249,999	7
\$250,000 - \$259,999	4
\$260,000 - \$269,999	4
\$270,000 - \$279,999	2
\$280,000 - \$289,999	1
\$290,000 - \$299,999	1
\$310,000 - \$319,999	1
\$320,000 - \$329,999	1
\$330,000 - \$339,999	1
\$340,000 - \$349,999	1
\$360,000 - \$369,999	1
\$370,000 - \$379,999	2
\$400,000 - \$409,999	1
\$410,000 - \$419,999	1
\$500,000 - \$509,999	1
\$510,000 - \$519,999	1
\$770,000 - \$779,999	1

Directors' remuneration

Directors' remuneration paid during the period was:

Northpower Limited

M D Trigg	146,000
L S Kubiak	73,000
D Prentice	73,000
J A Steenson	9,166
D T Hunt	54,750
K M Drinkwater	24,333
R C Booth	24,333
P G Hutchings	78,500
M K Kong	78,500
K M Friend	78,500

Northpower Western Australia Pty Limited

P G Hutchings	\$13,333
	\$653,415

For and behalf of the Board


M D Trigg**Chair**

Sustainability
is what we do





Future ready talent

Talent Development Programme participants

FY25

40

FY26 target

40

Living wage accreditation

✓

✓



Climate change action

Build Ruawai solar farm

✓

Build Ruawai extension

✓

Electricity network capital investment (Asset Management Plan)

\$47m

\$54m



Connecting and caring for our communities

SAIDI planned (average number of outage minutes per customer)

197.7

<178.25

SAIFI planned (average number of times a customer experiences a power outage)

0.68

<0.79

Customer satisfaction

93%

≥85%

Home energy assessments completed

1,000

800



Economic and social value for Northland

Sponsorship and donations

\$489K

\$480K



Sustainable energy brings local benefits

Doing business sustainably is what we do for our communities, our whānau and the environment. Our investment in, and delivery of Te Puna Mauri ō Omaru brings renewable energy generation to Northland, providing community benefits with employment opportunities for locals and a \$5 million injection into the local economy. The solar farm gives our communities a stake in renewable energy generation, benefiting our consumer owners.



Financial statements

Statement of service performance

	Note	FY25 Actual	FY25 Target	FY24 Actual
Financial KPIs				
Net profit after tax/shareholder funds (pre-distribution)	1	9.4%	7.5%	7.6%
Debt/capital ratio	2	28.1%	≤40%	26.5%
Debt coverage ratio	3	1.9	≤4.25x	1.8x
Distribution (posted discount plus dividend)		\$16.4m	\$16.4m	\$14.8m
Non- Financial KPIs				
Safety				
Total recordable injury frequency rate (TRIFR)	4	14.2	≤6	10.2
High potential event frequency rate (HPEFR)	5	3.5	4.5	3.5
Permanent disability and/or fatality		0	0	0
Northpower Electricity Network				
Network reliability (SAIDI minutes)	6			
Planned		197.7	≤162.0	204.7
Unplanned		88.3	≤93.3	110.36
Average number of faults per 100km of line	7	9.16	≤10	12.2
Network interruptions (SAIFI)	8			
Planned		0.68	≤0.72	0.68
Unplanned		2.16	≤2.28	2.78
Customer satisfaction (residential)		95%	≥85%	96%
Customer satisfaction (commercial)		88%	≥85%	93%
Northpower Fibre Network				
Provisioning (percentage met by agreed date)	9			
Simple		96.7%	≥95%	96.16%
Complex		97.4%	≥95%	97.08%
Faults (per 100 connections)	10	1.4	≤3	1.49
Network availability	11			
(average unplanned downtime)				
Layer 1		13 min	≤36 min	8.73 min
Layer 2		0.8 min	≤6 min	1.04 min
Installation of quality satisfaction average score	12			
(score out of 10)		9.4	≥9	9.50

Group financial KPIs

The Group achieved the targets for all financial measures. The debt/capital ratio and debt coverage ratios are well within the targeted levels reflecting the sound financial and balance sheet health of the Group.

Safety

Our High Potential Event Frequency Rate (HPEFR) continues to track below target, demonstrating our continued long-term emphasis on managing critical risks through effective control management.

The total recordable injury frequency rate (TRIFR) is above the target range . However Northpower has plans in place to address this as an outcome of other safety initiatives in FY26.

Electricity network

Electricity network performed well overall during the year, with strong reliability across unplanned outages. The only notable variance was in planned reliability, which reflected strong investment in capital and maintenance work programmes.

Unplanned Performance

Unplanned interruptions are normalised under the DPP3 methodology. Unplanned network performance remained within target for the year. Continued investment in maintenance, asset renewals, and vegetation management is reinforcing network resilience and reducing the frequency and duration of unplanned outages.

The primary contributors to unplanned SAIDI were:

- Defective equipment: 29%
- Third-party interference: 14%
- Vegetation-related faults: 13%

These factors were significantly affected by adverse weather and lightning, which together accounted for 50% of the total unplanned SAIDI for the year.

Planned Interruptions

Planned interruptions ended the year 22% above target, primarily due to early-year outages on the Kaiwaka–Mangawhai 33kV line to support security-of-supply upgrades. Additional shutdowns on the Maungaturoto–Kaiwaka 33kV line added a further 15% to the planned SAIDI total. To minimise customer impact and avoid significant generation costs, much of these work was carried out overnight on these circuits.

The increase in planned SAIDI also reflects the uplift in Northpower's capital works programme, which required additional planned outages to support long-term network resilience and reliability.

Performance targets are based on the DPP3 methodology, which allows for a 50% de-weighting of planned SAIDI when customers are notified and other criteria are met. While Northpower has not yet applied these reductions due to current tracking system limitations, we plan to adopt normalised reporting for planned SAIDI and SAIFI in FY26 annual reporting.

Fibre network

Fibre network performance was in line with target for the period.

Notes to the statement of service performance

1. Net profit after tax/shareholders' funds (Equity) is calculated pre-discount and excluding fair value adjustments as this reflects the underlying operational performance before distributions.

2. Debt/capital ratio is (Net debt)/ (Net debt + Equity).

3. Debt coverage ratio (Net debt/EBITDA).

4. TRIFR per million hours is calculated as:

$$\frac{\text{number of lost time injuries} + \text{medical treatment injuries} + \text{restricted treatment injuries}}{\text{hours worked} \times 1,000,000 \text{ hours}}$$

5. HPEFR is calculated as number of events classified as having potential for serious harm/hours worked x 1,000,000 hours.

6. SAIDI is the system average interruption duration index i.e. the average duration of interruptions to consumers in the year, and is calculated as:

$$\frac{\text{sum of (number of interrupted consumers} \times \text{interruption duration)}}{\text{average number of connected customers}}$$

7. Faults per 100km: A fault is classified by the Commerce Commission as "a physical condition that causes a device, component or network element to fail to perform in the required manner". The measure calculates the faults per 100km averaged for all voltages.

8. SAIFI is the system average interruption frequency index i.e. the average number of interruptions to consumers in the year. An interruption means a cessation of supply to consumers for a period of more than one minute. During the interruption to supply, some customers may be temporarily restored, as supply is restored for a short period due to switching operations carried out in the course of locating a fault.

This is because, until the fault has been located and addressed, supply has not properly been restored. A subsequent permanent fix following a temporary repair is treated as a further interruption. This is because supply which had been restored, is then interrupted again to undertake the planned works. The treatment of successive interruptions in FY25 is consistent with that of FY24.

9. Provisioning met agreed date = rolling 12-month average. A simple install includes bitstream simple connections. A complex install includes dark fibre, Non building access point (NBAP) and the first connection in an Multi dwelling unit (MDU) or Right of way (ROW) that does not have network infrastructure.

10. Fault per 100 connections = the sum of 12 months, where the value per month is aggregated value of Layer 1, Layer 2 and ONT. The formula calculating monthly value is:
Total faults<L1+ L2 + ONT>/last 2 months average of total connections

11. Availability is measured in minutes and = the sum of 12 months, where the value per month for Layer 1 or Layer 2 is:

Unplanned downtime/ last 2 months average of total connections

Fibre network availability measure reports the average unplanned time in minutes that the fibre network is unavailable to an end user over the 12-month period to end of March 2025.

Average unplanned time over the 12-month period is sum of unplanned downtime per month, as calculated by the above formula.

- Layer 1 refers to the fibre network field infrastructure and the availability is affected by unplanned faults. Layer 2 refers to the electronic component of the network and availability is affected by unplanned outages on this infrastructure or software.
- Unplanned faults are measured by the minutes an incident ticket is open in the faults system to when service is restored and excludes the time that is outside of the service provider's control (i.e. Wrong Customer contact, Customer unavailable, Waiting on RSP).

12. Customer service installation satisfaction is a score out of 10. This satisfaction information comes from Key Research Group after they survey some of our customers that have had recent connections.

Consolidated statement of comprehensive income

	Note	2025 \$000s	2024 \$000s
Revenue from contracts with customers	2	512,865	460,517
Other income		2,837	8,067
Materials and supplies		(223,507)	(201,891)
Employee benefits	6	(179,512)	(164,889)
Transmission costs		(18,725)	(18,226)
Other expenses	3	(4,102)	(3,314)
Earnings before interest, tax, depreciation and fair value changes (EBITDAF)		89,856	80,264
Depreciation and amortisation		(46,839)	(44,251)
Fair valuation (loss)/gain on property, plant and equipment		(1,471)	(1,920)
Fair valuation (loss)/gain on derivatives		(1,978)	(632)
Finance cost	4	(10,353)	(9,318)
Net profit before tax		29,215	24,143
Income tax expense	11	(9,578)	(8,885)
Net profit after tax for the year		19,637	15,258
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	18	(7)	(9)
<i>Items that will not be reclassified to profit or loss</i>			
Net gain on revaluation of property, plant and equipment, net of tax	14,18	25,716	-
Other comprehensive income/(loss) for the year, net of tax		25,709	(9)
Total comprehensive income for the year attributable to the owners of the parent		45,346	15,249

The above statement should be read in conjunction with the accompanying notes.

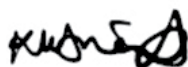
Consolidated statement of financial position

	Note	2025 \$000s	2024 \$000s
Assets			
Current assets			
Cash and cash equivalents		6,813	3,259
Trade and other receivables	8	60,278	54,463
Contract assets	2,21	25,365	26,706
Derivatives	20	47	413
Inventory	5	13,083	13,688
Non-current asset held for sale	9	1,087	-
Total current assets		106,673	98,529
Non-current assets			
Intangible assets	13	29,217	30,409
Derivatives	20	656	1,635
Right of use assets	15	60,206	61,013
Property, plant and equipment	14	651,747	563,181
Total non-current assets		741,826	656,238
Total assets		848,499	754,767

These financial statements are authorised for issue on 25 June 2025, for and on behalf of the Board.



Mark Trigg
Chair



Kerry Friend
Audit and Risk Committee Chair

	Note	2025 \$000s	2024 \$000s
Liabilities			
Current liabilities			
Trade and other payables	10	43,783	31,507
Contract liabilities	2	18,118	15,854
Employee entitlements	6	21,677	19,969
Provisions	16	812	6,335
Provision for tax		2,234	1,914
Borrowings	19	-	10,000
Deferred income	7	247	247
Lease liabilities	15	17,305	16,195
Derivatives	20	5	-
Total current liabilities		104,181	102,021
Non-current liabilities			
Employee entitlements	6	764	671
Lease liabilities	15	46,512	49,023
Borrowings	19	165,029	127,878
Deferred income	7	6,176	6,431
Derivatives	20	994	366
Deferred tax	12	84,963	73,243
Total non-current liabilities		304,438	257,612
Total liabilities		408,619	359,633
Net assets		439,880	395,134
Equity			
Equity attributed to the owners of the parent	18	439,880	395,134
Total equity		439,880	395,134

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

	Note	Ordinary shares \$000s	Retained earnings \$000s	Asset revaluation reserve \$000s	Foreign currency translation reserve \$000s	Total \$000s
Balance as at 1 April 2024		35,989	309,776	52,317	(2,948)	395,134
Profit for the year		-	19,637	-	-	19,637
Other comprehensive income/(loss) for the year		-	-	25,716	(7)	25,709
Total comprehensive income/(loss) for the year, net of tax		-	19,637	25,716	(7)	45,346
Dividend declared	23	-	(600)	-	-	(600)
Balance as at 31 March 2025		35,989	328,813	78,033	(2,955)	439,880
Balance as at 1 April 2023		35,989	295,318	52,317	(2,939)	380,685
Profit for the year		-	15,258	-	-	15,258
Other comprehensive income/(loss) for the year		-	-	-	(9)	(9)
Total comprehensive income/(loss) for the year, net of tax		-	15,258	-	(9)	15,249
Dividend declared		-	(800)	-	-	(800)
Balance as at 31 March 2024		35,989	309,776	52,317	(2,948)	395,134

The above statement should be read in conjunction with the accompanying notes.

Consolidated cash flow statement

	Note	2025 \$'000s	2024 \$'000s
Operating activities			
Receipts from customers		508,822	455,992
Interest received		338	275
Payments to suppliers		(241,682)	(212,455)
Payments to employees		(177,711)	(164,213)
Interest paid		(12,390)	(10,619)
Income tax paid		(6,878)	(5,761)
Net cash inflows from operating activities	17	70,499	63,219
Investing activities			
Proceeds from sale of property, plant and equipment		373	311
Purchase of intangible assets		(2,445)	(2,402)
Purchase of property, plant and equipment		(72,812)	(66,175)
Acquisition of business		-	(8,967)
Net cash outflows from investing activities		(74,884)	(77,233)
Financing activities			
Drawdown of borrowings		412,101	473,400
Repayment of borrowings		(385,508)	(439,300)
Principal repaid on lease liability		(17,847)	(17,333)
Dividends paid to owners of the parent (gross of tax)	23	(800)	(600)
Net cash inflows/(outflows) from financing activities		7,946	16,167
Net increase in cash and cash equivalents		3,561	2,153
Net foreign exchange differences		(7)	(9)
Cash and cash equivalents at the beginning of the year		3,259	1,115
Cash and cash equivalents at the end of the year		6,813	3,259

The above statement should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. General information and significant matters

General information

Northpower Limited ("the Company") is a profit oriented limited liability company incorporated in New Zealand.

The Company was formed under the Energy Companies Act 1992 and registered under the Companies Act 1993. The financial statements presented are for Northpower Limited Group (or "the Group") as at, and for the year ended 31 March 2025. The Northpower Electric Power Trust is the sole shareholder of the Company and is incorporated in New Zealand. The Group consists of Northpower Limited and its subsidiaries. The principal activities of the Company are electricity distribution and contracting services. The principal activities of the subsidiaries are telecommunications, electricity generation and acoustic testing.

Basis of preparation

The consolidated financial statements ("financial statements") comply with New Zealand equivalents to IFRS Accounting Standards ('NZ IFRS'), and IFRS Accounting Standards ('IFRS'), as appropriate for Tier 1 for-profit entities.

The financial statements have been prepared on a historical cost basis except for the revaluation of derivatives, distribution system assets, and land and buildings.

The presentation currency is New Zealand dollars (NZD), which is the company's functional currency. All financial information has been rounded to the nearest thousand unless otherwise stated. The consolidated statement of comprehensive income and consolidated statement of changes in equity are stated exclusive of Goods and Service Tax (GST). All items in the consolidated statement of financial position and consolidated cash flow statement are stated exclusive of GST except for trade receivables, trade payables, receipts from customers, and payments to suppliers which include GST.

Prior year comparatives on certain accounts have been reclassified to better reflect the activity. There is no impact on profit before tax, other comprehensive income or balance sheet.

Material accounting policies

Accounting policies, and information about judgements, estimations and assumptions that have had a material effect on the amounts recognised in the financial statements are disclosed in the relevant notes as follows:

- Revenue from contracts with customers (Note 2)
- Trade and other receivables (Note 21)
- Intangible assets (Note 13)
- Property, plant and equipment (Note 14)
- Provisions (Note 16)
- Financial risk management objectives and policies (Note 21)
- Related parties (Note 23)

Standards issued and effective

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to NZ IAS 1 Classification of Liabilities as Current or Non-current

The group has adopted the amendments to NZ IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Non-current Liabilities with Covenants

The group has adopted the amendments to NZ IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to NZ IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to NZ IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in NZ IFRS 15 Revenue from contracts with customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. The amendment is fully retrospective to sale and leaseback transactions entered into after the date of initial application of NZ IFRS 16 Leases.

Amendments to FRS-44

The amendments to FRS-44 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm.

Standards issued but not yet effective

Certain new standards and interpretations are effective for annual periods beginning on or after 1 April 2025 and earlier application is permitted, however the Group has not early adopted the new or amended standards in preparing these financial statements. The new or amended standards and interpretations are not expected to have a material impact on the Group's financial statements.

2. Revenue from contracts with customers

	Note	2025 \$000s	2024 \$000s
Revenue recognised over time			
Electricity distribution revenue	i	78,972	74,683
Electricity generation	ii	3,939	1,134
Fibre telecommunication services	iii	18,866	17,236
Contracting revenue - electricity industry	iv	401,316	354,206
Contracting revenue - fibre telecommunications industry	v	224	157
Revenue recognised at a point in time			
Capital contributions	vi	9,548	13,101
Total		512,865	460,517

i Electricity distribution revenue

The performance obligation is satisfied over time with the delivery of electricity and payment is generally due within 20 to 45 days from delivery. The Group adopts a practical expedient allowed by NZ IFRS 15 and recognises electricity distribution revenue when the right to invoice arises.

Part of the network charges is based on normalisation, where consumption is estimated to the end of the billing period based on historical actual meter readings. Occasionally the meter reading history data is not consistent and subsequent adjustments are made to customers' accounts, where further charges are applied or refunds given. These adjustment amounts are not significant compared with total network revenue.

The revenue disclosed above is net of a posted discount of \$15.80 million paid during the year to the consumer owners (2024: \$13.97 million), refer to Note 18.

ii Electricity generation

The Group owns and operates an electricity power station at Wairua, Northland and a solar farm at Ruawai, Northland. The performance obligation of the supply of generated electricity is satisfied over time and pricing is based on the final electricity industry spot price, as defined by the Electricity Industry Participation Code. Payment is generally due 20 to 45 days from supply of the electricity.

iii Fibre telecommunication services

The performance obligation is satisfied over time with the provision of fibre internet connectivity and payment is generally due 20 to 45 days from provision of the service. Revenue is recognised as the service is provided.

iv Contracting revenue – electricity industry

The contracting division provides maintenance and construction services under fixed-price and variable price contracts. Revenue from these services is recognised in the accounting period in which the services are rendered. For fixed-priced contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual costs incurred relative to the total expected costs.

The Group determined that the input method is the best method of measuring progress of the services because there is a direct relationship between cost incurred and the transfer of service to the customer.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Defect costs are recognised in the period that they are incurred due to the long-term nature of the contracts.

v Contracting revenue – fibre telecommunications industry

Revenue related to services to connect end users to the fibre network is recognised when the connection is complete. Revenue for maintenance services is recognised in the accounting period in which the services are rendered on the basis that the customer receives and uses the benefits simultaneously.

vi Capital contributions

Capital contributions represents third party contributions towards the construction of distribution system and fibre network assets. Capital contribution revenue is recognised in the consolidated statement of comprehensive income when the asset is completed. Capital contribution revenue also includes capacity charges revenue, which is recognised when the invoice is issued.

Contract assets and contract liabilities

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the performance obligations have been completed but not invoiced. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. The remaining performance obligations at balance date are part of contracts that are estimated to have a duration of one year or less. Hence the Group applied the practical expedient in NZ IFRS 15 in relation to the disclosure of information about remaining performance obligations at balance date. Contract liabilities are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-completion method. The revenue recognised during the year includes the contract liabilities balance at the beginning of the reporting period.

3. Other expenses

Profit before income tax includes the following specific expenses:

	2025 \$000s	2024 \$000s
Fees to Deloitte		
- Audit of financial statements	412	371
- Special audits required by regulators	140	137
Under provision of prior year audit fees	2	-
Net gain on foreign exchange	(46)	(3)
Directors' fees	653	653
Rental and lease costs	3,047	1,536

The rental and lease costs represent short-term leases, leases of low-value assets and variable lease costs not included in NZ IFRS 16 Costs.

4. Net finance cost

	Note	2025 \$000s	2024 \$000s
Interest income		338	275
Interest expense		(9,905)	(8,288)
Capitalised interest	14	2,249	1,544
Interest on leases	15	(3,035)	(2,849)
Net finance cost		(10,353)	(9,318)

Interest income and interest expense is recognised using the effective interest method. The gross interest costs of bank facilities excluding the impact of interest rate swaps was \$8.8 million (2024: \$8.8 million). Eligible borrowing costs were capitalised at an average interest rate of 5.8% (2024: 6.7%).

5. Inventory

Inventory is stated at the lower of cost and net realisable value. Inventory comprises of finished goods. The carrying amount of inventory held for distribution is measured on a weighted average cost basis. Inventory issued of \$41.6 million was recognised in the profit or loss during the year (2024: \$36.1 million). Inventory written off during the period amounted to \$0.1 million (2024: \$0.3 million). No inventory was pledged as securities for liabilities; however some inventory is subject to retention of title clauses.

6. Employee benefits and entitlements

	2025 \$000s	2024 \$000s
Salaries and wages	174,532	160,449
Defined contribution plan employer contributions	4,980	4,440
Total employee benefit expenses	179,512	164,889

Employee entitlements are represented by:	2025 \$000s	2024 \$000s
Current		
Accrued salaries and wages	7,773	6,205
Annual leave	13,022	12,760
Sick leave	882	1,004
Total current portion	21,677	19,969
Non-current		
Retirement and long service leave	764	671
Total non-current portion	764	671
Balance as at 31 March	22,441	20,640

The compensation of the Directors and Executives, being the key management personnel of the entity is set out as below:

	2025 \$000s	2024 \$000s
Short-term benefits	4,504	4,570
Total compensation of key management personnel	4,504	4,570

The Group accrues for employee benefits which remain unused at balance date, and amounts expected to be paid under bonus and other entitlements. A liability for employee benefits is recognised when it is probable that settlement will be required and the amount is capable of being measured reliably.

7. Deferred income

	2025 \$000s	2024 \$000s
Balance as at 1 April	6,678	6,700
Granted during the year	-	223
Income recognised during the year	(255)	(245)
Balance as at 31 March	6,423	6,678
Current	247	247
Non-current	6,176	6,431
Balance as at 31 March	6,423	6,678

The Group received an interest-free loan from the Government for the construction of fibre network assets and the loan was recognised at its fair value when received, refer to Note 19. The difference between the amount received and the fair value is recognised as deferred income in accordance with NZ IAS 20. As the loan relates to the construction of property, plant and equipment, it was included in deferred income in the statement of financial position and was recognised in the profit or loss over the periods necessary to match the related depreciation charges, or other expenses of the asset as they are incurred.

8. Trade and other receivables

	Note	2025 \$000s	2024 \$000s
Trade receivables		56,828	52,002
Less provision for expected credit loss	21	(1,379)	(834)
Prepayments		4,829	3,295
Balance as at 31 March		60,278	54,463

The Group's exposure to credit risk and impairment losses related to trade receivables are disclosed in Note 21 in these financial statements.

9. Non-current assets held for sale

	Note	2025 \$000s	2024 \$000s
Plant and equipment		866	-
Motor vehicles		40	-
Leasehold improvements		181	-
Balance as at 31 March	14	1,087	-

The management approved the sale of all the assets within the Southern Contracting division as part of their decision to exit this part of the business. As at balance date an agreement to sell the assets of Southern Contracting division was entered and subsequently all the assets were sold post balance date. In accordance with NZ IFRS 5, the assets held for sale are held at their carrying amount.

10. Trade and other payables

	2025 \$000s	2024 \$000s
Trade payables	29,184	21,468
Accrued payables	14,599	10,039
Balance as at 31 March	43,783	31,507

11. Income tax expense

	2025 \$000s	2024 \$000s
Profit before income tax	29,215	24,143
At New Zealand's statutory tax rate of 28% (2024: 28%)	8,180	6,760
Plus/(less) tax effect of:		
- Non-deductible expense	632	375
- Non-taxable income	(185)	(66)
- Prior period adjustment	29	(356)
Deferred tax adjustment on building due to change in tax rules	-	2,172
Deferred tax adjustments	922	-
	9,578	8,885
The taxation charge is represented by:		
- Current taxation	7,232	5,586
- Deferred taxation	2,317	3,655
- Prior period adjustment relating to current tax	(34)	(762)
- Prior period adjustment relating to deferred tax	63	406
	9,578	8,885
Imputation credits available for use in subsequent reporting periods	82,462	75,168

Income tax expense comprises current and deferred tax using tax rates and tax laws that have been enacted or substantively enacted at balance date. Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

On 28 March 2024, the Government passed the Taxation (Annual Rates for 2023/24, Multinational Tax, and Remedial Matters) Bill into law. The Bill included the removal of tax deductions for depreciation on non-residential buildings, effectively setting the tax depreciation rate to 0% for buildings with an estimated useful life of 50 years or more, with application from the 2024/25 income year.

This resulted in an additional deferred tax liability of \$2.2 million being recognised in FY24.

12. Deferred tax

	Property, plant and equipment \$000s	Employee entitlements \$000s	Provisions and other \$000s	Tax losses \$000s	Total \$000s
Balance as at 1 April 2024	(76,251)	4,123	(1,115)	-	(73,243)
Charged to profit/(loss)	(3,085)	551	154	-	(2,380)
Charged directly to equity	(9,340)	-	-	-	(9,340)
Balance as at 31 March 2025	(88,676)	4,674	(961)	-	(84,963)
Balance as at 1 April 2023	(71,489)	4,199	(2,306)	819	(68,777)
Charged to profit/(loss)	(4,357)	(76)	1,191	(819)	(4,061)
Acquisition of business	(405)	-	-	-	(405)
Balance as at 31 March 2024	(76,251)	4,123	(1,115)	-	(73,243)

Deferred tax is the amount of income tax payable or recoverable 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. It is measured at tax rates that are expected to be applied to the temporary differences when they reverse.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

13. Intangible assets

Intangible assets are initially measured at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation expense of intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Easements are deemed to have an indefinite life, are not amortised, and are tested for impairment annually. There is no intangible asset whose title is restricted.

Software costs have a finite useful life and are amortised over a period of expected future benefit of 3 - 15 years on a straight-line basis.

Goodwill arises on the acquisition of subsidiaries and business combinations. Goodwill is allocated to the Group's cash-generating units (CGU), being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. Goodwill is not amortised but is tested for impairment annually or whenever there is an indicator of impairment.

The recoverable amount was determined using the value in use model. The calculation of value in use in calculations for all cash-generating unit is most sensitive to movements in gross margin, discount rates and growth rates. Gross margins are based on the expected results as per next year's budget and future ten years' forecasts, which reflects the nature of energy infrastructure industry. Discount rates are based on the applicable weighted average cost of capital. The estimated recoverable amount of the CGU exceeded its carrying amount, hence there was no impairment loss at balance date.

The Directors have considered the variability of the key assumptions underlining the carrying amounts for the intangible assets set out above. The Directors believe that the range of reasonable variability would not cause a material change in these carrying amounts. For Northpower Fibre Limited goodwill impairment testing, discount rate of 7.31% and growth rate of 1% was used.

	Goodwill	Software	Easements	Customer relationships	Carbon credits	Other intangible asset	Capital work in progress	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Cost								
Balance as at 1 April 2024	16,748	39,754	545	1,725	656	-	1,719	61,147
Additions	-	-	-	-	-	-	2,020	2,020
Transfer between asset categories	-	3,743	79	-	-	261	(3,302)	781
Revaluation adjustment	-	-	-	-	(7)	-	-	(7)
Balance as at 31 March 2025	16,748	43,497	624	1,725	649	261	437	63,941

Accumulated amortisation and impairment

Balance as at 1 April 2024	(1,745)	(28,820)	-	(173)	-	-	-	(30,738)
Amortisation for the year	-	(3,473)	-	(173)	-	(35)	-	(3,681)
Transfer between asset categories	-	(306)	-	1	-	-	-	(305)
Balance as at 31 March 2025	(1,745)	(32,599)	-	(345)	-	(35)	-	(34,724)

Net carrying amount as at 31 March 2025	15,003	10,898	624	1,380	649	226	437	29,217
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Cost								
Balance as at 1 April 2023	12,358	40,229	453	-	-	-	1,292	54,332
Acquisition of business	4,390	-	-	1,725	-	-	-	6,115
Additions	-	-	-	-	656	-	3,540	4,196
Transfer between asset categories	-	754	92	-	-	-	(3,113)	(2,267)
Disposals	-	(1,229)	-	-	-	-	-	(1,229)
Balance as at 31 March 2024	16,748	39,754	545	1,725	656	-	1,719	61,147

Accumulated amortisation and impairment

Balance as at 1 April 2023	(1,745)	(26,680)	-	-	-	-	-	(28,425)
Amortisation for the year	-	(3,185)	-	(173)	-	-	-	(3,358)
Transfer between asset categories	-	(172)	-	-	-	-	-	(172)
Disposals	-	1,217	-	-	-	-	-	1,217
Balance as at 31 March 2024	(1,745)	(28,820)	-	(173)	-	-	-	(30,738)
Net carrying amount as at 31 March 2024	15,003	10,934	545	1,552	656	-	1,719	30,409

Allocation of goodwill to cash-generating units

	2025	2024
	\$000s	\$000s
Northern contracting	877	877
Central contracting	5,890	5,890
Northpower Fibre Limited	8,236	8,236
Balance as at 31 March	15,003	15,003

Cloud computing arrangements

Cloud computing arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

If the configuration and customisation were performed by the cloud provider, and if the upfront service is distinct from the cloud computing arrangement, then the related costs may be initially treated as a prepayment and expensed over the term of the cloud computing arrangement. Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. The Group applies judgement to assess whether the criteria for capitalisation of the configuration and customisation costs, are met.

14. Property, plant and equipment

	Freehold land \$000s	Freehold buildings \$000s	Distribution systems \$000s	Fibre \$000s	Generation \$000s	Plant and equipment \$000s	Motor vehicles \$000s	Leasehold improvements \$000s	Meters \$000s	Capital work in progress \$000s	Total \$000s
Cost or fair value											
Balance as at 1 April 2024	30,118	16,101	399,648	108,186	17,623	46,443	6,411	3,892	311	21,988	650,721
Additions	-	-	-	-	-	-	-	-	-	82,088	82,088
Transfer between asset categories	(2,489)	3,433	39,143	5,507	22,845	2,789	-	108	24	(72,141)	(781)
Revaluation adjustment	1,166	1,201	(6,411)	-	-	-	-	-	-	-	(4,044)
Transferred to non current asset held for sale	-	-	-	-	-	(2,074)	(77)	(280)	-	-	(2,431)
Disposals	-	-	(114)	(23)	-	(4,044)	(589)	(53)	-	-	(4,823)
Balance as at 31 March 2025	28,795	20,735	432,266	113,670	40,468	43,114	5,745	3,667	335	31,935	720,730
Accumulated depreciation and impairment											
Balance as at 1 April 2024	-	(1,182)	(23,127)	(15,898)	(12,345)	(30,537)	(2,596)	(1,761)	(94)	-	(87,540)
Depreciation charge for the year	-	(686)	(12,570)	(5,317)	(913)	(4,516)	(604)	(294)	(15)	-	(24,915)
Impairment	-	-	34	-	-	16	-	-	-	-	50
Transfer between asset categories	-	-	(17)	-	-	337	(3)	(12)	-	-	305
Revaluation adjustment	-	1,868	35,680	-	-	-	-	-	-	-	37,548
Transferred to non current asset held for sale	-	-	-	-	-	1,208	37	99	-	-	1,344
Disposals	-	-	-	7	35	3,724	409	50	-	-	4,225
Balance as at 31 March 2025	-	-	-	(21,208)	(13,223)	(29,768)	(2,757)	(1,918)	(109)	-	(68,983)
Net carrying amount as at 31 March 2025	28,795	20,735	432,266	92,462	27,245	13,346	2,988	1,749	226	31,935	651,747
Cost or fair value											
Balance as at 1 April 2023	17,605	15,711	356,711	100,497	15,879	47,042	4,031	3,705	308	19,034	580,523
Acquisition of business	-	-	-	-	-	184	2,524	174	-	-	2,882
Additions	-	-	-	-	-	-	-	-	-	75,116	75,116
Transfer between asset categories	12,513	390	43,301	7,689	1,744	3,951	96	135	3	(72,162)	(2,340)
Disposals	-	-	(364)	-	-	(4,734)	(240)	(122)	-	-	(5,460)
Balance as at 31 March 2024	30,118	16,101	399,648	108,186	17,623	46,443	6,411	3,892	311	21,988	650,721
Accumulated depreciation & impairment											
Balance as at 1 April 2023	-	(596)	(10,328)	(10,679)	(11,766)	(30,594)	(2,082)	(1,558)	(81)	-	(67,684)
Depreciation charge for the year	-	(581)	(11,223)	(5,237)	(543)	(4,627)	(661)	(272)	(15)	-	(23,159)
Impairment	-	-	(1,644)	-	-	(276)	-	-	-	-	(1,920)
Transfer between asset categories	-	(5)	43	18	(36)	138	9	3	2	-	172
Disposals	-	-	25	-	-	4,822	138	66	-	-	5,051
Balance as at 31 March 2024	-	(1,182)	(23,127)	(15,898)	(12,345)	(30,537)	(2,596)	(1,761)	(94)	-	(87,540)
Net carrying amount as at 31 March 2024	30,118	14,919	376,521	92,288	5,278	15,906	3,815	2,131	217	21,988	563,181

The carrying value that would have been recognised had the following revalued assets been carried under the cost model would be as follows:

	Freehold land	Freehold buildings	Distribution systems
2025	\$000s	\$000s	\$000s
Cost	16,427	23,735	494,230
Accumulated depreciation & impairment	-	(6,959)	(138,757)
Net carrying amount	16,427	16,776	355,473

2024			
Cost	18,917	20,302	455,230
Accumulated depreciation & impairment	-	(6,245)	(127,508)
Net carrying amount	18,917	14,057	327,722

Property, plant and equipment (PPE), except revalued assets are stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment loss.

The cost of purchased PPE may include the initial purchase price plus directly attributable material, labour, finance costs, and other overheads incurred for bringing the assets to the location and condition necessary for their intended use. Finance costs incurred during the course of construction that are attributable to a project are capitalised using the finance rate applicable to the funding. Costs cease to be capitalised as soon as an asset is ready for productive use. Freehold buildings asset class includes buildings infrastructure assets of \$5.6 million at balance date (2024: \$5.0 million).

Revalued assets

Distribution system, land and buildings assets are revalued after initial recognition and are presented in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at balance sheet date. Additions between revaluations are recorded at cost. Depreciation on revalued assets is recognised in profit or loss. Land is not depreciated.

Asset revaluation reserve

Any revaluation increment is recorded in other comprehensive income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in the profit or loss, in which case the increment is recognised in profit or loss.

Any revaluation decrement is recognised in profit or loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Any accumulated depreciation at the date of the revaluation is transferred to the gross carrying amount of the asset and the asset cost is restated to the revalued amount. When revalued assets are disposed of, the amounts included in the asset revaluation reserve are transferred to retained earnings.

Revaluation

The fair value of the Group's land, and buildings is based on market values, being the price that would be received to sell land and buildings in an orderly transaction between market participants at the measurement date. Changes to market conditions or assumptions made in the estimation of fair value will result in changes to the fair value of the revalued assets.

The most recent valuation for land and buildings was completed at 31 March 2025 by AON Risk Solutions, a registered independent valuer. The valuation was carried out in accordance with International Valuation Standards. Fair value was determined by direct reference to recent market transactions on arm's length terms. To establish the valuation of properties, the valuer used a combination of income capitalisation, market comparison and depreciated replacement cost approaches. Fair value was assessed with reference to the "highest and best use" being defined as "the most probable use of an asset that is physically possible, appropriately justified, legally permissible, financially feasible and results in the highest value.

As at 31 March 2025, the fair value of the land, and buildings amounted to \$28.8 million and \$20.7 million, respectively. This resulted in a valuation uplift of \$4.2 million (revaluation loss of \$1.5 million recognised in profit or loss and revaluation gain of \$5.7 million, net of tax \$4.6 million, being recognised in the other comprehensive income).

Electricity distribution network assets are valued by an independent valuer. The revaluation exercise is performed every three years. The most recent valuation to determine the fair value of the electricity distribution network assets was completed at 31 March 2025 by Price Waterhouse Coopers (PwC), an independent registered valuer. As the fair value of the assets was not able to be reliably determined using market-based evidence, the valuation was prepared using a discounted cash flow (DCF) methodology over a 10-year period, with a terminal value based on the estimated regulatory asset base. The assumptions mainly include estimated future revenues, operating costs and capital expenditure. A post tax nominal WACC of 6.3% was used. The posted discount was not included in the valuation cash flows for FY26 - FY35 as it only forms part of the contract price once declared.

The valuer's estimated range of values attributable to the Group's electricity distribution network assets was between \$415.3 million and \$455.4 million as at 31 March 2025. The valuation was most sensitive to movements in distribution revenue. The impact on the midpoint estimate valuation of a +/- 5% movement in distribution revenue is +/-5.80%.

As at 31 March 2025, the fair value of distribution network assets amounted to \$432.2 million. This resulted in a valuation uplift of \$29.3 million (revaluation gain of \$29.3 million, net of tax \$21.1 million, being recognised in the other comprehensive income).

As the fair value of certain land and buildings and electricity distribution network assets is determined using inputs that are significant and unobservable, the Group categorised these assets as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 Fair value measurement.

Insurance cover

The Group holds prudent insurance cover including for material damage to the substations, and other infrastructure within the distribution network. The distribution system network assets that are spread over a large area being the lines, poles and distribution transformers are uninsured as either the insurance cover is unavailable or is prohibitively expensive. The Group has prudent insurance cover for the non-network assets and appropriate contracting and liability insurances.

Depreciation

Depreciation is charged on a straight line basis so as to write off the cost or valuation of the fixed assets to their estimated residual value over their expected economic lives. The estimated economic lives are as follows:

Buildings - freehold	10 - 50 years
Distribution systems	5 - 70 years
Fibre assets	5 - 50 years
Generation	5 - 50 years
Plant & equipment	3 - 20 years
Motor vehicles	5 - 15 years
Leasehold improvements	2 - 20 years
Meters	2 - 20 years

The estimation of useful lives of assets has been based on historical experience as well as manufacturers' warranties for plant and equipment, lease terms for leased assets and turnover policies for motor vehicles. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Gain/Loss on disposal of PPE

During the year a loss on disposal of PPE of \$0.4 million (2024: \$0.3 million loss) was recognised in the profit or loss within other income.

Impairment of non-financial assets other than inventory and goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where the carrying value of an asset exceeds its recoverable amount i.e. the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets or cash-generating unit to which it belongs for which there are separately identifiable cash flows.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. A reversal of an impairment loss is recognised in the consolidated statement of comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment is treated as a revaluation increase through other comprehensive income.

During the year, no impairment was recognised on intangible assets (2024: nil). Impairment provision of \$nil (2024:\$1.6 million) was recognised on distribution system assets and \$nil (2024:\$0.3 million) recognised on plant and equipment assets.

15. Leases

NZ IFRS 16 Leases establishes one sole accounting model for lessees, where the amounts in the consolidated statement of financial position are increased by the recognition of right of use assets and the financial liabilities for the future payment obligations relating to leases classified previously as operating leases. The right of use asset is initially measured at cost which is based on the amount of lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease and subsequently at cost less cumulative depreciation and impairment losses; adjustments are made for any new measurement of the lease liability due to the amendment or reassessment of the lease. The right of use asset is subsequently depreciated on a straight line basis from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is measured using the present values of future lease payments. When calculating lease liabilities, the Group applied discount rates (incremental rate), depending on the lease terms.

The Group considers a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In determining the lease term, the non-cancellable period of the lease agreement and the periods covered by the option to extend the lease are taken into account, if the lessee is reasonably certain that they will exercise this option. Leases entered into and identified by the Group include property leases and vehicle leases.

The Group has also applied the practical expedient available from NZ IFRS 16 and excluded short-term leases and low-value assets. The Group considers leases which has a duration of less than 12 months, unless there is reasonable certainty that they can be extended, as short-term leases.

Right of use assets

	Buildings \$000s	Vehicles \$000s	Total \$000s
Cost			
Balance as at 1 April 2024	39,088	99,055	138,143
Additions	310	13,516	13,826
Acquisition of business	-	-	-
Disposals	-	(21)	(21)
Remeasurement	2,697	(59)	2,638
Balance as at 31 March 2025	42,095	112,491	154,586
Accumulated amortisation and impairment			
Balance as at 1 April 2024	(18,701)	(58,429)	(77,130)
Amortisation	(4,136)	(14,107)	(18,243)
Impairment	990	-	990
Disposals	-	-	-
Other adjustments	2	1	3
Balance as at 31 March 2025	(21,845)	(72,535)	(94,380)
Net book value	20,250	39,956	60,206
Cost			
Balance as at 1 April 2023	33,776	88,834	122,610
Acquisition of business	3,309	10,509	13,818
Additions	1,243	-	1,243
Disposals	-	(288)	(288)
Remeasurement	760	-	760
Balance as at 31 March 2024	39,088	99,055	138,143
Accumulated amortisation			
Balance as at 1 April 2023	(13,804)	(44,661)	(58,465)
Amortisation	(3,907)	(13,827)	(17,734)
Acquisition of business	(990)	-	(990)
Disposals	-	-	-
Other adjustments	-	59	59
Balance as at 31 March 2024	(18,701)	(58,429)	(77,130)
Net book value	20,387	40,626	61,013

		2025	2024
Lease liabilities	Note	\$000s	\$000s
Balance as at 1 April		65,218	66,959
Additions		13,826	13,818
Acquisition of business		-	1,243
Interest	4	3,035	2,849
Remeasurement		2,619	760
Termination		(21)	(307)
Payments		(20,872)	(20,137)
Other adjustments		12	33
Balance as at 31 March		63,817	65,218

Operating lease income

As lessor in operating leases, the aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2025	2024
	\$000s	\$000s
Non-cancellable operating lease		
Within one year	45	35
After one year but not more than five years	114	69
More than five years	62	68
Balance of non-cancellable operating leases	221	172

16. Provisions

	2025			2024		
	Onerous provision \$000s	Other \$000s	Total \$000s	Onerous Provision \$000s	Other \$000s	Total \$000s
Opening balance	6,335	-	6,335	1,460	-	1,460
Additional provision during the year	-	812	812	6,335	-	6,335
Utilised during the year	(6,335)	-	(6,335)	(1,460)	-	(1,460)
Balance as at 31 March	-	812	812	6,335	-	6,335

Onerous contract provision is measured as the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on estimated full costs necessary to fulfil the obligations under the contract. Any impairment losses associated with the contract are recognised before the provision for onerous contracts is established.

17. Cash flow statement reconciliation

	2025	2024
	\$000s	\$000s
Reconciliation of net profit after tax to net cash flows from operations		
Net profit after income tax	19,637	15,258
Adjustments for:		
- Depreciation & amortisation	46,839	44,251
- Loss/(gain) on sale of property, plant and equipment	269	330
- Deferred income release	(247)	(245)
- Non cash capital contribution revenue	(6,215)	(7,267)
- Fair valuation (gain)/loss on derivative financial instruments	1,978	632
- Capitalised interest	(2,249)	(1,544)
- Right of use asset provision	(990)	-
- Non cash interest	550	519
- Carbon credits	(9)	656
- Revaluation movements	1,521	-
- Provision for impairment of assets	(50)	1,920
Changes in assets & liabilities		
- Increase in trade and other payables	11,707	4,485
- Add/(less) related to property, plant and equipment	385	(1,806)
- Increase/(decrease) in contract liabilities	2,264	(2,195)
- (Decrease)/increase in provision	(5,523)	5,066
- Decrease/(increase) in contract assets	1,341	(25)
- Increase/(decrease) in income tax	320	(937)
- Increase in trade and other receivables	(5,815)	(3,964)
- Decrease in inventory	605	3,348
- Increase in deferred tax liabilities	2,380	4,061
- Increase in employee entitlements	1,801	676
Net cash from operating activities	70,499	63,219

The table below sets out an analysis of the Group's liabilities for which cash flows have been, or will be, classified as financing activities in the consolidated cash flow statement.

2025				
	Cash and cash equivalents	Lease liabilities	Borrowings	Total
	\$000s	\$000s	\$000s	\$000s
Net debt as at 1 April 2024	(3,259)	65,218	144,556	206,515
Cash flows	(3,561)	(17,847)	26,593	5,185
Non cash movements	7	16,446	303	16,756
Net debt as at 31 March 2025	(6,813)	63,817	171,452	228,456

2024				
	Cash and cash equivalents	Lease liabilities	Borrowings	Total
	\$000s	\$000s	\$000s	\$000s
Net debt as at 1 April 2023	(1,115)	66,959	110,183	176,027
Cash flows	(2,153)	(17,333)	34,100	14,614
Non cash movements	9	15,592	273	15,874
Net debt as at 31 March 2024	(3,259)	65,218	144,556	206,515

18. Equity

Share capital

The total number of shares authorised and issued is 35,981,848 (2024: 35,981,848). Share capital consists of ordinary shares which are classified as equity. All ordinary shares are issued, fully paid, have no par value and are ranked equally. Fully paid shares carry one vote per share and the right to dividends.

Asset revaluation reserve

The asset revaluation reserve is used to record the increments and decrements in the fair value of property, plant and equipment identified as being carried at valuation. Net revaluation amount recognised in other comprehensive income at balance date was \$25.7 million (2024: nil).

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The Australian subsidiaries' functional currency is Australian dollars which is translated to the presentation currency. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

Capital management

The Company considers shares, reserves and retained earnings as part of its capital. When managing capital, the Board's objective is to ensure the entity continues as a going concern maintaining adequate working capital, ensuring obligations can be met on time, as well as maintaining returns to shareholders as set out in the statement of corporate intent. The Group's statement of corporate intent prescribes that the debt/capital ratio will be maintained at 40% or lower and was achieved in 2025. The Group's policy, outlined in the statement of corporate intent, is to distribute to its shareholder all funds surplus to the investment and operating requirements of the Group. During the year, a posted discount of \$15.8 million (2024: \$13.97 million) was paid to the consumers.

19. Borrowings

	Maturity	2025 \$000s	2024 \$000s
Current	Less than 12 months	-	10,000
Non current			
Unsecured loans	Within 1-2 yrs	43,700	48,600
Unsecured loans	Within 2 & 3 yrs	47,600	32,700
Unsecured loans	Within 3 & 5 yrs	44,300	35,000
Unsecured loans	Beyond 5 years	17,300	-
Interest free Crown loan	Beyond 5 years	12,129	11,578
Balance of non current as at 31 March		165,029	127,878
Total as at 31 March		165,029	137,878

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The carrying amount of borrowings repayable within one year approximates their fair value.

After initial recognition, borrowings are measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of borrowings.

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.

The fair value of the interest-free Crown loan was estimated at \$12.1 million (2024: \$11.6 million) using prevailing market interest rates at drawdown date for an equivalent loan, ranging between 3.04% and 7.39%. During the year, interest charges of \$0.6 million (2024: \$0.5 million) were recognised on this loan. The difference of \$6.4 million (2024: \$6.7 million) between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred income, refer to Note 7.

At balance date the Group had \$201 million of lending facilities with an average rate of interest during the year of 5.8% (2024: 5.7%). Security held by the bank is in the form of a negative pledge deed, where an undertaking has been given that certain actions will not be undertaken and key financial ratios will be maintained. The bank covenants have all been met for the years ended 31 March 2025 and 2024.

20. Derivatives

	2025 \$000s	2024 \$000s
Current asset/(liability)		
Forward foreign exchange contracts	16	267
Interest rate swaps	31	146
Total current asset as at 31 March	47	413
Interest rate swaps	(5)	-
Total current liability as at 31 March	(5)	-
Non-current asset/(liability)		
Interest rate swaps	656	1,635
Interest rate swaps	(994)	(366)

Derivatives are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest rates and foreign exchange on purchases of property, plant and equipment.

In accordance with the Group's treasury policy, derivatives are only used for economic hedging purposes and not as speculative investments. The Group has elected not to apply hedge accounting.

Derivatives are classified as held for trading for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. The carrying values of the derivatives are the fair values excluding any interest receivable or payable, which is separately presented in the consolidated statement of financial position in other receivables or other payables.

21. Financial risk management objectives and policies

The Group risk management policy approved by the Board provides the basis for overall financial risk management. The Group's treasury policy covers specific risk management and mitigation principles for liquidity risk, credit risk, foreign exchange risk, hedging and interest rate risk. The Group Treasury identifies and evaluates financial risks in accordance with the policies approved by the Board. To monitor the existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established comprehensive risk reporting covering its business units.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivatives and contract assets	Aging analysis Credit ratings	Diversification of counter parties, credit limits, performance bonds, prudential arrangements, Treasury Policy limits and Board oversight
Liquidity risk	Borrowings, contract liabilities and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities, Board oversight and Treasury Policy limits
Market risk – interest rate	Floating rate borrowings	Sensitivity analysis	Interest rate swaps
Market risk – foreign exchange	Future commercial transactions, recognised financial assets and liabilities denominated in foreign currency	Cash flow forecasting Sensitivity analysis	Forward foreign currency forwards

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has transactional and translational currency exposures. At 31 March 2025 forward foreign exchange contracts outstanding was \$0.6 million (2024: \$0.9 million).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, hedging positions and the mix of fixed and variable interest rates.

The Group manages its cost of borrowing by limiting the ratio of fixed to floating rate cover held using interest rate swaps. Based on the Group's interest rate risk exposure at balance date, an increase (or decrease) of 1% in the interest rates will likely cause a \$2.0 million (2024: \$1.4 million) increase (or decrease) in the post-tax profit. There would be no effect on other components of equity. The notional value of the outstanding interest rate swap contracts amounted to \$88 million (2024: \$73.0 million). The fixed interest rates of interest rate swaps range between 0.9% to 5.5% (2024: 0.9% to 5.5%).

Credit risk

Credit risk is the risk that a third party will default on its contractual obligation resulting in financial loss to the Group. The Group places its cash and short-term deposits with high credit quality financial institutions (A1 or better), and limits the proportion of credit exposure to any one institution in accordance with Company policy. The maximum exposure to credit risk is the fair value of receivables. The Group does not generally require collateral from customers. Trade receivables and contract assets arise from a large number of customers spread across the North Island. The majority of the receivables balance at reporting date, was due from four significant customers. A credit evaluation is performed at the onset of material contracts to assess the financial condition of the counterparty, and an ongoing credit evaluation is maintained over the life of the contract to take account of any changes in the risk profile of the counterparty. The Group continuously reviews the accounts receivables and promptly recognises an impairment loss when any indicators arise.

	2025			2024		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Trade receivables						
Less than 30 days past due	55,130	(950)	54,180	50,969	-	50,969
Past due 31-60 days	607	-	607	98	-	98
Past due 61-90 days	348	-	348	101	-	101
Past due 91 days plus	743	(429)	314	834	(834)	-
Total	56,828	(1,379)	55,449	52,002	(834)	51,168

	2025			2024		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Contract assets						
Less than 30 days past due	12,787	-	12,787	21,296	-	21,296
Past due 31-60 days	6,434	-	6,434	2,423	-	2,423
Past due 61-90 days	2,864	-	2,864	1,791	-	1,791
Past due 91 days plus	3,280	-	3,280	1,196	-	1,196
Total	25,365	-	25,365	26,706	-	26,706

The Group maintains a provision for estimated losses expected to arise from customers being unable to make required payments. This provision takes into account known commercial factors impacting specific customer accounts, as well as the overall profile of the debtors' portfolio. Movements in the allowance for expected credit losses of trade receivables and contract assets are as follows:

	2025	2024
	\$000s	\$000s
Balance as at 1 April	834	355
Additions	996	528
Bad debts written off	(57)	(49)
Released	(394)	-
Balance as at 31 March	1,379	834

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank funding facilities. The Group has a maximum amount that can be drawn against its lending facilities of \$201 million (2024: \$155.0 million). There are no restrictions on the use of the facilities. The Group also has in place a credit card facility with a combined credit limit over all cards issued of \$1.0 million (2024: \$1.0 million).

Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The risk implied from the values shown in the following tables, reflects management's expectation of cash outflows. The amounts disclosed are the contractual undiscounted cash flows.

Contractual cash flow maturity profile

	2025				
\$000s	Within 1 year	1-2 Yrs	2-5 Yrs	Beyond 5 Yrs	Total
Non-derivative financial liabilities					
Trade payables	39,369	-	-	-	39,369
Lease liabilities	20,060	16,646	30,560	3,470	70,736
Interest bearing loans	7,535	50,312	100,656	19,128	177,631
Interest free Crown loan	-	-	-	17,093	17,093
Derivative financial (assets)/liabilities					
Forward exchange contracts inflow	16	-	-	-	16
Forward exchange contracts outflow	-	-	-	-	-
Net settled derivatives					
Interest rate swaps	26	(31)	464	(771)	(312)
Total contractual cash flows	67,006	66,927	131,680	38,920	304,533

	2024				
\$000s	Within 1 year	1-2 Yrs	2-5 Yrs	Beyond 5 Yrs	Total
Non-derivative financial liabilities					
Trade payables	27,384	-	-	-	27,384
Lease liabilities	18,829	16,200	30,655	6,771	72,455
Interest bearing loans	11,997	49,765	68,893	-	130,655
Interest free Crown loan	-	-	-	17,093	17,093
Derivative financial (assets)/liabilities					
Forward exchange contracts inflow	267	-	-	-	267
Forward exchange contracts outflow	-	-	-	-	-
Net settled derivatives					
Interest rate swaps	439	67	909	-	1,415
Total contractual cash flows	58,916	66,032	100,457	23,864	249,269

The maturity profile of lease liabilities over the next 2-5 years comprises \$13.9 million due within 2-3 years (2024: \$12.7 million), \$10.6 million due within 3-4 years (2024: \$10 million), and \$6 million due within 4-5 years (2024: \$8 million).

22. Recognised fair value measurements

Financial assets and financial liabilities

The Group classifies its financial assets and financial liabilities into the following categories depending on the purpose for which the asset or liability was acquired.

	2025 \$000s	2024 \$000s
Financial assets at fair value through profit or loss		
Interest rate swaps	687	1,781
Forward foreign exchange contracts	16	267
Balance of financial assets at fair value through profit or loss	703	2,048
Financial assets at amortised cost		
Cash and cash equivalents	6,813	3,259
Trade and other receivables	55,449	51,168
Balance of financial assets at amortised cost	62,262	54,427
Financial liabilities at fair value through profit or loss		
Interest rate swaps	999	366
Forward foreign exchange contracts	-	-
Balance of financial liabilities at fair value through profit or loss	999	366
Financial liabilities at amortised cost		
Borrowings	165,029	137,878
Lease liabilities	63,817	65,218
Trade and other payables	39,369	27,384
Balance of financial liabilities at amortised cost	268,215	230,480

Financial assets at amortised cost

Financial assets at amortised cost consist of cash and cash equivalents and trade & other receivables. These are initially measured at fair value and subsequently at amortised cost. Cash and cash equivalents at balance date comprise of cash at bank held on-call. Due to the short-term nature of these receivables the carrying value of receivables approximates their fair value. Trade and other receivables and contract assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less an allowance for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss consist of derivatives. Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value at the date of the contract and subsequently measured at fair value at each balance date with the resulting gain or loss recognised in the profit or loss. Fair value is calculated as the present value of the estimated future cash flows based on observable interest yield curves. Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZD (the functional currency) using the exchange rates prevailing at the dates of the transactions.

Financial liabilities at amortised cost

Financial liabilities at amortised cost consist of trade and other payables, lease liabilities and borrowings. These are measured initially at fair value and subsequently at amortised cost using effective interest rate (EIR). Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

The fair value is materially similar to amortised cost other than Crown Loan which is disclosed in Note 19. Due to the short-term nature of the payables, no discounting is applied.

Impairment of financial assets

The Group recognises a lifetime loss allowance for expected credit losses (ECL) on trade receivables and contract assets. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade 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 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 the forecast of conditions at the reporting date, including time value of money where appropriate.

Fair value hierarchy

A number of assets and liabilities included in the Group's financial statements require measurement at fair value and/or disclosure of fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. The Group's financial assets and liabilities measured at fair value are classified as Level 2 on the fair value hierarchy unless specified otherwise. The fair values of interest rate swaps have been determined by calculating the expected cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are independently sourced market parameters such as interest rate yield curves. Most market parameters are implied from instrument prices.

There have been no transfers between Level 1 and Level 2 during the year (2024: nil)

Fair value hierarchy of non-financial assets

The Group obtains independent valuations for its electricity distribution network assets and land, and buildings at least every three years. Valuation techniques are based on the following hierarchy.

The following table summarises the fair value measurement hierarchy of the non-financial assets that are recognised and measured at fair value in the financial statements.

	Level 2 \$000s	Level 3 \$000s	Total \$000s
Property, plant and equipment			
Distribution systems	-	432,266	432,266
Freehold land	7,864	20,931	28,795
Freehold buildings	6,468	14,267	20,735
Balance as at 31 March 2025	14,332	467,464	481,796

	Level 2 \$000s	Level 3 \$000s	Total \$000s
Property, plant and equipment			
Distribution systems	-	376,521	376,521
Freehold land	7,545	22,573	30,118
Freehold buildings	4,859	10,060	14,919
Balance as at 31 March 2024	12,404	409,154	421,558

23. Related parties

The Northpower Electric Power Trust, is the Group's ultimate parent entity. During the year fully imputed dividends of \$0.6 million (2024: \$0.8 million) was declared and \$0.8 million (2024: \$0.6 million) was paid during the year.

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by Northpower Limited. All subsidiaries have a 31 March balance date and are wholly owned. Northpower Limited holds 100% of the voting rights in all entities reported as subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Northpower Western Australia Pty Limited and its non-trading wholly owned subsidiary West Coast Energy Pty Limited are incorporated in Western Australia.

Northpower Fibre Limited is incorporated in New Zealand.

During the year two new subsidiaries were incorporated in New Zealand, Northpower Generation Limited and its wholly owned subsidiary Te Puna Mauri Ō Omaru Limited.

The financial statements of subsidiaries are reported in the financial statements using the acquisition method of consolidation. Intra-group balances and transactions between group companies are eliminated on consolidation. Outstanding balances at year end are unsecured, interest-free and settlement occurs in cash.

Transactions between the Company and key management personnel

Certain directors and key management of Northpower Limited are also directors of the subsidiaries.

A summary of material trading activities with related parties is as below:

Key management personnel	Related party	Position	Sales to related parties \$000s		Purchases from related parties \$000s		Amounts owing to related parties \$000s	
			2025	2024	2025	2024	2025	2024
Paul Yovich Trustee of Northpower Electric Trust	Busck Prestressed Concrete Limited	Trustee of a shareholder	-	-	3,475	2,962	-	262
Josie Boyd Chief Operating Officer Energy Services	Electricity Engineers' Association	Board member	-	1	122	109	-	-
Darren Mason Chief Executive - Fibre	NZ Telecommunications Forum	Trustee	-	-	17	-	-	-
David Hunt Director	Accident Compensation Corporation	Deputy Chair	-	-	696	-	-	-

24. Guarantees and contingencies

	2025 \$000s	2024 \$000s
Performance bonds in relation to contract work	29,825	21,959
Balance as at 31 March	29,825	21,959

Performance bonds relate to guarantees given to customers to guarantee completion of contracting work both in New Zealand and off -shore. No liability was recognised in relation to the above guarantees as the fair value is considered immaterial.

Northpower Limited is a participant in the DBP Contributors Scheme (the "Scheme") which is a multi-employer defined benefit scheme operated by National Provident Fund. If the other participating employers or a number of employers ceased to participate in the Scheme, Northpower Limited could be responsible for the entire deficit of the Scheme or an increased share of the deficit. As at 31 March 2024, the Scheme had a past service deficit of \$0.2 million (1.02% of the liabilities).

25. Commitments

The future aggregate minimum lease payments payable for non-cancellable low value operating leases which are exempted under NZ IFRS 16 Leases are as follows:

	2025 \$000s	2024 \$000s
Within one year	82	106
After one year but not more than five years	2	108
Balance of non-cancellable operating leases	84	214

Capital commitments contracted at balance date was \$28.6 million including software of \$0.1 million (2024: \$16.6 million including software of \$0.1 million).

26. Events after balance date

There were no other significant events after balance date.

Independent auditor's report

Independent auditor's report

To the shareholder of Northpower Limited's Group financial statements and performance information for the year ended 31 March 2025

The Auditor-General is the auditor of Northpower Limited and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Silvio Bruinsma, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and the performance information of the Group on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 24 to 46, that comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date and the notes to the financial statements that include material accounting policy information and other explanatory information; and
- the performance information of the Group on pages 22 to 23.

In our opinion:

- the financial statements of the Group:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to IFRS Accounting standards ('NZ IFRS') and IFRS Accounting Standards ('IFRS'); and
- the performance information of the Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 31 March 2025.

Our audit was completed on 25 June 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Board of Directors for the financial statements and the performance information

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

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

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

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Group for assessing the company's ability to continue as a going concern.



The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 20, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information 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 and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, 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.

Independence

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

In addition to the audit, we carry out other assurance engagements pursuant to the Electricity Information Disclosure Determination 2012, Fibre Information Disclosures 2021 and Telecommunications Development Levy, which is compatible with those independence requirements. Other than the audit and the assurance engagements, we have no relationship with or interest in the Group.



Silvio Bruinsma
For Deloitte Limited

On behalf of the Auditor-General
Auckland, New Zealand

Northpower

Northpower Limited

Chair

M D Trigg

Directors

R C Booth (retired 31 July 2024)

K M Drinkwater (retired 31 July 2024)

K M Friend

P G Hutchings

M K Kong

L S Kubiak

D J Prentice

D T Hunt (appointed 1 July 2024)

Executive Officers

Chief Executive

A I McLeod

Chief Operating Officer Contracting

J M Boyd

Chief Operating Officer Network

M Gibbs

Northpower Fibre Chief Executive

D Mason

Chief Financial Officer

O M O'Neill

Executive General Manager People and Capability

A M O'Brien

Executive General Manager Digital

E Overy

Executive General Manager Legal and Risk

I A Joblin

Northpower Electric Trust

Chairman

P R Heatley

Deputy Chair

S K McKenzie

Trustees

E A Angelo

C H Biddles

I M Durham

T Wilson

P M W Yovich

Trust Secretary

B Martin

Bankers

Westpac Banking Corporation

ASB Bank Limited

ANZ Banking Corporation

Head office

28 Mount Pleasant Road, Raumanga,
Whangārei 0110

Auditors

Deloitte New Zealand

Registered office

28 Mount Pleasant Road, Raumanga,
Whangārei 0110

