

NORTHPOWER
ELECTRIC POWER TRUST

Annual Report 2025



Hon Phil Heatley Chair



Sheena McKenzie Deputy Chair



Chris Biddles



Irene Durham



Tim Wilson



Paul Yovich



Erc Angelo



CHAIR

Hon P R Heatley M Hort Sc (Agr Eng) Hons.
Fellow IPENZ Member IoDNZ - Whangārei

DEPUTY CHAIR

S K McKenzie - Kaipara

OTHER TRUSTEES

C H Biddles - Kaipara

I M Durham BBM, Grad Dip (Fin) - Whangārei

T G Wilson CA, MInstD - Whangārei

P M W Yovich CA, MInstD - Whangārei

E A Angelo FCA - Whangārei

SECRETARIAT

B A Martin CA, MInstD

Plus Chartered Accountants Limited - Whangarei

BANKERS

ASB - Whangārei

AUDITOR

BDO Northland - Northland



CHAIR

M D Trigg B Eng Chemicals and Materials

DIRECTORS

P G Hutchings B.Eng (Hons), Dip Bus Admin

L S Kubiak MAICD, GAICD

M K Kong BA (Hons I), LLB, L.Mus.A

K M Friend CAANZ, CMInstD, AICD, BMS

D J Prentice B.Eng. (Hons), PhD (Eng), MInstD, CPEng

D T Hunt BA Hons (First Class) Economics, BA Statistics, MInstD

K M Drinkwater BCom, CA (retired in July 2024)

+ Annual Report

FOR THE YEAR ENDED 31 MARCH 2025

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+ Trustees' Report

Chair and Deputy Chair Report

It has been a pleasure to again work alongside Northpower Limited and observe our locally owned electricity, contracting, fibre and energy generation company produce yet another solid financial performance this past year.

As often happens in storms, cyclones and the aftermath, substantial damage can occur to electricity networks. Yet despite the obvious upheaval electricity outages cause in Northland, it is great peace of mind knowing we have such seasoned and proven frontline specialists within Northpower, who are supported so well by office staff, engineers, planners and schedulers to bring the power back on safely and securely.

Just months ago (in April 2025) we had to contend with the powerful remnants of ex-tropical cyclone Tam, which caused the loss of power to thousands of Northpower electricity network customers across the Kaipara and Whangārei Districts.

The precision, thought and planning that goes into network restoration is immense, and we pay tribute to the efforts of Northpower staff who once again worked so hard in challenging conditions to get the lights back on and allow farmers, Marae, businesses and schools to continue operating as quickly as possible. We all appreciate the safety, dedication, expertise, care and passion shown by the Northpower team.

It is important to note that we can all play our part in keeping trees trimmed near service lines and powerlines for reasons of safety, energy security during storms and general network maintenance.

A large part of the Northpower success story over the decades has been the substantial, ongoing investment in maintenance and upgrades which futureproof the reliability, security of electricity supply and, of course, the safety of the network. This brings us all peace of mind year in and year out.

When we, as Trustees, are out and about in the community we are approached by members of the public - the very people who are the shareholder owners of Northpower by way of being connected to the network. They are often keen to express their gratitude towards the people who make up such a successful Northland-owned company. With more than 1400 employees stretching from Northland to many other regions throughout the North Island, Northpower is a significant home-grown success story we can all be proud of. It has long been said that everyone knows someone with Northpower connections and that sentiment remains true to this day.

We mentioned in our 2024 Annual Report the successful efforts of the team responsible for designing and building Northpower's first grid scale solar farm - Te Puna Mauri ō Omaru - at Ruawai.

We are pleased to share a significant project milestone with you.

Stage one of our solar project is now fully commissioned. The 16.8 MW solar farm is capable of generating enough electricity to power over 3,000 average residential homes. In addition, phase two of the project was commissioned this month, delivering an extra

2.5 MW of clean energy, enough to supply a further 450 homes and businesses. Together, these milestones represent real progress in our commitment to a more sustainable and resilient energy future.

Local communities will continue to benefit from its commercial returns, complete with enhanced energy supply and resilience that local generation brings. Renewable generation is important to our electricity future and security, especially in provinces like Te Taitokerau Northland and beyond. Thanks to the Northpower team for the development, construction, management and operation of this renewable energy project.

During the 2025 financial year, and for the sixth year running, it was announced that Northpower electricity consumers would be benefitting from yet another Pricing Discount - courtesy of Northpower, Northpower Fibre and the Northpower Electric Power Trust - by receiving total of \$18 million. That was an increase from the \$14.1 million Pricing Discount in late 2023, which is extremely encouraging to see, as it is clearly reflective of the success of Northpower.

The electricity sector is critically important to New Zealanders and that is why Trustees are so actively engaged in the sector and commit time and collaborative efforts with industry peers through our work with Energy Trusts of New Zealand (ETNZ). ETNZ has been a longstanding and powerful group representing the interests, opportunities and concerns of electricity trusts throughout the country. ETNZ's impact includes influencing regulators which is essential in the complex and constantly evolving electricity sector.

As Trustees it is important we maintain a thorough overview of industry and regulatory matters throughout the year. Outside of key meetings with industry representatives, we have regular contact with the Northpower Board of Directors and Executive Officers, which means as Trustees, we are well positioned to be aware in a timely manner of any issues.

We would like to acknowledge the openness, clear communication, professionalism, dedication and care of the entire Northpower team.

As Trustees, we take our role of representing the best interests of Northpower's shareholders very seriously and we look forward to continuing to work with you, and on behalf of you.



Hon Phil Heatley
Chair, Northpower Electric Power Trust



Sheena McKenzie
Deputy Chair, Northpower Electric Power Trust

+ Trustees' Report continued

Another year, another strong Northpower performance ... another successful Northpower Pricing Discount

It is extremely satisfying to see a year-on-year increase in the Northpower Limited Pricing Discount.

An announcement in late 2024 outlined that Northpower electricity consumers would be the recipients of \$15.8 million in pricing discounts and the first instalment was just in time for last Christmas. At the time, the 2025 Northpower Pricing Discount was of benefit to more than 63,000 (current) customer connections on the Northpower network. That was the second successive increase of \$1.7 million - from the 2023 and 2024 financial years respectively - and the sixth consecutive year that the Northpower Pricing Discount has increased.

As always, the Northpower Pricing Discount has been made possible with the support of the Northpower Electric Power Trust, which owns Northpower on behalf of Northpower's consumer beneficiaries connected to the Northpower electricity network within the Kaipara and Whangārei Districts.

As Trustees, it is satisfying to see our consumer beneficiaries continually benefiting from the consumer ownership model established back in the early 1990s and which has returned over \$278 million to electricity consumers in Kaipara and Whangārei since 1993. It is a substantial figure and one we can all be proud of because it contributes so much to households as it flows directly back to Northpower's electricity consumers.

The Pricing Discount was paid in two instalments, the first instalment was in November/December

2024, and the second instalment in May 2025. The splitting of the payment this financial year was an interim step to a single payment in May, annually from 2026. The change to payment timing is required to align the discount to the Northpower Network pricing which runs from 1 April to 31 March year on year. Therefore, there will be no discount payment in November/December from now on.

To qualify as eligible, consumers must have had an active Northpower electricity network connection as of 1 November 2024 for the first payment and 1 May 2025 for a second payment. The quantum was determined by the electricity usage between 1 April 2024 to 30 September 2024 for the first payment and 1 October 2024 to 31 March 2025 for the second payment

It is clear the ongoing success of Northpower gives the ability to offer such annual discounts back to Northpower's consumer owners, something that makes a difference to so many households, especially in today's climate, noted Northpower Chair Mark Trigg at the time of the November/December 2024 announcement.

In addition to the \$15.8 million Pricing Discount amount, the Trust was able to distribute an additional \$2.2m to our consumer owners, meaning every connected customer also received a one-off payment of \$35 (GST exempt) alongside the November/December 2024 Pricing Discount instalment.

Both the Pricing Discount and the one-off Trust distribution were shown as credits on the November/December 2024 electricity bills of Northpower customers.

Full details of the eligibility criteria and how the discount is calculated can be viewed at <https://northpower.nz/for-home/pricing/northpower-pricing-discounts/>



Erc Angelo retires after 32 years serving the Northpower Trust

There would be few, if any, people who have contributed as much to governance in the New Zealand electricity sector as Erc Angelo.

As Erc's 32nd year as a Northpower Electric Power Trust Trustee comes to a close, it is important to pay tribute to his immense passion and contribution in a constantly evolving sector that has seen substantial change following extensive reforms in the early 1990s. He will retire at the Northpower Trust elections in late 2025.

Erc was the first elected Chair of the 'Northpower Electric Power Trust', which was established in 1993. Northpower's electricity asset value was \$47 million back then and that has grown to a net asset value \$441 million.

It was not until 2023 that Erc stepped back to become solely a Trustee, after serving 29 years as the elected Chair of the Trust. He has attended hundreds of monthly Trust meetings in his 32 years of service and played a key role in dozens of Energy Trusts of New Zealand conferences throughout the country.

Erc firmly believes that success is down to the strong governance of Northpower Limited's Directors and the management, leadership and work ethic of the company's staff at all levels.

"I have been clear on our role as Trustees

throughout. We have a job to appoint the best Directors possible to help direct and grow the company, maintain a close relationship with the team of Directors based on good governance, while also hosting the Northpower Chair and CEO at our meetings as required so we all stay well informed," says Erc.

"Always having a strong relationship between the Chair of Northpower Ltd and the Chair of the Northpower Trust has been critical over the years. I am really proud of what the Company has achieved and how much it has grown. I must say that my 32 years involved has been very important and rewarding to me. It has been a privilege.

"Alongside my fellow Trustees, it has always been extremely important to ensure Northpower's shareholders are well represented and that their queries, concerns and support of the Trust and the Company have been addressed and recognised in a timely manner because as Trustees, a core part of our role is to represent those very people - Northpower's shareholder owners," sums up Erc.

While Erc's steady hand and industry knowledge will be missed, he has gone above and beyond over the years and helped leave Northpower in the hands of exceptional Directors, whilst also leaving the Trust in great shape.

In the growth and profitability of Northpower Group, Erc has played a pivotal role in what can be accurately described as a stand-out Northland business success story.

On behalf of Northpower Company, consumer beneficiaries, Erc's electricity sector peers and Trustees on fellow consumer-owned electricity Trusts throughout the country, the Northpower Electric Power Trust thanks Erc and wishes him - and his hugely supportive wife Sally - a well-deserved rest now he has reached his long-awaited retirement.

+ Trustees' Statement

The Trustees present the summary annual report of the Northpower Electric Power Trust, incorporating the summary financial statements for the year ended 31 March 2025.

The full annual report and audited financial statements are available at Northpower's website: www.northpower.com/company/about-us/ownership

Principal activities

The principal business of the Trust is holding shares in Northpower Ltd on behalf of the consumer beneficiaries. The nature of the Trust's business has not changed during the year.

Trustees holding office during the year

The following Trustees held office during the year:

Phil Heatley
Sheena McKenzie
Ercoli Angelo
Chris Biddles
Irene Durham
Paul Yovich
Timothy Wilson

Trustee remuneration and meeting fees paid were as follows:

	2025	2024
Phil Heatley	53,936	52,864
Sheena McKenzie	38,397	37,729
Ercoli Angelo	30,119	29,542
Chris Biddles	30,999	30,422
Irene Durham	30,339	30,422
Paul Yovich	34,771	30,202
Tim Wilson	29,899	30,422
Total	248,460	241,603

The appointed auditor of the Trust for the year ended 31 March 2025 is BDO Northland.

Consumers will have the opportunity to approve the appointment of BDO Northland as the Trusts' auditors for the year ending 31 March 2026, at the 2025 AGM in Whangarei on 30 July. In accordance with section 101 (3) of the Electricity Industry Act 2010, a motion will be put to the Annual Meeting of beneficiaries authorising the Trust to fix the fees and expenses of the auditors for the ensuing year.

For and on behalf of the Board of Trustees,



Hon Phil Heatley
Chair

Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2025

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+ Profit and Loss - Trust Only

NORTHPOWER ELECTRIC POWER TRUST
For the year ended 31 March 2025

	2025	2024
Income		
Dividend Received	600,000	800,000
Interest Received	143,730	157,544
Total Income	743,730	957,544
Operating Expenses		
Advertising	0	437
AGM Expense	22,565	17,304
Audit Fees	27,165	24,550
Bank Charges	80	40
Conference Expenses & Travel	12,618	22,120
Consumer Call Centre	503	591
Director Recruitment	85,459	32,483
Distribution Administration Expense	508	0
ETNZ Levy	0	30,527
General Expenses	344	0
Insurance	13,924	12,382
Meeting Expenses	7,080	2,313
Secretarial Expenses	63,077	54,457
Subscriptions	2,324	3,327
Trustee Fees & Allowances	248,260	241,603
Trustee Travel Expenses	11,661	6,964
Legal Expenses	0	48,498
Total Operating Expenses	495,568	497,596
Net Profit	248,162	459,948
Cash on hand		
Operating funds	\$30,948	
Term deposits	\$1,100,000	
	\$1,130,948	
Distributions		
November 2024 (\$35 each / 62,962 ICPs)	\$2,203,670	

+ Consolidated Statement of Comprehensive Income

NORTHPOWER ELECTRIC POWER TRUST
For the year ended 31 March 2025

	Note	2025 \$000s	Group 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)
Depreciation and amortisation		(46,839)	(44,251)
Other expenses	3	(4,598)	(3,811)
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	(10,209)	(9,160)
Net Profit before tax		28,863	23,804
Income tax expense	11	(9,578)	(8,885)
Net profit after tax for the year		19,285	14,919
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	18	(7)	(9)
Income tax relating to these items			
<i>Items that will not be reclassified to profit or loss</i>			
Net gain on revaluation of property, plant & 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		44,994	14,910

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

+ Consolidated Statement of Financial Position

NORTHPOWER ELECTRIC POWER TRUST
As at 31 March 2025

		Group	
	Note	2025 \$000s	2024 \$000s
Assets			
Current assets			
Cash and cash equivalents		7,944	6,189
Trade and other receivables	8	60,323	54,488
Contract assets	2,21	25,365	26,706
Tax receivable		137	144
Derivatives	20	47	413
Inventory	5	13,083	13,688
Non-current asset held for sale	9	1,087	-
Total current assets		107,986	101,628
Non-current assets			
Intangible assets	13	29,217	30,409
Investment in subsidiary	-	-	
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		849,812	757,866

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

+ Consolidated Statement of Financial Position *continued*

NORTHPOWER ELECTRIC POWER TRUST
As at 31 March 2025

		Group	
	Note	2025 \$000s	2024 \$000s
Liabilities			
Current liabilities			
Trade and other payables	10	43,213	30,753
Contract liabilities	2	18,118	15,854
Employee entitlements	6	21,677	19,969
Provisions	16	812	6,335
Provision for tax		2,276	1,970
Borrowings	19	-	10,000
Deferred income	7	247	247
Lease liabilities	15	17,305	16,195
Derivatives	20	5	-
Total current liabilities		103,653	101,323
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		408,091	358,935
Net assets		441,721	398,931
Equity			
Equity attributable to owners of the parent	18	441,721	398,931
Total Equity		441,721	398,931

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

These financial statements are authorised for issue on 14 July 2025, for and on behalf of the Board of Trustees.



Hon Phil Heatley, **Chair**



Sheena McKenzie, **Deputy Chair**

+ Consolidated Statement of Changes in Equity

NORTHPOWER ELECTRIC POWER TRUST
For the year ended 31 March 2025

Group	Note	Ordinary shares \$000s	Retained earnings \$000s	Other reserves \$000s	Asset revaluation reserve \$000s	Foreign currency translation reserve \$000s	Total \$000s
Balance as at 1 April 2024		35,989	313,573	-	52,317	(2,948)	398,931
Net profit for the year		-	19,285	-	-	-	19,285
Other comprehensive income/(loss) for the year		-	-	-	25,716	(7)	25,709
Total comprehensive income for the year, net of tax		-	19,285	-	25,716	(7)	44,994
Dividend declared	23	-	(2,204)	-	-	-	(2,204)
Balance as at 31 March 2025		35,989	330,654	-	78,033	(2,955)	441,721
Balance as at 1 April 2023		35,989	298,654	-	52,317	(2,939)	384,021
Net profit for the year		-	14,919	-	-	-	14,919
Other comprehensive income/(loss) for the year		-	-	-	-	(9)	(9)
Total comprehensive income/(loss) for the year, net of tax		-	14,919	-	-	(9)	14,910
Dividend declared		-	-	-	-	-	-
Balance as at 31 March 2024		35,989	313,573	-	52,317	(2,948)	398,931

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

+ Consolidated Cash Flow Statement

NORTHPOWER ELECTRIC POWER TRUST
For the year ended 31 March 2025

	Note	2025 \$000s	Group 2024 \$000s
Operating activities			
Receipts from customers		508,822	455,992
Interest received		431	390
Income tax received		88	69
Dividends received		-	-
Payments to suppliers		(242,202)	(212,930)
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	70,160	62,928
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)
Short term investments		-	2,493
Net cash (outflows)/inflows from investing activities		(74,884)	(74,740)
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	(2,204)	-
Tax on dividends		(56)	(42)
Net cash (outflows)/inflows from financing activities		6,486	16,725
Net increase / (decrease) in cash and cash equivalents		1,762	4,913
Net foreign exchange differences		(7)	(9)
Cash and cash equivalents at the beginning of the year		6,189	1,285
Cash and cash equivalents at the end of the year		7,944	6,189

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

+ Notes to the Consolidated Financial Statements

NORTHPOWER ELECTRIC POWER TRUST
For the year ended 31 March 2025

1. General information and significant matters

General information

The Northpower Electric Power Trust (the Parent) was incorporated in New Zealand and established under the terms of the Trust Deed dated 29 March 1993. The Trust holds the entire share capital of Northpower Limited on behalf of the power consumers within the network area served by Northpower Limited. 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 Electric Power Trust Group (or "the Group") as at, and for the year ended 31 March 2025. The Group consists of Northpower Electric Power Trust, Northpower Limited and its subsidiaries. The principal activities of the Group 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. The parent is not registered for GST and therefore the parent financial statements are inclusive of any 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.



+ Notes to the Consolidated Financial Statements continued

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

Group	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:

Group	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
Trust audit fees	27	25
Trustees fees and allowances	248	243
Other trust expenses	221	229
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.



+ Notes to the Consolidated Financial Statements continued

4. Net finance cost

Group	Note	2025 \$000s	2024 \$000s
Interest income		482	433
Interest expense		(9,905)	(8,288)
Capitalised interest	14	2,249	1,544
Interest on leases	15	(3,036)	(2,849)
Net finance cost		(10,209)	(9,160)

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

Group	2025 \$000s	2024 \$000s
Salaries & 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:		
Current		
Accrued salaries & 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 & 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:

Group	2025 \$000s	2024 \$000s
Short-term benefits	4,752	4,813
Total compensation of key management personnel	4,752	4,813

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

Group	2025 \$000s	2024 \$000s
Balance as at 1 April	6,678	6,700
Received 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

Group	Note	2025 \$000s	2024 \$000s
Trade receivables		56,845	52,008
Less provision for expected credit losses	21	(1,379)	(834)
Prepayments		4,857	3,314
Balance as at 31 March		60,323	54,488

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



+ Notes to the Consolidated Financial Statements continued

9. Non-current assets held for sale

Group	Note	2025 \$000s	2024 \$000s
Plant & equipment		866	-
Motor vehicles		40	-
Leasehold improvements		181	-
Balance as at 31 March 2025	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

Group	2025 \$000s	2024 \$000s
Trade payables	29,217	21,515
Accrued payables	13,996	9,238
Balance as at 31 March	43,213	30,753

11. Income tax expense

Group	2025 \$000s	2024 \$000s
Net profit before tax	28,863	23,804
At New Zealand's statutory tax rate of 33% (2023: 33%)	9,525	7,855
Effect of lower tax rate in Company (28%)	(1,461)	(1,207)
Plus/(less) tax effect of:		
- Gross up of imputation credit	-	-
- Imputation credit attached to dividend received/declared	-	-
- Non-deductible expenses	632	375
- Non-taxable income	(185)	(66)
- Tax benefit not recognised	102	126
- Prior period adjustment	43	(370)
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

Group	Property, plant & equipment \$000s	Employee entitlements \$000s	Provisions & 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.

† Notes to the Consolidated Financial Statements continued

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 \$000s	Software \$000s	Easements \$000s	Customer relationship \$000s	Carbon credits \$000s	Other intangible asset \$000s	Capital work in progress \$000s	Total \$000s
Cost								
Balance as at 1 April 2024	16,748	39,754	545	1,725	656	-	1,719	61,147
Acquisition of business	-	-	-	-	-	-	-	-
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

	Goodwill	Software	Easements	Customer relationship	Carbon credits	Other intangible asset	Capital work in progress	Total
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
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
Cost or fair value				
Balance as at 1 April 2024	30,118	16,101	399,648	108,186
Additions	-	-	-	-
Transfer between asset categories	(2,489)	3,433	39,143	5,507
Revaluation adjustment	1,166	1,201	(6,411)	-
Transferred to non current asset held for sale	-	-	-	-
Disposals	-	-	(114)	(23)
Balance as at 31 March 2025	28,795	20,735	432,266	113,670
Accumulated depreciation & impairment				
Balance as at 1 April 2024	-	(1,182)	(23,127)	(15,898)
Depreciation charge for the year	-	(686)	(12,570)	(5,317)
Impairment	-	-	34	-
Transfer between asset categories	-	-	(17)	-
Revaluation adjustment	-	1,868	35,680	-
Transferred to non current asset held for sale	-	-	-	-
Disposals	-	-	-	7
Balance as at 31 March 2025	-	-	-	(21,208)
Net carrying amount as at 31 March 2025	28,795	20,735	432,266	92,462
Cost or fair value				
Balance as at 1 April 2023	17,605	15,711	356,711	100,497
Acquisition of business	-	-	-	-
Additions	-	-	-	-
Transfer between asset categories	12,513	390	43,301	7,689
Disposals	-	-	(364)	-
Balance as at 31 March 2024	30,118	16,101	399,648	108,186
Accumulated depreciation & impairment				
Balance as at 1 April 2023	-	(596)	(10,328)	(10,679)
Depreciation charge for the year	-	(581)	(11,223)	(5,237)
Impairment	-	-	(1,644)	-
Transfer between asset categories	-	(5)	43	18
Disposals	-	-	25	-
Balance as at 31 March 2024	-	(1,182)	(23,127)	(15,898)
Net carrying amount as at 31 March 2024	30,118	14,919	376,521	92,288

Generation \$000s	Plant & equipment \$000s	Motor vehicles \$000s	Leasehold improvements \$000s	Meters \$000s	Capital work in progress \$000s	Total \$000s
17,623	46,443	6,411	3,892	311	21,988	650,721
-	-	-	-	-	82,088	82,088
22,845	2,789	-	108	24	(72,141)	(781)
-	-	-	-	-	-	(4,044)
-	(2,074)	(77)	(280)	-	-	(2,431)
-	(4,044)	(589)	(53)	-	-	(4,823)
40,468	43,114	5,745	3,667	335	31,935	720,730
(12,345)	(30,537)	(2,596)	(1,761)	(94)	-	(87,540)
(913)	(4,516)	(604)	(294)	(15)	-	(24,915)
-	16	-	-	-	-	50
-	337	(3)	(12)	-	-	305
-	-	-	-	-	-	37,548
-	1,208	37	99	-	-	1,344
35	3,724	409	50	-	-	4,225
(13,223)	(29,768)	(2,757)	(1,918)	(109)	-	(68,983)
27,245	13,346	2,988	1,749	226	31,935	651,747
15,879	47,042	4,031	3,705	308	19,034	580,523
-	184	2,524	174	-	-	2,882
-	-	-	-	-	75,116	75,116
1,744	3,951	96	135	3	(72,162)	(2,340)
-	(4,734)	(240)	(122)	-	-	(5,460)
17,623	46,443	6,411	3,892	311	21,988	650,721
(11,766)	(30,594)	(2,082)	(1,558)	(81)	-	(67,684)
(543)	(4,627)	(661)	(272)	(15)	-	(23,159)
-	(276)	-	-	-	-	(1,920)
(36)	138	9	3	2	-	172
-	4,822	138	66	-	-	5,051
(12,345)	(30,537)	(2,596)	(1,761)	(94)	-	(87,540)
5,278	15,906	3,815	2,131	217	21,988	563,181

+ Notes to the Consolidated Financial Statements continued

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 \$000s	Freehold buildings \$000s	Distribution systems \$000s
2025			
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 system	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



+ Notes to the Consolidated Financial Statements continued

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
Group			
Cost			
Balance as at 1 April 2024	39,088	99,055	138,143
Additions	310	13,516	13,826
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
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
Additions	3,309	10,509	13,818
Acquisition of business	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)
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

+ Notes to the Consolidated Financial Statements continued

Group	Note	2025	2024
Lease Liabilities			
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 noncancellable operating leases are as follows:

Group	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

Group	2025			2024	
	Onerous Provision \$000s	Other \$000s	Total \$000s	Onerous Provision \$000s	Total \$000s
Provision					
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

Group	2025 \$000s	2024 \$000s
Reconciliation of net profit after tax to net cash flows from operations		
Net profit after tax	19,285	14,919
Adjustments for:		
- Depreciation & amortisation	46,839	44,251
- Loss 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 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	12,491	5,106
- 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	327	(970)
- Increase in trade and other receivables	(6,593)	(4,504)
- Decrease in inventory	605	3,348
- Increase in deferred tax liabilities	2,380	4,061
- Increase in employee entitlements	1,801	676
Net cash inflows from operating activities	70,160	62,928

+ Notes to the Consolidated Financial Statements continued

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.

Group 2025	Cash and cash equivalents \$000s	Lease liabilities \$000s	Borrowings \$000s	Total \$000s
Net debt as at 1 April 2024	(6,189)	65,218	144,556	203,585
Cash flows	(1,762)	(17,847)	26,593	6,984
Non cash movements	7	16,446	303	16,756
Net debt as at 31 March 2025	(7,944)	63,817	171,452	227,325

Group 2024	Cash and cash equivalents \$000s	Lease liabilities \$000s	Borrowings \$000s	Total \$000s
Net debt as at 1 April 2023	(1,285)	66,959	110,183	176,027
Cash flows	(4,913)	(17,333)	34,100	14,614
Non cash movements	9	15,592	273	15,874
Net debt as at 31 March 2024	(6,189)	65,218	144,556	206,515

18. Equity

Trust capital

The total number of shares authorised and issued is 35,981,848 (2023: 35,981,848). Trust 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. The Trust capital was paid by Northpower Limited contemporaneously upon execution of the Trust Deed executed 29th of March 1993.

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

Group	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

Group	2025 \$000s	2024 \$000s
Current asset/(liability)		
Forward foreign exchange contracts	16	267
Interest rate swaps	31	146
Total 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)

+ Notes to the Consolidated Financial Statements continued

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.

Group	2025			2024		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Trade receivables						
Less than 30 days past due	55,147	(950)	54,197	50,975	-	50,975
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	56,845	(1,379)	55,466	52,008	(834)	51,174
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:

† Notes to the Consolidated Financial Statements continued

Group	2025 \$000s	2024 \$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					2024				
	Within 1 year	1-2 years	2-5 years	Beyond 5 years	Total	Within 1 year	1-2 years	2-5 years	Beyond 5 years	Total
Group \$000s										
Non-derivative financial liabilities										
Trade payables	38,799	-	-	-	38,799	26,631	-	-	-	26,631
Lease liabilities	20,060	16,646	30,560	3,470	70,736	18,829	16,200	30,655	6,771	72,455
Interest bearing loans	7,535	50,312	100,656	19,128	177,631	11,997	49,765	68,893	-	130,655
Interest free Crown loan	-	-	-	17,093	17,093	-	-	-	17,093	17,093
Derivative financial (assets)/liabilities										
Forward exchange contracts inflow	16	-	-	-	16	267	-	-	-	267
Forward exchange contracts outflow	-	-	-	-	-	-	-	-	-	-
Net settled derivatives										
Interest rate swaps	26	(31)	464	(771)	(312)	439	67	909	-	1,415
Total Contractual cash flows	66,436	66,927	131,680	38,920	303,963	58,163	66,032	100,457	23,864	248,516

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.

Group	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	7,944	6,189
Trade and other receivables	55,466	51,174
Balance of financial assets at amortised cost	63,410	57,363
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 & other payables	38,799	26,631
Balance of financial liabilities at amortised cost	267,645	229,727

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.

+ Notes to the Consolidated Financial Statements continued

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.

Group	Level 2 \$000s	Level 3 \$000s	Total \$000s
Property, Plant & 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
Property, plant & 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 by the company and \$0.8 million (2024: \$0.6 million) was paid during the year by the company.

During the year, Northpower Electric Power Trust declared and paid dividends of \$2.2 million (2024: nil) to Northpower customers.

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Trust. All subsidiaries have a 31 March balance date and are wholly owned. The Trust holds 100% of the voting rights in all entities reported as subsidiaries. The Trust's investment in subsidiary relates to shares held in Northpower Limited. 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.

+ Notes to the Consolidated Financial Statements continued

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 General Manager Network	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

Group	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:

Group	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.



+ Annual Plan and Purpose Statement

1 April 2025 to 31 March 2026

Background

Northpower Electric Power Trust ("the Trust") was created by deed dated 29 March 1993 (such deed being amended on 24 October 1995 and 20 March 2000) ("the Trust Deed").

The Trust was established as a Consumer Trust in 1993 to hold the shares in Northpower Limited ("the Company") on behalf of the consumers of the Kaipara and Whangarei Districts in accordance with the Northpower Establishment Plan. This Plan was developed with extensive public consultation as required by Section 18 of the Energy Companies Act 1992.

There are seven Trustees (two from Kaipara and five from Whangarei) who are elected every three years following the Local Body elections.

The Trustees are required by the Trust Deed and law to:

- a. Encourage and facilitate the Company to operate as a successful business.
- b. Distribute to consumers in their capacity as owners, the benefits of ownership of the shares of the Company.
- c. Appoint Directors to the Company as provided for in the Company constitution.
- d. Act as a diligent shareholder and monitor the performance of the Directors.

Trustees are specifically prohibited from participating in the management or operation of the Company.

Trustees must also be aware of the default and mandatory duties set out in the Trusts Act 2019.

In carrying out their responsibilities in accordance with the Trust Deed and the law, the Trustees will specifically:

1. PROTECT THE VALUE OF THE TRUST ASSETS AND ACT AS PRUDENT TRUSTEES

1.1 Seek a fair commercial return from the Trust investment in the Company.

1.2 Seek to minimise the risk of the Trust investments in the Company.

1.3 Manage cash assets including dividends received in a way that maximises the benefit to Trust consumer beneficiaries.

2. AS SHAREHOLDER IN NORTHPOWER LIMITED

2.1 Exercise the rights and responsibilities of diligent shareholders in the Company for the benefit of the Trust and with due regard to the objective of the Company to be a successful business. In doing so, take proper account of the growth of the Company and the impact of the changing economy.

2.2 Advertise publicly that Trustees seek prospective directors for the Company in accordance with clause 9.1 of the Trust Deed and the Constitution of the Company.

2.3 Appoint directors to fill any vacancies in accordance with the provisions of the Trust Deed and the Company's Constitution.

2.4 Monitor the performance of Directors.

2.5 Agree on the Company's Statement of Corporate Intent with the directors of the Company and make the completed SCI available to the public.

As 100% owners of the Company, although specifically prohibited from participating in the management of the Company, the Trustees may be ultimately responsible for some of the Company's actions. The Trustees will require, through the Statement of Corporate Intent, as well as achievement of specific targets for financial and operational performance, assurances from the Directors that effective measures are in place to avoid or minimise financial, operational, and health and safety risks.

2.6 Meet with the Board or its representatives of the Company at least four times a year to consider the performance of the Company in relation to the Statement of Corporate Intent and other matters of ownership.

2.7 Attend the Annual Meeting of the Company and exercise the rights and responsibilities of

shareholders at that meeting and at any other general meeting of the Company.

3. INCOME

3.1 Receive dividends from the Company.

3.2 Hold and invest dividends from the Company for at least six months before distribution to satisfy clause 5.3 of the Trust Deed.

3.3 To manage all remaining income received from the Company for the benefit of consumers as provided in the Trust Deed.

3.4 The Trustees reached agreement with the Company Directors to implement a pricing discount policy that commenced in the 2019-2020 year. Consumers now receive a discount on their electric lines charges in place of the direct Trust distribution that had been made in the past. This reduces the dividend received and therefore the direct distribution paid through the Trust, as the consumer shareholder, but ultimately increases the financial return to consumer beneficiaries and, as such, is a mechanism approved by Trustees.

4. ELECT A CHAIRPERSON

The Trustees have elected Phil Heatley as Chairperson in accordance with the Trust Deed for a three year term ending in November 2025.

5. ELECT A DEPUTY CHAIRPERSON

The trustees have elected Sheena McKenzie in accordance with the Trust Deed for a three-year term ending in November 2025.

6. APPOINT A SECRETARY

The Trustees have appointed Plus Chartered Accountants to provide secretarial and accounting services to the Trust.

7. SECURITY OF ELECTRICITY SUPPLY

Transmission and generation

The Trust will cooperate with the Company and with ETNZ to encourage appropriate grid and network improvements and adequate generation capacity to service Northpower consumers' needs.

8. ETNZ

The Trust is a member of the Energy Trusts of New Zealand Inc. The Trust will seek efficiency in the ETNZ in its objectives of facilitating the operations of Energy Trusts as significant owners of Energy Companies and in supporting trusteeship of Energy Trusts.

9. COMMUNICATION

The Trust will inform consumers of its activities through the news media and through newsletters as appropriate. Information and Trust reports can be found in the ownership section of the Company website – <https://northpower.com/company/about-us/ownership> . The Trust will also maintain a free call telephone number 0800 434 100 and an email address nept@plusca.co.nz for the benefit of consumers who wish to contact the Trust. The postal address is P O Box 1609, Whangarei 0140.

10. CODE OF PRACTICE

The Trust has developed and published a 'Code of Practice' that describes the way Trustees will provide accountability to, and access to information for the Trust beneficiaries. This was first presented for confirmation at the AGM in July 2003, and will be reviewed at each AGM.

11. TRUSTEE MANUAL

Trustees have developed an online information system to guide trustees and the secretariat in the governance and administration of the Trust in accordance with the Trust Deed, the Northpower Establishment Plan, and legislation. The system records the various legislation that affects energy trusts and legal advice that provides assistance in understanding the responsibilities of the Trustees.

12. ELECTION OF TRUSTEES

As required by the Trust Deed, the Trust will be holding an election in November 2025 by postal ballot and with an online voting option.



+ Code of Practice

The Northpower Electric Power Trust will seek to achieve “Best Practice” in all its activities. Trustees and officers of the Trust will fulfill all their obligations under the Trust Deed and the law.

Purpose of the Trust

The Northpower Electric Power Trust is established to hold all the shares in Northpower Ltd. [the Company], to appoint Directors to the Company, to agree each year on a Statement of Corporate Intent with the Company, to receive any dividends from the Company and to distribute any income received to the beneficiaries of the Trust in accordance with the Trust Deed or to reinvest it in the Company.

Operation of the Trust

The Trustees meet as required, usually monthly, to deal with Trust business that may include:

Correspondence and beneficiary enquiries, finance, monitoring the performance of Northpower Directors and the company’s performance against the Statement of Corporate Intent, dividends and distributions as they arise, ownership and legislative issues, liaison with the Electricity Trusts of New Zealand, any other matters affecting the Trust.

Beneficiaries

A legal description of the beneficiaries is contained in the Trust Deed, but they can generally be described as consumers who at any time designated by the Trustees, are persons named in the records of the Company as persons whose premises are connected to the Company’s distribution network.

Entitlement to Information

Trustees will make available to the public any completed Statement of Corporate Intent and the Trust’s audited Annual Financial Statements of Account.

In addition, the Trustees will each year prepare an Annual Plan describing the intended actions of the Trust for the ensuing year and an Annual Report that describes the activities of the Trust in the last financial year, assesses the performance of the Trust against the last year’s Annual Plan, and reports the performance of the Company in meeting the targets of the Statement of Corporate intent.

Trustees will ensure that beneficiaries are able to receive in a timely manner the above information and any other information that they are legally entitled to under the Trustee Act 2019, the Northpower Electric Power Trust Deed, and any other rule of law.

Trustees will also from time to time as appropriate, provide general information about the Trust and its activities to beneficiaries through the news media, newsletters, or other media.

Procedures for Requesting Information

Beneficiaries may seek information from the Trust by:

- a. A telephone request through the Trust’s free call telephone number 0800 434 100
- b. Writing to the Secretary of the Trust at P.O. Box 1609, Whangarei 0140
- c. By email to nept@plusca.co.nz

Every request by a beneficiary for information shall be dealt with promptly and in a courteous businesslike manner.

All information that a beneficiary is entitled to will be made available for inspection on the Trust’s web pages, at the office of the Trust or such other place that the Trust determines during ordinary office hours - free of charge.

Copies of any documents that a beneficiary is legally entitled to will be made available for purchase at a reasonable price.

Any beneficiary may seek a review of the way a request for information has been dealt with by making a formal request for review in writing to the Secretary of the Trust.

Any request for review will be recorded and will be placed before the next meeting of Trustees for consideration and a formal response to the beneficiary.

The Annual Report will record the number of reviews sought and the way they have been determined.

Annual Meeting

The Trust will, within four months of the end of each Financial Year, hold an Annual Meeting in the District, that is open to the public in accordance with the Trust Deed.

The Trustees will publish a notice of the Annual Meeting. The first notification will be published not less than 14 days before the Annual Meeting and will include advice:

- That financial statements have been prepared and audited and are available to the public
- Of where copies are available.
- That a quorum at the Annual Meeting is 20 beneficiaries
- That every beneficiary has a vote

Rights of Review of Acts and Decisions of Trustees

Trustees will report to the Annual Meeting on the way in which requests for review have been dealt with and on any unresolved requests for review.

Review of Code of Practice:

Trustees will review this Code of Practice each year and will provide an opportunity for beneficiaries to comment on it during each Ownership Review. Ownership Reviews must be held at intervals of no more than five years. The last Ownership Review was completed in June 2022 and the next Ownership Review will be in 2027.

+ Independent Auditor's Report

TO THE BENEFICIARIES OF NORTHPOWER ELECTRIC POWER TRUST GROUP

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Northpower Electric Power Trust ("the Trust") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at date, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS® Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand)

("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust or any of its subsidiaries.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

KERIKERI PARTNERS: Solomon Dalton Angela Edwards Joanne Roberts

WHANGAREI PARTNERS: Greg Atkins Scott Kennedy Adelle Wilson

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

Trustees' Responsibilities for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurancestandards/auditors-responsibilities/audit-report-7-1/>.

This description forms part of our auditor's report.

Who we Report to

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



BDO Northland Kerikeri
New Zealand
Date: 14 July 2025





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