



**Network
Waitaki** 

ANNUAL REPORT • FY 2025

We are focused on
powering today,
building for tomorrow,
and standing with our
communities every
step of the way. _____

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FINANCIAL STATEMENTS

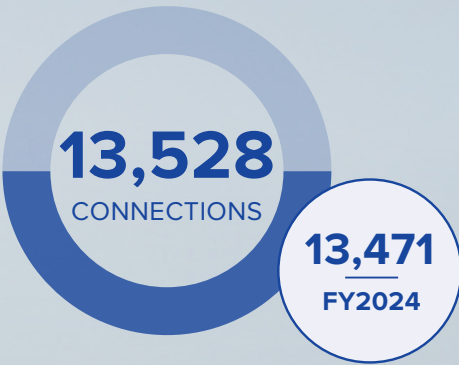
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Business Performance Highlights



FINANCIAL

	FY2025	FY2024
Net Profit	\$5.1m	\$3.4m
Capital expenditure	\$19.7m	\$22.9m
Total assets	\$162.1m	\$150.5



NETWORK PERFORMANCE

	FY2025	FY2024
Maximum demand	70.0 MW	70.0 MW
Energy volume	308.0 GWh	322.0 GWh
SAIDI	127.10 min	110.6 min
SAIFI	1.03	1.40
System Length (km)	1,939	1,920
Number of Poles	22,187	21,759



HEALTH & SAFETY

	FY2025	FY2024
LTIFR*	1.07	2.34
TRIFR*	4.30	3.52

*per 200,000 hours worked
/ Rolling 12 months

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



COMMUNITY

	FY2025
Sponsorship	\$155,335
Organisations benefiting	58

Payments to local
staff and suppliers

\$17.5m

Chairman and Chief Executive Officer Review

*We are pleased to report on the performance
of Network Waitaki for the year ended 31 March 2025.*

STICKING TO OUR CORE IN A YEAR OF CONSOLIDATION

Our team has demonstrated delivery of our core responsibilities, safely and to high standards over the past financial year.

We are pleased to report we performed well against the targets we committed to in our Statement of Corporate Intent (SCI).

First, it was a safe year for our people and community. The company's Health and Safety performance saw zero long-term injuries from critical risk incidents. This was achieved through our critical risk programme activities and public safety compliance. Progressing our stage two accreditation to the ISO45001 Safety Management Systems Standard demonstrates our commitment to our safety culture.

Maintaining a sound financial base is central to our strategy. The company reported a Net Profit after Tax of \$5.1m from total revenue of \$35.5m. This result compares favourably to a budgeted NPAT of \$4.2m. Our financial performance has delivered ahead of the targets set out in the SCI.

Profit has been reinvested back into the business to maintain the strong financial foundation needed to operate the network safely and efficiently.

Our financial result was achieved through a focus on the areas of operational efficiency, being commercially astute, and taking a considered approach to investment across our network. Cost control measures cut out waste in our processes and practices. We reduced our operational costs, and we expect to see on-going benefits from this whole-of-company approach to how we work.



Michael de Buyzer
Chairman



Dylan Andrews
Chief Executive Officer

Contracting services delivered a good financial result despite a constrained external market where customers were taking an understandably cautious approach to investment. Net profit from contracting remained positive, and our team capably supported the delivery of the CAPEX programme in our network.

It has been important that we have managed our network diligently – to ensure we operate a safe and reliable network for our community and our customers.

The reliability of our network continued to be a strength. System Average Interruption Duration Index (SAIDI) for the year of 127.1 minutes total, compared well to the target of 160 minutes. System Average Interruption Frequency Index (SAIFI) for the year of 1.0 is favourable compared to the 1.8 target. While weather conditions were favourable with fewer adverse events, it was also pleasing to see the incremental improvements to how we manage our core business contribute to the high performance against our targets.

The new Te Awamako zone substation is a \$15m investment made in the network and part of our commitment this decade to invest in electricity distribution infrastructure to ensure energy is supplied safely and reliably.



Network Waitaki is a 100% consumer trust-owned company. It is owned by Waitaki Power Trust for the benefit of electricity consumers.

To meet the electricity demand on our network, we have partnered with Transpower to develop the design and cost projections for the construction of a new North Otago Grid Exit Point (GXP). It is anticipated that this further investment in critical infrastructure will be needed over the coming decade. The North Otago GXP will provide an additional connection to the national electricity transmission network. Alongside extensions to our lines infrastructure, it will lift our capacity and make our network more resilient by enabling us to efficiently distribute power around our region.

Te Awamako zone substation is now commissioned. This coming year we look forward to the Weston community project which will increase security of supply to that section of our network and we look forward to reporting our progress on this project in future.

We are making carefully considered investments in the network replacements and upgrades that are needed over the next decade through a combination of borrowing and the unavoidable increase of the distribution and transmission charges passed on to customers. We understand affordability is a real issue for a number of our customers, especially in the current economic climate.

This is a balance between ensuring we can safely and reliably supply power to our community today while planning ahead for those who may need to connect to the network in future. It has been a year of considered investment. While the network requires investment we have deferred non-essential projects, lowering our capital expenditure and associated finance costs.

We understand energy distribution across more than 13,500 homes and businesses makes Network Waitaki an integral part of the community, and we are proud to support economic growth and well-being in the local economy.

We continue our policy of providing a discount to our customers and this past year returned \$1.15m (GST inclusive) to consumers on our network through their energy retailer. This is a benefit of being owned 100% by the Waitaki Power Trust. The Company has now returned over \$26 million to our community in discounts over the past 15 years while investing in the network to ensure it remains safe and reliable.

Our vision remains
‘Powering a vibrant Waitaki’.



LOOKING AHEAD

This decade will see significant investment in the electricity network across New Zealand and here in the Waitaki region. We are currently seeing winter maximum demand and energy delivered are trending upwards at 1.1% per year. National energy forecasts also indicate we will see an uptick in the future energy needs of our customers over the next decade. We need to be ready for this so we can meet demand with a reliable and safe network.

This past year we refreshed our company strategy. Our vision remains ‘**Powering a vibrant Waitaki**’. Our refined strategy is to ‘utilise our core assets, operating expertise, reputation and financial strength to develop growth opportunities for a sustainable future’. Every day we work in the field and the office as a team to deliver the company strategy.

The team at Network Waitaki are all acutely aware of the uncertain economic environment and the pressures that places on our local community and the businesses and homes that rely on our services.





We will continue to take a considered approach to how we achieve our vision.

We have a highly engaged team with deep expertise who are future thinking and love our region. We continue to develop our people to take on roles and to adapt to new technology and ways of working. Retaining capable, skilled people who work as one team will help us deliver our strategy and meet the expectations of our community.

Network Waitaki is a 100% consumer trust-owned company. We would like to acknowledge the role of the Waitaki Power Trust over the past year as we worked together for the benefit of electricity consumers in our community. Our community connection is stronger for the involvement of the Trust.

We welcomed experienced director Brett King to our Board. Brett joined the Board in October 2024 after a 25-year career in civil contracting across the Central South Island. Good governance sets the foundations for performance and Brett's background in managing large programmes will strengthen the capability and experience we have on our board as we carry out our capital investment programme. We thank Tony Wood, who had served on the board since 2012, for his considerable contribution to Network Waitaki.

Lastly, on behalf of the Board and Management, we would like to thank our people for their hard work across the business, which has contributed to a successful period for Network Waitaki. We look forward to another year of commitment to delivering our core responsibilities, safely, reliably and to high standards for our customers and community.

Michael de Buyzer
Chairman

Dylan Andrews
Chief Executive Officer

Our Vision

Powering a vibrant Waitaki.

Our Mission

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

POWERING
—OUR—
FUTURE





Our Strategy

Our strategy is to *Utilise our core assets, operating expertise, reputation and financial strength to develop growth opportunities for a sustainable future.*

We have operational and tactical plans to support the field and office teams to deliver the company strategy. We have the following particular focus areas to support attainment of our goals:

Operational Efficiency

- Target cost control of Opex
- Operational transparency
- Consider full lifecycle costs
- Establish performance measures
- Apply continuous improvement
- Purchase competitively.

Commercially Astute

- Awareness of business opportunities
- Understand customer needs
- Grow external Contracting revenue
- Strengthen business acumen.

Network Investment

- Consider alternative scenarios
- Balance reliability/cost mix
- Balance timing and need
- Investment is future focused
- Seek economic efficiency.

Our Goal

Fit for the future / Meet customer needs
Win more external work / Demonstrated efficiency
Proud to work here / Financially sustainable



Health and Safety

We care about the safety of our people and the public.

The past year saw Network Waitaki achieve our goal of zero serious harm to our people or the public, with our overall health and safety performance showing improvement from the previous year's performance.

Lost time incidents arising from critical safety risk areas met the SCI target of zero. We have seen a consistent improvement in Lost Time Injury Frequency Rates (LTIFR) and the Total Recordable Injury Frequency Rate.

Outside of critical risks areas we had one LTI recorded - a result of muscular stress due to repetitive movements.

We maintained our Public Safety Management System Accreditation (NZS7901). This is important, as keeping our community safe while we work is paramount. It is another SCI target we are pleased to have met.

We made the decision to combine the People and Health & Safety teams to bring together complementary capabilities to support our culture, systems and processes that train our people and keep them safe.

The team has driven a functional health and safety strategy to support the business in addressing a number of areas of improvement raised through staff feedback, internal and external audits and changes to industry standards.

A revised Health and Safety Management System is in place and policies, procedures and processes have been reviewed to comply with updated certifications and accreditation requirements and updates to legislation. Document management to ensure old, redundant forms have been removed has brought more clarity for our team who rely on easy-to-follow information to effectively and efficiently perform their roles.

We remain committed to the continuous improvement of our Health and Safety Management System. This has been supported by external field assessments, Critical Risk Area reviews, and the ongoing achievement and maintenance of ISO 45001 Stage 2 certification.

In-line with our SCI targets, two external field work assessments were carried out and four critical risk areas were reviewed.

Independent field audits carried out by Network Compliance Limited remain an important aspect of our operational support in the field, offering assurance of our field practices and delivering valuable guidance on maintaining safe working procedures.

To provide integrity assurance of safety data Deloitte carried out an audit of company safety data. Through this project we identified some inaccuracies to how some of our data was calculating through our systems. Subsequent improvements to our data management has given us a clearer read on our TRIFR and LTIFR measurements. This greater accuracy has helped us prioritise our focus around our critical risks in particular.

The Health and Safety Team has placed strong emphasis on raising awareness around critical risks, each month a new critical risk is highlighted, along with its associated controls and key areas for attention. It has been encouraging to see high levels of staff engagement across the business, with robust field discussions and proactive risk identification during toolbox talks and tailgate meetings.

In addition to raising awareness across the business, we have maintained a strong focus on keeping our Board of Directors informed through critical risk updates and in-depth reviews.





In August, we hosted our inaugural Network Waitaki Safety Week, involving all our field crews and other teams from across the business. This initiative provided a valuable opportunity to centralise training by delivering annual compliance checks, testing, and mandatory updates in a single, focused week. It also allowed us to share key policy updates and insights gained from both internal and external audits, as well as actions arising from health and safety incidents. Wellness was also covered and a presentation on mental health by highly-regarded health advocate Matt Chisholm was well-received.

Health & Safety training extended to areas where we keep the public safe. With changes to the code of practice for temporary traffic management, seven staff participated in a training course with Traffic Management and Control Ltd (TMC) to gain knowledge on how to effectively risk assess temporary traffic management to align with the new guidelines for a risk-based approach to traffic worksite management.

We also collaborated with first responders in our wider community supporting a Rural Fire training event across local brigades and plan to continue this work, alongside other similarly successful initiatives such as the traffic safety training partnerships we have with local schools.

Critical Risk LTIs	0
LTIFR*	1.07
TRIFR*	4.30

*per 200,000 hours worked

LTi: Lost Time Injury
LTIFR: Lost Time Injury Frequency Rate
TRIFR: Total Recordable Injury Frequency Rate



Our People

We are One Team

Skilled and engaged people at Network Waitaki help us meet our goals.

The skills we need to achieve our company goals remain in high demand as the energy sector across New Zealand is in a period of significant investment in network infrastructure to meet the needs of consumers and businesses. The People and Capability strategy aims to build our capability and enhance our knowledge and capacity to deliver.

As part of our commitment to continuous improvement and being a workplace of choice, we conducted an engagement survey in October. This initiative provides valuable insights into the internal dynamics of Network Waitaki and what's important to our people.

We were encouraged to see that our people continue to feel comfortable in their roles, with many expressing clarity around their responsibilities and a strong sense of inclusion within their teams. These results reflect the positive culture we are building together and the strength of our internal teams.

The survey highlighted opportunities to enhance our communication around organisation changes and to further strengthen collaboration across the business. In particular there was a clear call to reinforce our core value of working as One Team.

We are grateful for the honest and constructive feedback received and are committed to taking meaningful action in response. These insights play an important role in shaping our priorities and initiatives for the year ahead.



We know Network Waitaki is a company our people are highly committed to working for. Staff attrition, an indicator of engagement, remains low at 2.3% annually.

Employee growth has remained relatively stable, with a modest increase of just four new hires compared to the previous year's total of nine.

Our age demographics continue to reflect an aging workforce, with 44% of employees currently over the age of 45. Our gender distribution has remained consistent over the past four years, aligning with industry trends.

While it has been a quiet period for recruitment, it remains a tight candidate market. This had a particular effect on being able to recruit skilled technical roles in IT and filling needs in our Network team.

Our Values



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

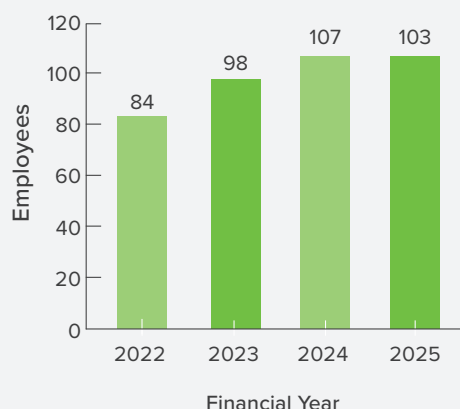


Bringing people into Network Waitaki and committing to training them through their career pathway is an approach we know works to fill future skills gaps. The Trade Coach role has a focus on developing our people through coaching them through their career pathways. It is a role that recognises the skills within our team that we can grow with appropriate support. Our Trade Coach has supported alignment of skills and qualifications to a Common Competency Framework. This alignment has been particularly

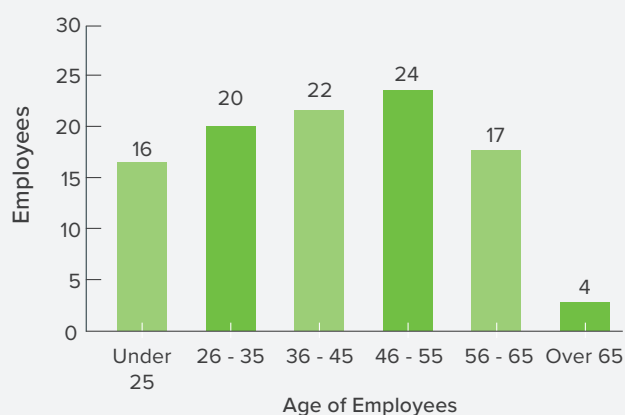
useful for staff in our network team who through common certifications can quickly be mobilised to carry out out-of-network contract work in other EDB regions. This is a significant advantage as our team can be called on to support in adverse events, as they were following Cyclone Gabrielle.

We continue school engagement through the Gateway programme and careers events and our scholarship programme.

TOTAL EMPLOYEE NUMBERS



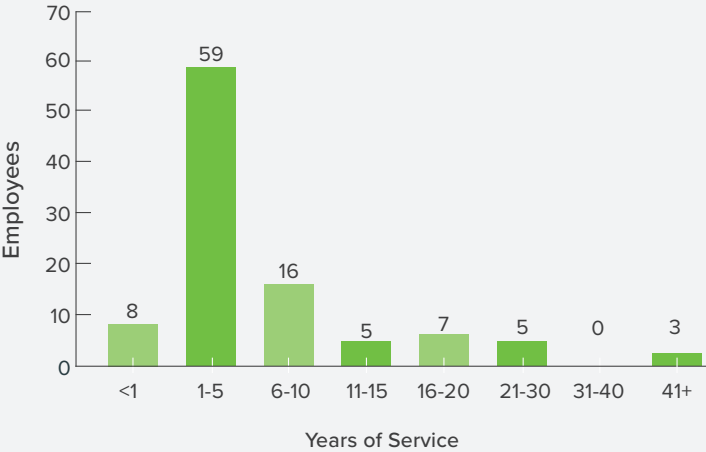
AGE RANGE OF EMPLOYEES



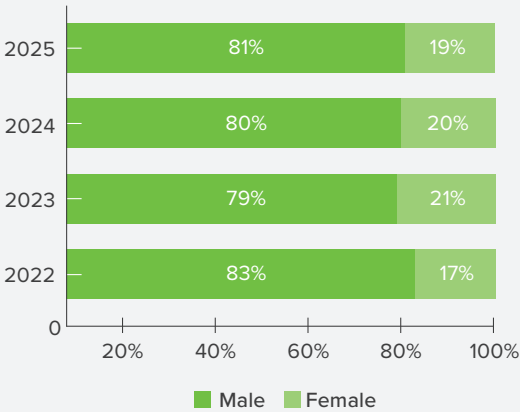


The small-scale pilot to understand the international visa recruitment process for highly skilled staff saw two staff join us from Fiji and the Philippines in our Network Contracting team in early 2024. One year on with Network Waitaki it is clear that this has been a rewarding experience for both the business and our wider community, who have played a vital role in making their transition to life in Oamaru a warm and welcoming one. This is an avenue we are more confident to progress where we need specific skills.

LENGTH OF SERVICE



GENDER BALANCE MOVEMENT





Customer and Community

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

POWERING OUR COMMUNITY

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

We celebrate that Network Waitaki invests in our local community through a wide range of projects, programmes or activities ranging from community health care, maintenance or upgrading of sport facilities through to the greater involvement of those with disabilities, the arts and education. We strive to maintain our standing as an integral part of the community – both through our Trust ownership structure and the significant role we play in the community as both a service provider and employer.

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



NETWORK WAITAKI SPONSORSHIP PROGRAMME

58 Organisations Supported

\$155,335

Grants Paid to
Community Groups

OUR LOCAL CONTRIBUTION

Our economic contribution to our local community through the employment of local staff and payments to local suppliers totalled

\$17.5m

Network Performance

Delivery, reliability and considered investment

ENERGY DELIVERY

Energy volumes delivered through the Network were lower than the prior year's record. Network Waitaki delivered total volume for the year of 308.0 GWh. This was down by 14 GWh from the 322.0 GWh delivered in the previous year.

Favourable weather conditions this past year brought more rain for the region through the early summer period, subsequently reducing irrigation demand from our rural customers compared to last season's dry El Nino conditions.

While we can expect variability from year-to-year through the influence of winter temperatures and associated changes in heating demand, we are seeing winter maximum demand and energy delivered are trending upwards at 1.1% per year.

We are committed to making it easy for customers looking for renewable energy sources to connect to our network. To support this in December 2024, we published generation hosting capacity for all zone substations and HV feeders. In the next 12 months we will expand these to include subtransmission and produce load hosting capacity maps. We see this tool as an enabler of economic growth in our region for prospective customers looking to connect to our network and for customers who are electrifying their energy sources.





RELIABILITY

We use standardised measures to track network performance based on the average number of outages a customer will experience (SAIFI) and the average total outage time they will experience (SAIDI). These measures allow us to monitor our performance from year-to-year and against other EDBs.

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

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

A large factor in the performance was the relatively mild weather conditions across the year with no major storms creating weather-related disruptions to our network. It is also the result of a lot of small improvements adding up to ensure the network's reliability.

A review of the causes of outages on the network indicates no trends that warrant urgent interventions.

Events that impacted the network included: a car vs pole, insulator failures and defective equipment, trees through lines and wildlife interference. We grouped unplanned outage data into 'controllable' causes i.e., those that can be controlled through programmes of

investment, maintenance or through operational practices and 'uncontrollable' causes that are those we have less ability to be practically controlled through engineering and management actions, such as third party or wildlife interference and car v poles.

Our performance for unplanned outages we can control through our actions has performed better than our targets in recent years. A factor in this is our investment in current works programmes and improved communications across the our network.

Projects completed in 2023 and 2024 to improve network reliability and protection system response, primarily in the subtransmission system, which impact the largest number of customers have been an important focus. We are starting to see the impact of these projects and expect future benefits to network performance in future years.

Our communication network also is becoming more capable in its ability to identify potential outages before they occur, and to help us extend the life of network assets. The communication network is made up of different voice and data systems that provide an essential ancillary service assisting with the operation of our distribution network. These systems provide contact between our Control Room and operating staff and provide remote indication and control of network equipment. Our communication systems enable us to operate our network and deploy our people effectively, reducing the impact of faults on customers.

CONSIDERED INVESTMENT

While we are reaching network capacity, we work hard to optimise the network, and we are carefully managing our network assets through our Asset management process. The process guides how we approach the lifecycle of our assets, including initial investment, ongoing maintenance, and refurbishment, and how we make decisions on asset investment.

Our Asset Management Strategy is to ensure that our asset management practices continue to deliver agreed service levels set out in the Asset Management Plan at minimum long-term cost.

This systematic framework focuses on delivering a safe, reliable, secure, resilient, and cost-effective supply of electricity that meets customers' performance expectations, while complying with relevant New Zealand laws, regulations, and codes of practice.

At a high level our network investment framework requires us to consider the following:

- Consider alternate scenarios
- Balance reliability/cost mix
- Balance timing and need
- Investment is future focused
- Seek economic efficiency.

Many of our investment, maintenance and renewal decisions will be highly dependent on the outcomes of inspections of our network assets in the first five years, on customer growth, and other issues that are out of our control, such as the development of the Transpower transmission network.

We are confident we have a process framework, policy and asset management plan that will ensure our customers have a cost-effective, reliable and safe network to support our region.



Network Investment Highlights 2024

Te Awamako

zone substation
commissioned

Duntroon

1kV Switchboard
replaced

39 km new

fibre cable

3 km new

and replacement
11kV cable

26 km new

and replacement
11kV lines

440 poles

installed or
replaced

10,000 poles

inspected

800

service boxes
inspected

1,100

earth tests
completed

238

vegetation sites
resolved

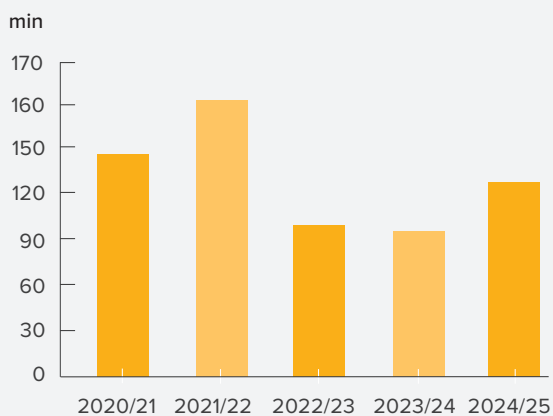
57 new

connections

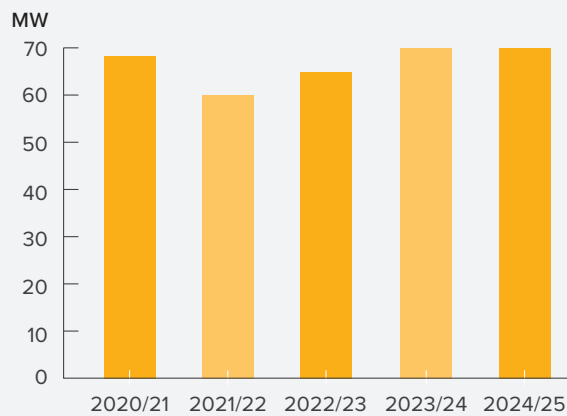


Reliability Results

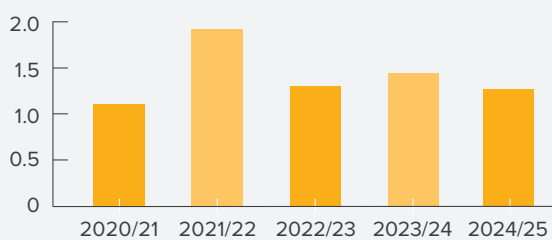
SAIDI RESULT – AVERAGE OUTAGE DURATION



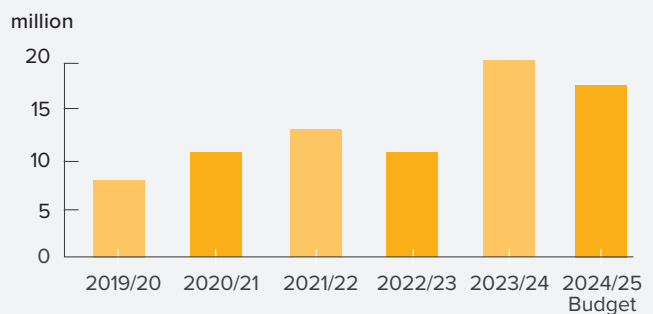
MAXIMUM DEMAND ON THE NETWORK



SAIFI RESULT – AVERAGE OUTAGE FREQUENCY

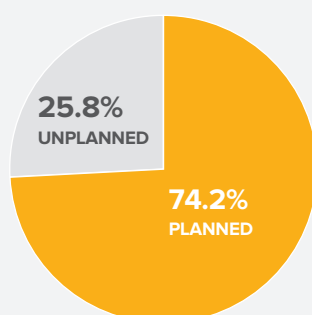


CAPITAL INVESTMENT IN NETWORK



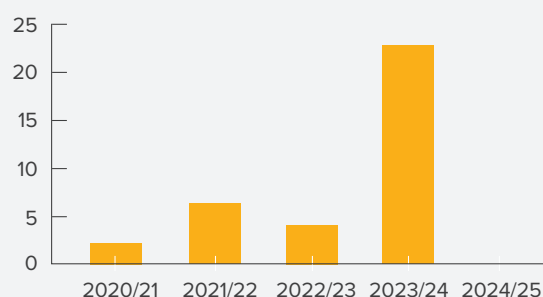


FY2025 SAIDI MINUTES



ADVERSE WEATHER FAULT

Faults



Our target SAIDI and SAIFI performance measures are set annually in the Statement of Corporate Intent. A summary of our performance for the 2024/25 financial year indicates favourable result against all targets.

	Target	Actual	Performance Against Target	
SAIDI minutes (unplanned)	55	32.82	-22.18	✓
SAIDI minutes (planned)	105	94.28	-10.72	✓
SAIDI minutes Total	160	127.10	-32.90	✓
SAIFI (unplanned)	1.30	0.73	-0.57	✓
SAIFI (planned)	0.50	0.30	-0.20	✓
SAIFI Total	1.80	1.03	-0.77	✓

Contracting Performance

The contracting business delivered a commendable financial performance given the headwinds facing businesses over the year which constrained available external contracting opportunities.

Although total revenue fell short of budget, net profit remained positive. Contracting generated a total revenue of \$12.5m.

External revenue declined again this year due to the continued subdued market.

This year was the end of the cycle before the new 5-year Default Price-Quality Path (DPP) came into play for regulated EDBs. These customers trimmed back on their capital and operating expenditure in preparation for changes. The result was seen in fewer competitive tenders and reduced minor works for second-tier contractors as EDBs prioritised their own contracting teams where they could.

To counter this, we continued to build relationships with our neighbouring EDBs and have found opportunities where our expertise has generated mutual benefit. For example our in-house technician supported Alpine Energy's team carrying out a project of protection testing and communications testing.

Our vegetation management team service delivery provided to other networks and private customers continues to grow. Being able to cost-effectively service Alpine Energy's southern area provides benefits to their vegetation management programme through efficient service delivery.

We are proud to be selected by Alpine Energy to assist their delivery in the maintenance and establishment of overhead lines throughout South Canterbury.

Projects such as these provide important revenue for our network, while helping retain sufficient scale, expertise and staffing to deliver on the projects in our own network.

The Vegetation Service Team surpassed expectations with its strongest financial performance since inception. This is in part due to the successful filling of vacant positions, a commitment to safety and efficiency, combined with an increase in external service delivery.

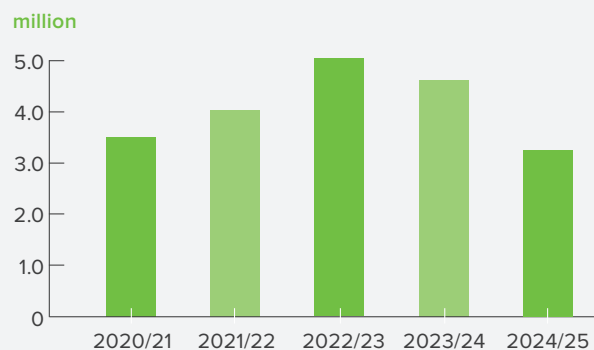
We have focused on improving delivery efficiencies to recognise increased value to all our current customers. A focus area of our company strategy is being commercially astute. For us it has seen us work on understanding our customers' needs so we can retain and grow our external contracting revenue.

Oceana Gold continues to be a key client, with significant project work delivered at Macraes mine across the year and we look forward to continuing this relationship.

We have expanded our services beyond traditional overhead work, offering GIS data capture, LiDAR surveys, HV equipment maintenance, and protection testing for key customers.

Despite challenges such as reductions in external revenue, all business units have delivered positive overall financial outcomes for FY25. This reflects strong internal performance, effective cost management, and a continued focus on operational efficiency.

CONTRACTING EXTERNAL REVENUE





The company-wide focus on efficiency across the business over the past 12 months has seen the contracting arm change our materials management process through the implementation of a pick and collect system for our materials at our stores. While it is still a new process, we expect significant future annual time savings.

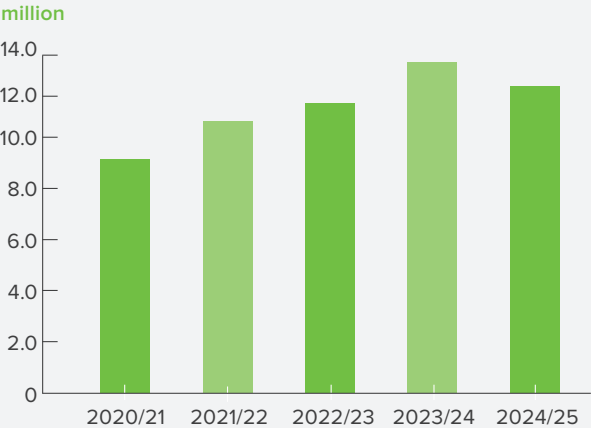
Traffic management is another area where we have found efficiencies to improve the way we work. We are fortunate that our team has the capability and training to self-manage our own in-house traffic management. This has the benefit of reducing the

need to hire external traffic management providers and increases our efficiency. With the move to site specific risk management a new role for internal traffic operational planning was established.

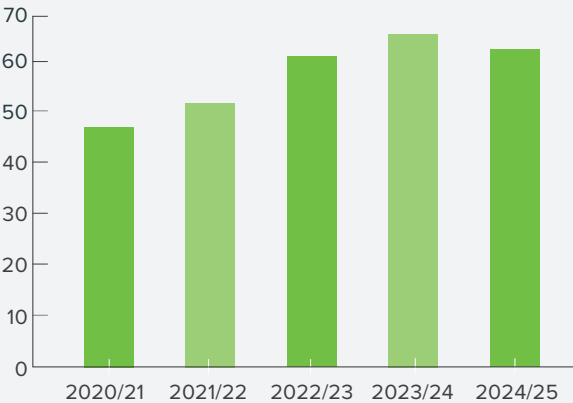
Refined planning enables the team to have operational flexibility and helps the team to respond faster to network outages, or planned works with faster lead time. They also form a tight link within the team supporting the identification of risks and appropriate mitigations.

The results demonstrate the resilience of the business and our ability to adapt in a changing environment while still achieving solid financial returns.

CONTRACTING TOTAL REVENUE



CONTRACTING TEAM MEMBERS



Financial Performance

Network Waitaki's financial performance was driven by actively managing the impact of rising costs on our business and working through a weak economic environment.

We achieved the set of financial targets committed to in our Statement of Corporate Intent.

Overall revenue for the 2025 financial year of \$35.5m, was up from \$34.3m in the prior period. Net Profit After Tax (NPAT) of \$5.1m (up from FY24 \$3.4m), was ahead of the \$4.2m SCI target. This reflects a 6.02% return on Shareholder Funds before tax.

Revenue growth against budget has been driven by stable lines revenue. Customer contributions remained steady ending \$276k ahead of budget from small to medium connections.

We experienced a second year where market conditions for attracting contracting revenue were challenging. Total revenue of \$12.5m fell short of the \$13.5m budget. Contracting still achieved \$3.0m in external revenue.

In response to the market conditions, a focus on cost-control and delivering our internal capital works programme saw net profit from contracting remain positive.

Company-wide efforts to prioritise and scrutinise how we work, and corresponding reduction in indirect costs related to contracted work, saw indirect costs down \$1.2m on budget. This approach has also been taken for the budget and plan for FY26 as we look to lock in the benefits of the team's work for the coming year.

The higher Net Profit Before Tax to Shareholders Funds, Earnings per Share and Return After Tax on Shareholders funds reflect the higher than budgeted profit achieved by the company. It is pleasing that our focus on cost control, servicing our network customers, and delivering cost-effective projects across our network has contributed to delivering these SCI targets.

The stable financial performance generated operating cashflows of \$12.6m (in-line with \$12.9 million FY24), enabling continued capital investment into plant, equipment and network assets totalling \$19.7 million whilst still maintaining cash reserves of \$1.9m at year end.



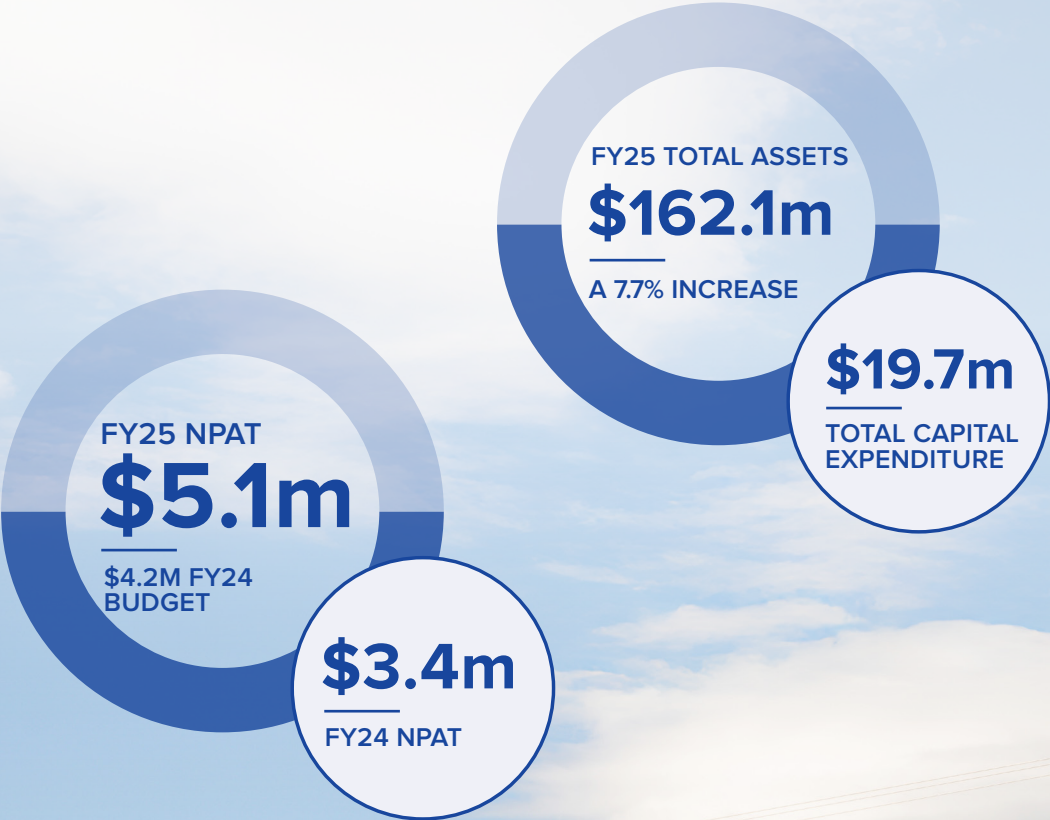
This investment has seen our Total Assets at year-end grow to \$162.1m (up 7.7% from \$150.5m).

Our year-end debt position is at \$17.65m. Debt to Total Assets ratio remains low at only 10.8%.

The Company has taken a financially prudent approach to our capital spending. Great care is taken on the lead timing of procurement for major items as we are conscious of cash-flow management and of holding unnecessary debt. This is backed by strong financial disciplines embedded through our Treasury Policy which stabilises our positions versus market movements.

Lastly, we are particularly conscious of pricing reform in the electricity sector and the impact that has on our network, our customers and our community as a whole. We are using the tools available to balance price rises being passed onto today's consumers and borrowing to equitably spread the costs of investing in reliable, safe electricity distribution to our customers.

As a community Trust owned company it is essential we maintain our strong fiscal disciplines expected of us and deliver our core service.



Board of Directors



Michael de Buyzer
LLB Notary Public
Chairman

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

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

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



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

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

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

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



Rob Caldwell
AT AFNZIM
Director

Rob joined the Board in February 2024. His experience in the Electricity Distribution industry includes 18 years as Chief Executive of a successful business which spanned distribution, generation and contracting in the sector. This leadership experience coupled with an accounting background provides Network Waitaki with wide range of skills at Board level. In July 2024 Rob was appointed to the role of Chair of the Finance and Audit Committee.

Rob is also a Director of a business in the civil contracting sector and has experience as chair of a Risk and Assurance Committee in that sector along with in the local government sector.



Natalie Evans
B.Com C.A.PP
Director

Natalie has resided in the Waitaki region for the last 30 years. This company is therefore very close to her heart. Natalie joined the Board in 2023 and brings strong judgement garnered via a diverse background of experience in the fields of property, construction, asset management, facilities management, tourism and accommodation.

Natalie is a Chartered Accountant with a current practicing certificate. She is currently Executive Director of Anaro Group and Bella Vista Management Limited in addition to fulfilling Directorship roles in a number of property-owning companies and a retirement village.

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



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

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

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



Brett King
BAppMgt, Nat Dip Bus
(H&S), CMIInstD
Director

Brett joined the Board in October 2024 after a 25-year career in civil contracting across the Central South Island.

A seasoned governance professional with a robust background in strategic leadership and commercial management. Brett's career has been marked by a commitment to fostering sustainable growth and ensuring the highest standards of health and safety compliance. With a proven track record in asset management and community engagement, Brett has consistently delivered long-term value to shareholders and stakeholders alike.

Management Team



Dylan Andrews
Chief Executive Officer

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

Dylan has over 20 years of a range of executive roles in the energy sector. He has a strong affinity with community-owned distribution companies including a decade with Counties Power in Pukekohe leading areas of technology, strategy, and risk. He then moved to Electra in the Kapiti and Horowhenua region, where he held various executive roles with the most recent being Chief Operating Officer, before joining Network Waitaki.



Gina Cavanagh
GM People and Safety

Gina was appointed in March 2023 in the newly created role of People and Culture Manager and in 2024, her role evolved into General Manager People and Safety, reflecting the organisations focus on integrating safety and wellbeing to support a high performing workforce.

With a strong generalist human resources background across a range of industries, including prior experience with a Dunedin-based network and contracting company, Gina brings valuable strategic insight to the leadership team. In her role, she is committed to building a diverse and engaged workforce, fostering an inclusive culture, and promoting employee wellbeing, safety, and development in alignment with the organisation's values.

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



Geoff Jones
GM Contracting

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

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

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



Tricia Rands

Chief Financial Officer

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

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

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



Shane Watson

GM Network

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

Shane has held roles in the electrical distribution and transmission industry, with over 40 years' industry experience across consulting, asset management, engineering, procurement and delivery of major projects.

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

Governance Report

Roles and Responsibilities of the Board and Management

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

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

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

The Chief Executive has responsibility for the day-to-day management of Network Waitaki. He is supported in this function by the Network Waitaki management team. Details of the members of the management team are set out on pages 32-33 of this annual report and on our website (<https://www.networkwaitaki.co.nz/company/about-nwl/network-waitaki-management-team/>). The Board maintains the ultimate responsibility for strategy and control of Network Waitaki.

Board Membership

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

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

Director Independence

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

Board Committees

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

The members and chairs of each committee are:

Committee	Members
Finance and Audit Committee	Rob Caldwell (Chair)
	Chris Bailey
	Natalie Evans
Risk Committee	Jonathan Kay (Chair)
	Michael de Buyzer
	Brett King

External Auditor

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

Risk Management

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

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

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

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

Internal Audit

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

Ethical and Responsible Behaviour

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

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

Company Trend Statement

Financial Performance

\$000's	2025	2024	2023	2022	2021
Operating Revenue	35,521	34,256	33,038	29,294	29,237
Profit before Interest and Tax	8,178	5,486	6,094	6,509	8,409
Interest	(961)	(482)	(37)	(79)	22
Taxation	(2,105)	(1,590)	(1,710)	(1,816)	(2,181)
Net Surplus	5,112	3,414	4,346	4,614	6,249
Customer Discounts	989	997	1,000	991	1,482

Financial Position

\$000's	2025	2024	2023	2022	2021
Current Assets	9,976	10,363	13,396	11,940	14,947
Non-Current Assets	152,128	140,174	123,366	118,205	112,102
Total Assets	162,103	150,537	136,762	130,145	127,049
Less Liabilities	42,279	35,517	24,988	22,617	24,015
Net Assets	119,825	115,020	111,774	107,528	103,034
Share Capital	105,254	100,449	14,571	14,571	14,571
Retained Earnings and Reserves	119,825	115,020	97,203	92,957	88,463
Equity	115,020	115,020	111,774	107,528	103,034

Financial Ratios

	2025	2024	2023	2022	2021
NPBT to Shareholders Funds	6.0%	4.4%	5.4%	6.0%	8.2%
NPAT to Shareholders Funds	4.27%	2.97%	3.9%	4.3%	6.1%
Ratio of Shareholders' Funds to Total Assets	73.9%	76.4%	81.7%	82.6%	81.1%
NPBT Earnings Per Share in Cents	37	36	43	46	60
Net Assets Per Share	\$8.56	\$8.22	\$7.98	\$7.68	\$7.36

Network Performance

	2025	2024	2023	2022	2021
SAIDI (normalised)	127.1	110.6	117.6	166.9	146.7
SAIFI (normalised)	1.0	1.4	1.4	2.0	1.2

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of Network Waitaki Limited as at 31 March 2025 and its financial performance and cash flows for the year ended on that date.

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

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

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

The Directors have pleasure in presenting the financial statements of Network Waitaki Limited for the year ended 31 March 2025.

The Board of Directors of Network Waitaki Limited authorises these financial statements for issue on 26 May 2025.

For and on behalf of the Board of Directors.



Michael de Buyzer
Chairman of the Board



Rob Caldwell
Chairman of the Finance and Audit Committee

Financial Statements

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

Statement of Comprehensive Income

for the year ended 31 March 2025

\$NZD	Notes	2025	2024
Operating Revenue	1	35,520,637	34,255,546
Less Customer Discount		(989,160)	(996,971)
Operating Revenue after Customer Discount		34,531,477	33,258,575
Less Operating Expenses	2	(7,444,085)	(10,726,858)
Transmission Costs		(5,253,687)	(5,138,119)
Employee Costs		(6,039,552)	(5,793,200)
Depreciation, Amortisation and Impairment	3	(7,615,615)	(6,114,371)
Operating Profit		8,177,538	5,486,036
Finance Income		61,200	90,244
Finance Costs		(1,022,118)	(572,719)
Finance Cost Net		(960,918)	(482,475)
Profit Before Tax		7,216,620	5,003,561
Taxation	18	(2,104,879)	(1,589,527)
Net Profit for the Year		5,111,741	3,414,034
Fair Value Movement of Cashflow Hedges		(148,095)	(25,658)
Income Tax on Items Direct to Equity		41,467	7,184
Total Comprehensive Income		5,005,113	3,395,560

Statement of Changes in Equity

for the year ended 31 March 2025

\$NZD	Share Capital	Retained Earnings	Hedging Reserve	Total Equity
Balance at 1 April 2023	14,571,119	97,203,005	-	111,774,124
Profit for the year	-	3,414,034	-	3,414,034
Fair Value Movement of Cashflow Hedges	-	-	(25,658)	(25,658)
Income Tax on Items Direct to Equity	-	-	7,184	7,184
Total Comprehensive Income	-	3,414,034	(18,474)	3,395,560
Dividend Paid	-	(150,000)	-	(150,000)
Balance at 31 March 2024	14,571,119	100,467,039	(18,474)	115,019,684
Balance at 1 April 2024	14,571,119	100,467,039	(18,474)	115,019,684
Profit for the year	-	5,111,741	-	5,111,741
Fair Value Movement of Cashflow Hedges	-	-	(148,095)	(148,095)
Income Tax on Items Direct to Equity	-	-	41,467	41,467
Total Comprehensive Income	-	5,111,741	(106,628)	5,005,113
Dividend Paid	-	(200,000)	-	(200,000)
Balance at 31 March 2025	14,571,119	105,378,780	(125,102)	119,824,797

Financial Statements

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

Statement of Financial Position

as at 31 March 2025

\$NZD	Notes	2025	2024
Assets			
Current Assets			
Cash and Cash Equivalents	12	1,909,666	1,711,783
Trade and Other Receivables	5	3,951,523	4,474,403
Inventories	6	4,013,830	3,967,014
Work in Progress		-	210,033
Financial Derivatives	17	100,837	-
Total Current Assets		9,975,856	10,363,233
Non-Current Assets			
Property, Plant and Equipment	9	151,858,518	139,755,116
Right-of-use Assets	10	170,243	353,783
Intangible Assets	11	98,799	64,659
Total Non-Current Assets		152,127,560	140,173,558
Total Assets		162,103,416	150,536,791
Liabilities			
Current Liabilities			
Trade and Other Payables	7	4,590,166	6,196,109
Employee Entitlements	8	866,383	833,092
Lease Liabilities	10	189,564	190,473
Taxation Payable		213,845	280,365
Total Current Liabilities		5,859,958	7,500,040
Non-Current Liabilities			
Loans and Borrowings	13	17,650,000	10,150,000
Lease Liabilities	10	6,350	204,346
Financial Derivatives	17	274,590	25,658
Deferred Tax	18	18,487,721	17,637,063
Total Non-Current Liabilities		36,418,661	28,017,067
Total Liabilities		42,278,619	35,517,107
Equity			
Share Capital	14	14,571,119	14,571,119
Retained Earnings	15	105,378,780	100,467,039
Hedging Reserve	16	(125,102)	(18,474)
Total Shareholders' Equity		119,824,797	115,019,684
Total Liabilities and Shareholders' Equity		162,103,416	150,536,791

Financial Statements

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

Statement of Cash Flows

for the year ended 31 March 2025

\$NZD	Notes	2025	2024
Cash Flows from Operating Activities			
<i>Cash was Provided from:</i>			
Receipts from Customers		35,054,357	34,879,126
Interest Received		61,200	90,244
		35,115,557	34,969,370
<i>Cash was Applied to:</i>			
Payments to Suppliers and Employees		(20,139,995)	(19,951,433)
Income Tax Paid		(1,279,274)	(983,883)
Interest Paid		(1,022,118)	(572,719)
Net GST Paid		(7,764)	(472,065)
		(22,449,151)	(21,890,100)
Net Cash from Operating Activities	4	12,666,406	12,989,270
Cash Flows from Investing Activities			
<i>Cash was Applied to:</i>			
Purchase of Property, Plant and Equipment and Intangible Assets		(19,569,617)	(22,921,888)
Net Cash from Investing Activities		(19,569,617)	(22,921,888)
Cash Flows from Financing Activities			
<i>Cash was Provided from:</i>			
Proceeds from Borrowings		7,500,000	9,000,000
		7,500,000	9,000,000
<i>Cash was Applied to:</i>			
Dividends Paid		(200,000)	(150,000)
Finance Lease Principal Repayments		(198,906)	(190,473)
		(398,906)	(340,473)
Net Cash from Financing Activities		7,101,094	8,659,527
Net Increase/(Decrease) in Cash Held			
		197,883	(1,273,091)
Cash and Cash Equivalents at Beginning of the Year		1,711,783	2,984,874
Cash and Cash Equivalents at End of the Year		1,909,666	1,711,783

Notes to the Financial Statements

Reporting Entity

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

Date of Approval

These financial statements have been approved for issue by the Board of Directors on 26 May 2025. The directors' do not have the power to amend the financial statements after its issue.

Basis of Preparation

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

Network Waitaki Limited is:

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

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

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

Functional and Presentation Currency

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

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

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

GST

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

Measurement Base

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

Use of Accounting Estimates and Judgements

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

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

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

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

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

Further details and the accounting policies utilising these judgements are included in note 8-10 of these financial statements.

New and amended standards adopted by the company

FRS-44 New Zealand Additional Disclosures came into effect from 1 April 2024. This standard has impacted on the disclosure of fees for audit firms' services. This standard has impacted on the disclosure of disbursements paid to audit firms such as travel and accommodation which are now included as part of the total fees. See Note 2.

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

Performance

1. OPERATING REVENUE

Network Lines Revenue

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

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

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

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

Capital Contributions Revenue

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

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

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

Contracting Revenue

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

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

Metering Revenue

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

1. OPERATING REVENUE (CONT'D)

\$ NZD	2025	2024
<i>The company derives revenue in the following major classifications:</i>		
Revenue Recognised Over Time		
Network Lines Revenue	28,147,234	25,650,609
Private Network Revenue	238,292	231,323
	28,385,526	25,881,932
Revenue Recognised at a Point In Time		
Capital Contributions	2,084,324	2,312,278
Contracting	2,977,501	4,420,558
Fault Recoveries	272,276	219,107
	5,334,101	6,951,943
Other Revenue		
Metering	404,362	415,805
Bad Debts Recovered	859	-
Fibre Rent Received	500,618	477,444
EV Income	514,082	239,408
Property and Other Rent Received	1,084	14,258
Loss Rental Rebate	50,280	53,634
Other Income	329,725	221,122
	1,801,010	1,421,671
	35,520,637	34,255,546

Note:

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

2. OPERATING EXPENSES

\$ NZD	2025	2024
<i>Operating Expenses Comprise:</i>		
Operating Costs	4,538,870	7,515,409
Consumer Asset Costs	472,655	673,837
Directors' Fees	297,455	294,244
Insurance	930,463	900,328
Professional Fees	998,592	1,152,522
Audit Fees (Financial Statements) – PwC	110,815	117,195
Regulatory Audit Including Disbursements – PwC	71,675	58,873
Taxation Services – Other firms	15,802	7,823
Other Regulatory Audits – Other firms	8,758	6,617
	7,445,085	10,726,848

Note:

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

3. DEPRECIATION, AMORTISATION, AND IMPAIRMENT

\$ NZD	2025	2024
<i>Depreciation of PPE comprises:</i>		
Buildings	130,114	121,004
Core Reticulation Network	4,211,007	3,764,794
Private Reticulation Network	70,603	70,474
Plant and Equipment	1,311,487	1,094,206
Fibre Network	144,239	181,975
Total Depreciation of PPE	5,867,450	5,232,453
Loss on Disposal of Property, Plant and Equipment	1,502,086	520,695
Total Depreciation of PPE	7,369,536	5,753,148
<i>Depreciation of Right-to-use Assets comprises:</i>		
Network Reticulation System	173,581	173,264
Plant and Equipment	9,959	9,941
Total Depreciation of Right-to-use Assets	183,540	183,205
<i>Depreciation of Intangibles comprises:</i>		
Intangibles	62,539	178,018
Total Depreciation and Amortisation	7,615,615	6,114,371

4. RECONCILIATION OF NET PROFIT WITH CASHFLOW FROM OPERATING ACTIVITIES

\$ NZD	2025	2024
Net Profit for the Year	5,111,741	3,414,034
Add/(Less) Non-Cash Items:		
Depreciation and Amortisation	7,615,615	6,114,371
Deferred Taxation	872,342	387,655
	8,487,957	6,502,026
Add/(Less) Movements in Working Capital Items:		
(Increase) / Decrease in Trade and Other Receivables	522,880	1,620,551
(Increase) / Decrease in Inventories	(46,816)	124,356
(Increase) / Decrease in Work in Progress	210,033	15,245
Increase / (Decrease) in Tax Payable	(46,737)	224,135
Increase / (Decrease) in Trade and Other Payables	(1,605,943)	1,103,259
Increase / (Decrease) in Employee Entitlements	33,291	(14,336)
	(933,292)	3,073,210
Net Cash Flows from Operating Activities	12,666,406	12,989,270

Working Capital

5. TRADE RECEIVABLES

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

\$ NZD	2025	2024
Trade Receivables	816,999	1,403,490
Loss Allowance	(102,679)	(107,819)
Accruals	2,330,892	2,246,731
Total Receivables	3,045,212	3,542,402
Other Receivables	188,511	252,711
Prepayments	717,800	679,290
Balance at End of Year	3,951,523	4,474,403
Less Non-Current Trade Receivables	-	-
Current Trade and Other Receivables	3,951,523	4,474,403
Trade and Other Receivables less than 90 days old	3,900,299	4,255,101
Trade and Other Receivables greater than 90 days old	51,224	219,302
	3,951,523	4,474,403

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

6. INVENTORIES

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

\$ NZD	2025	2024
Stores Inventory	4,013,830	3,967,014

7. TRADE AND OTHER PAYABLES

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

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

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

\$ NZD	2025	2024
Trade Payables	3,204,285	3,401,192
Accruals	1,216,761	2,034,794
Contract Liability - Capital Contributions	230,045	813,284
GST	(60,925)	(53,161)
Balance at End of Year	4,590,166	6,196,109

All trade and other payables have a maturity within one year

Contract Liability – Capital Contributions

\$ NZD	2025	2024
Opening Balance	813,284	1,443,814
Amount of transaction price received for unsatisfied performance obligations	1,501,085	1,681,748
Revenue recognised from performance obligations satisfied	(2,084,324)	(2,312,278)
Closing Balance	230,045	813,284

8. EMPLOYEE ENTITLEMENTS

Wages, Salaries and Annual Leave

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

Sick and Special Leave

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

Long Service Leave

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

\$ NZD	2025	2024
Leave Entitlements	810,050	780,463
Other Entitlements	56,333	52,629
Total Employee Entitlements	866,383	833,092

Non-Current Assets

9. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

The following depreciation rates have been used:

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

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

Work in Progress

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

Impairment

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

Property, Plant & Equipment

\$NZD	Core Reticulation Network	Private Reticulation Network	Land & Buildings	Meters & Relays	Fibre Network	Plant & Equipment	Total
Gross Carrying Amount							
At 1 April 2023	154,368,917	2,704,412	4,378,317	2,595,397	2,604,400	11,520,714	178,436,522
Additions	15,245,178	-	14,735	-	-	1,273,929	16,533,842
Disposals	(1,012,249)	-	(267,930)	-	-	(177,907)	(1,458,086)
Transfers	239,397	-	(11,170)	-	-	(228,227)	-
At 31 March 2024	168,841,243	2,704,412	4,378,317	2,595,397	2,604,400	12,388,509	193,512,278
Additions	17,625,397	-	775,045	-	-	2,172,321	20,572,763
Disposals	(1,146,056)	-	-	-	-	(194,683)	(1,340,738)
Transfers	250,204	-	-	-	-	250,204	-
At 31 March 2025	185,070,381	2,704,412	5,153,362	2,595,397	2,604,400	14,616,352	212,744,304

Accumulated Depreciation and Impairment

At 1 April 2023	45,899,617	138,188	1,020,793	2,595,397	2,278,186	6,725,072	58,657,253
Charge for the Year	3,763,130	70,474	122,668	-	181,975	1,094,206	5,232,453
Disposals	(437,936)	-	(58,630)	-	-	(142,818)	(639,384)
Transfers	160,029	-	-	-	-	(160,029)	-
At 31 March 2024	49,384,840	208,662	1,084,831	2,595,397	2,460,161	7,516,431	63,250,322
Charge for the Year	4,211,077	70,603	130,114	-	144,239	1,311,487	5,867,450
Disposals	(553,051)	-	-	-	-	(187,560)	(740,611)
Transfers	(65,887)	-	616	-	-	65,271	-
At 31 March 2025	52,976,909	279,265	1,215,561	2,595,397	2,604,400	8,705,629	68,377,161

Net Book Values

At 31 March 2024	119,456,404	2,495,750	3,293,486	-	144,239	4,872,078	130,261,957
Work in Progress	7,572,955	-	536,308	-	-	1,388,896	9,493,159
	127,029,359	2,495,750	3,829,794	-	144,239	6,255,974	139,755,116
At 31 March 2024	132,093,472	2,425,147	3,937,801	-	-	5,910,723	144,367,143
Work in Progress	7,128,590	-	362,785	-	-	-	7,491,375
	127,029,359	2,425,147	4,300,586	-	-	5,910,723	151,858,518

10. LEASES

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

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

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

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

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

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

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

Leases

\$ NZD	2025	2024
Current	189,563	190,473
Non-current	6,350	204,346
Total Lease Liabilities	195,913	394,820

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

Right-Of-Use Assets

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

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

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

\$NZD	Reticulation Network	Plant and Equipment	Total
Gross Carrying Amount			
At 1 April 2023	1,199,957	39,835	1,239,792
New Leases	-	-	-
Variable Lease Adjustments	-	-	-
Terminated Leases	-	-	-
At 31 March 2024	1,199,957	39,835	1,239,792
Variable Lease Adjustments	-	-	-
Terminated Leases	-	-	-
At 31 March 2025	1,199,957	39,835	1,239,792

Accumulated Depreciation and Impairment

At 1 April 2023	698,685	4,119	702,804
Charge for the Year	173,264	9,941	183,205
Terminated Leases	-	-	-
At 31 March 2024	871,949	14,060	886,009
Charge for the Year	173,264	9,959	183,540
Terminated Leases	-	-	-
At 31 March 2025	1,045,530	24,019	1,069,549

\$NZD	Reticulation Network	Plant and Equipment	Total
Net Book Values			
At 31 March 2024	328,008	25,775	353,783
At 31 March 2025	154,427	15,816	170,243

Lease Income

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

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

11. INTANGIBLE ASSETS

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

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

Intangible assets are carried at cost less accumulated amortisation.

The following amortisation rates have been used:

Item	Amortisation Rate
Computer Software	15% to 40%

\$ NZD	Software	Consents	Total
Gross Carrying Amount			
At 1 April 2023	1,445,864	-	1,445,864
Additions	-	-	-
Disposals	-	-	-
At 31 March 2024	1,445,864	-	1,445,864
Additions	-	-	-
Disposals	-	-	-
At 31 March 2025	1,445,864	-	1,445,864
Accumulated Amortisation and Impairment			
At 1 April 2023	1,203,187	-	1,203,187
Charge for Year	178,018	-	178,018
Disposals	-	-	-
At 31 March 2024	1,381,205	-	1,381,205
Charge for Year	62,539	-	62,539
Disposals	-	-	-
At 31 March 2025	1,443,744	-	1,443,744

\$ NZD	Software	Consents	Total
Net Book Values			
At 31 March 2024	64,659	-	64,659
At 31 March 2024	2,120	-	2,120
Work in Progress	-	96,679	96,679
	2,120	96,679	98,799

Net debt and equity

12. CASH AND CASH EQUIVALENTS

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

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

\$ NZD	2025	2024
NZD bank account	1,909,666	1,636,377
USD bank account	-	75,406
Closing Balance	1,909,666	1,711,783

All bank accounts are interest bearing.

SHORT TERM DEPOSITS

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

FINANCIAL ASSETS

Classification

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

Amortised Cost

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

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

Recognition and Measurement

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

Impairment of Financial Assets

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

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

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

BORROWINGS

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

Borrowing Costs

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

13. LOAN AND BORROWINGS

\$ NZD	2025	2024
Loan from Waitaki Power Trust	1,150,000	1,150,000
Bank Loans	16,500,000	9,000,000
Total Loans and Borrowings	17,650,000	10,150,000

The Loan from Waitaki Power Trust is unsecured. The Bank Loans are secured by way of negative pledge over the asset of the company. The bank loan facility is due for renewal in April 2026. An extension of the facility to August 2028 has been agreed.

\$ NZD	Weighted Average Interest Rate		2025		2024	
	2025	2024	Face Value	Carrying Value	Face Value	Carrying Value
Longer than One Year						
Loan from Waitaki Power Trust	8.41%	8.41%	1,150,000	1,150,000	1,150,000	1,150,000
Bank Loans	5.37%	6.79%	16,500,000	16,500,000	9,000,000	9,000,000
Total Loans and Borrowings			17,650,000	17,650,000	10,150,000	10,150,000

14. SHARE CAPITAL

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

\$ NZD	2025	2024
Fully Paid-up Ordinary Shares	14,000,000	14,000,000
Non-Issued Shares and Shares Held by the Company	-	-
Total Number of Ordinary Shares Authorised	14,000,000	14,000,000

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

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

As at the date of authorisation for issue of these financial statements, no dividends have been proposed or declared that are not recognised as a distribution in the 2025 year (2024 Nil).

15. RETAINED EARNINGS

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

\$ NZD	2025	2024
Balance at Beginning of Year	100,467,039	97,203,005
Net Surplus for Year	5,111,741	3,414,034
Dividend Paid	(200,000)	(150,000)
Balance at End of Year	105,378,780	100,467,039

Capital Risk Management

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

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

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

16. HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred..

\$ NZD	2025	2024
Balance at Beginning of Year	(18,474)	-
Fair Value Movement of Cashflow Hedges	148,095	(25,658)
Income Tax on Items Direct to Equity	41,467	7,184
Balance at End of Year	(125,102)	(18,474)

17. FINANCIAL RISK MANAGEMENT

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

Foreign Exchange Risk

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

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

Interest rate risk

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

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

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

Credit Risk

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

Liquidity Risk

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

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

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

At 31 March 2024

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan from Waitaki Power Trust	96,715	96,715	290,145	1,633,575
Bank Loans	9,000,000	-	-	-
Trade and Other Payables	6,196,109	-	-	-
Total Non Derivative Liabilities	15,292,824	96,715	290,145	1,633,575
Interest Rate Swaps	316,400	316,400	630,328	-
	15,609,224	413,115	920,473	1,633,575

At 31 March 2025

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Loan from Waitaki Power Trust	96,715	96,715	290,145	1,633,575
Bank Loans	16,500,000	-	-	-
Trade and Other Payables	4,590,166	-	-	-
Total Non Derivative Liabilities	21,186,881	96,715	290,145	1,633,575
Interest Rate Swaps	565,085	565,085	1,094,657	-
	21,751,966	661,800	1,384,802	1,633,575

The contractual cashflows of the bank loans are based on the next loan maturity/rollover which is independent of the facility term. The Loan from Waitaki Power Trust is interest only, with no maturity date; however, the Waitaki Power Trust has given an undertaking to give a minimum of 12 months' notice of the requirement to make any repayment of the advance outstanding or part thereof. The over 5-year amounts allow for payments up to 10 years.

18. INCOME TAX

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

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

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

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

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

\$ NZD	2025	2024
<i>Tax Expenses For Period Made Up Of:</i>		
Current Taxation Expense	1,232,537	1,201,872
Deferred Taxation Expense	872,342	387,655
Tax Expense	2,104,879	1,589,527
Profit Before Income Tax	7,216,620	5,003,561
Prima Facie Taxation @28 cents	2,020,654	1,400,997
<i>Movement In Income Tax Due To:</i>		
Non-Deductible Expenses	8,127	(35,573)
Prior Period Adjustment	76,098	(16,456)
Change in Temporary differences:		
Effect on deferred tax of removal of depreciation on buildings	-	240,559
	84,225	180,530
Tax Expense	2,104,879	1,589,527
<i>Deferred Tax Movements:</i>		
Capital Contributions	(1,011)	27,041
Depreciation	742,486	900,948
Prior Period Adjustment	(38,687)	(173,297)
Other	189,337	(367,036)
	892,125	387,655
Current Taxation Expense	1,212,754	1,201,872

Deferred Tax Liability

\$ NZD	Depreciation	Other	Total
Opening Balance as at 1 April 2023	14,830,856	2,425,736	17,256,592
Change in the Year - Income	727,651	(339,996)	387,655
Change in the Year - Equity	-	(7,184)	(7,184)
Closing Balance as at 31 March 2024	15,558,507	2,078,556	17,637,063
Change in the Year - Income	742,486	149,639	892,125
Change in the Year - Equity	-	(41,467)	(41,467)
Closing Balance as at 31 March 2025	16,300,993	2,186,728	18,487,721

19. RELATED PARTY TRANSACTIONS'

\$ NZD	2025	2024
Payments From:		
Waitaki Power Trust to Network Waitaki Ltd		
Loan Outstanding at Balance Date	1,150,000	1,150,000
Network Waitaki Ltd to Waitaki Power Trust		
Interest	96,649	93,725
Outstanding Balance at Balance Date	-	-
Network Waitaki Limited to A.J. Wood Chartered Accountants Ltd		
A.J. Wood Chartered Accountants Ltd is related to Network Waitaki Ltd through its director, Tony Wood, who is a shareholder and director of A. J. Wood Chartered Accountants Ltd		
Director's Fees	11,468	44,828
Network Waitaki Ltd to Berry & Co		
Berry & Co is related to Network Waitaki Ltd through its director, Michael de Buyzer, who is partner of Berry & Co.		
Purchase of goods and services	28,861	15,064
Payable Balance at Balance Date	4,418	-
Network Waitaki Ltd to Lone Wolf Enterprises Ltd		
Lone Wolf Enterprises Ltd is related to Network Waitaki Ltd through its director, Jonathan Kay, who is a shareholder and director of Lone Wolf Enterprises Ltd.		
Director's Fees	47,243	44,828
Payable Balance at Balance Date	3,975	-
Network Waitaki Ltd to Original Performance Solutions Ltd		
Original Performance Solutions Ltd is related to Network Waitaki Ltd through its director, Chris Bailey, who is a shareholder and director of Original Performance Solutions Ltd.		
Directors Fees	47,243	44,828
Payable Balance at Balance Date	3,975	-
Network Waitaki Ltd to I.T.online Ltd (Ember Technology)		
Original Performance Solutions Ltd is related to Network Waitaki Ltd through its director, Chris Bailey, who is a Director of I.T.online Ltd (Ember Technology).		
Purchase of goods and services	-	3,500
Network Waitaki Ltd to Whitestone Contracting Ltd		
Whitestone Contracting Ltd is related to Network Waitaki Ltd through its director, Jonathan Kay, who is a director of Whitestone Contracting Ltd since 1 January 2022.		
Purchase of goods and services	750,372	1,430,544
Payable Balance at Balance Date	56,762	73,097
Sale of goods and services	19,719	-
Network Waitaki Ltd to SBK Ltd		
SBK Ltd is related to Network Waitaki Ltd through its director, Brett King, who is a shareholder and director of SBK Ltd.		
Directors Fees	21,574	-
Payable Balance at Balance Date	3,975	-
Network Waitaki Ltd to Key Management Personnel		
Payments to key management personnel are made in accordance with employment agreements.		
Employee Costs	1,155,434	1,169,135

20. COMMITMENTS

On 20 December 2021, Network Waitaki Limited entered into an agreement with the Waitaki District Council and the Waitaki Event Centre Trust for sponsorship and naming rights to the Waitaki Event Centre. The future aggregate payments are as follows:

\$ NZD	2025	2024
Within One Year	127,000	-
After one year but not more than 10 years	1,143,000	1,270,000
Total	1,270,000	1,270,000

Capital Commitments Contracted at Balance Date Was:

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

21. CONTINGENT LIABILITIES

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

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

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

22. SUBSEQUENT EVENTS

A review of events subsequent to 31 March 2025 through to the date the annual report was issued has been undertaken, and it has been determined that there were no such events requiring recognition or disclosure in the Annual Report.

Statement of Service Performance

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

Financial Performance Measures

Statement of Comprehensive Income for year ended 31 March 2025

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

Comment External contracting revenue was down reflecting difficult market conditions. Expenses excluding depreciation were held below budget allowing the company to achieve a better than forecast Net Profit result. This also reflects the high level of capital works deliver by the Contracting team for the Network. The reduced Interest Expense is the result of lower than forecast debt levels.

Balance Sheet as at 31 March 2025

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

Comment The company has maintained a strong working capital position while debt levels are less than forecast with reduced capital spend due to the timing of some larger projects.

Key Financial Reporting Measures

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

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

Non-Financial Reporting Measures

	Actual	SCI	Variance
Reliability			
SAIDI minutes (unplanned)	32.8	55.0	(22.2)
SAIDI minutes (planned)	94.3	105.0	(10.7)
SAIDI minutes total¹	127.1	160.0	(32.9)
SAIFI minutes (unplanned)	0.7	1.3	(0.6)
SAIFI minutes (planned)	0.3	0.5	(0.2)
SAIFI total²	1.0	1.8	(0.8)

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

2. SAIFI is the average number of supply interruptions per connection consumer in a year.

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

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

Health and Safety

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

Comment Throughout the year, we have seen a consistent decline in Lost Time Injury Frequency Rates (LTIFR) and other associated frequency rates. Our Total Recordable Injury Frequency Rate (TRIFR) is above the industry benchmark of 3.2 for Electricity Distribution Businesses of a similar size (100-200 FTE). There were four recordable incidents reported, including one cut finger requiring medical treatment, two injuries requiring return to work with light duties, and one strain injury resulting in time away from work. None of these were related to critical risks and no incidents resulted in serious harm. We remain committed to continuous improvement of our Health and Safety Management System (HSMS), supported by external field assessments and the ongoing achievement and maintenance of ISO 45001 Stage 2 certification. A second carbon footprint inventory has been completed to benchmark our environmental performance.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF NETWORK WAITAKI LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2025

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

Opinion

We have audited:

- the financial statements of the company on pages 36 to 55, that comprise the financial position as at 31 March 2025, the comprehensive income, changes in equity and cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information, as set out in the statement of service performance, of the company on pages 56 to 57.

In our opinion:

- the financial statements of the company:
 - o present fairly, in all material respects:
 - its financial position as at 31 March 2025; and
 - its financial performance and cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's achievements measured against the performance targets adopted for the year ended 31 March 2025.

Our audit was completed on 26 May 2025. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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



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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.



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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 35, and pages 61 to 64, but does not include the financial statements and the performance information, and our auditor's report thereon. The other information we obtained prior to the date of this auditor's report comprised the Directors' Responsibility Statement. The remaining other information is expected to be made available to us after that date.

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

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

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

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

Independence

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

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

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

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

Statutory Information

DIRECTORS' INTERESTS

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

Michael de Buyzer (Chairman)

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

2032 Trustee Ltd	Director and Shareholder
Banco Trustees Ltd	Director and Shareholder
BCO Trustees (2011) Ltd	Director and Shareholder
BCO Trustees (2012) Ltd	Director and Shareholder
BCO Trustees (2013) Ltd	Director and Shareholder
BCO Trustees (2014) Ltd	Director and Shareholder
BCO Trustees (2015) Ltd	Director and Shareholder
BCO Trustees (2016) Ltd	Shareholder
BCO Trustees (2017) Ltd	Director and Shareholder
BCO Trustees (2018) Ltd	Shareholder
BCO Trustees (2019) Ltd	Director and Shareholder
BCO Trustees (2020) Ltd	Director and Shareholder
BCO Trustees (2021) Ltd	Director and Shareholder
BCO Trustees (2022) Ltd	Director and Shareholder
BCO Trustees (2023) Ltd	Director and Shareholder
BCO Trustees (2024) Ltd	Director and Shareholder
BCO Trustees (Mertha) Ltd	Director and Shareholder
BCO Trustees (Robertson) Ltd	Director and Shareholder
BCO Trustees (Schofield) Ltd	Director and Shareholder
Berry & Co	Partner
Camp Street Properties Ltd	Director and Shareholder
Friendly Bay Ltd	Director and Shareholder
Mallinson Trustees Ltd	Director
McBride Street Queenstown Ltd	Director and Shareholder
McPhail Investments Ltd	Director
Observatory Village Charitable Trust	Trustee
S & M Walker Family Trustee Ltd	Director and Shareholder
Walker Investment Trustee Ltd	Director and Shareholder

Chris Bailey

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

Chrysalis Housing	Director and Shareholder
Chrysalis Trustee Services Ltd	Director and Shareholder
Ember Technology	Director
Greenhalo Ltd	Director and Shareholder
I.T.online Ltd	Director and Shareholder
Original Performance Solutions	Director and Shareholder
Queenstown Medical Centre Ltd	Director
Strava Ltd	Chair

Rob Caldwell

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

Grey District Council	Independent Chair, Risk and Assurance
Westroads Ltd	Deputy Chair and Chair Risk and Assurance

Natalie Evans

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

Anaro Group Ltd	Director and Shareholder
Anaro Investments Ltd	Director and Shareholder
Bella Vista Management Ltd	Director and Shareholder
Fitzherbert (PN) Ltd	Director
McMaster Properties Ltd	Director and Shareholder
NB Investments Ltd	Director and Shareholder
Observatory Village Charitable Trust	Trustee
Pembroke Investments Ltd	Director
Rei Investment Ltd	Director and Shareholder
Vogel Investments Ltd	Director and Shareholder
Wenlock Investments Ltd	Director

Jonathan Kay

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

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

Brett King

Brett joined the board in October 2024 and declares the following interests:

SBK Ltd	Director and Shareholder
Fulton Hogan	Shareholder

Use of Company Information

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

Dividends

No dividend is proposed for the year ended 31 March 2025 (2024 Nil).

Discount

A discount (excluding GST) of \$989,160 has been paid to Customers in the year (2024 \$996,971).

Donations

The company made donations (excluding GST) totaling \$155,335 in the year (2024 \$156,721).

Indemnification And Insurance of Officers And Directors

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

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

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

Remuneration Of Directors

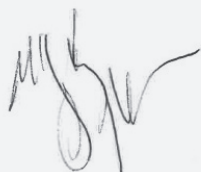
\$ NZD	Total Directors' fees paid
Michael de Buyzer (Chairperson)	79,262
Chris Bailey	47,243
Rob Caldwell	47,243
Natalie Evans	47,243
Jonathan Kay	47,243
Brett King (from Oct 24)	21,574
Tony Wood (to Jun 24)	11,468
Total	301,276

Employee Remuneration

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

Remuneration Range	2025	2024
\$100,000 - \$109,999	10	7
\$110,000 - \$119,999	4	6
\$120,000 - \$129,999	11	11
\$130,000 - \$139,999	4	6
\$140,000 - \$149,999	7	3
\$150,000 - \$159,999	2	3
\$160,000 - \$169,999	2	3
\$170,000 - \$179,999	3	2
\$200,000 - \$209,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	-
\$270,000 - \$279,999	-	1
\$330,000 - \$339,999	1	-

This annual report is dated 26 May 2025 and signed on behalf of the Board by:



Michael de Buyzer
Chairman of the Board



Rob Caldwell
Chairman of the Finance and Audit Committee

Directory

NETWORK WAITAKI LIMITED

DIRECTORS:

Michael de Buyzer (Chairperson)
Chris Bailey
Rob Caldwell
Natalie Evans
Jonathan Kay
Brett King (from Oct 24)
Tony Wood (to Jun 24)

CHIEF EXECUTIVE OFFICER:

Dylan Andrews

WAITAKI POWER TRUST

TRUSTEES:

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

SOLICITORS:

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

AUDITORS:

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

PRINCIPAL BANKERS:

ANZ, Dunedin
ASB, Christchurch

REGISTERED OFFICE

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At All Times



**Network
Waitaki** 

www.networkwaitaki.co.nz