
ELECTRA TRUST

ANNUAL REPORT

FOR THE YEAR ENDED

31 March 2026

Profile

Electra Trust (formerly known as "Horowhenua Energy Trust") owns 100% of the shares in Electra Limited on behalf of 47,479 beneficiaries as defined in its Trust Deed dated 30th April 1993, amended December 1998, amended July 2012, amended March 2015, amended May 2018 and amended July 2020.

Electra Limited operates as an electricity line owner and operator in the Kāpiti and Horowhenua region on the west coast of the lower North Island, New Zealand.

At 31 March 2026, the Group had total assets of \$331 million and shareholders' funds of \$183 million and employed 123 people.

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All values in this report are in thousands of New Zealand

"This year" means the year ended 31 March 2026

"Last year" means the year ended 31 March 2025

"Next year" means the year ending 31 March 2027

To the Beneficiaries of Electra Trust and Group

Opinion

We have audited the financial statements of Electra Trust (the 'Trust') and its subsidiaries (the 'Group'), which comprise the consolidated and separate statement of financial position as at 31 March 2026, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information ('the financial statements').

In our opinion, the accompanying financial statements, on pages 8 to 31, present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 March 2026, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

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

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Group or any of its subsidiaries, except that partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Other information

The trustees are responsible on behalf of the Trust and the Group for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

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

Our responsibility is to read the other information, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Trustees' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Deloitte Limited

Wellington, New Zealand
12 June 2026

Trustees' Report

The annual review of the Electra Trust presents an opportunity to reflect on the role of the Trust. It's 35 years since the decision was made that Electra, formerly the power board, would be owned by our community of 47,479 Kapiti and Horowhenua electricity consumers. They would be the beneficiaries of a share of profits and Electra would contribute to the community in many other ways. Each year, as Beneficiaries, shareholders in fact, they would be entitled to a discount dependent on the company's performance. Also they would benefit from having a lines company in the region that was immediately responsive to problems to do with weather emergencies, domestic lines faults, the all too regular Car versus Pole on the highways and undisciplined trees. Electra would also provide job opportunities locally. Beneficiaries would have the satisfaction of knowing the money made would stay in the region and not go to faceless off shore owners.

On their behalf a board of Trustees was to be elected from the community and the 6 elected were bound by a trust deed that set out their responsibilities.

The main concern of the Trustees is always to consider what is best for Beneficiaries. However the Trustees do not run the company. Instead their most important responsibility is to appoint the best Board of Directors possible. Your current Trust has been blessed with excellent advice in making these appointments and now have a group of skilled and experienced men and women who bring to us excellent qualifications in law, the energy sector, IT and wide governance experience. In the past couple of years they have set a new strategy that has exited non-core and non-performing investments; chosen a path for Electra that concentrates on core business and appointed an experienced and energetic CEO.

The Trust has the power to remove non performing Directors and takes independent advice as to their fair remuneration and contribution.

Trustees are regularly briefed by the Board and CEO as to what is happening in our region, the politics of the energy sector which is complex and increasingly concerning in terms of price and supply; and most importantly Electra's record in keeping the lights on and the whole network working efficiently. The challenges are obvious as the cost for equipment and skilled lines staff increase, too. For example, the wire that carries the electricity around the network has gone up by 30% in just 6 months and the cost of diesel has doubled. There is good news, Electra is involved in the O2NL expressway for the next 2-3 years and will benefit from the opportunities presented.

The discount payment has been reviewed and will increase, and consideration is being given to paying it twice a year.

However Trustees do not run the Company from day to day. Our role is to 'advise and consent'. Each year we send a 'letter of expectation' to the Board and the things we think are important for Beneficiaries are discussed and then form part of the Company's Statement of Corporate Intent, the successful performance (or otherwise) is then reported on through the Company's annual report for all the world to see!

Electra has many priorities: health and safety is most important, lines work can be dangerous and deadly. There is now much more effective, targeted and relevant communication, in all media, with the community. When work has to be done feedback from residents has been invariably positive. In 2027 the Trust conducts a 7-yearly ownership review that gives Beneficiaries the chance to consider the future of Electra. I believe our current model serves us well on many levels as the Company goes from strength to strength.

Sharon Crosbie
CNZM OBE Chair
Electra Trust

Trustees' Statutory Report

The Trustees are pleased to present their report and financial statements of Electra Trust and Group for the year ended 31 March 2026.

Principal activities

The Group's principal activities relate to electricity distribution services.

Group results and distributions

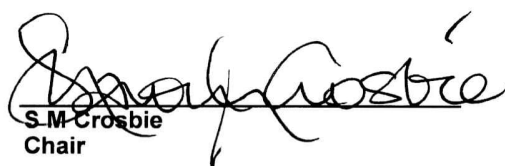
	2026	2025
	\$000	\$000
Continuing operations		
Operating revenue	68,770	57,782
Other expenses	(59,990)	(56,704)
(Loss)/Profit before tax	8,780	1,078
Income tax (expense)/benefit	(2,436)	(537)
Net (loss)/profit after tax for the year from continuing operations	6,344	541
Discontinued operations		
Profit/(loss) for the year from discontinued operations	-	(11,737)
(Loss)/profit for the year after tax	6,344	(11,196)
Other movements through retained earnings	(2,474)	157
Retained earnings brought forward	58,753	69,897
Retained earnings carried forward	62,623	58,753

Trustees' interests

Trustees have no direct interest in equity securities issued by the Company. Trustees may be beneficiaries of Electra Trust, which holds the shares in the Company for end-customers of the day.

Auditor

Deloitte Limited was appointed as Auditor.
For and on behalf of the Trust


S.M. Crosbie
Chair

12 June 2026


J.L. Yeoman
Trustee

12 June 2026

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	Group* 2026 \$000	2025 \$000	Parent 2026 \$000	2025 \$000
Continuing Operations					
Revenue					
Revenue	1	68,357	56,976	-	-
Interest income		21	411	3	5
Dividends from Electra Limited		-	-	250	330
Other Income		392	395	-	-
Total operating revenue and income		68,770	57,782	253	335
Expenses					
Interest expense		(2,893)	(2,912)	-	-
Other expenses	2	(57,097)	(53,792)	(240)	(311)
Total operating expenses		(59,990)	(56,704)	(240)	(311)
Profit/(Loss) before tax from continuing operations		8,780	1,078	13	24
Income tax expense	3	(2,436)	(537)	-	-
Profit/(Loss) for the year from continuing operations		6,344	541	13	24
Discontinued operations					
Profit/(Loss) for the year from discontinued operations		-	(11,737)	-	-
Profit/(Loss) for the year		6,344	(11,196)	13	24
Other comprehensive income					
Gain/(loss) on foreign exchange cash flow hedges	14	115	-	-	-
(Loss)/profit on disposal of previously revalued assets		-	(576)	-	-
Income tax benefit/(expense) relating to components of other comprehensive income	3	96	176	-	-
Other comprehensive profit/(loss) for the year net of tax		211	(400)	-	-
Total comprehensive profit/(loss) for the year net of tax		6,555	(11,596)	13	24

The notes on pages 12 to 31 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026**

	Note	Issued Capital	Asset Revaluation Reserve	Cash flow hedge Reserve	Retained Earnings	Attributable to beneficiaries	Total
		\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2024		18,000	100,551	-	69,897	188,448	188,448
(Loss)/profit for the year		-	-	-	(11,196)	(11,196)	(11,196)
(Loss)/profit on disposal of previously revalued assets		-	(576)	-	-	(576)	(576)
Income tax benefit/(expense) relating to revalued assets	3	-	176	-	-	176	176
Total comprehensive (loss)/profit for the year		-	(400)	-	(11,196)	(11,596)	(11,596)
Transfer to retained earnings from asset revaluation reserve		-	(52)	-	52	-	-
Balance at 31 March 2025		18,000	100,099	-	58,753	176,852	176,852
Balance at 1 April 2025		18,000	100,099	-	58,753	176,852	176,852
Profit/(loss) for the year		-	-	-	6,344	6,344	6,344
Gain/(loss) on foreign exchange cash flow hedges	14	-	-	115	-	115	115
Income tax benefit/(expense) relating to revalued assets	3	-	128	(32)	-	96	96
Total comprehensive profit/(loss) for the year		18,000	100,227	83	65,097	183,407	183,407
Transfer from retained earnings to asset revaluation reserve		-	2,474	-	(2,474)	-	-
Balance at 31 March 2026		18,000	102,701	83	62,623	183,407	183,407
PARENT							
		Issued Capital	Asset Revaluation Reserve	Cash flow hedge Reserve	Retained Earnings	Attributable to owners	Total
		\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2024	9	18,000	-	-	11	18,011	18,011
Profit and total comprehensive income		-	-	-	24	24	24
Balance at 31 March 2025		18,000	-	-	35	18,035	18,035
Balance at 1 April 2025	9	18,000	-	-	35	18,035	18,035
Profit and total comprehensive income		-	-	-	13	13	13
Balance at 31 March 2026		18,000	-	-	48	18,048	18,048

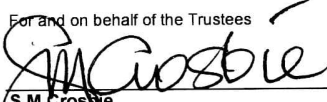
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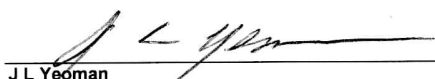
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	Group		Parent	
		2026	2025	2026	2025
		\$000	\$000	\$000	\$000
ASSETS					
Non-current assets					
Property, plant and equipment	4	311,873	301,553	-	-
Investment in Electra Limited	15	-	-	18,000	18,000
Goodwill and intangible assets	5	1,281	1,777	-	-
Right of use assets	11	2,759	4,088	-	-
Derivative financial instruments	14	31	-	-	-
Total non-current assets		315,944	307,418	18,000	18,000
Current assets					
Cash and cash equivalents		5,827	4,336	65	45
Receivables and prepayments	6	8,897	6,965	2	7
Inventories and work in progress	7	339	444	-	-
Derivative financial instruments	14	84	-	-	-
Total current assets		15,147	11,745	67	52
Total assets		331,091	319,163	18,067	18,051
LIABILITIES					
Non-current liabilities					
Debt finance	14	82,097	64,000	-	-
Lease liability	11	2,620	3,861	-	-
Deferred tax liability	3	49,314	49,782	-	-
Total non-current liabilities		134,031	117,643	-	-
Current liabilities					
Trade and other payables	8	10,558	8,407	19	17
Debt finance	14	116	15,126	-	-
Income tax payable		2,375	422	-	-
Lease liability	11	604	713	-	-
Total current liabilities		13,653	24,668	19	17
Total liabilities		147,684	142,311	19	17
Net assets		183,407	176,852	18,048	18,034
EQUITY					
Trust capital	9	18,000	18,000	18,000	18,000
Reserves		102,784	100,099	-	-
Retained earnings		62,623	58,753	48	35
Total equity		183,407	176,852	18,048	18,058

The Trustees of Electra Trust authorised these financial statements for issue on .

For and on behalf of the Trustees


S M Crosbie
 Chair


J L Yeoman
 Trustee

The notes on pages 12 to 31 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Note	Group 2026 \$000	2025 \$000	Parent 2026 \$000	2025 \$000
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		72,404	53,986	-	-
Sales of refundable occupation right agreements		-	6,713	-	-
Dividends received		-	-	250	330
Other interest received		20	435	2	6
		72,424	61,134	252	336
Cash was applied to:					
Payments to suppliers and employees		(42,914)	(39,931)	(232)	(345)
Repayments of occupation right agreements		-	(2,264)	-	-
Interest paid		(2,806)	(2,864)	-	-
Tax paid		(846)	(89)	-	-
		(46,566)	(45,149)	(232)	(345)
Net cash flows from/(to) operating activities	13	25,858	15,986	20	(9)
Cash flows from investing activities					
Cash was provided from:					
Sale of property, plant and equipment and intangible assets		-	7,101	-	-
		-	7,101	-	-
Cash was applied to:					
Purchase of property, plant and equipment and intangible assets		(26,465)	(26,484)	-	-
Additions to investment property		-	(1,707)	-	-
Capitalised interest on construction of property, plant and equipment	4	(192)	(122)	-	-
		(26,657)	(28,313)	-	-
Net cash flows to investing activities		(26,657)	(21,212)	-	-
Cash flows from financing activities					
Cash was provided from:					
Loans raised		18,000	7,521	-	-
		18,000	7,521	-	-
Cash was applied to:					
Repayment of loans		(15,000)	(6,746)	-	-
Principal reduction in lease liability		(710)	(851)	-	-
		(15,710)	(7,597)	-	-
Net cash flows from/(to) financing activities		2,290	(76)	-	-
Net increase / (decrease) in cash and cash equivalents held		1,491	(5,302)	20	(9)
Add opening cash and cash equivalents brought forward		4,336	9,638	45	54
Ending cash and cash equivalents carried forward		5,827	4,336	65	45

The notes on pages 12 to 31 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Reporting Entity

The financial statements of the Parent, Electra Trust, formerly the Horowhenua Energy Trust (the 'Trust' or 'Parent'), are for a trust established in the terms of a Trust Deed dated 30th April 1993, amended December 1998, amended July 2012, amended March 2015, amended May 2018 and amended July 2020. The Trust is a for-profit entity.

The 'Group' for financial reporting purposes comprises of the Parent, Electra Limited (Electra) and its subsidiaries. The ultimate parent of the Group is the Electra Trust.

Basis of preparation

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements comply with New Zealand equivalents to IFRS Accounting Standards (NZ IFRS) and IFRS Accounting Standards (IFRS). These financial statements have been prepared in accordance with the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992.

Basis of measurement

The financial statements have been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Separate accounting policies are outlined below and in the notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared in New Zealand dollars (NZD), which is the Group's functional and presentation currency, rounded to the nearest thousand.

Critical accounting estimates and judgements

In applying the accounting policies, the Group is required to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. They have been based on historical experience and other factors, as appropriate to the circumstances, and are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively in the year in which the estimate is revised.

The table below lists the key areas of judgements and estimates in preparing these financial statements:

Area of estimate or judgement

Estimation of electricity distribution revenue
Revaluation and impairment review
Determination of lease terms

Note

Note 1 Revenue
Note 4 Property, plant and equipment
Note 11 Leases

Estimates are designated by this symbol in the notes to the financial statements:



Material accounting policy information

The material accounting policy information which is pervasive throughout the financial statements is set out below. Other material accounting policy information that is specific to certain transactions or balances are set out within the particular note to which they relate and are designated by the following symbol:



New accounting standards, amendments and interpretations adopted during the year

Amendments to NZ IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

These amendments clarify how an entity determines whether a currency is exchangeable and how to estimate the spot exchange rate when exchangeability is lacking, and introduce additional disclosure requirements. The amendments are effective for annual periods beginning on or after 1 January 2025. The Group has assessed that these amendments have no impact on the financial statements.

Standards issued but not yet effective

The following new standards and amendments to standards have been issued but are not yet effective for the year ended 31 March 2026 and have not been early adopted by the Group:

NZ IFRS 18 Presentation and Disclosure in Financial Statements

NZ IFRS 18 will replace NZ IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation of financial performance in the statement of profit or loss, including defined categories and subtotals, and enhanced disclosures for management-defined performance measures. The standard is effective for annual periods beginning on or after 1 January 2027. This will be adopted for the first time in the financial statements for the year ending 31 March 2028 and requires restatement of the comparative figures presented in those financial statements. The Group expects that this standard will result in changes to the presentation of its financial statements and additional disclosures, but will not have a material impact on the recognition or measurement of amounts reported.

Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7 Financial Instruments: Disclosures

These amendments clarify the classification of financial assets with certain contractual cash flow characteristics and introduce additional disclosure requirements. The amendments are effective for annual periods beginning on or after 1 January 2026. The Group has assessed the amendments to NZ IFRS 9 and NZ IFRS 7 and determined that its financial assets and liabilities comprise primarily of trade receivables and payables, cash, borrowings, and foreign currency rate derivatives. These instruments are considered to have standard contractual cash flow characteristics and continue to meet the requirements for measurement at amortised cost or fair value as appropriate. Accordingly, the amendments are not expected to have a material impact on the Group's financial statements, although additional disclosures may be required.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries) made up to 31 March each year. Control is achieved when the Trust:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Comparatives may have deviated due to changes in classification. No material changes in classification occurred.

Changes in material accounting policy information

There were no changes to the material accounting policy information for this financial year.

Goods and services tax (GST)

Revenues, expenses, cash flows, liabilities and assets are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expenses.

Foreign currency transactions

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Investment in subsidiary

Under NZ IAS 27: Separate Financial Statements, the Trust has elected to value the investment in Electra Limited at cost. This investment is eliminated on consolidation.

1 Revenue

P Revenue comprises the fair value for the sale of goods and services, excluding GST.

Specific accounting policies are as follows:

Distribution and recoverable costs revenue

Recognised at the fair value of services provided, these revenue streams relate to the provision of distribution services for electricity. Prices are regulated, and customers are charged through a mix of fixed charges which are recognised on a straight-line basis, and variable charges which are recognised based on the volume of distribution services provided. This revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption. Recoverable costs relate to transmission charges paid to Transpower and embedded generators providing transmission services to the Group.

E The Company invoices its customers (predominantly electricity retailers) monthly for electricity distribution services on an estimation of usage based on certain metering data from electricity retailers. As final wash-up metering data is not available for periods in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

Price discount

In February each year the Group credits the customers of the network an annual discount. This discount is based on the number of connected days and the volume of distribution services consumed over the previous 12 months at the ICP. Discounts are considered variable consideration, and therefore the amount of revenue recognised is reduced for an accrual for the expected discount to be applied based on the number of connected ICPs and usage (kWh).

Contracting revenue

The Group provides network contracting services to third parties. Such contracts are entered into before work commences. Revenue from contracting is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under NZ IFRS 15.

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Customer contributions

Customer contribution income comprises revenue from assets acquired from customers where the consideration paid is below the fair value of those assets. The revenue recognised is the difference in the fair value and the consideration paid. Customer contributions are recognised as revenue at the point in time of living of the asset on the network.

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Distribution revenue	51,816	43,086	-	-
Price discount paid	(4,555)	(4,700)	-	-
Price discount accrued	(1,078)	(805)	-	-
Pass through and recoverable cost revenue	12,417	10,520	-	-
Customer contributions	4,447	4,090	-	-
Contracting revenue	4,857	4,453	-	-
Other Revenue	453	332	-	-
	68,357	56,976	-	-

4 Property, plant and equipment



The electricity distribution network is recorded at fair value. Fair value is determined based on a periodic independent valuation prepared by external valuers, using an income (present value) approach. The fair value of the electricity distribution network is reviewed at least at the end of each reporting period to ensure that the carrying value is not materially different from the fair value. Consideration is also given as to whether the assets are impaired.

All other land and buildings, property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. The cost includes expenditure that is directly attributable to the acquisition of the item. The cost of assets constructed by the Group consists of the cost of materials, direct labour and an allowance for overheads.

Any revaluation increase arising on the revaluation of land and buildings or the electricity distribution network is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Statement of Comprehensive Income to the extent of the decrease previously charged. A reduction in carrying amount arising on the revaluation of land and buildings and the electricity distribution network is charged as an expense in the Consolidated Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation is provided on plant, property and equipment, including freehold buildings but excluding land.

Depreciation on revalued buildings and the electricity distribution system is charged to the consolidated Statement of Comprehensive Income. The attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings on the subsequent sale or retirement of a revalued asset.

During the year the Group reassessed the expected useful lives of certain items within property, plant and equipment. As a result the depreciation expense increased by \$0.9m

Depreciation is calculated for buildings and electricity distribution assets to write off each asset's cost over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated to expense the assets' cost over their useful lives.

The following rates are used in the calculation of depreciation:

Category	Rate of depreciation
Distribution plant and equipment	1% - 50% straight line or 10% - 25% diminishing value
Other buildings at cost	2% - 36% straight line
Other plant and equipment	7.8% - 50% straight line or 10% - 39.6% diminishing value
Motor vehicles	10% - 33.3% diminishing value

Group	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Other capital work in progress at cost	Total
Cost or valuation	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 April 2024	279,427	2,648	7,058	7,157	8,198	304,489
Additions	2,635	8,861	706	294	18,750	31,246
Disposals	(1,432)	(290)	(887)	(833)	(2,869)	(6,311)
Transfer to/(from) capital work in progress	15,841	-	-	-	(15,841)	-
Transfers between classifications	-	-	-	-	(53)	(53)
Balance as at 31 March 2025	296,471	11,219	6,877	6,618	8,185	329,370
Balance as at 1 April 2025	296,471	11,219	6,877	6,618	8,185	329,370
Additions	4,234	252	804	1,431	20,434	27,155
Disposals	(502)	-	(5)	(602)	(329)	(1,438)
Transfer to/(from) capital work in progress	16,493	492	107	-	(17,092)	-
Balance as at 31 March 2026	316,696	11,963	7,783	7,447	11,198	355,087

	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Other capital work in progress at cost	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Accumulated depreciation						
Balance as at 1 April 2024	(4,367)	(847)	(5,233)	(4,073)	(2,833)	(17,353)
Depreciation charge	(13,595)	(115)	(616)	(332)	-	(14,658)
Write back on disposals	52	40	661	608	2,833	4,194
Balance as at 31 March 2025	(17,910)	(922)	(5,188)	(3,797)	-	(27,817)
Balance as at 1 April 2025	(17,910)	(922)	(5,188)	(3,797)	-	(27,817)
Depreciation charge	(14,668)	(193)	(652)	(372)	-	(15,885)
Write back on disposals	-	-	2	486	-	488
Balance as at 31 March 2026	(32,578)	(1,115)	(5,838)	(3,683)	-	(43,214)

Carrying amounts

Balance as at 31 March 2025	278,561	10,297	1,689	2,821	8,185	301,553
Balance as at 31 March 2026	284,118	10,848	1,945	3,764	11,198	311,873

Parent

	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Other capital work in progress at cost	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost						
Balance as at 1 April 2024	-	8	-	-	-	8
Balance as at 31 March 2025	-	8	-	-	-	8
Balance as at 1 April 2025	-	8	-	-	-	8
Additions	-	1	-	-	-	1
Balance as at 31 March 2026	-	9	-	-	-	9

Accumulated depreciation

Balance as at 1 April 2024	-	(7)	-	-	-	(7)
Depreciation charge	-	(1)	-	-	-	(1)
Balance as at 31 March 2025	-	(8)	-	-	-	(8)
Balance as at 1 April 2025	-	(8)	-	-	-	(8)
Depreciation charge	-	(1)	-	-	-	(1)
Balance as at 31 March 2026	-	(9)	-	-	-	(9)

Carrying amounts

Balance as at 31 March 2025	-	-	-	-	-	-
Balance as at 31 March 2026	-	-	-	-	-	-

E

Revaluation and Impairment Review

In carrying out the revaluation of the network distribution assets judgement was required to make assumptions and estimates used in the valuation model.

The Group's distribution assets (excluding land and buildings) and the electricity distribution network underwent a fair value assessment in the year ended 31 March 2024 by PwC, an independent third party valuer. The valuation carried out was consistent with NZ IFRS 13: Fair Value Measurement, and, in the absence of specific market evidence of relevance to the Group's network assets, the valuation was undertaken by way of an income approach to establish fair value.

As at 31 March 2026, the Group determined whether there were any indicators that there had been any material movement in the fair value of the Group's distribution assets from their carrying values at balance date. It was determined that there had been no material movement and the current value of the assets materially reflects their fair value. Accordingly, no revaluation adjustments have been made in the current year.

The key assumptions in the 2026 review are the weighted-average cost of capital (WACC) discount rate of 6.30% (2024: 6.67%), Distribution Revenue of \$675.3m (2024: \$614.2m), and total Capital Expenditure (CAPEX) of \$219.4m (2024: \$230.7m) over the valuation period, which are key inputs in determining the network valuation. The impacts of a change in the key assumptions in the March 2026 valuation review are disclosed below.

Assumption	Movement		Adjusted network valuation		Impact	
	2026	2024	2026	2024	2026	2024
Discount rate (WACC)	-0.50%	-0.50%	\$298.1m	\$277.7m	+\$13.5m	+\$12.2m
	+0.50%	+0.50%	\$271.6m	\$253.9m	-\$12.9m	-\$11.6m
Distribution revenue	-5.00%	-5.00%	\$266.9m	\$249.9m	-\$17.6m	-\$15.6m
	+5.00%	+5.00%	\$302.2m	\$281.2m	+\$17.6m	+\$15.7m
CAPEX	-5.00%	-5.00%	\$282.5m	\$266.9m	+\$2.0m	+\$1.4m
	+5.00%	+5.00%	\$286.6m	\$264.2m	-\$2.0m	-\$1.3m

All other Group property, plant and equipment is recorded at cost less accumulated depreciation.

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any items of other property, plant and equipment might be impaired. No indicators of impairment have been identified and no impairment has been recognised in the current year (2025: no revaluation or impairment).

Borrowing costs

P

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

	Group		Parent	
	2026 \$000	2025 \$000	2026 \$000	2025 \$000
Capitalised borrowing costs	192	122	-	-
Average interest rate	3.3%	3.2%	0.0%	0.0%

5 Goodwill and intangible assets

Software

P

Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and is amortised over its expected economic useful life on a diminishing value basis. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

Software-as-a-Service (SaaS) arrangements

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

Easements

Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

Group	Software \$000	Goodwill \$000	Easements \$000	Customer lists \$000	Total \$000
Cost					
Balance as at 1 April 2024	4,631	11,806	250	-	16,687
Additions	-	-	-	53	53
Disposals	(927)	(11,806)	-	-	(12,733)
Balance as at 31 March 2025	3,704	-	250	53	4,007
Balance as at 1 April 2025	3,704	-	250	53	4,007
Balance as at 31 March 2026	3,704	-	250	53	4,007

	Software \$000	Goodwill \$000	Easements \$000	Customer lists \$000	Total \$000
Accumulated amortisation					
Balance as at 1 April 2024	(2,873)	(11,806)	(205)	-	(14,884)
Amortisation expenses	(27)	-	-	-	(27)
Disposals	875	11,806	-	-	12,681
Balance as at 31 March 2025	(2,025)	-	(205)	-	(2,230)
Balance as at 1 April 2025	(2,025)	-	(205)	-	(2,230)
Amortisation expenses	(496)	-	-	-	(496)
Balance as at 31 March 2026	(2,521)	-	(205)	-	(2,726)
Carrying amounts					
As at 31 March 2025	1,679	-	45	53	1,777
As at 31 March 2026	1,183	-	45	53	1,281

Parent - nil (2025: nil)

During the year the Group reassessed the expected useful lives of certain items within intangible assets. As a result the amortisation expense increased by \$0.5m.

Impairment

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any intangible assets might be impaired. No indicators of impairment have been identified and no impairment has been recognised in the current year.

6 Receivables and prepayments

Receivables

Trade receivables are initially measured at fair value and then subsequently recognised at amortised cost less impairment using the effective interest method less any lifetime credit losses. All known bad debts are written off during the financial year.

The expected credit loss allowance reflects the non-performance of the counterparties to trade and other receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan. The historical loss experience is adjusted based on the current observable data and events and discounted future cash flow projections.

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Trade receivables	7,456	5,485	-	-
Other receivables and accruals	1,060	1,208	1	2
Prepayments	786	629	1	5
	9,302	7,322	2	7
Less allowance for credit losses	(405)	(357)	-	-
	8,897	6,965	2	7

7 Inventories and work in progress

Inventories are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average purchase price. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Inventory - Finished goods	244	207	-	-
Inventory - Work in progress	95	237	-	-
	339	444	-	-

8 Trade and other payables

Trade payables



Trade payables and other accounts payable are recognised at fair value when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are subsequently recognised at amortised cost.

Liabilities in respect of employee entitlements



Employee entitlements expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Liabilities made in relation to employee entitlements, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to the reporting date. In relation to retirement gratuities, the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Liabilities include employee entitlements in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Trade payables	4,287	3,399	19	17
Other payables	3,083	2,402	-	-
Accruals	1,830	1,239	-	-
Liabilities in respect of employee entitlements	1,358	1,367	-	-
	10,558	8,407	19	17

9 Issued capital

The Trust capital was settled on the formation of the Parent and is subject to the terms of the Trust Deed. No changes to the amount of Trust capital or Trust Deed have been made during the year (2025: nil).

10 Commitments

Capital commitments

At balance date, there were \$2.65m commitments contracted for and approved by the Group (2025: \$3.17m)

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Distribution network	2,650	3,174	-	-
	2,650	3,174	-	-

All capital commitment expenditure will be incurred when the work is completed (estimated to be over the next 12 months).

11 Leases

Operating leases

P Lease liabilities are measured at the present value of their remaining lease payments, discounted at the rate implicit in the lease. Where this rate is not readily available the payments are discounted at the Group's incremental borrowing rate. The weighted average rate applied is 9.61% across all leases. Right of use assets are initially recognised at the amount of the lease liability. The assets are subsequently depreciated using the straight-line method over the lease term.

The Group accounts for both short term and low value leases by applying paragraph 6 of NZ IFRS 16, which requires the cost to be spread over the lease term on a systematic basis.

E In determining the lease term, the Group applies judgement in deciding whether it is reasonably certain that an extension or termination option will be exercised.

Group	Land buildings and improvement	Vehicles	Other plant and equipment	Total
	\$000	\$000	\$000	\$000
Right of use assets				
Opening net book value	2,452	1,581	128	4,161
Additions/Remeasurements	232	694	6	932
Disposals	(108)	-	(58)	(166)
Depreciation for the period	(264)	(523)	(52)	(839)
Carrying amount 31 March 2025	2,312	1,752	24	4,088
Additions/Remeasurements	-	38	-	38
Disposals	(576)	-	-	(576)
Depreciation for the period	(186)	(595)	(10)	(791)
Balance as at 31 March	1,550	1,195	14	2,759
Cost	2,638	3,058	95	5,791
Accumulated Depreciation	(1,088)	(1,863)	(81)	(3,032)
Balance as at 31 March	1,550	1,195	14	2,759

	Minimum lease payments	Interest	Present value
	\$000	\$000	\$000
Lease liability maturity analysis			
Within 1 year	870	266	604
0 - 5 years	2,191	553	1,638
Beyond 5 years	1,137	155	982
Total	4,198	974	3,224
Current Portion			604
Non-current Portion			2,620
Total			3,224

	2026	2025
	\$000	\$000
Lease expense included in profit and loss		
Short term leases (less than 12 months)	88	352
Interest on leases included in interest expense	378	423
Total cash outflow in relation to leases	1,088	1,274

Parent - nil (2025: nil)

The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of the Group.

12 Contingent liabilities

The Group undertakes contracting works in the ordinary course of business, some of which may be subject to customer disputes. There is no indication that any liability with regard to disputes will crystallise in the foreseeable future.

13 Statement of cash flows

P

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks (including bank overdrafts), demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts (if any at year end) are shown within debt finance in current liabilities in the Consolidated Statement of Financial Position.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

	Group		Parent	
	2026	2025	2026	2025
	\$000	\$000	\$000	\$000
Reported profit / (loss) after tax	6,344	(11,196)	13	24
Adjustments for non- cash items:				
Depreciation and amortisation	17,172	15,511	1	1
Bad debts written off and bad debts provision	101	107	-	-
Gain on disposal of Financial Liabilities	-	(1,872)	-	-
Change in fair value of investment property	-	(1,736)	-	-
Impairment of property, plant and equipment and intangible assets	-	(2,208)	-	-
Non-cash revenue from assets transferred to the Group	-	(4,090)	-	-
Stock obsolescence	-	(189)	-	-
Net loss on disposal of operations	-	15,812	-	-
Fixed Assets write-off	520	717	-	-
Occupation Right Agreements and deferred management fee liabilities write-off	-	94,311	-	-
Interest - others	(193)	2,028	(1)	-
Tax (benefit)/expense recognised in profit or loss (including from discontinued operations)	2,436	(757)	-	-
Movements in working capital:				
Increase/(decrease) in accounts payable and other provisions	2,151	(543)	2	(33)
(Decrease)/increase in occupation right agreements and deferred management fee liabilities	-	(89,569)	-	-
(Increase)/decrease in trade receivables	(1,932)	(748)	5	(1)
Decrease/(increase) in finance receivables	-	289	-	-
Decrease/(increase) in inventory and work in progress	105	208	-	-
Income taxes paid	(846)	(89)	-	-
Net cash inflow from operating activities	25,858	15,986	20	(9)

14 Financial risk management



Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the Consolidated Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing a loss.

Financial assets, which potentially subject the Group to credit risk principally consist of bank balances, accounts receivable, finance receivables, other receivables and which the Group consider is covered within general liquidity management. The Group has considered the credit quality of all its borrowers in relation to finance receivables outstanding at balance date. Management has assessed that the future financial prospects and associated security over its lending is adequate and therefore any credit losses are not expected to be material and no adjustments have been made.

The Group manages its principal credit risk by having Use of System Agreements with its major customers and performing credit evaluations on customers requiring advances.

The status of trade receivables as at reporting date is as follows:

	Gross 2026 \$000	Impairment 2026 \$000	Gross 2025 \$000	Impairment 2025 \$000
Not past due	4,911	-	3,430	-
Past due 0 - 30 days	1,920	-	1,515	-
Past due 31 - 60 days	181	-	97	-
Past due more than 60 days	444	(405)	443	(357)
Total trade receivables	<u>7,456</u>	<u>(405)</u>	<u>5,485</u>	<u>(357)</u>

No interest is charged on trade receivables outstanding

Parent - nil (2025: nil)

	Group 2026 \$000	2025 \$000	Parent 2026 \$000	2025 \$000
Movement in impairment allowance for expected credit losses				
Balance at beginning of year	(357)	(510)	-	-
Amount charged to the statement of comprehensive income	(100)	-	-	-
Provision reversed	52	153	-	-
	<u>(405)</u>	<u>(357)</u>	<u>-</u>	<u>-</u>

The above maximum exposures are gross of any recognised provision for losses on these financial assets. No collateral is held on the above amounts. The trade receivables are within their contractual terms and are considered to be collectible.

In accordance with the Group's Treasury policy Bank balances in short term deposits are made with registered banks. The registered banks currently have a Standard & Poor's credit rating of AA-.

Concentrations of credit risk

The Group has exposure to concentration of credit risk by having electricity retailer customers. This is managed as mentioned above through the Use of System Agreements.

Foreign currency risk

Foreign currency risk arises when the Group enters into transactions denominated in currencies other than its functional currency, New Zealand dollars (NZD).

The Group is exposed to foreign exchange risk primarily in respect of United States dollars (USD) and Australian dollars (AUD) arising from purchases of large network equipment and smaller IT contracts denominated in foreign currencies.

Management monitors foreign currency exposure on an ongoing basis. Where considered appropriate and in line with the Group's Treasury Policy, the Group enters into foreign exchange forward contracts, designated as cash flow hedges, to manage exposure and reduce volatility in cash flows and earnings arising from movements in exchange rates. At 31 March 2026, the Group had the following derivative financial instruments in place to hedge foreign currency risk (2025: Nil).

As at 31 March 2026	Net exposure	Carrying amount
	\$000	\$000
USD - current	1,198	84
USD - non-current	537	31

The hedge relationships are assessed to be highly effective as:

- There is an economic relationship between the hedged item and hedging instrument (both driven by USD/NZD exchange rates)
- Credit risk does not dominate value changes
- The hedge ratio reflects actual risk management strategy

No significant sources of ineffectiveness were identified during the period.

The foreign exchange derivatives are measured at fair value using observable forward exchange rates (Level 2 in the fair value hierarchy).

Movement in Cash Flow Hedge Reserve	2026	2025
	\$000	\$000
Opening balance	-	-
Gain/(loss) recognised in other comprehensive income	115	-
Amount reclassified to profit or loss	-	-
Closing balance	115	-

Movement in exchange rates

Impact on other comprehensive income from increase/decrease in exchange rates	Other comprehensive income
	\$000
NZD weakens by 10%	335
NZD strengthens by 10%	(274)

Parent - nil (2025: nil)

Interest rate risk

Liabilities

The interest rate risk exposure is to bank borrowings. The Group has no interest hedge contracts.

Fair values

The carrying amounts recorded in the Consolidated Statement of Financial Position are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings and amounts which are not able to be determined because there is no available market data.

Borrowings

Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated Statement of Comprehensive Income over the year of the borrowing using the effective interest method. Borrowings are classified as non current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting year at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest method, except for capitalised borrowing costs.

Interest rate risk profile of financial assets and liabilities

The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier. The Group's borrowing arrangements are with Pricoa Private Capital, Senior Trust Retirement Village Income Generator Limited and ANZ. Borrowings are in New Zealand dollars. The majority of borrowings are at fixed interest rates between 5 - 12 years terms, therefore the Group is less exposed to variable interest rates and has no outstanding interest related derivatives.

Financial instrument carrying values by category - Group

As at 31 March 2026	Interest rate	Total	0-12 mths	1- 2 years	> 2 years
Financial assets measured at amortised cost	%	\$000	\$000	\$000	\$000
Cash and cash equivalents		5,827	5,827	-	-
Trade and other receivables		8,111	8,111	-	-
Forward foreign exchange contracts, designated as cash flow hedges		115	84	19	12
Total financial assets measured at amortised cost		14,053	14,022	19	12
Financial liabilities measured at amortised cost					
Trade and other payables		10,558	10,558	-	-
Debt finance	2.84-3.58	82,213	116	39,069	43,028
Total financial liabilities at amortised cost		92,771	10,674	39,069	43,028

Movement in interest rates	1% increase	1% decrease
Impact on profit and loss from a 1% increase/decrease in interest rates	\$000	\$000
	(807)	807

As at 31 March 2025	Interest rate	Total	0-12 mths	1- 2 years	> 2 years
Financial assets measured at amortised cost	%	\$000	\$000	\$000	\$000
Cash and cash equivalents		4,336	4,336	-	-
Trade and other receivables		6,336	6,336	-	-
Total financial assets measured at amortised cost		10,672	10,672	-	-
Financial liabilities measured at amortised cost					
Trade and other payables		8,407	8,407	-	-
Debt finance	2.84-4.70	79,126	15,126	-	64,000
Total financial liabilities at amortised cost		87,533	23,533	-	64,000

Financial instrument carrying values by category - Parent

As at 31 March 2026	Interest rate	Total	0-12 mths	1- 2 years	> 2 years
Financial assets measured at amortised cost	%	\$000	\$000	\$000	\$000
Cash and cash equivalents		65	65	-	-
Trade and other receivables		1	1	-	-
Total financial assets measured at amortised cost		66	66	-	-
Financial liabilities measured at amortised cost					
Trade and other payables		19	19	-	-
Total financial liabilities at amortised cost		19	19	-	-

As at 31 March 2025	Interest rate	Total	0-12 mths	1- 2 years	> 2 years
Financial assets measured at amortised cost	%	\$000	\$000	\$000	\$000
Cash and cash equivalents		45	45	-	-
Trade and other receivables		2	2	-	-
Total financial assets measured at amortised cost		47	47	-	-
Financial liabilities measured at amortised cost					
Trade and other payables		17	17	-	-
Total financial liabilities at amortised cost		17	17	-	-

Liquidity risk

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis.

Borrowings

Facilities exist with Pricoa Private Capital for a private placement note of up to \$125m (USD), and a revolving cash advances facility with ANZ of \$35m (NZD) which was entered into in September 2025 and replaced the Group's short-term working capital facility with ANZ of \$12m (NZD). Notes issued under the Pricoa Private Capital funding are denominated in NZD. At balance date, \$64m (NZD) had been drawn down from the Pricoa facilities, and \$18m from ANZ facility (2025: \$76m from Pricoa, \$3m from ANZ).

The Pricoa notes - Fixed Interest

Date issued	Amount issues NZD	Interest rate	Date of maturity
27/01/2021	\$30m	3.03%	27/01/2028
27/01/2021	\$13m	3.39%	28/01/2031
27/01/2021	\$12m	3.58%	27/01/2033
27/03/2021	\$9m	3.54%	27/03/2028

The Group uses its facilities based on forecast expectations of operating cash flows and proceeds of maturing financial assets.

	Debt finance \$000	Lease liabilities \$000	Total \$000
Debt reconciliation			
Opening value	75,997	4,247	80,244
Loans raised	3,000	-	3,000
Addition and disposal of leases	-	1,178	1,178
Principal lease payments	-	(851)	(851)
Interest expense	2,570	423	2,993
Interest payments (presented as operating cash flows)	(2,441)	(423)	(2,864)
Balance as at 31 March 2025	79,126	4,574	83,700
Loans raised	18,000	-	18,000
Repayment of loans	(15,000)	-	(15,000)
Addition and disposal of leases	-	(640)	(640)
Principal lease payments	-	(710)	(710)
Interest expense	2,515	378	2,893
Interest payments (presented as operating cash flows)	(2,428)	(378)	(2,806)
Balance as at 31 March 2026	82,213	3,224	85,437

The values of debt finance and lease liabilities presented in the reconciliation exclude amounts from discontinued operations.

Contractual maturity analysis - Group

As at 31 March 2026	Interest rate	Total	On call	0-12 months	1-2 years	> 2 years
Financial assets	%	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents		5,827	5,827	-	-	-
Trade and other receivables		8,111	-	8,111	-	-
Forward foreign exchange contracts		115	-	84	19	12
Total financial assets		14,053	5,827	8,195	19	12
Financial liabilities						
Trade and other payables		10,558	-	10,558	-	-
Debt finance	2.84-3.58	82,213	-	116	39,069	43,028
Total financial liabilities		92,771	-	10,674	39,069	43,028
As at 31 March 2025						
Financial assets	Interest Rate	Total	On call	0-12 months	1-2 years	> 2 years
	%	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents		4,336	4,336	-	-	-
Trade and other receivables		6,336	-	6,336	-	-
Total financial assets		10,671	4,336	6,336	-	-
Financial liabilities						
Trade and other payables		8,407	-	8,407	-	-
Debt finance	2.84-10.75	79,126	-	15,126	-	64,000
Total financial liabilities		87,533	-	23,533	-	64,000

Contractual maturity analysis - Parent

As at 31 March 2026	Total	On call	0-12 months	1-2 years	> 2 years
Financial assets	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	65	65	-	-	-
Trade and other receivables	1	-	1	-	-
Total financial assets	66	65	1	-	-
Financial liabilities					
Trade and other payables	19	-	19	-	-
Total financial liabilities	19	-	19	-	-
As at 31 March 2025					
Financial assets	Total	On call	0-12 months	1-2 years	> 2 years
	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	45	45	-	-	-
Trade and other receivables	2	-	2	-	-
Total financial assets	47	45	2	-	-
Financial liabilities					
Trade and other payables	17	-	17	-	-
Total financial liabilities	17	-	17	-	-

Capital management

The Group's capital includes share capital, asset revaluation reserves and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to capital requirements and covenants:

The Statement of Corporate Intent imposes a restriction that the Group will:

- maintain shareholder funds at not less than 53% of total assets (2026: 55%, 2025: target >=55%, achieved 56%),
- the gearing ratio, calculated as debt divided by total capital (debt plus equity) must be not more than 35% (2026: 31%, 2025: 31%).

The Group is subject to capital requirements imposed by lenders through covenants on the Pricoa private placement notes and ANZ revolving cash advances facility. All Covenants have been met for the year ended 31 March 2026 and 31 March 2025.

- the interest coverage ratio must be no less than 3.5x (2026: 11.29x, 2025: 8.69x),
- the gearing ratio must be not more than 60% (2026: 32%, 2025: 31%),
- the regulatory asset base ratio must be not more than 80% (2026: 29%, 2025: 29%),
- the leverage ratio must be not more than 7x (2026: 2.45x, 2025: 3.12x), and
- the guarantor group cover ratio must be no less than 90% (2026: 100%, 2025: 100%).

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested at the 30 September 2026 interim reporting date.

Fair values

Fair value hierarchy

Financial instruments carried at fair value are classified by valuation method based on the following hierarchy

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

15 Investments

	Current 2026	2025	Non-Current 2026	2025
	\$000	\$000	\$000	\$000
Investments measured at Cost - Parent				
Investment in Electra Limited	-	-	18,000	18,000
Total investments measured at Cost	-	-	18,000	18,000

Group - nil (2025: nil)

16 Interests held by Group

P Subsidiaries

Subsidiaries are all those entities over which the Group has control.

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

Investments, Joint Ventures and Associates

Investments, Joint Ventures and Associates are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Name of entity	Principal activities	Classification	2026	2025
Electra Limited	Electricity Distribution	Subsidiary	100.0%	100.0%
Electra Services Limited	Non Trading	Subsidiary	100.0%	100.0%
Electra Generation Limited	Non Trading	Subsidiary	100.0%	100.0%

The effective ownership and the voting interests in the above subsidiaries are the same.

For the year ended 31 March 2025, the Group disposed of two subsidiary operations. On 28 May 2024, it sold the medical alarm monitoring assets of Electra Services Limited, and on 11 December 2024, it sold its shareholding in Quail Ridge Country Club Limited.

In the 2025 financial year, the medical alarm monitoring business generated a gain on disposal of \$1.4m and a profit for the year of \$2.4m. The Quail Ridge Country Club business recorded a loss on disposal of \$17.2m and a loss for the year of \$14.2m.

All subsidiaries, investments and associates have a balance date of 31 March and are incorporated in New Zealand.

17 Transactions with related parties

The following transactions occurred with related parties:

Trustees Transactions	Note	2026 \$000	2025 \$000
Trustee fees	2	119	119
Other related parties Transactions		2026 \$000	2025 \$000
Consulting services with N A Brenton		-	22
Consulting expenses with Robin Skeggs Consulting		-	1

18 Key management personnel

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

	2026 \$000	2025 \$000
Short-term employee benefits	2,375	2,391
Defined contribution plans	83	80
	2,458	2,471

Directors are appointed by our shareholder, Electra Trust. They are appointed as directors of Electra Limited, and all subsidiaries listed in note 16.

Directors' fees are paid by Electra Limited to the directors, as the directors of the Group. Total fees paid were \$368,000 (2025: \$400,000). There are no separate fees paid to these directors in respect of Electra Services Limited. No directors' fees were paid in the current year in respect of the divested Quail Ridge Country Club Limited (2025: \$69,954).

19 Subsequent events

A net dividend of \$300,000 was received from Electra Limited on 11 May 2026 in respect of the financial year end 31 March 2026.

There have been no other events subsequent to 31 March 2026 that materially impact on the results reported.

20 Operational targets

Key focus areas have been identified linking Electra's strategy to the performance targets and measures that are critical to achieving this strategy. These focus areas include health, safety and wellbeing, capital efficiency, debt and interest risk management, network reliability, expenditure, revenue and profit. Actual performance is measured against targets set in the Statement of Corporate Intent (SCI) and is summarised below.

Health, safety and wellbeing

The Group is committed to promoting a culture of health, safety and wellbeing where harm to our people and the public in the workplace, both physical and psychological, is unacceptable. Our expectation is that our people go home safe and well each night and we have a target of zero Lost Time Injuries relating to Critical Risk Areas (LTIs - CR). We achieved this target for the 2026 Financial Year.

	Actual	Target
Lost Time Injuries (LTI)	0	0

Capital efficiency

The Group aims to maintain consolidated shareholders' funds at not less than 53% of consolidated total assets. The Group was able to meet this target.

	Actual	Target
Consolidated shareholders' funds to total assets percentage - capital ratio	55%	>53%

Debt and interest rate risk management

The Group aims to maintain efficient and prudent management of the Group's capital structure. In addition, the Group's lenders require us to maintain compliance with certain financial and operating covenants, and these help to inform the strategic and operational planning of the business. The Group meet all targets for the 2026 year.

	Actual	Target
Gearing ratio	31%	<35%
Debt funding covenant compliance	100%	100%
Interest coverage ratio	11.3x	3.5x

Network reliability

The Group aims to uphold a level of electricity network reliability (as defined by the Electricity Distribution Information Disclosure Determination 2012). These include factors of SAIDI (average duration of supply interruptions per connected consumer) and SAIFI (average number of supply interruptions per connected consumer). Two large storms in FY26 as well as a significant number of car verse pole incidents contributed to Electra exceeding the reliability expectation for the duration (SAIDI) and the frequency (SAIFI) of interruptions.

	Actual	Target
Average Outage Duration per year (SAIDI)	327	98
Average Outage Frequency per year (SAIFI)	1.79	1.55

Operating and capital expenditure

The Group continues to invest in our electricity network to maintain reliability, performance and safety, as well as building new network capacity to meet the expected growth in electricity demand. The annual update of the Asset Management Plan set out the expected investment in our business. The underspend in operating expenditure is due mainly to deferring IT projects. The underspend in capex was due to field staff vacancies and staff being redeployed during the summer storms.

	Actual	Target
Operating expenditure	\$24.2m	\$25.7m
Capital expenditure	\$23.2m	\$30.8m

Profit

The Group is focused on operating a successful electricity network business that provides benefits and value to the Group's beneficiaries and consumers. We will continue to invest in the network to maintain reliability, performance, safety, and to prepare for significant growth in electricity usage as New Zealand increasingly turns to electricity to support its decarbonisation goals. The Group achieved these targets for the 2026 year.

	Actual	Target
Group net profit/(loss) after tax	\$6.6m	\$4.5m
Group return on equity (pre discount & tax)	8.0%	6.6%
Group return on equity (post discount & tax)	3.6%	2.5%

Revenue

The Group committed one year in advance to providing Price Discounts to customers. The Group paid the targeted amount of the price discount.

	Actual	Target
2026 Price Discount Paid (excl GST)	\$5.5m	\$5.5m
Number of customer connection points	47,339	48,000
Median price discount (excl GST) per customer connection point	\$116.03	\$114.50

Directory

Directors

Electra Limited

Murray Bain (Chair), ONZM, CFinstD, MCom (Hons), BSc
James Carmichael, BE, FENZ, CMInstD
Lucy Elwood, LLB Hons, BSc, CMInstD
Scott Houston
Karen Sherry, QSM, BA, MA (Hons), LLB (Hons), C.FinstD
Roger Sutton, BE(Mechanical)

Executive

Geoff Douch (CE – Electra Group)
Chris Bekker (GM - Service Delivery)
Rachel Cranshaw (GM - People, Safety and Culture)
Matt Grover (GM - Information Technology)
Stuart Marshall (GM - Commercial)
Scott Scrimgeour (CFO - Electra Group)
Mark Smith (GM - Customer and Sustainability)

Electra Trust Trustees

Sharon Crosbie (Chair), CNZM, OBE
Brendan Duffy, ONZM, JP
Corey Kennett, GradDipBusStuds, MInstD
Russell Longuet, BE (Elec)
Neil Mackay, BCA
John Yeoman, BBS, ACA, FCG

Registered office

Electra Limited
Cnr Bristol & Exeter Streets
Levin

Postal address

P O Box 244
Levin
Telephone 0800 353 2872

Auditor

Hamish Anton
Deloitte Limited
Wellington
On behalf of the Auditor-General

Solicitors

Chapman Tripp	Wellington
Quigg Partners	Wellington
CS Law	Levin

Bankers

Bank of New Zealand
Australia and New Zealand Banking Group Limited
Pricoa Private Capital
