WAIPĀ NETWORKS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2024

WAIPĀ NETWORKS

2024

THIS IS THE ANNUAL REPORT OF WAIPĀ NETWORKS LTD

Dated 24 June 2024

Signed for and on behalf of the Board of Directors

Jonathan Kay
Chair
Waipā Networks

Mike Marr
Deputy Chair
Waipā Networks

CONTENTS

CHAIR/CE REPORT

INTRODUCTION

Tēnā koutou katoa

We're delighted to present our Annual Report for the financial year ending 31 March 2024.

Throughout the 2023/24 financial year, we have focused on consolidating the substantial progress we have already made in meeting our community's current and future needs.

We have finished the year in a strong financial position, improved and increased our engagement with customers and the community and continued to invest in our network infrastructure, technology, and workforce. These efforts ensure we are well-positioned to provide high-quality service to our customers.

We've continued to invest in critical network projects to ensure a bright and sustainable future for Waipā. Breaking ground in September on the new Hautapu GXP and Forrest Road Substation project was a major highlight, with development on the substation continuing throughout the coming financial year. The substation is due to be operational by Winter 2025, and is one way we are ensuring a reliable and resilient power supply for our network for many decades to come.

During the year we've continued to build our capability within the business. We've made changes to our leadership team, welcomed new staff, and filled new roles to support the continued growth in our region.

This Annual Report provides an overview of our performance, including a summary of achievements, key initiatives, milestones and community engagement efforts over the past year. We know that moving to an electrified future will be challenging. We're proud of our progress to date and look forward to building on our achievements in the years to come.

Nāku iti noa nā

Jonathan Kay
Chair
Waipā Networks

Sean Horgan
Chief Executive
Waipā Networks

COMPANY KEY HIGHLIGHTS

Over the past year, we have focused on consolidating the significant progress already made to support the current and future electricity needs of the Waipā community. We've continued to maintain our strong financial position, increased engagement with our customers and community and invested in critical network projects.

Waipā Networks continues to be one of the fastest growing networks in New Zealand. While we are starting to see signs of growth slowing, we connected 402 new customers to our network in the last year.

We have managed our finances strategically, which has kept us in a strong financial standing in FY24.

We achieved a net profit before tax of $14.1m, and successfully met our targets for return on total assets and return on equity. We saw strong performance in our targeted profit metrics, driven by the revenue through new connections, increased income from line charges and the growth in invested funds.

The net proceeds of $65m from the sale of Ultrafast Fibre Holdings Limited in 2021 were strategically reinvested in growth and liquidity-managed funds, contributing to our continued financial strength.

This year we also provided $5.1m in discounts to customers, reflecting our ongoing commitment to providing value to our clients.

Our engagement with customers, stakeholders and the wider community has also strengthened to foster meaningful relationships and meet the community's evolving needs. This has been demonstrated through various initiatives, including delivering over 500 energy assessments in homes, which has resulted in an estimated annual energy savings of $350,000. Additionally, we continue to support those in energy hardship and delivered winter warmer packages to support 200 people over the year.

We've continued to invest in critical network projects to ensure a bright and sustainable future for Waipā, and breaking ground on the new Hautapu GXP and Forrest Road Substation project was a key milestone this year.

This project will increase capacity and reinforce the security and reliability of electricity supply in Cambridge and surrounding areas. It involves building a Transpower-owned 220Kv national GXP and a Local Network 33kV Substation owned by Waipā Networks and will be ready for winter 2025.

We have recently appointed a new Senior Leadership Team who will bring fresh perspectives and expertise to our operations.

HEALTH & SAFETY

The health, safety, and wellbeing of our staff and the wider public remains an ongoing priority.

Our focus has been on managing the most critical risks that could lead to harm, while at the same time equipping our staff with essential leadership development, education and resources to ensure safety for themselves and others. This year, we've implemented additional proactive measures for the safety and wellbeing of our teams and others, including increased site visits and training.

We've had no serious harm incidents during the year. However, we have had five lost time injuries, but these injuries have largely been muscular or minor lacerations. Disappointingly we had five notifiable incidents which is a timely reminder of the need for further improvement in this space.

"We are focused on managing the most critical risks that have the potential to cause harm while providing our staff with the necessary leadership skills and tools to keep themselves and others safe."

CUSTOMER & COMMUNITY

At the heart of our business are our customers and communities.

We regularly seek feedback from our customers and community organisations about our services to help us understand customer needs and experience. This year we have been more active within our community than ever before, and it is a trend that is likely to continue.

In addition to our bi-annual workshops with Electricians, Surveyors and Developers and our annual customer survey we have carried out several initiatives centred on hardship, and have held customer events and board meetings across the region.

The results from our most recent customer survey showed our overall customer satisfaction has improved to 63%, up from 58% last year. Core services (reliability of power supply) is the highest performing attribute with 79% of customers satisfied.

Ongoing improvements to our customer experience, communications, and provision of outage information to customers remain a focus for the coming year.

During 2023/24, we continued to assist several community programmes, such as Cambridge Community House, Kainga Aroha, and Ko Wai Au. These programmes enable us to collaborate with organisations that provide essential social services to local communities.

As part of our commitment to supporting an equitable transition to a more electrified region, we embarked on a programme to encourage our customers to switch to energy-efficient lighting. During our in-home energy assessment programme we surveyed a number of families that received the in-home energy assessments and found that only 17% had switched retailer – therefore not realising the full benefit of the recommendations – moving forward we are looking at ways of addressing this by working with trusted community agencies. In addition, we continued to support those in energy hardship with winter warmer packages, which received very positive feedback. Initiatives such as these provide the opportunity to make a positive difference in people's lives and form deeper and stronger connections with our community.

> "Over the last year we've delivered more than 500 in-home energy assessments."

We have maintained our sponsorships of key community events including our longstanding partnership as the platinum sponsor of the Waipā Business Awards and augmented these with sponsorship of a number of local events. A key highlight was sponsoring the inaugural Illuminate Light and Sound show in November 2023, brought to the community by the Cambridge Business Chamber. The event, held at the Mighty River Domain, showcased an incredible sound and light display to support animal welfare during Guy Fawkes.

PEOPLE

Over the past year, we've continued to invest in building our capability within the business. We've made changes to our leadership team, welcomed new staff and recruited staff into new roles to reflect our need to support our region's growth.

To address the challenges of attracting new talent, we have expanded our recruitment efforts internationally with a particular focus on Fiji and the Philippines, and we have welcomed seven skilled staff members from these areas who bring unique perspectives and expertise to our team. Alongside this we are committed to creating local jobs and this year we celebrated three line mechanic trainees becoming fully qualified. There is a need across the entire industry to grow our workforce and Waipā is committed to playing its part in this.

Celebrating and encouraging diversity has been a fundamental aspect of our workforce strategy. Despite challenges posed by a tight employment market we remain committed to building a multicultural team that reflects our community.

By promoting a culture where respect, transparency, and collaboration are valued, we have been able to support greater job satisfaction and retention. This is evident through the decrease in staff turnover from 16% in FY23 to 13% in FY24. Staff satisfaction has also increased, with 71% of employees expressing high levels of satisfaction with their roles and workplace.

FINANCIAL RESULTS

Overall, we performed strongly with Net Profit before tax at $14.1m. We achieved our targets on return on total assets and return on equity. We paid $5.1m discounts to customers, excluding loss rental rebates which are now passed through via retailers due to changes in regulation.

Profit before associate income, interest expense, and tax as a percentage of total assets was targeted at 3.67%, and the actual result for 2024 was 5.93%. The Company performed better than anticipated due to higher lines charges, increased capital contributions and unrealised gains on investments. However, this was partially offset by increased system maintenance, employee and maintenance costs.

Profit after tax as a percentage of equity was targeted at 3.42%, and the actual result for 2024 was 4.98%. Excluding investment income and gains and losses, the comparable results for 2024 would have been 4.52%, while the actual result for 2023 was 3.86%.

Net proceeds from the UFF Holdings sale in FY21 ($65m) was reinvested across growth and liquidity managed funds. During FY24, $2.3m of the fund was returned to shareholders as dividend and the $3m loan from the shareholder was repaid. The remaining $60m fund increased in value to $65m at year end (after fees and taxes). The network business is funded through lines charges and going forward it is intended that additional capex spend will be supported by debt.

$5.1m distributed in customer discounts

OUR NETWORK

In July last year we completed a regional review to anticipate electrification in the Waipā region 2050. The Waipā region is expected to grow by over 25,000 people, bringing the population to around 75,000. Another 14,000 more people will call Cambridge home.

To support this growth, we have partnered with Transpower to develop a solution that will guarantee a reliable and resilient power supply for our network for many decades to come. The project includes installing new substations and lines and upgrading existing infrastructure and will be operational by winter 2025.

Our FY24 unplanned SAIDI was 143.4 minutes compared to 168.4 in the previous year. The improvement was driven from reduced outages from equipment failures and vegetation strikes and reflects smarter network maintenance. A key contributor was our new Geographical Information System implemented in 2023, which helps us manage our assets more efficiently, make informed decisions about maintenance and upgrades, and improve our response times in case of emergencies. Unfortunately, these gains were eroded by uncontrollable third-party events, vehicles or third-party contractors striking our assets and equipment. These events rose significantly in FY24, accounting for 40% of all unplanned SAIDI. It is a trend that shows no sign of abating and is one that would require significant and sustained investment to address directly.

A major milestone in FY24 was replacing the final two-pole transformer that remained on the network, marking the end of an 18-year project to replace aging assets.

LOOKING FORWARD

We willingly acknowledge the importance of our role in helping our region electrify. We are at the start of a journey that will take decades. To succeed we will need strong foundations and in the coming year our focus will be on three core areas,

- Delivery of key projects,
- Improving our health and safety culture, and
- Lifting our commercial performance.

Next year we will invest more in the network in a single year that at any other time in our history. This is largely driven by major projects to reinforce supply into our region. These will provide large uplifts in capacity to support regional growth over the long-term.

"As we move forward, our main goals for the upcoming year will centre around operational performance and building capacity for the growth of our region."

There is also a pressing need to review and adapt our network architecture. The previous simple low-cost network design that has served us well for over one hundred years is now no longer fit for purpose. Our challenge is to find a new model that is sustainable, cost-effective and delivers a level of service that will meet the long-term needs of our customers. New technologies provide us with a wide array of options, but the key to success will be engagement with customers, suppliers and other stakeholders. Over the next year we will be starting this process.

As a community owned business, we are conscious of our prices to our customers. Our prudent financial management has placed us in a strong position to invest for the future. Now we are focused on enhancing our commercial capability to ensure we invest as effectively as possible.

We're committed to fairness and doing what's right for our customers. It is important that both new and existing customers pay their fair share and that is why we introduced the New Connection Fee in 2022.

In the current environment we are seeing some parties make claims for special treatment. The regulators are now becoming embroiled in a debate with the Electricity Authority signalling a desire to look at connection charges for large, new connections such as high capacity EV charging stations.

While we support regulatory change that results in better outcomes for our customers, we will not support decisions that create subsidies for some parties and price increases for others. Any industry regulatory position that significantly impacts our community, we will push back on.

ACKNOWLEDGEMENTS

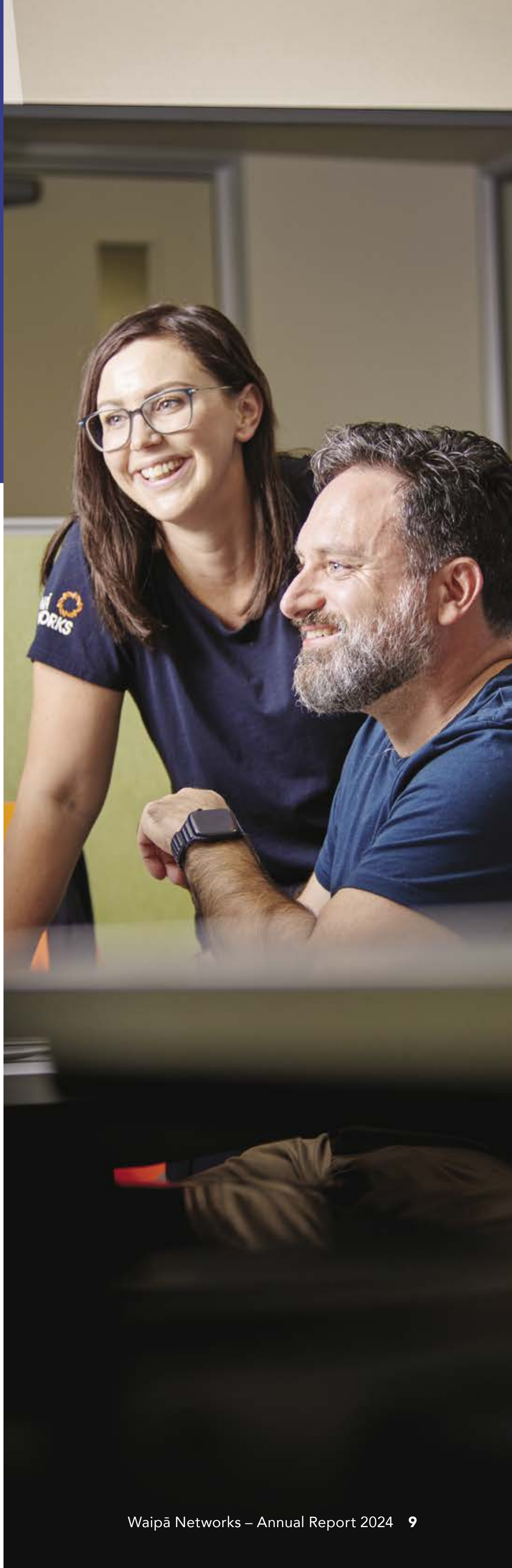
On behalf of the Board and Leadership team, we'd like to extend our sincere thanks to our hardworking and dedicated team whose contributions have been essential in providing safe and reliable services to our customers. We are extremely grateful for their commitment to ensuring the safety of our customers, community, and each other.

To the Board Directors, we appreciate your valuable contributions to the governance of Waipā Networks. Your guidance and support have been instrumental in ensuring the Board continues to operate at a high standard.

Lastly, we want to thank the Trustees for their critical role in contributing to the success of our company over the past year. We look forward to working closely with you in the years ahead.

Jonathan Kay
Chair
Waipā Networks

Sean Horgan
Chief Executive
Waipā Networks



FINANCIAL PERFORMANCE

Waipā Networks’ principal business activity is to own and operate the electricity distribution network covering most of the Waipā district. The Company services the large rural towns of Cambridge and Te Awamutu, together with the smaller rural and coastal settlements of Ōhaupō, Kihikihi, Pirongia, Kāwhia, and Aotea Harbour.

The Company’s assets comprise 1,405km of 11kV and 851km of 400V lines and underground cables supplying 29,098 consumers.

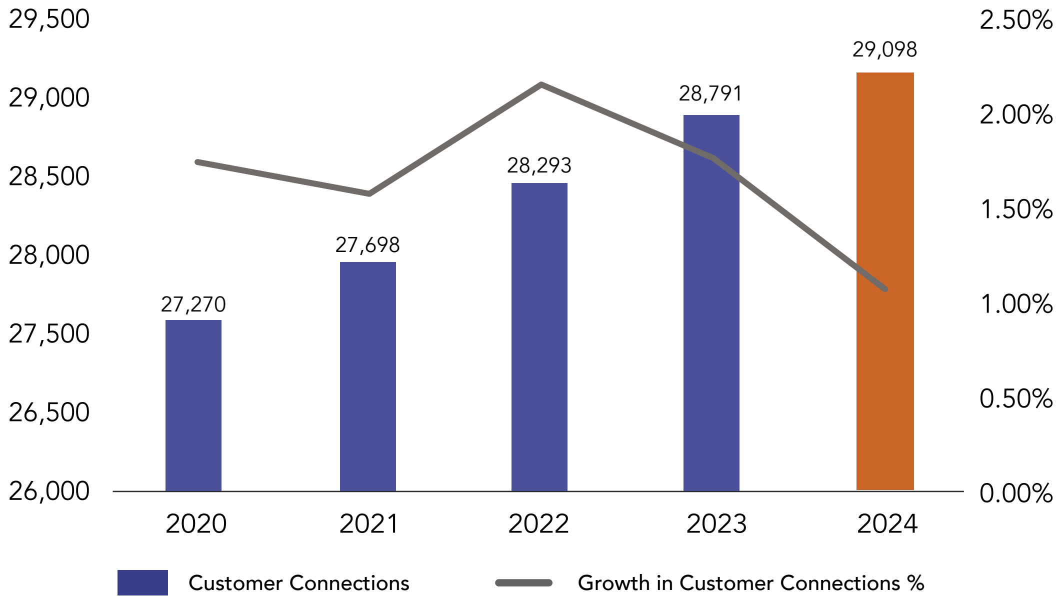
The consumers own the Company through the Waipā Networks Trust.

The Company operates its own contracting division to construct and maintain electricity distribution lines for any customer, including Waipā Networks.

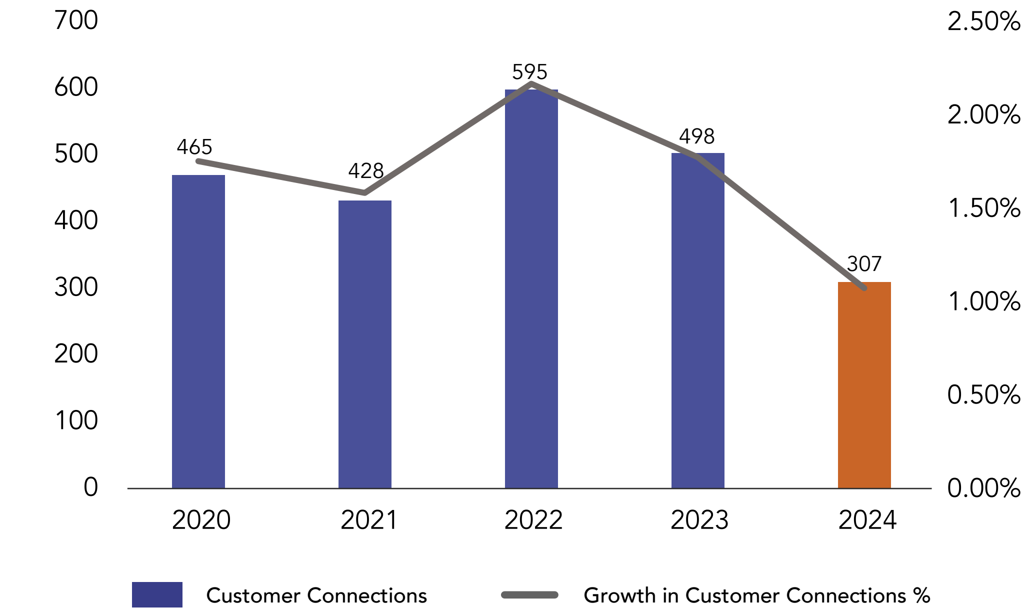
RESULTS IN BRIEF

	2024	2023	2022	2021	2020
Operating revenue ($m)	49.14	44.48	42.12	40.11	40.72
Earnings before interest cost, tax, depreciation, amortisation and customer discounts ($m)	25.86	19.84	19.42	45.78	20.12
EBITDAD excluding gain on sale of shares in UFFH ($m)	**25.86**	**19.82**	**18.68**	**16.64**	**20.12**
Earnings before tax and interest cost ($m)	14.63	7.94	9.14	39.84	10.57
Operating surplus ($m)	9.68	4.95	7.13	36.18	5.78
Operating surplus excluding gain on sale of shares of UFFH ($m)	**9.68**	**4.92**	**6.39**	**7.04**	**5.78**
Total assets ($m)	246.58	242.18	230.51	217.53	241.13
Total equity ($m)	194.35	187.03	182.09	174.95	138.77
Return on equity	4.98%	2.65%	3.92%	20.68%	4.17%
Discounts paid ($m)	5.1	6.15	5.46	5.75	5.10
Customer connections	29,098	28,791	28,293	27,698	27,270
Total sales (GWH)	439.06	419.77	436.36	398.29	388.71
System CAPEX ($m)	11.90	10.89	7.20	8.12	10.23
CAPEX ($m)	13.65	16.38	17.99	9.19	11.48
Maintenance ($m)	4.58	4.40	2.95	3.50	3.47

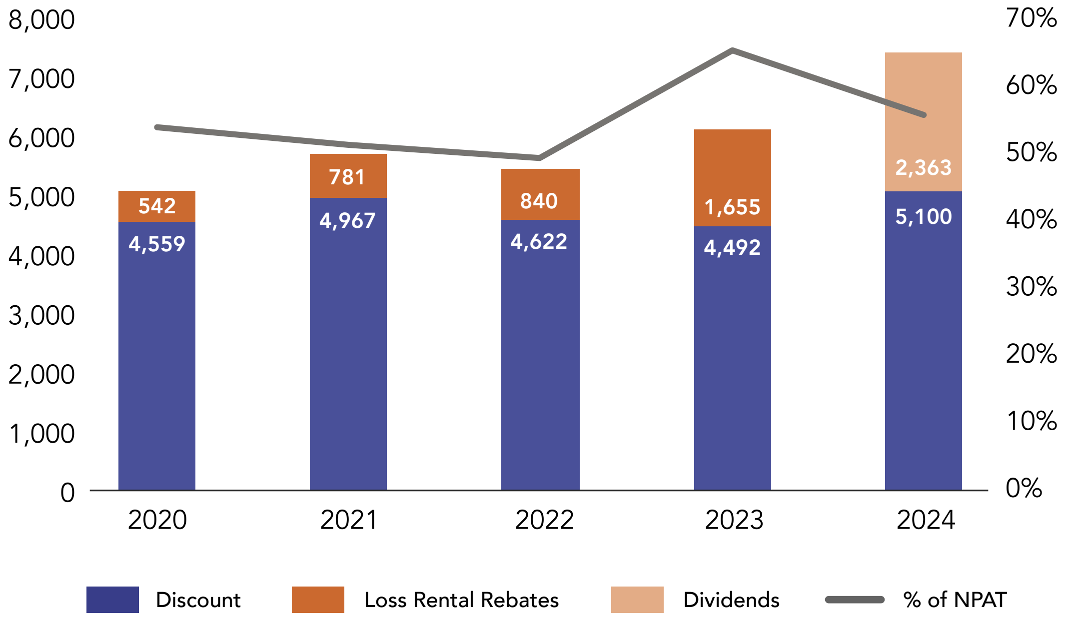
CUSTOMER CONNECTIONS



GROWTH IN CUSTOMER CONNECTIONS



DISTRIBUTIONS




VERSALIFT
WAIPĀ
NETWORKS

AUDITED FINANCIAL STATEMENTS

The Board of Directors are pleased to present the audited financial statements of Waipā Networks Ltd for the year ended 31 March 2024.

The Company's audited financial statements include audited performance statements:

- Financial
- Network Performance
- Customer, Community and Environment
- People

Authorised for issue on 24 June 2024.

For and on behalf of the board of directors:

Jonathan Kay
Chair
Waipā Networks

Jonathan Cameron
Director
Waipā Networks

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	2024 $000	2023 $000
Revenue	2	49,139	44,478
Less discounts		5,098	6,147
Net revenue		44,041	38,331
Operating expenses	3	34,070	31,097
Profit from operations		9,971	7,234
Net gain (loss) on investments	4	4,658	584
Interest income		14	6
Net gain (loss) on disposal of assets		(12)	91
Profit before share of profit (loss) of associate, finance costs and tax		14,631	7,915
Finance costs	6	507	420
Gain on disposal of associates		–	24
Profit before tax, attributable to the shareholder		14,124	7,519
Tax	7	4,442	2,572
Total comprehensive income for the year, attributable to the shareholder		**9,682**	**4,947**

STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 31 March 2024

	Note	2024 $000	2023 $000
Share capital	9	10,000	10,000
Reserves		58,666	58,666
Retained earnings		118,368	113,421
Equity at the beginning of the year		187,034	182,087
Total comprehensive income for the year, attributable to the shareholder		9,682	4,947
Dividend		(2,363)	–
Equity at the end of the year		**194,353**	**187,034**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 $000	2023 $000
Assets			
Property, plant and equipment	14	165,042	157,661
Right of use assets		132	130
Intangible assets	15	8,227	8,830
Prepayments		246	256
Loans to shareholders	22	–	100
Total non-current assets		173,647	166,977
Cash and cash equivalents	10	196	602
Investments	18	65,300	65,947
Trade and other receivables	12	4,636	4,956
Income tax receivable		159	839
Inventories	13	2,641	2,857
Total current assets		72,932	75,201
Total assets		**246,579**	**242,178**
Equity			
Share capital	9	10,000	10,000
Retained earnings		125,687	118,368
Reserves		58,666	58,666
Total equity		194,353	187,034
Liabilities			
Employee entitlements	19	–	124
Lease liabilities		118	118
Capital contributions in advance	17	9,080	8,473
Deferred tax liabilities	8	26,939	24,477
Total non-current liabilities		36,137	33,192
Trade and other payables	16	6,400	4,164
Capital contributions in advance	17	4,024	6,997
Borrowings	11	4,550	9,940
Lease liabilities		25	20
Employee entitlements	19	1,090	831
Total current liabilities		16,089	21,952
Total liabilities		52,226	55,144
Total equity and liabilities		**246,579**	**242,178**

The accompanying notes form part of these financial statements.

For and on behalf of the Board:

Jonathan Kay, Chair
Waipā Networks
24 June 2024

Jonathan Cameron, Director
Waipā Networks
24 June 2024

STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	2024 $000	2023 $000
Cash flows from operating activities			
Receipts from customers		42,610	37,470
Discounts paid to customers		(3,328)	(6,147)
Payments to suppliers and employees		(27,518)	(24,148)
Net GST		178	100
Cash generated from operations		11,942	7,275
Interest received		14	4
Interest and finance costs paid		(455)	(410)
Taxes paid		(1,300)	(1,655)
Net cash flows from operating activities	24	**10,201**	**5,214**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		202	284
Capital contributions		4,614	6,798
Purchase of property, plant and equipment		(12,555)	(14,094)
Purchase of intangible assets		(498)	(2,191)
Proceeds from sale of investment in associate		–	404
Purchase of investments		(34,290)	(1,385)
Proceeds from investments		39,590	–
Distributions from investments		4	1,385
Net cash used in investing activities		**(2,933)**	**(8,799)**
Cash flow from financing activities			
Increase in borrowings		–	2,890
Proceeds from repayment of current account		100	–
Loan to shareholder		(3,000)	(16)
Repayment of borrowings		(2,390)	–
Principal portion of the lease liability		(21)	(18)
Dividend paid		(2,363)	–
Net cash flows from financing activities		**(7,674)**	**2,856**
Net increase (decrease) in cash held		(406)	(729)
Cash and cash equivalents at 1 April		602	1,331
Cash and cash equivalents at 31 March		196	602
Cash balances in the statement of financial position			
Cash and cash equivalents	10	**196**	**602**

The GST (net) amount in operating activities reflects GST paid and received. The GST (net) amount has been presented as the gross amounts do not provide meaningful information for financial reporting purposes.

The bank facility allows the Company to draw down borrowed amounts for shorter term periods within the overall terms of the facility agreement, which the Company has utilised multiple times in the year to manage its funding and working capital requirements.

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. Statement of accounting policies

Reporting entity

Waipā Networks Limited (the Company) is a profit oriented limited liability company domiciled and incorporated in New Zealand, registered under the Companies Act 1993 (Registered Office is 240 Harrison Drive, Te Awamutu). The Company is an electricity network business, delivering energy to customers in the Waikato Region. The Company is 100% owned by a consumer trust, the Waipā Networks Trust.

Statement of compliance

The Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The Financial Statements comply with the New Zealand Equivalent to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

Basis of preparation

The financial statements are presented in New Zealand Dollars, which is the Company's functional currency, and rounded to the nearest thousand, unless otherwise stated. They are prepared on a historical cost basis. 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 exclusive of GST with the exception of receivables and payables which include GST invoiced.

These financial statements have been prepared in accordance with NZ IFRS.

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

The entity's owner, or others, do not have the power to amend the financial statements after issue.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Impairment of property, plant and equipment and intangible assets

The carrying amounts of the Company's assets other than deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, being the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

1. Statement of accounting policies *continued*

In accordance with its policy, the Company has made an assessment of indicators that are most relevant to the Company's asset base and the risks of impairment, including whether:

- The network assets are able to meet its service performance expectations.
- The Company's operational activities are, and forecast to be, profitable and therefore, financially sustainable. The Directors forecast income and cash flows into the medium to long term, and make comparison of budget to actual on regular basis to monitor the Company's financial viability.
- The assets are deteriorating faster than the expected useful lives, refer (ii) below.
- The impact of external events indicate specific impairment risks. We specifically considered the impact of two significant cyclones, and the forecast economic environment and have not determined any impairment risk.

Our assessment did not identify any indicators of material impairment across the property, plant and equipment or intangible assets of the Company, including easements.

(ii) Useful lives of property, plant and equipment

Useful lives are determined on an asset by asset basis and set in the Company's depreciation policies, revisited annually and adjusted if there is evidence that the useful lives are no longer as expected. The policy rates consider the nature of the assets, and the pattern by which the Company will realise value from the assets, their economic use, within the Company's strategic purpose and expected operating activities.

The condition of assets operating to plan, and thus the accuracy of the useful life assumption is monitored by asset inspections, systems and processes to capture information on asset condition (surveying, GIS and SCADA) and having an asset maintenance program in place. KPIs that monitor compliance to program provide reassurance that assets are sufficiently maintained and that the estimate is a materially accurate reflection of their actual lives. The Directors monitor progress against targets of the annual capital and maintenance plans, system reliability and performance targets to help form their judgment on the appropriateness of useful lives estimates.

Changes in accounting policies

New and amended standards and interpretations:

There have been no changes in accounting policies. The accounting polices set out below have been applied consistently to all periods presented in these financial statements.

2. Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods and services supplied. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

a) Network line services

Revenue recognised over time:

The Company's obligation is to provide a single performance obligation of continuous service to which the customer benefits incrementally over time as the service is delivered. The Company invoices its customers (predominantly electricity retailers) monthly for electricity delivery services across the region's lines network. No customers have significant payment terms or extended credit.

The Company's revenue is predominantly sourced from Electricity Retailers who are invoiced monthly for the delivery services to their connected customers (ICPs) in accordance with standard industry protocols. There are three ICPs who have a direct contractual relationship with the Company for delivery services and those are invoiced direct accordingly. ICPs have price categories and plans allocated in accordance with the Waipā Networks Limited Pricing Methodology. The majority of services are charged on a cost-recovery model, composed of fixed and volumetric charges. The Company has Advanced Uncontrolled price plans and Advanced All Inclusive plans offering rates dependent in which time period (Peak/Off Peak/Shoulder) electricity is used. All ICPs with an advanced meter moved to a form of Advanced pricing from 1 April 2022 .

Large low voltage ICPs have the option of a 400V Capacity Contract price plan, where costs are recovered through both a maximum demand charge and volumetric Advanced pricing. The maximum demand charge automatically increases in keeping with any increase in maximum demand from the previous month, however any reduction in maximum demand does not result in reduced charges until that reduced maximum demand has been sustained for a full 12 month period.

Large 11kV ICPs are charged on a similar basis as the 400V Capacity Contract ICPs, with the exception of the three direct-billed customers who have individual fixed monthly invoices, reviewed annually.

Revenue comprises amounts received and receivable at balance date for network services supplied to customers in the ordinary course of business, including estimated amounts for accrued sales.

b) Contracting sales

Revenue recognised over time:

Contracting sales include charges to retailers for ongoing service arrangements. Revenue is recognised over time by reference to completion of the actual service provided as a proportion of the total services to be provided.

Revenue recognised at a point in time:

The majority of point in time contracting sales include charges to customers for electrical servicing on customer-owned assets such as upgrading street light or overhead lines. Deposits of 50% taken are deferred income within capital contributions in advance until the obligation is complete. Other contracting sales include charges to customers in response to call outs and customer faults. These works are invoiced after the service is provided based on a standard charge out rate for time and materials incurred. For both, revenue is recognised in the statement of comprehensive income on completion of the works.

Across all contracting sales, no customers have significant payment terms or extended credit. The Company provides a one year warranty on materials and labour for electrical works performed as an assurance that the products sold comply with agreed-upon specifications. No provision for the warranty has been provided as any future claims on work performed are not expected to be material.

c) Capital contributions

Revenue recognised over time:

Contributions received from local authorities and other third parties towards the cost of additions or modifications to the reticulation assets are invoiced in advance of works being performed and recognised in the statement of financial position initially as capital contributions in advance. When the asset improvements are completed, the Company has performed the conditions attached to the income and the revenue is recognised in the statement of comprehensive income as operating income on a straight-line basis over the contract period of up to 40 years that reflects the useful lives of the asset and the benefit to the customer.

Revenue recognised at a point in time:

Other contributions towards the cost of additions or modifications to the reticulation assets are invoiced when received and recognised in the statement of financial position initially as deferred income. The revenue is recognised in the statement of comprehensive income as operating income when the works have been completed.

Asset title and obligation to maintain resides with the Company and the asset is capitalised as part of the electricity reticulation assets.

d) Interest income

Interest income is recognised in the statement of comprehensive income as it accrues.

e) Rental income

Rental income is recognised as part of sundry income within the statement of comprehensive income on a straight line basis over the course of the lease term.

f) Loss and constraint excess rebates

Revenue recognised over time:

The loss and constraint excess rebate (previously called the Loss Rental Rebate) is received from Transpower and represents the difference between the price and quantity of electricity generated and the price and quantity of electricity received. In 2024 this is passed on directly to electricity retailers.

g) Discounts

Revenue discount recognised over time:

Waipā Networks pays discounts to its customers twice a year through their retailer electricity bill, however as the discount relates to a price adjustment to the lines revenue, it is recognised over the time period that the lines services are being provided. Discounts are calculated based on the electricity usage using discount allocation methodology. The final amount of the discount is determined by the Waipā Networks Board. Any discounts unpaid at year end are accrued.

2. Revenue *continued*

	Note	2024 $000	2023 $000
Network line services		39,960	35,358
Contracting sales		1,299	2,142
Capital contributions	17	6,981	4,934
Connection fees		575	–
Embedded network		49	41
Sundry income		275	348
Loss rental rebates		–	1,655
Total revenue		**49,139**	**44,478**

		2024 $000	2023 $000
Revenue recognised over time			
Network line services		39,960	35,358
Contracting sales		–	178
Capital contributions	17	337	313
Embedded network		49	41
Sundry income		–	280
Loss rental rebates		–	1,655
Total revenue recognised over time		40,346	37,825
Revenue recognised at a point in time			
Contracting sales		1,299	1,963
Capital contributions	17	6,644	4,621
Connection fees		575	–
Sundry income		275	69
Total revenue recognised at a point in time		8,793	6,653
Total revenue		**49,139**	**44,478**

Revenue of $5.65m (2023 $2.45m) was included in Capital Contributions in advance at the end of the previous financial year.

3. Operating expenses

	Note	2024 $000	2023 $000
Audit fees for these financial statements – KPMG		206	177
Audit fees for disclosure financial statements – KPMG		33	32
Audit fees for disclosure financial statements prior year – Audit NZ		–	10
Amortisation of intangible assets		575	261
Bad debts		144	28
Change in provision for doubtful debts		106	123
Consulting and legal expenses		1,853	938
Depreciation of property, plant and equipment		5,530	5,195
Depreciation of right of use assets		24	22
Directors' fees	22	283	240
Employee benefits	5		
Superannuation – defined contribution plans	5	295	238
Salaries, wages and other employee benefits	5	10,068	8,378
Impairment of computer software		–	277
Inventories consumed		555	788
Materials and contractors		1,595	1,987
Transmission charges		7,507	8,657
Write off of inventories		60	86
Other expenses		5,236	3,660
Total expenses		**34,070**	**31,097**

4. Gain/loss on investments

	2024 $000	2023 $000
Net gain/(loss) on revaluation of investments	3,009	(525)
Distributions received from investments	1,649	1,109
Net gain/(loss) on investments	**4,658**	**584**

5. Employee benefits

	2024 $000	2023 $000
Superannuation – defined contribution plans	295	238
Other employee benefits included in operating expenses	10,068	8,378
Other employee benefits capitalised to property, plant and equipment	971	686
Total employee benefits	**11,334**	**9,302**

6. Finance costs

	2024 $000	2023 $000
Interest expense		
Bank borrowings costs	449	233
Related party borrowings costs	54	184
Interest on lease liability	4	3
	507	**420**

7. Tax

The income tax on the profit or loss for the year includes both current and deferred tax. The income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly to equity, in which case the income tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at the balance date together with any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the Balance Sheet Liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

	Note	2024 $000	2023 $000
Profit before tax		14,124	7,519
Tax at income tax rate of 28%		3,955	2,105
Tax effect of non assessable revenue		(625)	(433)
Tax effect of expenses that are non deductible		1,162	941
Tax expense		4,492	2,613
Adjustments previous years		(50)	(41)
Total tax expense		**4,442**	**2,572**
The tax charge comprises:			
Current tax		1,980	1,402
Deferred tax on temporary differences	8	2,462	1,170
Total tax expense		**4,442**	**2,572**

All temporary differences have been recorded in financial statements.

	2024	2023
Imputation credits available for use in subsequent periods		
Balance at 1 April	27,164	25,551
Prior period adjustment	2,078	–
Credits attached to dividends paid	(919)	–
Tax paid	1,300	1,613
Credits attached to dividends received	89	–
Balance at 31 March	**29,712**	**27,164**

The Company will no longer be able to claim tax depreciation on buildings, with estimated useful lives of 50 years or more, from its income tax year ending 31 March 2024. This has resulted in an increased deferral tax liability in respect of these buildings of $0.9m.

8. Deferred tax liabilities

	Note	2024 $000	2023 $000
Balance at 1 April		24,477	23,307
Deferred portion of current year tax expense	7	2,462	1,170
Balance at 31 March		**26,939**	**24,477**
The tax rate used in the above reconciliation is the corporate tax rate of 28% payable by corporate entities on taxable profits under New Zealand tax law.			
The deferred taxation liability comprises of:			
Tax effect on timing differences		3,093	977
Tax effect on the reticulation assets being the difference between IRD Cost and IRD current value		19,499	18,050
Tax effect on the reticulation assets being the difference between Accounting carrying amount and the IRD cost.		4,347	5,450
		26,939	**24,477**
Deferred tax property, plant and equipment			
Balance at 1 April		24,441	23,507
Charged to statement of comprehensive income		1,659	934
Charged to equity		–	–
Balance at 31 March		**26,100**	**24,441**
Deferred tax employee entitlements			
Balance at 1 April		(145)	(179)
Charged to statement of comprehensive income		(38)	34
Charged to equity		–	–
Balance at 31 March		**(183)**	**(145)**
Deferred tax other			
Balance at 1 April		181	(21)
Charged to statement of comprehensive income		841	202
Charged to equity		–	–
Balance at 31 March		**1,022**	**181**
Deferred tax total			
Balance at 1 April		24,477	23,307
Charged to statement of comprehensive income		2,462	1,170
Charged to equity		–	–
Balance at 31 March		**26,939**	**24,477**

9. Share capital

Share capital consists of ordinary shares which are classified as equity. At 31 March 2024 the Company has 7,200,000 (2023 7,200,000) fully paid issued shares. The shares have no par value. All shares carry equal voting rights and share in any surplus on winding up of the Company equally. None of the shares carry fixed dividend rights.

Capital management

When managing capital, the board's objective is to ensure the Company continues as a going concern maintaining adequate working capital ensuring obligations can be met on time as well as to make returns to shareholders as set out in the Statement of Corporate Intent.

The Company manages its levels of debt and equity to maintain certain internal financial ratios.

10. Cash and cash equivalents

	2024 $000	2023 $000
Cash at bank	196	602
	196	**602**

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The carrying amount for cash and cash equivalents equals the fair value.

11. Borrowings

	Note	2024 $000	2023 $000
Debt facility		4,550	6,940
Related party borrowings	22	–	3,000
		4,550	**9,940**

The Company continues to have access to a working capital facility of $10m, which has a balance of $4.55m at balance date (2023 $6.94m).

	$000	$000
Net debt reconciliation		
Opening borrowings at 31 March	9,940	7,050
Drawdown of facility	–	2,890
Interest capitalised to related party borrowings	54	184
Repayment of related party borrowings	(3,054)	(184)
Repayment of debt facilities	(2,390)	–
Closing borrowings at 31 March	**4,550**	**9,940**

The Debt Facility at year end relates to a multi option credit facility totalling $10m (2023 $10m). A facility fee rate is charged and the drawn balance is charged interest at a variable interest rate, annual average rate 6.69% (2023 4.57%). The facility expires as follows:

Facility expiry date	Total facility
31 May 2025	10,000
	10,000

The Company has no financial covenant reporting requirements for the unsecured debt facilities.

The unsecured debt facilities become repayable on demand in the event the Company fails to make interest and principal payments when they fall due. The Company complied with all borrowing repayment obligations during the period.

The related party borrowings relate to a loan from Waipā Networks Trust which was repaid during the year (2023 $3m). Interest was charged on the loan at 7.32% pa (2023 6.13% pa).

The amounts disclosed above are the undiscounted contracted cash flows.

The carrying amount for borrowings equals the fair value.

12. Trade and other receivables

	2024 $000	2023 $000
Trade debtors	4,921	5,161
Provision for doubtful debts	(546)	(440)
	4,375	4,721
Prepayments	261	235
	4,636	**4,956**

Accounts receivables are stated at their expected realisable value after providing for doubtful debts. Bad debts are written off in the period they are identified.

Trade and other receivables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other receivables approximate their fair value. In accordance with the Company's response to Credit Risk in note 18 Financial instruments, a provision has been made for expected credit losses for the sale of goods and services determined by reference to past default experience and the current economic climate. In making this assessment, the Company considers electricity retailers and individual customers separately, recognising a difference in credit risk between the two groups.

The Company provides 100% for the collectability of significantly aged debt over 90 days due that is under management of debt collection agencies.

No allowance for expected credit losses for current to 60 days trade receivables has been applied due to a quantitatively immaterial risk of uncollectability. As such, the Company rebuts the presumption in NZ IFRS 9 that there is a significant increase in credit risk when financial assets are more than 30 days past due. The percentage of expected credit loss (ECL) allowances to trade debtors for 61-90 days is 30% (2023 30%) and for over 90 days is 100% for debtors relating to car accidents (2023 100%) and all other debtors over 90 days are accessed individually on the likelihood of receipt of payment. These percentages were applied to the GST exclusive amount of the balance.

As at 31 March 2024 the ageing analysis of trade receivables is as follows:

	Gross $000	2024 Impairment $000	Gross $000	2023 Impairment $000
0 – 30 days	4,159	–	4,254	–
31 – 60 days	55	–	284	–
61 – 90 days	63	19	47	14
91 days plus	644	527	576	426
	4,921	**546**	**5,161**	**440**

Movements in the provision for doubtful debts:

	2024 $000	2023 $000
Balance as at 1 April	440	317
Additional provisions made during the year	320	123
Reversal of provision during the year	(214)	–
Balance as at 31 March	**546**	**440**

13. Inventories

Inventories are stated at the lower of weighted average cost and net realisable value.

Cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead expended in putting the inventories in their present location and condition.

	2024 $000	2023 $000
Stock	2,310	2,761
Work in progress	331	96
	2,641	**2,857**

There was inventory write offs of $60,351 during the year due to the review of obsolete and excess stock completed prior to 31 March 2024 (2023 Inventory write off of $85,563).

14. Property, plant and equipment

Items of property plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of purchased property plant and equipment is 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 use.

The cost of the assets constructed by Waipā Networks, including capital works in progress, includes the cost of all materials used in construction, direct labour and other directly attributable costs, which have been incurred to bring the assets to the location and condition necessary for their intended use. Borrowing costs are capitalised in respect of qualifying assets which take three months or more to construct.

Certain items of property plant and equipment that had been revalued to fair value on or prior to 1 April 2006, the date of transition to NZIFRS, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property plant and equipment.

Subsequent expenditure incurred to replace a component of an item of property plant and equipment, that extends the estimated life of the asset, is capitalised. All other expenditure is recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis so as to allocate the cost of the assets over the estimated useful lives of each part of an item of property plant and equipment. Land is not depreciated.

The range of annual depreciation rates for each classification of property plant and equipment is as follows:

Buildings	1% to 7%
Buildings fitout	1% to 10%
Reticulation system	1% to 10%
Other electrical	1% to 5%
Motor vehicles	6.5% to 20%
Computer equipment	10% to 50%
Plant, furniture and fittings	5% to 50%

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

	2024 $000	2023 $000
13.1 Freehold land		
Cost to 1 April	7,588	7,423
Current year additions	47	165
Cost to 31 March	7,635	7,588
13.2 Freehold buildings		
Cost to 1 April	3,799	3,793
Accumulated depreciation to 1 April	(371)	(328)
Net book value 1 April	3,428	3,465
Current year additions	–	6
Current year depreciation	(43)	(43)
Cost to 31 March	3,799	3,799
Accumulated depreciation to 31 March	(414)	(371)
Net book value	3,385	3,428
13.3 Buildings fitout		
Cost to 1 April	3,338	3,253
Accumulated depreciation to 1 April	(2,512)	(2,441)
Net book value 1 April	826	812
Current year additions	32	85
Current year depreciation	(75)	(71)
Cost to 31 March	3,370	3,338
Accumulated depreciation to 31 March	(2,587)	(2,512)
Net book value	783	826
13.4 Reticulation assets		
Cost to 1 April	188,653	177,849
Accumulated depreciation to 1 April	(50,982)	(47,019)
Net book value 1 April	137,671	130,830
Current year additions	11,900	10,885
Current year disposals	(66)	(42)
Current year depreciation	(4,248)	(4,002)
Cost to 31 March	200,402	188,653
Accumulated depreciation to 31 March	(55,145)	(50,982)
Net book value	145,257	137,671

14. Property, plant and equipment *continued*

	2024 $000	2023 $000
13.5 Other electrical assets		
Cost to 1 April	5,324	5,114
Accumulated depreciation to 1 April	(2,351)	(2,230)
Net book value 1 April	2,973	2,884
Current year additions	412	210
Current year depreciation	(127)	(121)
Cost to 31 March	5,736	5,324
Accumulated depreciation to 31 March	(2,478)	(2,351)
Net book value	3,258	2,973
13.6 Motor vehicles		
Cost to 1 April	7,380	6,185
Accumulated depreciation to 1 April	(3,995)	(4,130)
Net book value 1 April	3,385	2,055
Current year additions	451	2,038
Current year disposals	(138)	(135)
Current year depreciation	(641)	(573)
Cost to 31 March	7,342	7,380
Accumulated depreciation to 31 March	(4,285)	(3,995)
Net book value	3,057	3,385
13.7 Plant, furniture and fittings		
Cost to 1 April	4,891	4,644
Accumulated depreciation to 1 April	(3,101)	(3,256)
Net book value 1 April	1,790	1,388
Current year additions	284	803
Current year disposals	(11)	(16)
Current year depreciation	(396)	(385)
Cost to 31 March	5,109	4,891
Accumulated depreciation to 31 March	(3,442)	(3,101)
Net book value	1,667	1,790
Total net book value	**165,042**	**157,661**

Reticulation assets net book value includes $8.71m of capital work in progress which is not yet being depreciated (2023 $4.81m).

15. Intangible assets

Software assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis so as to allocate the cost of the assets over the estimated useful lives. The useful lives and associated amortisation rates have been estimated as five to 15 years.

Acquired easement rights are capitalised on the basis of the direct costs incurred including injurious affection payments. Easements are deemed to have an indefinite useful life, as the contracts do not have a maturity date and the Company expects to use the easements indefinitely. Therefore, easements are not amortised. Where the rights have an expiration date, amortisation is charged to the statement of comprehensive income on a straight-line basis so as to allocate the cost of the assets over the useful life.

Annually, the Company assesses the risk of impairment on its intangible assets. Intangible assets form part of the Company single cash generating unit over which an impairment assessment has been made. Further information is included in Critical Accounting Estimates and Judgments. Intangibles with an indefinite useful life, easements, do not have an expiration date and provide access to land areas necessary for delivering network services now, and in the future. These assets are therefore assessed for impairment as part of the single cash generating unit assessment.

	2024 $000	2023 $000
Software		
Cost to 1 April	5,162	3,204
Accumulated amortisation to 1 April	(853)	(548)
Net book value 1 April	4,309	2,656
Current year additions	498	2,191
Current year disposals	(526)	–
Current year impairment	–	(277)
Current year amortisation	(575)	(261)
Cost to 31 March	5,134	5,162
Accumulated amortisation to 31 March	(1,428)	(853)
Net book value	3,706	4,309
Easements		
Cost to 1 April	4,521	4,521
Net book value 1 April	4,521	4,521
Current year additions	–	–
Cost to 31 March	4,521	4,521
Net book value	4,521	4,521
Total net book value	**8,227**	**8,830**

Capital work in progress relates to the ongoing development of information technology systems across finance and operational services, including network asset management and health and safety. The development of these assets generate benefit to support its carrying value through improvements in the quality, efficiency and effectiveness of our corporate services, network asset and people performance, ensuring the Company is fit for purpose and resilient to demands from future technological changes and compliance requirements. To assess capital WIP for the risk of impairment, the Company considered the realisation of intended benefit in the business case initially approved will still be achieved and does not present an indicator of impairment.

Software net book value includes $0.03m capital work in progress which is not yet being depreciated (2023 $0.6m).

16. Trade and other payables

Trade payables and other accounts payable are recognised when the Company becomes obligated to make future payments resulting from the purchase of goods and services.

	2024 $000	2023 $000
Accounts payable and accruals – trade	6,400	4,164
	6,400	**4,164**

Accounts payable and accruals – trade, are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximate their fair value.

17. Capital contributions in advance

	Note	2024 $000	2023 $000
Capital contributions recognised over time			
Balance as at 1 April		8,786	8,695
Less recognised as revenue in the current year		337	313
Plus reclassified from capital contributions recognised at a point in time		316	156
Balance remaining from 1 April		8,765	8,538
Contributions received in the current year		652	248
Balance as at 31 March		9,417	8,786
Current capital contributions in advance		337	313
Non current capital contributions in advance		9,080	8,473
Total capital contributions in advance		**9,417**	**8,786**

The revenue is recognised in the statement of comprehensive income as operating income over the projected useful life of the asset that the contribution was provided for, on a straight-line basis of up to 40 years.

	Note	2024 $000	2023 $000
Capital contributions recognised at a point in time			
Balance as at 1 April		6,684	4,911
Less recognised as revenue in the current year	2	5,337	2,293
Less reclassified to capital contributions recognised over time		316	156
Balance remaining from 1 April		1,031	2,462
Contributions received in the current year		3,962	6,550
Less contributions recognised in current year revenue at a point in time		1,306	2,328
		2,656	4,222
Current capital contributions in advance as at 31 March		**3,687**	**6,684**
Total capital contributions in advance		**13,104**	**15,470**
Total capital contributions in advance			
Current capital contributions in advance		4,024	6,997
Non current capital contributions in advance			
Over 1 but less than 5 years		1,130	1,088
> 5 and < 10 years		1,413	1,292
> 10 and < 40 years		6,537	6,093
Total capital contributions in advance		**13,104**	**15,470**

18. Financial instruments

Financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company classifies its financial assets as at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial liabilities

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value. The Company may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information. It has not made any such designation.

Recognition and derecognition

The Company recognises a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. The Company removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Measurement

At initial recognition, the Company measures financial liabilities at its fair value plus or minus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

18. Financial instruments *continued*

Financial instrument classification

	2024 At amortised cost $000	2024 Fair value through profit or loss $000	2023 At amortised cost $000	2023 Fair value through profit or loss $000
Financial assets				
Cash and cash equivalents	196	–	602	–
Investments	–	65,300	–	65,947
Trade and other receivables	4,636	–	4,956	–
Loans to shareholders	–	–	100	–
Total financial assets	**4,832**	**65,300**	**5,658**	**65,947**
Financial liabilities				
Trade and other payables	6,400	–	4,163	–
Debt facility	4,550	–	6,940	–
Related party borrowings	–	–	3,000	–
Lease liabilities	143	–	138	–
Total financial liabilities	**11,093**	–	**14,241**	–

Fair value hierarchy

	Level 1 $000	Level 2 $000	Level 3 $000
As at 31 March 2024			
Investments	–	65,300	–
As at 31 March 2023			
Investments	–	65,947	–

There has been no transfers between financial instrument categories or between assets on different levels of the fair value hierarchy in the current year, or the prior year.

The fair value of all financial instruments approximates the carrying value recorded in the statement of financial position. Fair value of the derivative instruments is the cash flows attributable to the hedged risk.

Credit risk

Credit risk is the potential risk of financial loss arising from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they fall due. The credit risk attributable to receivables is managed and monitored on an ongoing basis via the Company's management reporting procedures and internal credit review procedures.

Trade and other receivables:

The Company recognises an allowance for ECLs for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In the normal course of its business, Waipā Networks incurs credit risk from trade receivables from customers. Waipā Networks largest customer accounts for 28% (2023 19%) of total sales and 21% (2023 10%) of trade receivables at balance date for which a bank performance bond is held. There are no other significant concentrations of credit risk and Waipā Networks generally does not require any collateral.

The Company does not provide any financial guarantees which would expose the Company to credit risk.

Details of ageing and impairment of trade receivables are in note 12.

Cash and cash equivalents and investments:

The Company places its cash, short term deposits and investments with high credit quality financial institutions with a recognised credit rating of A- or better and limits the amount of credit exposure to any one institution, as set forth by the Board of Directors. While the Company may be subject to credit losses up to the contract amounts in the event of non-performance by other parties, it does not expect such losses to occur.

18. Financial instruments *continued*

Market risk

Price risk

The Company is exposed to price risk associated with the units invested through its $65m managed fund investments.

Investments comprise managed fund portfolios. After initial recognition in accordance with the financial instruments policy above, the Company subsequently measures the managed fund portfolio at fair value. Distributions from the investments are recognised in profit or loss as other income when the Company's right to receive payments is established. The investments are measured at fair value through profit or loss as the Company manages the investments seeking capital returns above and beyond payments of purely principal and interest.

Fair value of investments is measured using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates, specifically the use of quoted market prices or dealer quotes for similar instruments. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Changes in the fair value of financial assets at FVPL are recognised in gains/(losses) in the statement of profit or loss. The assets are categorised as being level 2 on the fair value hierarchy. Valuations for investments are provided by the investment managers and the Company does not have access to the underlying valuation models to fully disclose sensitivities.

Currency risk

The Company enters into forward exchange contracts for any significant capital transaction conducted in currency other than the New Zealand dollar to eliminate the effects of any currency fluctuations, these are recognised when the transaction occurs. There are no currency hedges as at 31 March 2024 (2023 Nil).

Interest rate risk

Exposure to interest rate risk is summarised below. If the Company were to experience an interest rate rise of +1%, it would have the following impact on profit:

	Carrying amount $000	2024 Profit $000	Carrying amount $000	2023 Profit $000
Financial assets				
Cash and cash equivalents	196	2	602	6
Interest bearing investments	39,775	481	56,458	562
Trade and other receivables	4,636	–	4,956	–
Loans to shareholders	–	–	100	–
Financial liabilities				
Trade and other payables	6,400	–	4,164	–
Debt facility	4,550	(46)	6,940	(69)
Related party borrowings	–	–	3,000	–
Lease liabilities	143	(1)	138	(1)
Total increase / (decrease)		**436**		**498**

The Company is most exposed to changes in the market interest rate relating to its investments and third party debt obligations. The interest rate on Related party borrowings is set at the Vanilla WACC cost of capital for EDBs as determined by the Commerce Commission so is not affected by market interest rate risk. The Company's policy is to manage investment risk through diversification and to manage third party borrowing interest rate risk by funding ongoing activities with short-term borrowings funded at fixed interest rates. Interest rate swaps are used to reduce the Company's exposure to interest rate risk on long term funding requirements. The Company borrowings are drawn to fund ongoing operations and capital expenditure programmes.

Derivative financial instruments

As at the reporting date, the Company had the following variable rate borrowings in place:

	2024 Interest Rate	2024 $000	2023 Interest Rate	2023 $000
Bank borrowings	6.74%	4,550	6.11%	6,940
Net exposure to cash flow interest rate		**4,550**		**6,940**

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet their financial obligations as they fall due. This risk is managed by maintaining sufficient cash and deposits together with access to committed credit facilities.

The Company's access to committed credit facilities is disclosed in note 11.

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 16.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Year ended 31 March 2024	**< 1 year**	**1 – 5 years**	**> 5 years**	**Total Contractual cash flows**	**Carrying Amount**
Trade and other payables	6,400	–	–	6,400	6,400
Debt facility	–	4,550	–	4,550	4,550
Lease liabilities	31	128	–	159	143
	6,431	**4,678**	**–**	**11,109**	**11,093**

Year ended 31 March 2023	**< 1 year**	**1 – 5 years**	**> 5 years**	**Total Contractual cash flows**	**Carrying Amount**
Trade and other payables	4,164	–	–	4,164	4,164
Debt facility	–	6,940	–	6,940	6,940
Related party borrowings	3,000	–	–	3,000	3,000
Lease liabilities	23	101	23	147	138
	7,187	**7,041**	**23**	**14,251**	**14,242**

19. Employee entitlements

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred.

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, sick leave and gratuities when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured as the amount unpaid at balance date at current pay rates in respect of the employees' service up to that date.

Provisions made in respect of employee benefits not expected to be settled within 12 months are measured as the amount of future benefit that employees have earned in return for their service in the current and prior periods up to the balance date. The obligation is calculated using the projected unit credit method and is discounted to its present value.

	2024 $000	**2023 $000**
Current employee entitlements	1,090	831
Non current employee entitlements	–	124
Total employee entitlements	**1,090**	**955**

20. Contingent assets

There are no contingent assets as at 31 March 2024 (2023 Nil).

21. Contingent liabilities and commitments

There are no contingent liabilities as at 31 March 2024 (2023 Nil).

There are commitments amounting to $6.58m as at 31 March 2024 (2023 $0.37m).

22. Related parties

At balance date, the Waipā Networks Trust held 100 per cent of the shares in Waipā Networks Limited.

As part of its everyday business the Company passes rebates to retail electricity users on its network. Directors and staff of the Company that are connected to the Company's network have received these rebates calculated on the same basis as other retail electricity user rebates.

	2024 $000	2023 $000
Related party transactions with Waipā Networks Trust (parent)		
Interest expense	(54)	(184)
Interest received	2	–
Borrowings	–	3,000
Loans to shareholder	–	100
Dividend	(2,363)	–

On 29 June 2023 a dividend was paid to Waipā Networks Trust of $2.36m and the $3m loan was repaid. Subsequently the loan to shareholder was repaid in full.

No provision has been made in the accounts for payment of a final dividend to the Waipā Networks Trust (2023 Nil). No interim dividends have been paid in the current year (2023 Nil).

	2024 $000	2023 $000
Other related party transactions		
Advanced Security Group (Wkto) Limited	(70)	(62)
ASG Technologies Limited	(60)	–

Advanced Security Group (Wkto) Limited and ASG Technologies Limited are both companies associated with Mike Marr (Board of Directors Deputy Chair). At balance date Waipā Networks committed $0.002m of building expenses with Advanced Security Group (Wkto) Limited (2023 $0.025m of consulting expenses with ASG Technologies Limited).

No related party debts were forgiven or written off during 2024 or 2023.

	2024 $000	2023 $000
Remuneration of key management personnel		
Short term employee benefits	1,809	1,338
Directors' fees	283	240
	2,092	**1,578**

23. Events subsequent to balance date

The Directors authorised these financial statements for issue on 24 June 2024. There have been no significant events during the period since year end which have an impact on the information presented as at balance date.

24. Reconciliation of net profit to net cash flows from operating activities

	2024 $000	2023 $000
Reported profit after tax	9,682	4,947
Add (less) non cash items		
Depreciation of property, plant and equipment	5,530	5,195
Depreciation of right of use assets	24	22
Amortisation of intangible assets	575	261
Impairment of software	–	277
Increase in deferred tax	2,462	1,170
Increase (decrease) in term employee entitlements	(124)	(37)
	18,149	11,835
Add (less) movements in working capital items		
Decrease (increase) in income tax receivable	680	(253)
Decrease (increase) in trade and other receivables	320	(541)
Decrease (increase) in inventories	216	(574)
Increase (decrease) in trade and other payables	2,196	716
Increase in capital contributions	(2,366)	1,783
Increase in interest expense accrual	(3)	10
Increase in employee entitlements	259	127
	1,302	1,268
	19,451	13,103
Add (less) items classified as investing activities		
Net gain on disposal of property, plant and equipment	12	(92)
Gain on disposal of associate	–	(404)
Investment losses (gains)	(4,658)	(584)
Capital contributions	(4,614)	(6,822)
Decrease in prepayments	10	10
Capitalised interest receivable	–	3
	(9,250)	(7,889)
Net cash inflows from operating activities	**10,201**	**5,214**

25. Performance measures

Under Section 44 of the Energy Companies Act 1992, the Company is required to report its performance against targets set out in the Statement of Corporate Intent for the year. The performance of the business for the year ended 31 March 2024 is as follows:

●	Target achieved for current year
●	Target partially achieved for current year
●	Target not achieved for current year

Financial performance

	Target	2024	2023
Return on total assets			
Profit before share of profit on sale of associate, finance costs and tax as a percentage of total assets	3.67%	5.93% ●	3.27%
Profit before share of profit on sale of associate, finance costs and tax as a percentage of total assets (excl Net Gain/(Loss) on investments and investment assets)	4.81%	5.50% ●	4.16%
Return on equity (after discounts)			
Profit after tax as a percentage of shareholders funds	3.42%	4.98% ●	2.65%
Profit after tax as a percentage of shareholders funds (excl Net Gain/(Loss) on investments and investment assets)	4.99%	4.52% ●	3.86%
Ratio of shareholders to total assets			
Shareholders' funds comprise the total issued capital, the balance of undistributed profits and all revenue and capital reserves. Total Assets comprise all the recorded tangible and intangible assets of the Company at their current value	≥55%	78.82% ●	77.23%
EBITF			
Earnings before interest expense, tax and financial adjustments for revaluation of investments	$9.24m	$11.62m ●	$8.46m
Distributions			
Forecast dividends to be paid to shareholders	2,363,000	2,363,000 ●	
Forecast discounts to be paid based on forecast volumes ($m)	5,100,000	5,100,000 ●	6,150,000

25. Performance measures *continued*

Network performance

The Statement of Corporate Intent SAIDI and SAIFI targets are set based on the Commerce Commission's DPP3 approach for reliability targets to drive improvement in the network performance and enable benchmarking.

	Target	2024	2023
SAIDI (average minutes per customer)			
Planned	126	61.7 ●	86.1
*Unplanned	109	143.4 ●	168.4

Historic reliability targets were set based on a 'moving average' plus one standard deviation principle – ranging between 130-180 minutes for unplanned components. We adapted the DPP3 normalisation-based method which sets an fixed unplanned SAIDI limit of 109.3 minutes as new proxy target. This is a significant reduction in the target limit with the aim to incentivise and drive reliability improvements going forward.

*FY24 unplanned SAIDI totalled 143.4 minutes post normalisation or 154 minutes (before normalisation). In FY24 we experienced significant increases in third party events from 38 minutes to 58 minutes, which accounts for 40% of the total unplanned SAIDI. The underlying SAIDI (based on variables we can control) reduced from 123 minutes in FY23 to 91 minutes in FY24. Despite improved network performance from FY23 as measured by either total unplanned SAIDI or underlying SAIDI, the total unplanned SAIDI exceeded the limit.

	Target	2024	2023
SAIFI (average interruptions per customer)			
Planned	0.48	0.42 ●	1.15
Unplanned	1.73	1.55 ●	1.87

The SAIFI excursion correlates to the higher number of faults for FY23, and compounded by impact from Cyclone Gabrielle.

Definitions

SAIDI The system average interruption duration index – the total average number of minutes that electricity was lost per customer.

SAIFI The system average interruption frequency index – the total average frequency of interruptions to electricity supply per customer.

Successive interruptions greater than one minute within an event are treated as new interruptions. In circumstances where multiple interruptions occur as a result of a single initiating event, e.g. interruptions for fault finding; we count each interruption separately. This is consistent with the interpretation used in the prior year.

Customer, community and environment

As we are a community owned entity we have included measures that focus on how we connect and provide for stakeholders and how we monitor our overall impact on the environment.

	Measure	Target		2024
Sustainability: Community	Community projects implemented to help alleviate energy hardship and provide education on the efficient use of electricity.	Complete a minimum of 500 energy assessments.	●	501 assessments completed.
Sustainability: Environmental	Environmental projects to raise our environmental awareness and actively reduce our environmental footprint.	An environmental audit and improvement plan completed.	●	Desktop emissions audit completed.
Sustainability: Cultural	We are embracing Te Ao Māori and building relationship with mana whenua.	Iwi engagement plan developed.	●	Iwi Engagement framework drafted.

	Target	2024	2023
Customer satisfaction	≥62%	63% ●	58%

We have improved our customer satisfaction result from FY23.

People

We have expanded our people measures and aligned our focus towards our critical risks to ensure that our Health & Safety system is producing the right outcomes to achieve our mantra of everyone home safe, every day.

	Target	2024	2023
Nil serious harm injuries ^	Nil	Nil ●	Nil
Total Reportable Injury Frequency Rate (New measure introduced in FY24)	<5	13.0 ●	–

^ Serious harm is defined as a notifiable event under the Health and Safety at Work Act guidelines published by WorkSafe NZ.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIPĀ NETWORKS LIMITED'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2024

The Auditor-General is the auditor of Waipā Networks Limited (collectively referred to as 'the Company'). The Auditor-General has appointed me, Glenn Keaney, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information of the Company on his behalf.

Opinion

We have audited:

- the financial statements of the Company on pages 16 to 42, that comprise the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of movements in equity and statement of 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 measure information of the Company on pages 43 to 45.

In our opinion:

- the financial statements of the Company:
  - present fairly, in all material respects:
    - its financial position as at 31 March 2024; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to International Financial Reporting Standards; 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 2024.

Our audit was completed on 24 June 2024. 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 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 obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Company to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 15 and 49 to 56, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the 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 pursuant to the Electricity Distribution Information Disclosure Determination 2012 – (Amended as of 9 December 2021), which is compatible with those independence requirements. Other than the audit and the assurance engagement, we have no relationship with or interests in the Company.

LG Keaney

Glenn Keaney
KPMG
On behalf of the Auditor-General
Tauranga, New Zealand

DIRECTORS' REPORT & STATUTORY INFORMATION

OWNERSHIP

Waipā Networks Ltd was established in April 1993 and is wholly owned by the Waipā Networks Trust.

Principal activities

The principal activity of the Company is the distribution of electricity. The electricity distribution network and all other assets continue to be well maintained and are in good condition.

DURING THE YEAR

Jennifer Kerr and Jonathan Cameron retired by rotation and being eligible offered themselves for re-election.

The following director appointments were made on 29 June 2023 by shareholder resolution as a minute book entry in lieu of meeting, per section 122 of the Companies Act 1993.

Jennifer Kerr and Jonathan Cameron were re-elected to the Board.

At the forthcoming 2024 Shareholders meeting:

- Jonathan Kay will retire by rotation
- on being eligible, will offer himself for re-election.

Directors' remuneration

Directors' fees paid during the year were as follows:

Current Directors	2024 $000	2023 $000
J Kay	75	70
M Stuart	44	41
M Marr	55	51
J Cameron*	52	37
J Kerr	49	41

**$24,265 was unpaid as at 31 March 2024 (2023 $3,298).*

Waipā Networks – Annual Report 2024 49

DIRECTORS' AND OFFICERS' INTERESTS

CLOSED INTERESTS

Person	Organisation	Nature of Interest	Date Notified	Date Closed
Dave Rodgers	CDR Construction	Director	18 Nov 2022	5 Mar 2024
	MFME Limited	Chair	18 Nov 2022	5 Mar 2024
Mike Marr	Eastbourne Dairy Farm Limited	Shareholder	28 Jun 2023	
	TPT Group Holdings (NZ) Limited & Subsidiaries: Concord Security Limited	Non-executive Director & Shareholder	28 Mar 2023	5 Sep 2023
	TPT Group Holdings (NZ) Limited & Subsidiaries: NZ Technology Accelerator Limited	Non-executive Director & Shareholder	11 Nov 2022	25 May 2023
	TPT Group Holdings (NZ) Limited & Subsidiaries: TPT Group Investment Fund Limited	Non-executive Director & Shareholder	11 Nov 2022	5 Sep 2023
Sean Horgan	UDL Energy Advisory Committee	Member	18 Nov 2022	31 Oct 2023

ACTIVE INTERESTS

Person	Organisation	Active Interests	Notice Date
Anna Greenhill	Narrative Therapy Foundation	Trustee	23 Nov 2023
Ashleigh Turner	Ngāti Tainui, Ngāti Maniapoto & Ngāti Hauaa	Member of each	25 Aug 2023
	Pukeroa Hangatiki Block A37	Trustee	28 Jun 2023
	Te Nehenehenui	General Manager of Waihikurangi	28 Jun 2023
	Whanakeamua Limited	Director	28 Jun 2023
Audrey Scheurich	Waikato Community Hospice Foundation	Trustee	18 Nov 2022
	Hospice Waikato Trust	Trustee	18 Nov 2022
Jennifer Kerr	Callaghan Innovation	Chair	11 Nov 2022
	Eke Panuku Development Auckland	Director	11 Nov 2022
	JR Kerr Trust	Trustee	11 Nov 2022
	Kupe Scholarship Advisory Board	Member	27 Mar 2023
	Management School at the University of Waikato	Business Advisory Board	15 Nov 2022
	New Zealand Police Assurance & Risk Committee	Member	11 Nov 2022
	Ngāti Mutunga and Ngāti Tama	Registered Iwi Member	15 Nov 2022
	NZTE	Chair	1 Mar 2022
	Taranaki Whānui ki te Upoki o te Ika (Port Nicholson Block Settlement) Trust	Registered Member	15 Nov 2022

Person	Organisation	Active Interests	Notice Date
	Te Manawaroa Trust (a Ngāti Tama iwi Trust)	Trustee	15 Aug 2023
	University of Waikato	Masters Student	11 Nov 2022
	Worksafe New Zealand Board	Chair	17 Oct 2022
Jonathan Cameron	Elevate Capital Partners Limited	Director & Shareholder	11 Nov 2022
	Hawkes Bay Regional Investment Company Limited	Independent Member	5 Jul 2023
	I.D.A.ShonCo Limited	Director & Shareholder	11 Nov 2022
	Ngāti Whātua Ōrākei Trustee Limited – Risk, Assurance and Audit Committee	Independent Member	5 Jul 2023
	NZFM (2022) General Partner Limited	Director	11 Nov 2022
	Tourism Investment Partners Limited	Director & Shareholder	11 Nov 2022
	Tupu Angitu Limited (subsidiary of Lake Taupō Forest Trust)	Director	11 Nov 2022
	Veterinary Enterprises Group Limited	Director	11 Nov 2022
Jonathan Kay	Aquaheat Facility Services Limited	Director	9 Jun 2023
	Aquaheat Fire New Zealand Limited	Director	9 Jun 2023
	Aquaheat New Zealand Limited	Director	9 Jun 2023
	Caldwell and Levesque Limited	Director	9 Jun 2023
	Coollogic Refrigeration Limited	Director	9 Jun 2023
	Counties Energy Limited	Director	22 May 2023
	Horizon Energy Distribution Limited	Director	9 Jun 2023
	Horizon Energy Group Limited	Director	9 Jun 2023
	Horizon Energy Limited	Director	9 Jun 2023
	Horizon Services Limited	Director	9 Jun 2023
	Lone Wolf Enterprises Limited	Director & Shareholder	11 Nov 2022
	Network Waitaki	Director	11 Nov 2022
	Whitestone Contracting	Director	3 Jan 2022
Mark Stuart	Alimetry Limited	Director & beneficial interest	30 Mar 2023
	Archgola Limited	Chairman	11 Nov 2022
	Fencing Systems (NZ) Limited	Director	11 Nov 2022
	Industrial Tube Manufacturing Limited	Chairman	11 Nov 2022
	ITM Brisbane Holdings Limited	Director	11 Nov 2022
	Miruku Limited	Director, Beneficial interest	30 Mar 2022
	Movac Fund 3 LP	Limited Partner	11 Nov 2022
	Movac Fund 3 side Car LP	Limited Partner	11 Nov 2022
	Movac Fund 4 Custodial Limited	Director & Shareholder	11 Nov 2022
	Movac Fund 4 General Partner Limited	Director & Shareholder	11 Nov 2022
	Movac Fund 4 LP	Limited Partner	11 Nov 2022
	Movac Fund 4 Partners LP	Limited Partner	11 Nov 2022
	Movac Fund 5 Custodial Limited	Director, Beneficial interest	11 Nov 2022
	Movac Fund 5 General Partner Limited	Director, Beneficial interest	11 Nov 2022
	Movac Fund 5 LP – Evnex Limited	Limited Partner	11 Nov 2022

Directors' and Officers' Interests continued

Person	Organisation	Active Interests	Notice Date
	Movac Fund 5 Partners LP	Limited Partner	11 Nov 2022
	Movac Growth Fund 6 Custodial Limited	Director & Trustee	24 May 2023
	Movac Growth Limited	Director & Shareholder	24 May 2023
	Movac Limited	Director & Shareholder	11 Nov 2022
	Movac MYIA Investments Limited	Director, Beneficial interest	11 Nov 2022
	Movac Open Investment Limited	Director, Beneficial Interest	24 May 2023
	Movac Solve Investment Limited	Director, Beneficial interest	11 Nov 2022
	Ngai Tahu Side Car (Movac) LP	Beneficial interest	11 Nov 2022
	NZSF Side Car (Movac) LP	Beneficial interest	11 Nov 2022
	Park Help International Limited	Chairman, Beneficial interest	11 Nov 2022
	Park Help Limited	Chairman, Beneficial interest	11 Nov 2022
	Park Help Solutions (incorporated in Spain)	Director, Beneficial interest	11 Nov 2022
	Park Help Technologies Limited	Chairman, Beneficial interest	11 Nov 2022
	Pencarrow Limited	Director & Shareholder	11 Nov 2022
	Portainer Limited	Director, Beneficial interest	30 Mar 2023
	Tectrax Limited	Director, Beneficial interest	30 Mar 2023
	TGF Holdings Limited	Chairman	11 Nov 2022
	United Nominees Limited	Shareholder	11 Nov 2022
	ZeroJet	Director, Beneficial interest	24 May 2023
Mike Marr	Counties Energy Trust	Elected Trustee	11 Nov 2022
	Flok Limited (jointly owned by TPT Group, KiwiRail & Spark)	Shareholder (via TPT Group)	11 Nov 2022
	Franklin STARS Trust	Chair & Board Member	5 Sept 2023
	Innovation Franklin Charitable Trust	Board Member/Chair	28 Mar 2023
	NEO Corporation	Shareholder, Non-executive Director	11 Nov 2022
	Rhema Media	Chairman	28 Mar 2023
	The Promise Trust (Trust 1)	Trustee, Beneficiary	11 Nov 2022
	The Promise Trust Investment Trust (Trust 3)	Trustee, Beneficiary	11 Nov 2022
	The Promise Trust No 2	Trustee, Beneficiary	11 Nov 2022
	The Runway Foundation (Charitable Trust)	Trustee	11 Nov 2022
	TPT Family Office Limited & subsidiaries – TPT Family Office Investment Fund Limited	Shareholder Executive Director	5 Sept 2023
	TPT Family Office Limited & subsidiaries – Trade Rentals (NZ) Limited	Shareholder, Non-executive Director	5 Sept 2023
	TPT Family Office Limited & subsidiaries: Promessa Property Group Limited	Non-executive Director & Shareholder	5 Sept 2023
	TPT Family Office Limited & subsidiaries: Promessa Residential Limited	Non-executive Director & Shareholder	5 Sept 2023
	TPT Family Office Limited & subsidiaries: Promessa Commercial No.2 Limited	Non-executive Director & Shareholder	5 Sept 2023
	TPT Group Holdings (Australia) Limited & Subsidiaries: ASG Australia (Pty) Limited	Non-executive Director	11 Nov 2022

Person	Organisation	Active Interests	Notice Date
	TPT Group Holdings (NZ) Limited & Subsidiaries – Acquisition 15 TPT Limited	Shareholder, Non-executive Director	25 May 2023
	TPT Group Holdings (NZ) Limited & Subsidiaries – Acquisition 16 TPT Limited	Shareholder, Non-executive Director	25 May 2023
	TPT Group Holdings (NZ) Limited & Subsidiaries – VigilAir Limited	Shareholder, Non-executive Director	25 May 2023
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Group (NZ) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Security Group (NZ) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Security Group (Sth Is) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Security Group (Wgtn) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Security Group (Wkto) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Advanced Security Group Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: ASG Technologies Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: ASGSPL Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: CableNet Limited	Non-executive Director & Shareholder	30 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Customised Wireless Networks Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: IT Engine Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: New Zealand Security Group Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Technology Leasing (NZ) Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Terese Marr Music Limited	Non-executive Director & Shareholder	11 Nov 2022
	TPT Group Holdings (NZ) Limited & Subsidiaries: Everlert Limited	Non-executive Director & Shareholder	5 Sept 2023
Sean Horgan	Electricity Networks Aotearoa	Board member	29 Nov 2022
	Horgan Family Trust	Trustee	18 Nov 2022
	Power Credits Governance Committee	Committee Member	29 Nov 2022
Weihao Zhou	YANZ Family Trust	Trustee	18 Nov 2022

DIRECTORS' INSURANCE

Directors Insurance protects directors and officers (managers in senior positions) against allegations of committing wrongful acts in their role as a director or officer. This policy also covers legal expenses the Company/Director may incur in defending claims. The Company also purchased Statutory Liability Insurance that covers fines, penalties (except in the case of the Health & Safety at Work Act 2015) and reparation imposed by the courts for unintentional breaches of most laws in New Zealand, the policy also covers the legal cost of investigation and defending claims. Together these policies generally ensure the Directors and Employees will not suffer any monetary loss as a result of actions undertaken by them in their capacity as Directors or Employees of Waipā Networks.

EMPLOYEE REMUNERATION

Remuneration and other Benefits for Employees totalling $100,000 or more as follows:

	2024	2023
$470,000 – $480,000	1	–
$360,000 – $370,000	1	–
$310,000 – $320,000	–	1
$290,000 – $300,000	1	–
$230,000 – $240,000	–	1
$220,000 – $230,000	1	1
$210,000 – $220,000	1	–
$200,000 – $210,000	–	1
$180,000 – $190,000	1	–
$170,000 – $180,000	3	–
$160,000 – $170,000	3	5
$150,000 – $160,000	6	3
$140,000 – $150,000	4	2
$130,000 – $140,000	4	4
$120,000 – $130,000	4	7
$110,000 – $120,000	6	8
$100,000 – $110,000	17	6
	53	**39**

BOARD OF DIRECTORS

Jonathan Kay
Chair

Mike Marr
Deputy Chair

Mark Stuart
Director

Jonathan Cameron
Director

Jennifer Kerr
Director

SENIOR LEADERSHIP TEAM

Sean Horgan
Chief Executive

Audrey Scheurich
Chief Financial Officer

Anna Greenhill
General Manager Customer and Community

Weihao Zhou
General Manager Network

Tom Bromfield
General Manager Delivery

David Fuller
General Manager People, Safety and Sustainability

Michelle Walker
Board Secretary

USE OF COMPANY INFORMATION

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

For and on behalf of the Board:

Jonathan Kay
Chair
Waipā Networks

DIRECTORY

Board of Directors

Jonathan Kay – Chair

Mike Marr – Deputy Chair

Mark Stuart

Jonathan Cameron

Jennifer Kerr

Board Subcommittees

Finance, Audit & Investment

J Cameron – Chair

M Marr

J Kay

M Stuart

People, Safety & Wellbeing

J Kerr – Chair

M Marr

J Kay

Information Services Strategic Plan

M Marr – Chair

M Stuart

J Kay

Asset Management

J Kay – Chair

J Cameron

Management

Sean Horgan – Chief Executive

Audrey Scheurich – Chief Financial Officer

Tom Bromfield – GM Delivery (commenced April 2024)

David Fuller – GM People Safety & Sustainability

Anna Greenhill – GM Customer & Community

Weihao Zhou – GM Network

Dave Rodgers – Head of Operations (resigned February 2024)

Registered Office

240 Harrison Drive
PO Box 505
Te Awamutu 3840

Telephone: 07 872 0745

Email: info@waipanetworks.co.nz

Website: waipanetworks.co.nz

Bankers

Westpac Banking Corporation
Te Awamutu

Solicitors

Tompkins Wake

Rachel Webster & Associates

Chapman Tripp

Auditors

KPMG on behalf of the Office of the Auditor General.





WAIPĀ NETWORKS

240 Harrison Drive, Te Awamutu, 3800

waipanetworks.co.nz