2022

Waipa Networks Limited

Annual Report

For the Year Ended 31 March 2022

WAIPA NETWORKS

Front Page: Mount Pirongia and Kakepuku viewed from Tiki Road Parawera

This is the Annual Report of Waipa Networks Ltd

Dated 29 June 2022

Signed for and on behalf of the Board of Directors

Jonathan Kay

Chairman

Mike Marr

Deputy Chair

energy advanced

WAIPA NETWORKS

CHAIRMAN and CHIEF EXECUTIVE Report

Chairman and Chief Executive Report 2022

It is our pleasure to present this Annual Report of Waipa Networks for the year ended 31 March 2022. Over the last twelve months the business has seen further change, including a change in leadership. As the Board has worked through this process we have been ably supported by an interim Chief Executive, Marcel Manders. Marcel has provided a steadying hand during this period. The board is pleased to have secured Sean Horgan as its new Chief Executive. Sean will join Waipa Networks in July as we embark on the next phase of our evolution.

The focus over the last year has been on further strengthening the key foundations of the business. Our health and safety culture is improving, we have de-risked the new Cambridge GXP project by securing a site, and we have continued our major information systems upgrade. We are now in a position to develop our new strategy to reinvest the proceeds of the sale of our stake in Ultrafast Fibre.

Operating under COVID 19

Waipa's vigilance in managing its operations during the COVID-19 pandemic has been of the highest order. During lockdown, and throughout the subsequent levels, Waipa instituted extra layers of protection for our people and business operations to ensure the power remained on and everyone in the community could go about their daily lives. COVID-19 presented new challenges and opportunities to employ creative solutions and exercise agility in swiftly changing circumstances. We are proud that throughout all alert levels, Waipa continued to operate a safe and reliable network, and provide reassurance to the community that there was no heightened risk to the supply of power.

Company Highlights for the Year

- Delivery of the Lidar Survey of our network
- Delivery of certainty of supply for Cambridge through securing land for sub transmission project with Transpower
- Delivery of Waikeria project
- Implementation of our Health and Safety system
- Development of robust cyber security across our IT systems
- Increased applied capability of our staff through the delivery of 246 days of training
- Developed a model to identify cost of supply across different customer groups and asset locations to better inform investment and pricing decisions.
- Increase of IT service and support
- Continued growth in connected customers, increased by 595 connections
- Net Profit After Tax (excluding UFF sale proceeds) decreased by 9.21%
- Total assets increased to $230.51m
- Company equity increased by 4.1%
- Strategic land purchases in Te Awamutu and Cambridge

A continued focus on Health & Safety for our team and our community

Health and Safety

Health and safety is always top of mind for us, and throughout the year we maintained our unrelenting focus on ensuring the wellbeing of our people, our service providers, and the public

The number of recordable injuries during the year decreased, reflected in a decrease in the measure of TRIFR, and corresponding to the safety climate that has been built up to report and investigate all injuries in order to eliminate any unsafe practices. We have also seen a reduction in lost time injuries (LTIs) during the year, another indicator of an improving health and safety culture. Ensuring our people can undertake their work safely continues to be priority for us, and we are building the learnings into our operational practices.

Feedback from staff who completed our staff survey was unanimous in acknowledging Waipa for the priority placed on the health, safety and wellbeing of its people.

While it is pleasing to see improvements in health and safety we acknowledge that we still have a way to go on this journey.

Our Customers

During the year we connected 595 new customers to the network. Despite COVID-19 impacts this is the largest growth recorded in the past decade. The growth we are experiencing shows no signs of abating, and we recognise our role as a key infrastructure provider to support a prosperous Waipa region.

Our 2021 customer survey revealed overall supply satisfaction at 58%. This is at a level consistent with our peers. Analysis of customer complaints received during the course of the year indicates there is improvement needed around customer communication and information provision during outages. This was brought into sharp focus during Cyclone Dovi where our systems could not cope with the large numbers of customers attempting to contact us. We endeavour to maintain a high level of network reliability. On the rare occasions our customers suffer outages the ability to communicate with them as we restore power is critical. These recent events have highlighted a need to improve our performance in this area.

The looming changes we are facing in our industry are being driven by our customers. Customer focus is fast becoming a key capability for electricity networks and greater engagement with our customers and community is something we are committed to going forward. Last year we planned a community initiative to provide free LED lightbulbs to customers. COVID-19 restrictions forced the postponement of this initiative. With these restrictions easing we intend to relaunch this project in the coming year.

595

New connections to the network

Attending Fault to replace cross arm—Field Services team members—Tony Bentley & Renier Koekemoer

Financial Results

Waipa's revenue grew 9.8% in the previous twelve months to $42.1m. Operating costs were also up 9.4% on the previous year reflecting increased investment in the business and network. The resulting operating profit of $9.3m was up 22.4% on FY21.

A key benefit of consumer ownership of Waipa through the Waipa Networks Consumer Trust is the Company's practice of returning a significant lines discount to its Consumers each year in the form of a discount based on individual consumers electricity usage. This year the Company paid a consumer discount of $5.5 million.

Continued growth in our network area means that our capital expenditure program continues to grow annually, in order to ensure that the network can meet the additional demands placed on it to deliver electricity reliably and safely to our customers. Our total assets have grown to $231m over the last 12 months. In FY22 the Company spent $18 million on renewing, maintaining, and developing the network and associated assets.

The proceeds of our sale of our stake in Ultrafast Fibre were invested in a conservative managed fund. The intent was to preserve this capital until we had completed development of our new strategy and the investment needs of the business were clear. Over the last year the value of this fund decreased $0.9m partially offsetting the $1.2m gain from the previous year.

Our Network

Continued growth in the Cambridge area has resulted in the need to reinforce supply capacity into Cambridge. We have been working closely with Transpower on a project to construct a new Grid Exit Point (GXP). Last year we secured a site for the GXP and in doing so substantially de-risked this critical project. Design work and consenting applications are now in progress. We are also in the process of commissioning 3MW of temporary generation to provide back-up and support for Cambridge until the GXP is constructed.

Growth is not limited to the Cambridge region. Last year in anticipation of future growth in and around Te Awamutu the company purchased a property next to the existing Te Awamutu GXP. This will assist in the replacement of cables feeding out of the GXP ensuring there is sufficient capacity to support forecast growth over the medium term.

These two strategic land purchases have enabled the business to ensure it can support the ongoing growth of our region. The land purchases were part of a $13m investment programme in the network during the year. This was up considerably from the previous year.

Excluding the impact of Cyclone Dovi SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) improved on the previous year's performance. We know that in a low carbon future with increased reliance on electricity that our customers will demand greater reliability. We are planning for this future. Last year the Company strengthened its investment in network reliability and undertook a network wide LiDar survey. The results from that undertaking have now been modelled and initiatives to target certain network areas to further improve reliability have been identified.

Cyclone Dovi

The impact of Cyclone Dovi on the network left hundreds of customers unsupplied due to network damage from the high winds and rain over Sunday 13 February.

Damage included broken poles, cross arms and numerous fallen trees damaging the lines. The SAIDI impact of the storm was 114 SAIDI minutes. To put this into context the impact was as much as all other outages on the network for the year combined. The tireless effort of our field crews to safely restore power in trying circumstances was commendable.

The event highlighted some inadequacies in how we communicate and respond to our customers. This is an area that has been prioritised for improvement as part of our ongoing investment in information systems.

Waikato Tree Services in action

Tony Bentley and Josh Diedericks

Supporting Our Community

We know Covid-19 has continued to impact customers and businesses within our region. One of the ways we support our community is through a range of sponsorships. We have expanded our sponsorship in the areas of education, community safety, and energy efficiency. Our current sponsorships include:

- Waipa Business Awards
- Waipa District Sports Awards
- Cambridge Chamber of Commerce
- Te Awamutu Chamber of Commerce
- Waipa/King Country Life Education Trust
- Cambridge Autumn Festival
- Te Awamutu Light Operatic Society
- Commsafe Community Patrols
- Maungatautari Ecological Island Trust
- Mt Pirongia Restoration Society
- EVolocity Schools Electric Bike Competition
- Perry Aquatic Centre EV Charging

$5.46m

distributed in customer discounts

Looking Forward

Over the last year we have made progress in reinvesting in the business – in our people, our systems and our network. This is a journey that will take several years as we build the foundations to support our community as we transition to a low carbon future.

Waipa Networks is a relatively small network business. We see this as a strength. Being nimble and agile allows us to adapt quickly to the changes ahead. Our sector, like many others, is currently constrained in terms of resources and skills. This means we will need to be smarter. Investing in our existing people and providing them with the tools to do their jobs effectively is a prudent strategy in this environment.

For the coming year we have added another leg to our investment programme – investing in our customers and community. Understanding the needs of our community will be vital in helping us support them into the future. The business has set aside funds to invest in community projects. The aim of these projects is twofold.

Ultimately, they provide value to our customers and community, but they also enable us to engage directly with our customers. The learnings from this are invaluable.

The changes ahead of us will be challenging, but we are excited about the opportunity to prepare Waipa Networks for a low carbon future.

Acknowledgements

On behalf of the board, we would like to thank Marcel and his leadership team for their efforts in delivering an excellent result for the last year in trying circumstances.

We would also like to acknowledge the staff for their continued commitment and contribution to delivering a safe and reliable service to our customers and for ensuring each and every one of them goes home safely every day.

To my fellow Directors, thank you for the valuable contribution you make to the governance of Waipa Networks and for ensuring the Board continues to perform its role to a very high standard.

Finally, we would like to acknowledge the important role the Trustees have played in contributing to the company's success this year and we look forward to continuing our extremely positive working relationship in the year ahead.

J Kay	**L Guest**
Chairman	**Acting Chief Executive**

Highlights

Compared to 2021

Financial

$34.73m
Network Lines Services Revenue ↑ $2.78m

$27.36m
Operational expenditure ↑ $2.35m

$7.13m
Profit after Tax* ↓ $29.05m

$5.46m
Distributions to Customers ↓ $0.29m

$6.39m
Profit after Tax (excluding gain on sale of UFFH) ↓ $0.65m

$17.99m
Capital Expenditure ↑ $7.97m

$7.05m
Borrowings ↑ $4m

$230.51m
Total Assets ↑ $12.98m

* Significant decrease due to the sale of UFF in 2021

Network

28,293

Customer Connections ↑ 595

436 GWH

Total electricity delivered ↑38

85.98MW

Network Maximum Demand ↑ 2.53MW

340

Minutes of network outages per customer ↑83

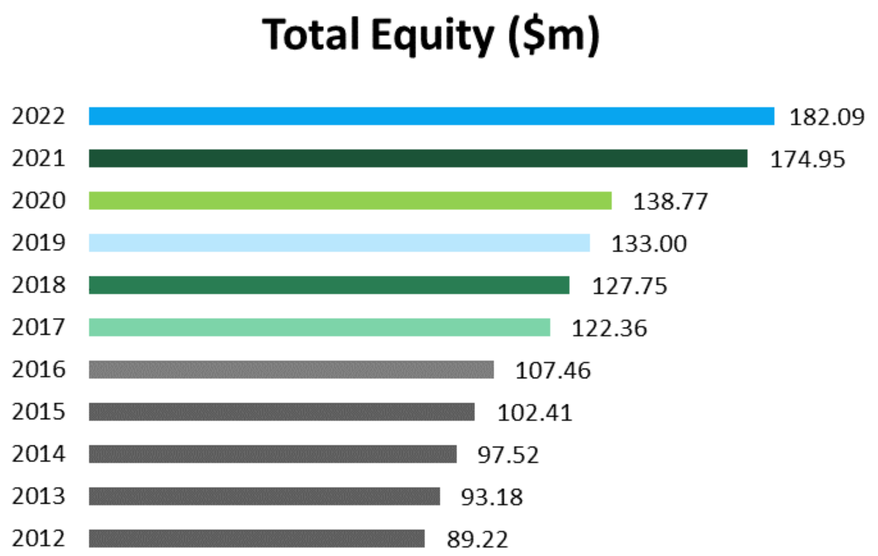
Financial Performance

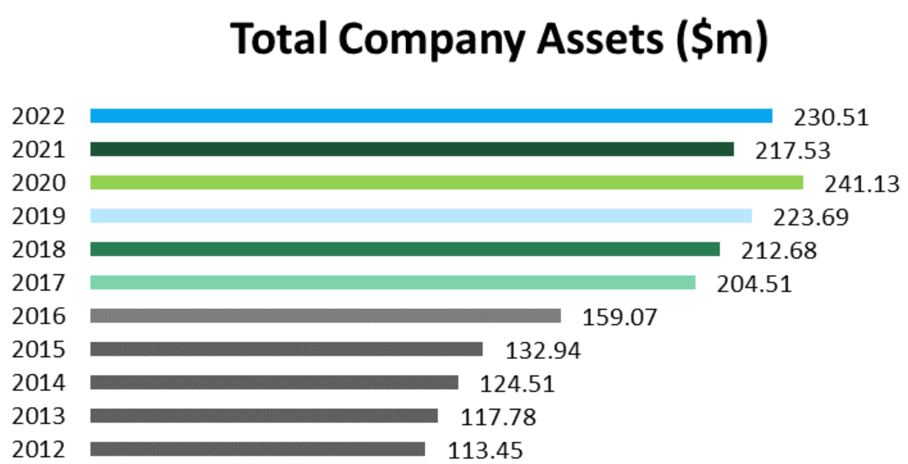
Waipa Networks' principal business activity is to own and operate the electricity distribution network immediately south of Hamilton. The Company services the large rural towns of Cambridge and Te Awamutu, together with the smaller rural and coastal settlements of Ohaupo, Kihikihi, Pirongia, Kawhia, and Aotea Harbour.

The Company's assets comprise 1,405km of 11kV and 851km of 400V lines and underground cables supplying 28,293 consumers.

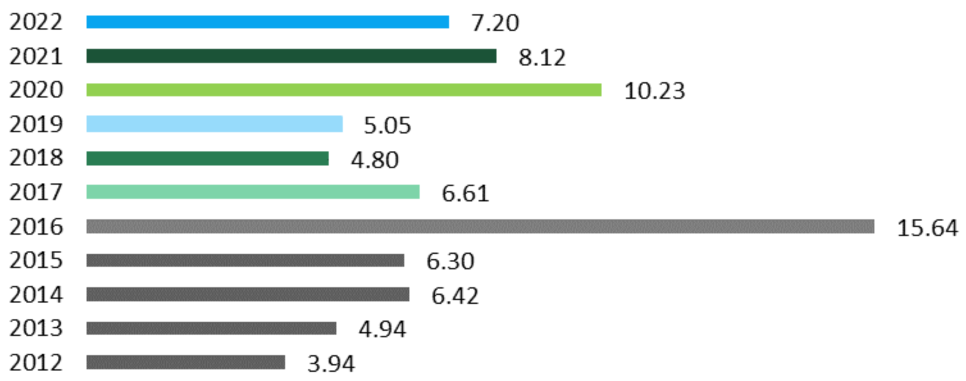
The consumers own the Company through the Waipa Networks Trust.

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

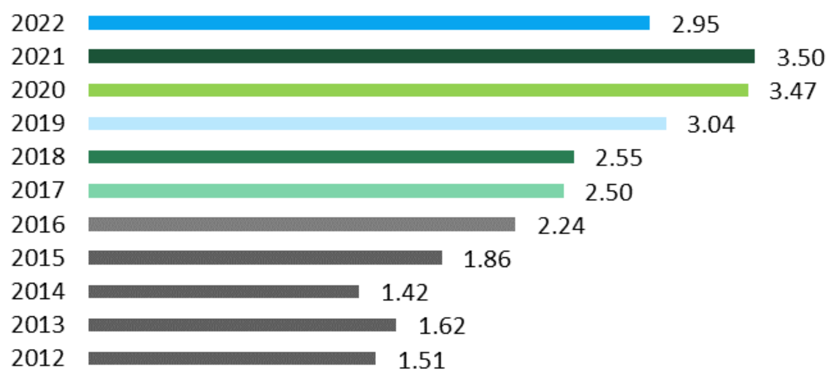




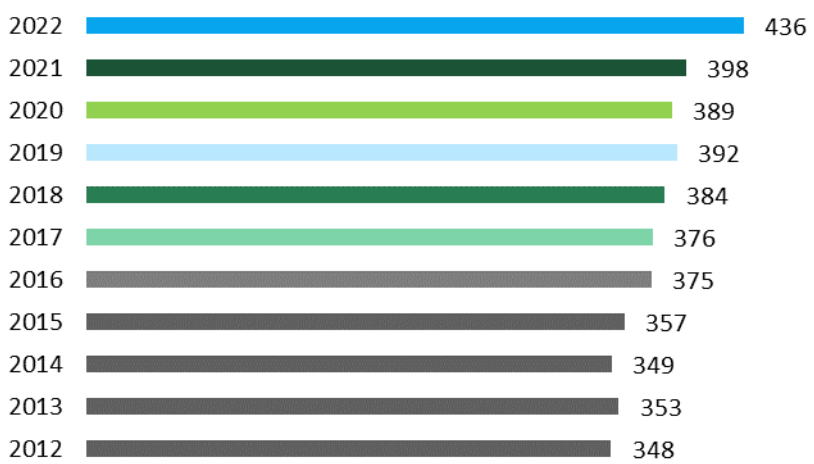
Network System CAPEX ($m)

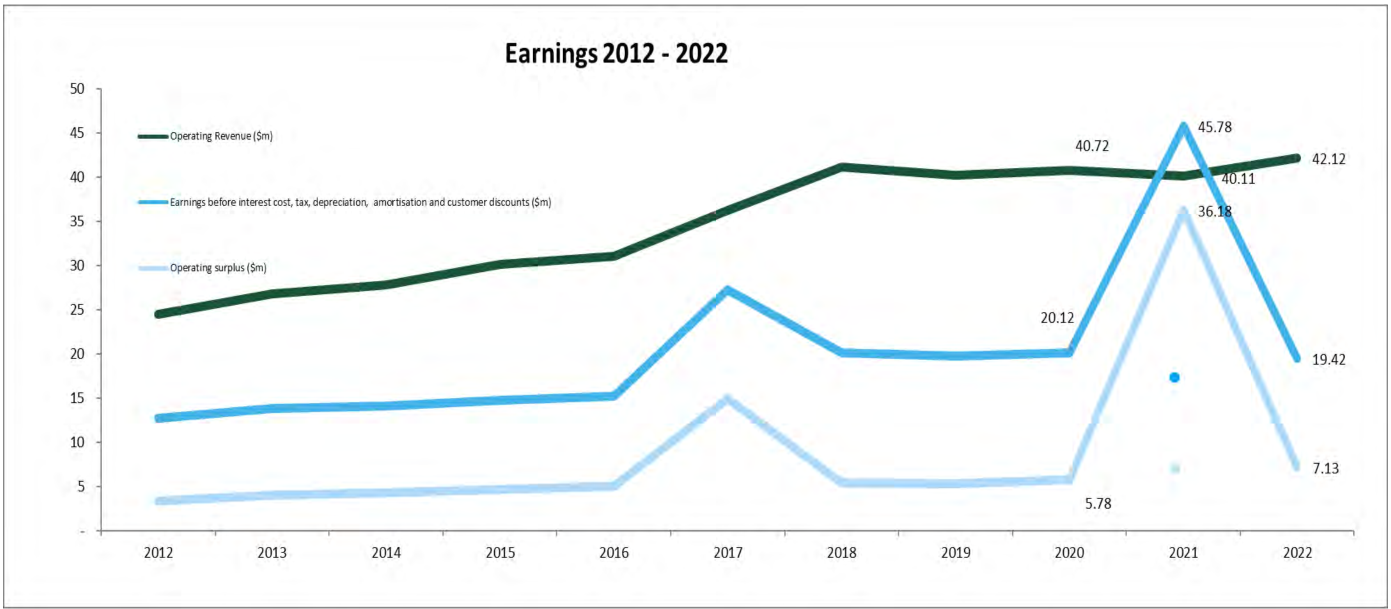


Network Maintenance ($m)



Total Sales (GWh)

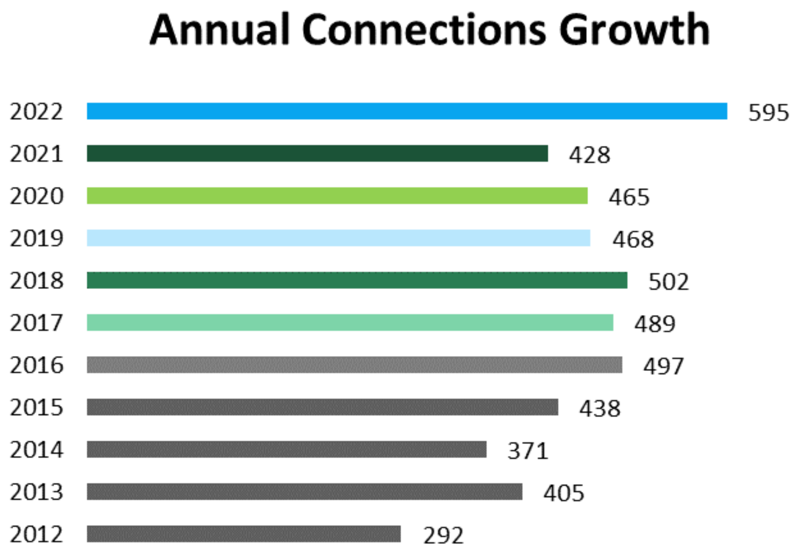


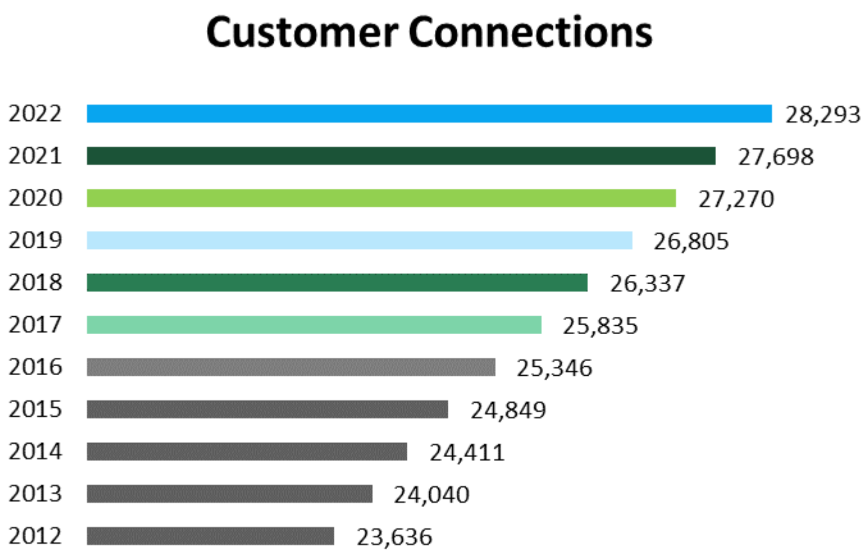


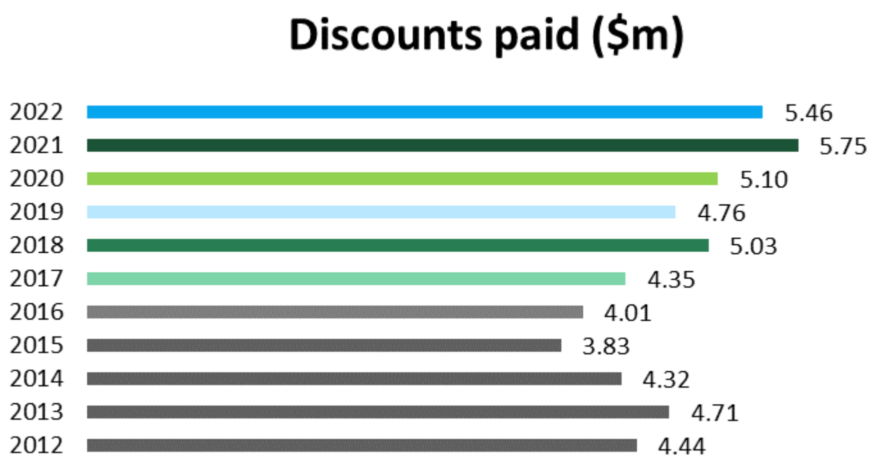
To enable a more useful year on year comparison, included in the results for 2021, above are point markers for Earnings before interest cost, tax, depreciation, amortisation and customer discounts and Operating surplus, excluding the gain on sale of shares in Ultrafast Fibre Holdings.

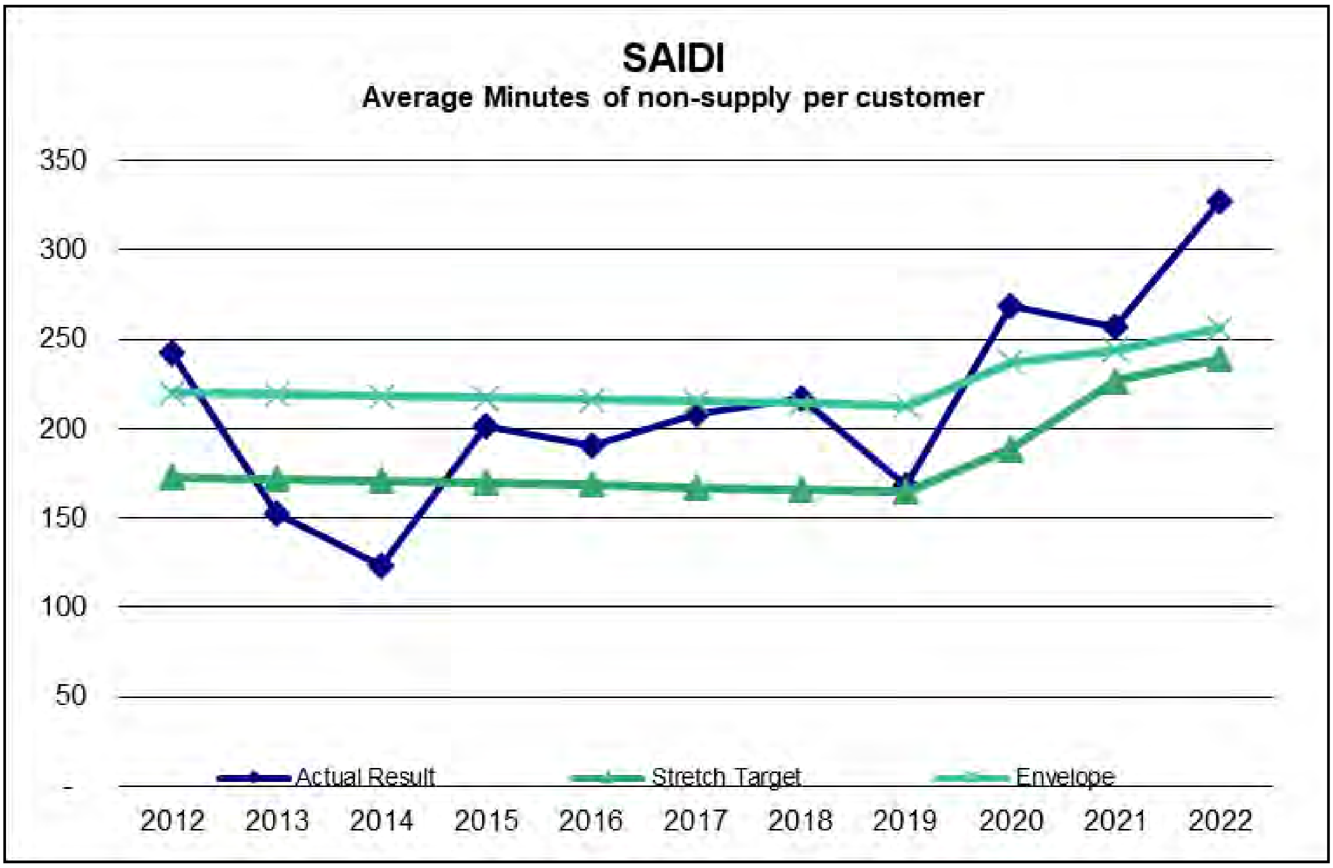
Results in brief:

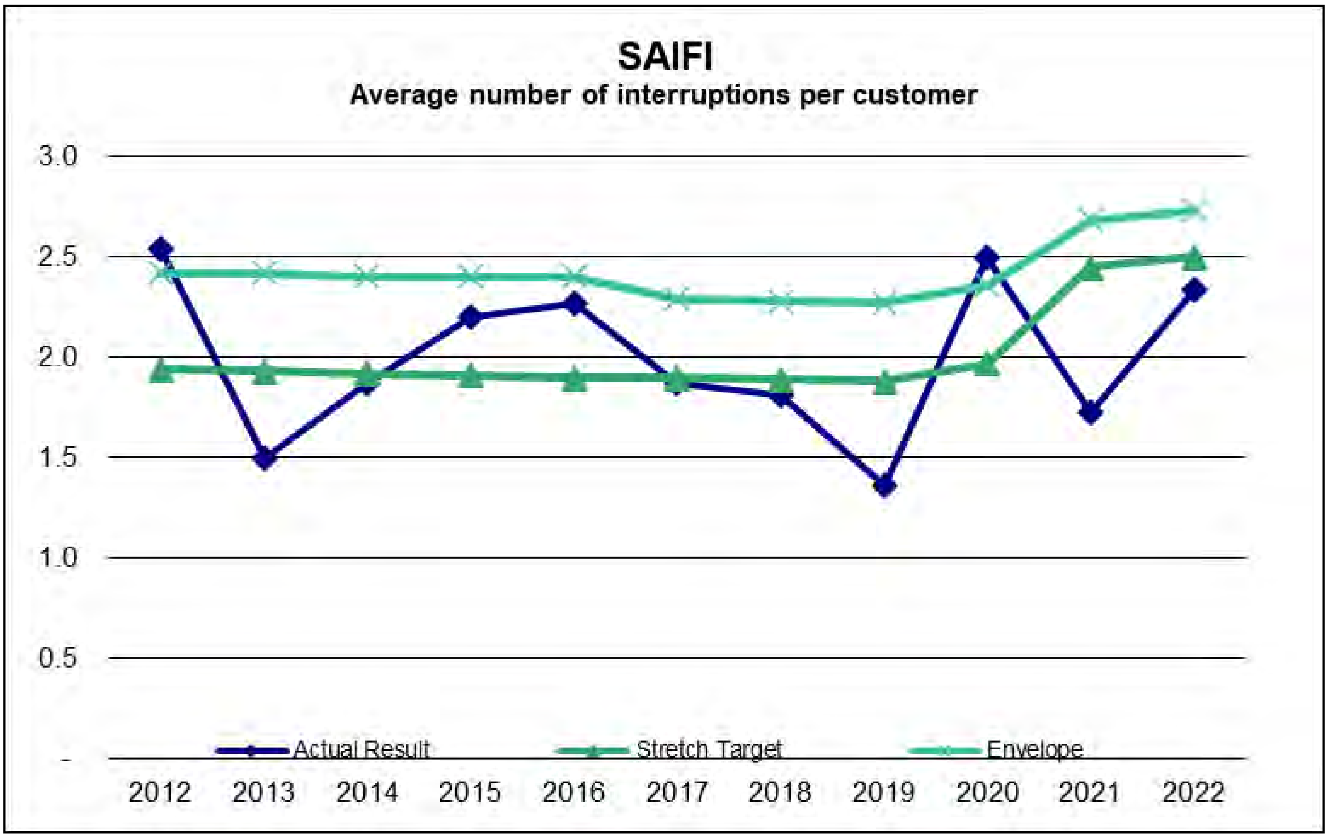
	2022	2021	2020	2019	2018	2017	2016
Operating Revenue ($m)	42.12	40.11	40.72	40.22	41.13	36.19	31.05
Earnings before interest cost, tax, depreciation, amortisation and customer discounts ($m)	19.42	45.78	20.12	19.74	20.09	27.24	15.23
EBITDAD excluding gain on sale of shares in UFFH ($m)	**18.68**	**16.64**					
Earnings before tax and interest cost ($m)	9.14	39.84	10.57	10.45	10.66	18.66	7.34
Operating surplus ($m)	7.13	36.18	5.78	5.25	5.39	14.90	5.05
Operating surplus excluding gain on sale of shares of UFFH	**6.39**	**7.04**					
Total Assets ($m)	230.51	217.53	241.13	223.69	212.68	204.51	159.07
Total Equity ($m)	182.09	174.95	138.77	133.00	127.75	122.36	107.46
Return on equity	3.92%	20.68%	4.17%	4.02%	4.31%	12.97%	4.82%
Discounts paid ($M)	5.46	5.75	5.10	4.76	5.03	4.35	4.01
Customer Connections	28,293	27,698	27,270	26,805	26,337	25,835	25,346
Total Sales (GWH)	436.36	398.29	388.71	392.02	383.93	376.15	374.95
System CAPEX ($m)	7.20	8.12	10.23	5.05	4.80	6.61	15.64
CAPEX ($m)	17.99	9.19	11.48	5.88	5.35	7.17	16.35
Maintenance ($m)	2.95	3.50	3.47	3.04	2.55	2.50	2.24


Annual Connections Growth
2022 595
2021 428
2020 465
2019 468
2018 502
2017 489
2016 497
2015 438
2014 371
2013 405
2012 292


Customer Connections
2022 28,293
2021 27,698
2020 27,270
2019 26,805
2018 26,337
2017 25,835
2016 25,346
2015 24,849
2014 24,411
2013 24,040
2012 23,636


Discounts paid ($m)
2022 5.46
2021 5.75
2020 5.10
2019 4.76
2018 5.03
2017 4.35
2016 4.01
2015 3.83
2014 4.32
2013 4.71
2012 4.44


SAIDI
Average Minutes of non-supply per customer
350
300
250
200
150
100
50
-
Actual Result
Stretch Target
Envelope
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022


SAIFI
Average number of interruptions per customer
3.0
2.5
2.0
1.5
1.0
0.5
-
Actual Result
Stretch Target
Envelope
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022

AUDITED FINANCIAL STATEMENTS

The Board of directors are pleased to present the audited financial statements of Waipa Networks Ltd for the year ended 31 March 2022.

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

- Financial
- Network Reliability
- Health & Safety
- Staff
- Efficiency
- Energy Delivery Efficiency

Authorised for issue on 29 June 2022

For and on behalf of the board of directors:

J Kay
Chairman

J Cameron
Director

WAIPA NETWORKS

WAIPA NETWORKS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
Revenue	2	42,121,775	38,350,814
Less discounts		5,461,755	5,747,845
Net revenue		36,660,020	32,602,969
Operating expenses	3	27,360,766	25,008,332
Profit from operations		9,299,254	7,594,637
Net Gain (Loss) on investments		(908,659)	1,272,406
Interest income		2,205	1,754,380
Net Gain on Disposal of Assets		4,352	80,272
Profit before share of profit (loss) of associate, finance costs and tax		8,397,152	10,701,695
Finance Costs	5	195,976	965,258
Gain on disposal of associates	17	740,516	29,141,052
Profit before tax, attributable to the shareholder		8,941,692	38,877,489
Tax	6	1,809,214	2,696,227
Total comprehensive income for the Year, attributable to the shareholder		7,132,478	36,181,262

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	2022 $	2021 $
Equity as at 1 April	174,954,208	138,772,946
Total comprehensive income for the Year, attributable to the shareholder	7,132,478	36,181,262
Equity as at 31 March	182,086,686	174,954,208

The accompanying notes form part of these financial statements.

WAIPA NETWORKS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 $	2021 $
Assets			
Property, Plant and Equipment	**14**	148,857,385	137,583,413
Right of use assets	**15**	151,991	174,234
Intangible assets	**16**	7,177,327	5,382,513
Prepayments		265,267	274,972
Loans to Shareholders	**24**	80,788	-
Total non-current assets		156,532,758	143,415,132
Cash and cash equivalents	**10**	1,331,455	1,631,847
Investments	**20**	65,363,746	66,272,406
Trade and other receivables	**12**	4,415,127	4,478,588
Income tax receivable		585,908	-
Inventories	**13**	2,283,248	1,733,561
Total current assets		73,979,484	74,116,402
Total assets		230,512,242	217,531,534
Equity			
Retained earnings	**9**	182,086,686	174,954,208
Total Equity		182,086,686	174,954,208
Liabilities			
Employee entitlements	**21**	161,133	190,099
Lease liabilities	**15**	138,219	157,232
Capital Contributions in advance	**19**	8,392,603	8,470,747
Deferred tax liabilities	**7**	23,306,943	22,894,633
Total non-current liabilities		31,998,898	31,712,711
Trade and other payables	**18**	3,439,990	3,482,427
Capital Contributions in advance	**19**	5,213,909	3,168,404
Borrowings	**11**	7,050,000	3,051,819
Lease liabilities	**15**	19,014	17,801
Employee entitlements	**21**	703,745	652,832
Income tax payable		-	491,332
Total current liabilities		16,426,658	10,864,615
Total liabilities		48,425,556	42,577,326
Total equity and liabilities		230,512,242	217,531,534

For and on behalf of the Board

J Kay Chairman
29 June 2022

J Cameron Director
29 June 2022

The accompanying notes form part of these financial statements.

WAIPA NETWORKS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		37,351,929	35,096,485
Discounts paid to customers		(5,461,755)	(5,747,845)
Payments to suppliers and employees		(22,194,910)	(20,822,708)
Net GST		248,550	(73,556)
Cash generated from operations		9,943,814	8,452,376
Interest received		952	15,917,034
Interest and finance costs paid		(193,380)	(2,392,631)
Taxes paid		(2,474,144)	(1,423,925)
Net cash flows from operating activities	**26**	7,277,242	20,552,854
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		124,414	154,827
Capital Contributions		6,029,746	5,740,003
Purchase of property, plant and equipment		(16,105,044)	(9,417,237)
Purchase of intangible assets		(1,888,612)	(837,629)
Proceeds from sale of investment in associate		361,017	35,020,279
Proceeds from settlement of loan to associate		-	76,947,296
Purchase of investments		(1,372,989)	(65,632,516)
Distribution of investments		1,372,989	522,733
Net cash used in investing activities		(11,478,479)	42,497,756
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in borrowings		4,050,000	240,850,000
Loan to Shareholder		(79,535)	-
Repayment of borrowings		(51,819)	(302,340,000)
Principal portion of the lease liability		(17,801)	(2,649)
Net cash flows from financing activities		3,900,845	(61,492,649)
Net increase (decrease) in cash held		(300,392)	1,557,961
Cash and cash equivalents at 1 April		1,631,847	73,886
Cash and cash equivalents at 31 March		1,331,455	1,631,847
CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION			
Cash and cash equivalents	**10**	1,331,455	1,631,847

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.

WAIPA NETWORKS LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Waipa 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 Waipa 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 functional and reporting currency used in preparation of the Financial Statements is New Zealand dollars. 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 and the Companies Act 1993.

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

WAIPA NETWORKS LIMITED

Covid-19 Impacts

On 11 March 2020, the World Health Organisation declared the outbreak of Covid-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. At the commencement of the financial year, the country was at Alert Level 1.

During the financial year the country moved through the various Alert Levels 1 – 4. On 22 November the country moved to the Covid-19 Protection Framework "Traffic Light System". As at 31 March 2022 Waipa Network Limited operational region was on "Orange".

During Traffic Light "Red", office based staff worked remotely and field staff worked in "bubbles". At "Orange" most staff have returned to the office and business has continued to operate with minimal disruption.

In the current environment it is challenging to predict the potential future effects. The Directors believe that any potential negative effects would likely be limited, unless there is a sustained economic downturn, which has been predicted by some economic commentators. In that event, Directors believe the effect on the key elements in the financial statements would be:

1) Network Line revenue. Waipa Networks has a mix of customers that provides diversity however, line services income is 84% variable based on consumption. Directors consider that even in a sustained downturn it is highly unlikely consumption would be down more than 5%.

2) Contracting Sales revenue. The company has a diverse mix of customers for its contracting services and it is unlikely this will be affected in the 2022/23 financial year as we have not experienced any significant changes since the pandemic was declared. Any negative effect on future income is possible but considered remote.

3) Capital contributions revenue is a function of Network Expansion. A sustained economic downturn would likely impact capital contributions however in the period post lock-down the Company has experienced significant levels of contribution and show no indicators of being disrupted by Covid-19.

WAIPA NETWORKS LIMITED

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 and inventories 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.

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 Covid-19 and the forecast economic environment and have not determined any impairment risk, refer to the Covid-19 note.

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 activites.

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 to 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 appriopriateness of useful lives estimates.

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Changes in Accounting Policies

New and amended standards and interpretations.
The following new or amended standards and interpretations effective in the current financial reporting period did not have a material impact on the Company's financial statements:

Covid-19 Related Rent Concessions
Interest rate benchmark reform - Phase 2

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.

1) 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 (predominately 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. No customers have significant payment terms or extended credit. ICPs have price categories and plans allocated in accordance with the Waipa Networks Limited Pricing Methodology. The majority of services are charged on a cost-recovery model, composed of fixed and volumetric charges. Fixed charges for Residential customers are set at the Low Fixed Charge (LFC) regulated rate and General fixed charges set at twice the LFC rate. Volumetric charges for Residential and General are set at the same rates. Most ICPs have a volumetric price plan based on a single rate regardless of the time of day that electricity is used. In 2016 the Company introduced Advanced Uncontrolled price plans (and later adding Advanced All Inclusive) offering rates dependent in which time period (Peak/Off Peak/Shoulder) electricity was used. All ICPs to move 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.

WAIPA NETWORKS LIMITED

REVENUE (cont.)

2) 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 balance sheet liabilities 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 3 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.

3) Capital Contributions
Revenue recognised over time:
Contributions received from local authorites 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 balance sheet initially as deferred income. 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 a 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 balance sheet 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 asset.

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

5) 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.

6) Loss rental rebates
Revenue recognised over time:
Waipa Network Limited recognises their allocation of Loss rental rebates as they accrue, which is over the time that the lines services are being provided. 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.

7) Discounts

Revenue discount recognised over time:
Waipa 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 Waipa Networks Board. In addition to the discounts, the Company distributes to customers the Loss rental rebates received for the period. Any discounts unpaid at year end are accrued.

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REVENUE (cont.)

	2022 $	2021 $
Network line services	34,730,169	31,947,217
Contracting sales	2,202,028	2,521,259
Capital contributions	4,062,385	2,824,855
Embedded Network	79,485	45,540
Sundry income	213,928	234,568
Loss rental rebates	833,780	777,375
Total Revenue	42,121,775	38,350,814

	2022 $	2021 $
Revenue recognised over time		
Network line services	34,730,169	31,947,217
Contracting sales	288,028	877,290
Capital contributions	302,472	296,720
Embedded Network	79,485	45,540
Sundry income	137,827	142,202
Loss rental rebates	833,780	777,375
Total Revenue recognised over time	36,371,761	34,086,344
Revenue recognised at a point in time		
Contracting sales	1,914,000	1,643,969
Capital contributions	3,759,913	2,528,135
Sundry income	76,101	92,366
Total Revenue recognised at a point in time	5,750,014	4,264,470
Total Revenue	42,121,775	38,350,814

Revenue of $1,702,772 (2021 $855,524) was included in Capital Contributions in advance at the end of the previous financial year.

3 OPERATING EXPENSES

	2022 $	2021 $
Audit fees for these financial statements	73,940	73,841
Audit fees for disclosure financial statements	32,100	30,000
Audit fees for disclosure financial statements prior year	4,500	
Depreciation		
Buildings	28,523	28,297
Buildings fitout	66,772	171,463
Reticulation Assets	3,819,049	3,640,830
Other Electrical Assets	114,238	106,028
Motor Vehicles	414,431	408,225
Plant, Furniture and Fittings	265,493	193,714
Right of use assets	22,243	3,558
Amortisation of Intangible Assets	93,798	34,613
Transmission Charges	8,298,042	7,877,709
Employee benefits		
Superannuation - defined contribution plans - refer note 4	196,391	168,757
Other Employee benefits - refer note 4	7,293,130	6,444,256
Directors' fees	224,708	270,135
Materials and Contractors	1,434,954	1,598,235
Inventories	748,486	921,505
Bad Debts	120,091	2,388
Change in Provision for Doubtful Debts	(52,000)	259,000
Other Expenses	4,161,877	2,775,778
Total Expenses	27,360,766	25,008,332

WAIPA NETWORKS LIMITED

4 EMPLOYEE BENEFITS

	2022 $	2021 $
Superannuation - defined contribution plans	196,391	168,757
Other Employee benefits included in operating expenses	7,293,130	6,444,256
Other Employee benefits capitalised to Property, Plant and Equipment	589,967	534,410
Total Employee benefits	8,079,488	7,147,423

5 FINANCE COSTS

	2022 $	2021 $
Interest Expense		
Bank Borrowings costs	48,991	810,769
Related Party Borrowings costs	143,646	153,898
Interest on lease liability	3,339	591
	195,976	965,258

WAIPA NETWORKS LIMITED

6 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 Sheet 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 Sheet 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.

	2022 $	2021 $
Profit Before Tax	8,941,692	38,877,489
Tax at income tax rate of 28%	2,503,674	10,885,697
Tax effect of non assessable revenue	(973,266)	(8,502,366)
Tax effect of expenses that are non deductible	278,806	312,493
Tax Expense	1,809,214	2,695,824
Over provision previous year	-	-
Adjustments Previous Years	-	403
Total Tax Expense	1,809,214	2,696,227
The Tax charge comprises:		
- current tax	1,396,903	2,056,349
- deferred tax on temporary differences	412,311	639,878
Total Tax Expense	1,809,214	2,696,227

All temporary differences have been recorded in financial statements.

Imputation credits available for use in subsequent periods	26,947,832	25,550,929

WAIPA NETWORKS LIMITED

7 DEFERRED TAX

	2022 $	2021 $
Balance at 1 April	22,894,633	22,254,754
Adjustments Previous Years	-	-
Deferred portion of current year tax expense	412,310	639,879
Balance at 31 March	23,306,943	22,894,633

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 ;

	2022 $	2021 $
Tax Effect on Timing differences	(35,276)	(9,389)
Tax effect on the Reticulation Assets being the difference between IRD Cost and IRD current Value.	17,074,078	15,709,928
Tax effect of the difference between the carrying amount of the Reticulation Assets and the IRD Cost of the Reticulation Assets.	6,268,141	7,194,094
	23,306,943	22,894,633

	2022 $	2021 $
Deferred tax Property, plant and equipment		
Balance at 1 April	23,455,345	22,954,822
Charged to statement of comprehensive income	51,717	500,523
Charged to equity	-	-
Balance at 31 March	23,507,062	23,455,345
Deferred tax employee entitlements		
Balance at 1 April	(171,547)	(158,687)
Charged to statement of comprehensive income	(7,548)	(12,860)
Charged to equity	-	-
Balance at 31 March	(179,095)	(171,547)
Deferred tax other		
Balance at 1 April	(389,165)	(541,381)
Charged to statement of comprehensive income	368,141	152,216
Charged to equity	-	-
Balance at 31 March	(21,024)	(389,165)
Deferred tax total		
Balance at 1 April	22,894,633	22,254,754
Charged to statement of comprehensive income	412,310	639,879
Charged to equity	-	-
Balance at 31 March	23,306,943	22,894,633

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8 SHARE CAPITAL

Share capital consists of ordinary shares which are classified as equity. At 31 March 2022 the company has 7,200,000 (2021 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.

Total capital includes the non-current and current assets of the Company which is equivalent to the equity and liabilities of the Company, amounting to $230.5 Million.

9 RETAINED EARNINGS

Retained earnings include all current and prior year retained profits or losses.

	2022 $	2021 $
Balance at 1 April	174,954,208	138,772,946
Profit after tax	7,132,478	36,181,262
Balance at 31 March	182,086,687	174,954,208

10 CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and on hand	1,331,455	1,631,847
	1,331,455	1,631,847

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.

WAIPA NETWORKS LIMITED

11 BORROWINGS

	Note	2022 $	2021 $
Debt Facility		4,050,000	-
Related Party Borrowings	24	3,000,000	3,051,819
		7,050,000	3,051,819

During 2021 the Company used proceeds from the disposal of its interest in associate to repay the debt facility.
The Company continues to have access to a debt facility of $10 million, which has a balance of $4.05 million at balance date (2021 $Nil).

Net debt reconciliation	$	$
Opening Borrowings at 31 March	3,051,819	64,387,922
Drawdown of facility	4,050,000	240,850,000
Interest capitalised to related party borrowings	143,646	153,897
Repayment of related party borrowings	(195,465)	-
Repayment of debt facilities	-	(302,340,000)
Closing Borrowings at 31 March 2022	7,050,000	3,051,819

The Debt Facility at year end relates to a multi option credit facility totaling $10 million (2021 $10 million). A facility fee rate is charged and the drawn balance is charged interest at a variable interest rate. The facility expires as follows:

Facility expiry date	Total Facility
31/05/2022 *(extension to 31 May 2025 approved on 30 May 2022)*	10,000,000
	10,000,000

The company is required to ensure that the following financial convenant ratios for unsecured debt facilities are achieved during the financial year:

the interest cover ratio (earnings to funding costs) will be greater than or equal to 3.0 to 1 at all times
the total leverage ratio (total permitted indebtedness to EBITDA) will be less than 4.0 to 1 at all times

The unsecured debt facilities become repayable on demand in the event those covenants are breached or if the company fails to make interest and principal payments when they fall due. The company complied with all covenants and borrowing repayment obligations during the period.

The related party borrowings relate to a $3,000,000 (2021 $3,051,819) loan from Waipa Networks Trust. Interest is charged on the loan at 4.74% pa (2021 4.94% pa) and the loan has no predetermined settlement date. The loan is unsecured and the interest rates are as at balance date.

The amounts disclosed above are the undiscounted contracted cash flows.

The carrying amount for borrowings equals the fair value.

WAIPA NETWORKS LIMITED

12 TRADE AND OTHER RECEIVABLES

	Note	2022 $	2021 $
Trade debtors		4,234,636	4,588,357
Provision for Doubtful Debts		(317,000)	(369,000)
		3,917,636	4,219,357
Prepayments		117,992	259,231
Other Receivables	**17**	379,499	-
		4,415,127	4,478,588

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 20 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.

During FY21, the Company revised its expectations of collectability of significantly aged debt over 90 days due that is under management of debt collection agencies and now provides 100% for such circumstances.

The impact of Covid-19 and the forecast economic environment has not resulted in a significant change in expected lifetime credit losses as the electricity retailers that make up the largest concentration of the trade debtors are unaffected by the impact.

No allowance for expected credit losses (ECL) for current to 60 days trade receivables has been applied due to a quantitively 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 ECL allowances to trade debtors for 61-90 days is 30% (2021 30%) and for over 90 days is 100% (2021 100%) for debtors relating to car accidents 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 2022 the ageing analysis of trade receivables is as follows:

	2022		2021	
	Gross $	Impairment $	Gross $	Impairment $
0 - 30 days	3,765,409	-	4,074,977	-
31 - 60 days	56,382	-	78,870	-
61 - 90 days	9,194	2,758	9,759	2,928
91 days plus	403,651	314,242	424,751	366,072
	4,234,636	317,000	4,588,357	369,000

	2022 $	2021 $
Movements in the provision for doubtful debts:		
Balance as at 1 April	369,000	110,000
Additional provisions made during the year	-	259,000
Reversal of provision during the year	(52,000)	-
Balance as at 31 March	317,000	369,000

WAIPA NETWORKS LIMITED

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.

	2022 $	2021 $
Stock	2,215,855	1,670,858
Work in Progress	67,393	62,703
	2,283,248	1,733,561

There was no inventory impairment or write offs during the year.

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 Waipa 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	0% to 21%
Reticulation System	1% to 3%
Other Electrical	1% to 5%
Motor Vehicles	10% to 20%
Computer Equipment	20% to 50%
Plant, Furniture and Fittings	6.5% to 50%

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

WAIPA NETWORKS LIMITED

PROPERTY, PLANT AND EQUIPMENT (cont.)

		2022	2021
14.1	**Freehold Land**	$	$
	Cost to 1 April	1,252,334	1,252,334
	Current year additions	6,170,897	-
	Current year disposals	-	-
	Cost to 31 March	7,423,231	1,252,334
14.2	**Freehold Buildings**		
	Cost to 1 April	2,804,237	2,804,238
	Accumulated Depreciation to 1 April	299,268	270,972
	Net Book Value 1 April	2,504,969	2,533,265
	Current year additions	989,192	-
	Current year disposals	-	-
	Current year depreciation	28,523	28,297
	Cost to 31 March	3,793,429	2,804,237
	Accumulated Depreciation to 31 March	327,791	299,268
	Net Book Value	3,465,638	2,504,969
14.3	**Buildings Fitout**		
	Cost to 1 April	3,229,822	3,229,822
	Accumulated Depreciation to 1 April	2,374,412	2,202,949
	Net Book Value 1 April	855,410	1,026,873
	Current year additions	22,974	-
	Current year disposals	-	-
	Current year depreciation	66,772	171,463
	Cost to 31 March	3,252,795	3,229,822
	Accumulated Depreciation to 31 March	2,441,183	2,374,412
	Net Book Value	811,612	855,410
14.4	**Reticulation Assets**		
	Cost to 1 April	170,683,864	162,656,659
	Accumulated Depreciation to 1 April	43,218,665	39,633,190
	Net Book Value 1 April	127,465,199	123,023,469
	Current year additions	7,199,833	8,121,834
	Current year disposals	16,262	36,956
	Current year depreciation	3,819,049	3,640,830
	Cost to 31 March	177,849,046	170,683,864
	Accumulated Depreciation to 31 March	47,019,325	43,218,665
	Net Book Value	130,829,721	127,465,199

WAIPA NETWORKS LIMITED

PROPERTY, PLANT AND EQUIPMENT (cont.)		2022 $	2021 $
14.5	**Other Electrical Assets**		
	Cost to 1 April	4,984,987	4,769,405
	Accumulated Depreciation to 1 April	2,116,069	2,010,041
	Net Book Value 1 April	2,868,918	2,759,364
	Current year additions	129,259	215,581
	Current year disposals	-	-
	Current year depreciation	114,238	106,028
	Cost to 31 March	5,114,246	4,984,987
	Accumulated Depreciation to 31 March	2,230,307	2,116,069
	Net Book Value	2,883,939	2,868,918
14.6	**Motor Vehicles**		
	Cost to 1 April	5,535,060	5,497,727
	Accumulated Depreciation to 1 April	3,913,573	3,909,544
	Net Book Value 1 April	1,621,487	1,588,183
	Current year additions	858,671	460,581
	Current year disposals	10,087	19,051
	Current year depreciation	414,431	408,225
	Cost to 31 March	6,185,187	5,535,060
	Accumulated Depreciation to 31 March	4,129,547	3,913,573
	Net Book Value	2,055,640	1,621,487
14.7	**Plant, Furniture and Fittings**		
	Cost to 1 April	4,051,791	3,741,243
	Accumulated Depreciation to 1 April	3,036,695	2,902,952
	Net Book Value 1 April	1,015,096	838,291
	Current year additions	731,712	389,066
	Current year disposals	93,711	18,547
	Current year depreciation	265,493	193,714
	Cost to 31 March	4,643,715	4,051,791
	Accumulated Depreciation to 31 March	3,256,111	3,036,695
	Net Book Value	1,387,604	1,015,096
	Total Net Book Value	148,857,385	137,583,413
	Capital work in progress in cost and net book value of reticulation assets	4,443,724	4,467,456

WAIPA NETWORKS LIMITED

15 RIGHT OF USE LEASE ASSETS AND LIABILITIES

The Company has a small number of lease contracts. Rental contracts are typically made for fixed periods, but may have extension options as described below. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

WAIPA NETWORKS LIMITED

RIGHT OF USE LEASE ASSETS AND LIABILITIES (cont)

	2022	2021
	$	$
The balance sheet shows the following amounts relating to leases:		
Cost		
Opening balance at 1 April	177,942	-
Additions	-	177,942
Closing balance at 31 March	177,942	177,942
Accumulated depreciation		
Opening balance at 1 April	3,707	-
Depreciation	22,243	3,707
Closing balance at 31 March	25,950	3,707
Right of use lease assets		
Cost	177,942	177,942
less Accumulated depreciation	25,950	3,707
Net book value	151,991	174,234
Lease liabilities - current	19,014	17,801
Lease liabilities - non-current	138,219	157,232
	157,233	175,033

There were no additions to right of use assets during the year (2021 $177,942).

During 2021 the Company entered into an agreement to lease land from a third party that enables the Company to complete operating activites in that area. The lease is effective for a term of at least 5 years, with three further rights of renewal of one year each. The Company has included all rights of renewal in determining the period of the lease term as the lease gives the Waipa to right to access a customer's premises for sale of services that are expect to be required until at least the end of the contractual lease period.

The right of use asset was initially measured at the net present value of future lease repayments over the lease term, discounted at a rate of 2% implicit in the lease. It is depreciated on a straight line basis over the lease term.

	2022	2021
Amounts recognised in the statement of profit or loss	$	$
Depreciation charge of right-of-use assets	22,243	3,558
Finance cost	3,339	591
Expense relating to short-term leases, low value or variable lease costs	-	-
The total cash outflow for leases in the year	25,582	4,149

16 INTANGIBLE ASSETS

Goodwill on acquisitions of businesses is included in ‘intangible assets’. Goodwill is carried at cost less accumulated impairment losses. At balance date, the company assesses whether there is any indication that goodwill may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs units that are expected to benefit from the synergies of the business combination.

Computer 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 follows;

Computer Software	5 -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.

	2022 $	2021 $
Software		
Cost to 1 April	1,322,880	505,239
Accumulated Amortisation to 1 April	454,365	419,752
Net Book Value 1 April	868,515	85,487
Current year additions	1,881,345	817,641
Current year disposals	-	-
Current year amortisation	93,798	34,613
Cost to 31 March	3,204,225	1,322,880
Accumulated Amortisation to 31 March	548,163	454,365
Net Book Value	2,656,062	868,515

WAIPA NETWORKS LIMITED

INTANGIBLE ASSETS (cont.)

	2022 $	2021 $
Goodwill		
Cost to 1 April	62,020	62,020
Accumulated Impairment to 1 April	62,020	62,020
Net Book Value 1 April	-	-
Current year Impairment	-	-
Cost to 31 March	62,020	62,020
Accumulated Impairment to 31 March	62,020	62,020
Net Book Value	-	-
Easements		
Cost to 1 April	4,513,998	4,494,009
Accumulated Impairment to 1 April	-	-
Net Book Value 1 April	4,513,998	4,494,009
Current year additions	7,267	19,988
Current year disposals	-	-
Current year Impairment	-	-
Cost to 31 March	4,521,265	4,513,998
Accumulated Impairment to 31 March	-	-
Net Book Value	4,521,265	4,513,998
Total Net Book Value	7,177,327	5,382,513
Capital work in progress included in cost and net book amount	1,525,327	665,592

Capital work in progress relates to the ongoing development of I.T. 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

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17 INVESTMENTS IN ASSOCIATES

Associates are entities in which the company has significant influence but not control over the operating and financial policies. Investments in associates are accounted for using the equity method. The investment is initially recognised at cost and adjusted thereafter by the company's share of the net profit, recognised in the income statement. The company's share of any other gains and losses of associates charged directly to equity is recognised in other comprehensive income. Dividends received from associates are credited to the carrying amount of the investment in associates in the financial statements.

Loans to associates are recorded at original investment plus any capitalised interest.
They are considered for impairment annually on the amount outstanding at balance sheet date.

Shareholding in Associates	**Percentage Held**	
UFF Holdings Limited	0.0%	0.0%

UFF Holdings was formed to construct and operate an ultra-fast broadband (UFB) network, these activities are not related to the Company's activities. During the 2021 year, the Company disposed of its investment.

	2022	**2021**
Investments in Associates	**$**	**$**
UFF Holdings Limited		
Opening Balance as at 1 April	-	5,879,227
De-recognition of associate	-	(5,879,227)
Closing Balance as at 31 March	-	-
Loans to Associates		
UFF Holdings Limited		
Loans as at 1 April	-	90,809,949
Loans advanced during year	-	300,000
Loan repayments received	-	(76,947,294)
Interest charged	-	1,745,927
Interest received	-	(15,908,582)
Loans as at 31 March	-	-
	-	-

During the period interest was charged on the loan at 0% pa (2021 3.8% pa).

A gain of $29.1m was recognised as a gain on disposal in the statement of comprehensive income because of the disposal of the investment in UFF Holdings Limited (UFFH) during 2020/21. Further to the consideration received in 2020/21, the sale and purchase agreement allowed for additional consideration should UFFH (under the ownership of the new owner) be able to utilise tax losses earned during the period up to the date of disposal. The total value of tax losses available to UFFH was $6.8m of which 75% is payable to both WEL Networks Ltd (85%) and Waipa Networks Limited (15%) should it be utilised in full. Waipa Networks Limited (WNL) assessed the fair value of this consideration (financial asset) as at 31 March 2021 to be immaterial. This was assessed based on the probability of future cash flows arising from this consideration at that time.

In 2021/22 WNL received a payment of $361k as consideration for the utilisation of the tax losses of UFFH. In terms of the agreement a further period was allowed for the utilisation of the remaining tax loss and as a result WNL had to assess the fair value of this consideration given the current probability of utilisation. Based on WNL’s assessment, a further $404k is considered probable to be received in future. WNL discounted this to a present value based on a discount rate of 6.03% as this is only payable when the losses are expected to be utilised. As a result, WNL recognised an asset amounting to $380k. This resulted in a total gain on sale of associate amounting to $741k relating to tax losses available to UFFH recognised in the current year.

	2022	**2021**
	$	**$**
Proceeds of sale, net of transaction costs	740,516	35,020,279
De-recognition of associate	-	5,879,227
Gain on disposal	740,516	29,141,052

WAIPA NETWORKS LIMITED

		2022	2021
18	**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.

	2022	2021
Accounts payable and accruals - trade	3,439,990	3,482,427
Payables to Related parties	-	-
	3,439,990	3,482,427

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.

		2022	2021
		$	$
19	**CAPITAL CONTRIBUTIONS IN ADVANCE**		

	2022	2021
Capital Contributions recognised over time		
Balance as at 1 April	8,767,467	3,988,748
Less Recognised as revenue in the current year	302,472	296,720
Balance remaining from 1 April	8,464,995	3,692,028
Contributions received in the current year	230,080	5,075,439
Balance as at 31 March	8,695,075	8,767,467
Current Capital Contributions in advance	302,472	296,720
Non current Capital Contributions in advance	8,392,603	8,470,747
Total Capital Contributions in advance	8,695,075	8,767,467

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.

	2022	2021
Capital Contributions recognised at a point in time		
Balance as at 1 April	2,871,684	4,735,256
Less Recognised as revenue in the current year	1,702,772	2,528,135
Balance remaining from 1 April	1,168,912	2,207,121
Contributions received in the current year	3,742,525	664,563
Current Capital Contributions in advance as at 31 March	4,911,437	2,871,684

	2022	2021
Total Capital Contributions in advance		
Current Capital Contributions in advance	5,213,909	3,168,404
Non current Capital Contributions in advance		
Over 1 but less than 5 years	1,101,578	970,261
> 5 and < 10 years	1,241,586	1,212,826
> 10 and < 40 years	6,049,439	6,287,660
Total Capital Contributions in advance	13,606,512	11,639,151

WAIPA NETWORKS LIMITED

20 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 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

Regular way 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—ie 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 fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Financial instrument classification

	2022		2021	
	At amortised Cost	Fair Value through profit or loss	At amortised Cost	Fair Value through profit or loss
	$	**$**	**$**	**$**
Financial Assets				
Cash and cash equivalents	1,331,455	-	1,631,847	-
Investments	-	65,363,746	-	66,272,406
Trade and other receivables	4,035,628	379,499	4,478,588	-
Loans to Shareholders	80,788		-	
Total Financial Assets	5,447,871	65,743,245	6,110,435	66,272,406
Financial Liabilities				
Trade and other payables	3,439,990	-	3,482,427	-
Debt Facility	4,050,000	-	-	-
Related Party Borrowings	3,000,000	-	3,051,819	-
Lease liabilities	157,233	-	175,033	-
Total Financial Liabilities	10,647,223	-	6,709,279	-

WAIPA NETWORKS LIMITED

FINANCIAL INSTRUMENTS (cont.)

Fair value hierarchy	**Level 1** **$**	**Level 2** **$**	**Level 3** **$**
As at 31 March 2022			
Investments	-	65,363,746	-
As at 31 March 2021			
Investments	-	66,272,406	-

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 balance sheet. 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 expected credit losses (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, Waipa Networks incurs credit risk from trade receivables from customers. Waipa Networks largest customer accounts for 16% (2021 15%) of total sales and 13% (2021 11%) of trade receivables at balance date for which a bank performance bond is held. There are no other significant concentrations of credit risk and Waipa Networks generally does not require any collateral.

Waipa Networks 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:

Waipa Networks 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.

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FINANCIAL INSTRUMENTS (cont.)
Market Risk

Price risk

Waipa Networks is exposed to price risk associated with the units invested through the Company's $65m managed fund invesment.

Investments comprise a single managed fund portfolio. 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 investment is recognised in profit or loss as other income when the Company’s right to receive payments is established. The investment is measured at fair value through profit or loss as the Company manages the investment 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 asset is categorised as being level 2 on the fair value hierarchy. Valuations for investments are provided by the investment manager and the company does not have access to the underlying valuation models to fully disclose sensitivities.

Currency Risk

Waipa Networks 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 2022 (2021 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:

	2022		**2021**	
	Carrying Amount	Profit	Carrying Amount	Profit
	$	**$**	**$**	**$**
Financial Assets				
Cash and cash equivalents	1,331,455	13,315	1,631,847	16,318
Investments	65,363,746	560,902	66,272,406	270,421
Trade and other receivables	4,415,127	3,795	4,478,588	-
Investments in associates	-		-	-
Loans to Shareholders	80,788		-	-
Financial Liabilities				
Trade and other payables	3,439,990	-	3,482,427	-
Debt Facility	4,050,000	(40,500)	-	-
Related Party Borrowings	3,000,000		3,051,819	-
Lease liabilities	157,233	151,817	175,033	168,134
Total Increase / (decrease)		689,329		454,873

Waipa Networks is most exposed to changes in the market interest rate relating to the Company’s 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 directly affected by market interest rate risk as this is updated annually. The Company’s policy is 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.

WAIPA NETWORKS LIMITED

FINANCIAL INSTRUMENTS (cont.)

Derivative financial instruments

As at the reporting date, the company had the following balance of variable rate borrowing in place:

	2022		2021	
	Interest Rate	$	Interest Rate	$
Bank Borrowings	2.34%	4,050,000		-
Net exposure to cash flow interest rate		4,050,000		-

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 Companys exposure to liquidity risk related to trade and other payables is disclosed in note 18.

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 2022	< 1 year	1 - 5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	3,439,990	-	-	3,439,990	3,439,990
Debt Facility	4,050,000		-	4,050,000	4,050,000
Related Party Borrowings	3,000,000	-	-	3,000,000	3,000,000
Lease liabilities	21,986	97,010	49,863	168,859	157,233
	10,511,976	97,010	49,863	10,658,849	10,647,223

Year ended 31 March 2021	< 1 year	1 - 5 years	> 5 years	Total Contractual cash flows	Carrying Amount
Trade and other payables	3,482,427	-	-	3,482,427	3,482,427
Debt Facility	-	-	-	-	-
Related Party Borrowings	3,051,819	-	-	3,051,819	3,051,819
Lease liabilities	21,140	93,361	75,498	189,999	175,033
	6,555,386	93,361	75,498	6,724,245	6,709,279

WAIPA NETWORKS LIMITED

21 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 sheet 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 sheet date. The obligation is calculated using the projected unit credit method and is discounted to its present value.

	2022	2021
	$	$
Current employee entitlements	703,745	652,832
Non current employee entitlements	161,133	190,099
Total Employee entitlements	864,878	842,931

22 CONTINGENT ASSETS

There are no contingent assets as at 31 March 2022 (2021 Nil)

23 CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities as at 31 March 2022 (2021 one contingent liability with an indicative capital expenditure of $1.5m to $2.7m and operational expenses of $60k to $85k arising from an agreement that was in place at 31 March 2021)

There are commitments for future capital expenditure of $1,651,237.42 as at 31 March 2022 (2021 $1,197,743).

WAIPA NETWORKS LIMITED

24 RELATED PARTIES

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

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

Transactions with the group of companies that form the associate interest are related party transactions until the date the Company disposed of the investment on 30 September 2020. On that date, the loan from associate was repaid.

	2022 $	2021 $
Related party transactions with associate interest UFF Holdings Ltd		
Interest income (capitalised to loan)	-	1,745,929
Revenue received to make ready poles for attachment of fibre	-	-
Revenue received for pole rental	-	-
Trade Debtors	-	-
Loan (refer note17)	-	-
Related party transactions with associate interest Ultrafast Fibre Limited		
Revenue received to make ready poles for attachment of fibre	-	-
Revenue received for pole rental	-	15,469
Trade Debtors	-	-
Related party transactions with Waipa Networks Trust (Parent)		
Interest expense (capitalised to borrowings)	-	153,898
Interest expense (paid)	143,646	-
Borrowings	3,000,000	3,051,819
Lendings	79,535	-
Interest Income (capitalised to lendings)	1,253	-

There are no other related party transactions

No related party debts were forgiven or written off during 2022 or 2021.

No Provision has been made in the accounts for payment of a final dividend to the Waipa Networks Trust (2021 Nil). No Interim dividends have been paid (2021 Nil).

Remuneration of Key Management Personnel	2022 $	2021 $
Short term employee benefits	1,362,628	988,919
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	195,000	50,000
Directors Fees	224,708	270,135
	1,782,336	1,309,054

WAIPA NETWORKS LIMITED

25 EVENTS SUBSEQUENT TO BALANCE DATE

The Directors authorised these financial statements for issue on 29 June 2022. There have been no significant events during the period since year end which have an impact on the information presented as at balance date.

26 RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2022 $	2021 $
Reported Profit after tax	7,132,478	36,181,262
Add (Less) Non Cash Items:		
Depreciation	4,708,506	4,548,557
Depreciation Right of Use asset	22,243	3,558
Amortisation of Intangible Assets	93,798	34,613
Unrealised Interest rate swaps - cash flow hedges loss/ (gain)	-	(1,144,239)
Increase in Deferred tax	412,310	639,879
Increase (Decrease) in Term Employee Entitlements	(28,966)	(27,083)
	12,340,369	40,236,547
Add (Less) Movements in Working Capital Items		
Decrease (Increase) in Income Tax Receivable	(1,077,240)	632,423
Decrease in Trade and Other Receivables	63,461	329,298
Decrease (Increase) in Inventories	(549,687)	(203,978)
Increase (Decrease) in Trade and Other Payables	(45,033)	(1,443,202)
Increase (Decrease) in Capital Contributions	2,045,505	(1,715,508)
Increase (Decrease) in Interest Expense Accrual	2,596	(187,032)
Increase in Employee Entitlements	50,913	138,964
	490,515	(2,449,035)
	12,830,884	37,787,512
Add (Less) Items Classified as Investing Activities		
Net Gain on Disposal of Property, Plant and Equipment	(4,352)	(80,272)
Increase (Decrease) in Creditors for Property, Plant and Equipment	-	222,268
Gain on disposal of associate	(361,017)	(29,141,052)
Investment Losses (Gains)	908,659	(1,272,406)
Capital Contributions	(6,107,890)	(1,135,555)
Decrease in Prepayments	9,705	9,705
Capitalised interest receivable	1,253	14,162,654
	(5,553,642)	(17,234,658)
Add (Less) Items Classified as Financing Activities		
Interest added to Related Party Borrowings	-	-
	-	-
Net Cash Inflows from Operating Activities	7,277,242	20,552,854

WAIPA NETWORKS LIMITED

27 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 2022 is as follows:

- ● (green) Target achieved for current year
- ● (orange) Target partially achieved for current year
- ● (red) Target not achieved for current year

Financial Performance	Target		2022	2021
Profit before interest expense and tax as a percentage of total assets	4.90%	● (red)	3.64%	4.92%

Upon review the target set for 2022 has been identified as carried forward from the 2021 SCI. This reflects as not achieved, however when you review the finer detail of the SCI we performed better than anticipated with higher lines charges and other revenue but was partially offset by the loss incurred on the investment fund. Due to the unrealised loss on the investment fund in 2022 compared to the gain in 2021, this has resulted in the movement in the actuals between years. By excluding the investment gains/(losses) the comparable results would be 2022 4.04% (2021 4.33%).

Profit after tax as a percentage of equity	4.60%	● (red)	3.92%	20.68%

In 2021 WNL sold their 15% share in UFFH, resulting in a gain on sale of $29m for FY21. As this was a one off transaction the percentage for FY21 was significantly higher in the prior year. As with profit as a percentage of total assets the unrealised loss on the investment fund in 2022 compared to the gain in 2021 reduces the result. By excluding the investment gains/(losses) the comparable results would be 2022 4.42% (2021 19.95%) which are closer to target. Nil investment gain or loss is forecasted in the SCI.

Discounts Paid to Customers ($m)	5.15	● (green)	5.46	5.75

For the purpose of the SCI Discount target an estimated Transpower loss rental rebate of $500k was included. Actual loss rental rebate of $834k for 2022 (2021 $777k).

Network Performance	Target		2022	2021

The Statement of Corporate Intent SAIDI and SAIFI targets are set by using one standard deviation of the average of the last five years actual performance adjusted to target a gradual improvement.

SAIDI (average minutes per customer)	244	● (red)	340	257

Planned shutdowns accounted for 78 SAIDI minutes, related to high customer connection activity, network projects and defects repairs and renewal. Unplanned shutdowns totalled 262 minutes, with good performance seen throughout the year excluding the significant impact of Cyclone Dovi. The impact of Cyclone Dovi on the network was significant, with hundreds of customers unsupplied due to network damage from the high winds and rain over Sunday 13 February 2022. Damage included broken poles, cross arms and numerous fallen trees damaging the lines. The SAIDI impact of the storm was 114 SAIDI minutes, which is a significant portion of the annual unplanned targets. The large reliability impact was due to both the high volume of faults and the protracted restoration time, with faults still being restored on the Thursday following. Ignoring the impact of Cyclone Dovi, the SAIDI network target would have been achieved.

SAIFI (average interruptions per customer)	2.68	● (green)	2.38	1.73

SAIFI was more favourable than target due to favourable weather conditions over the year in spite of Cyclone Dovi's impact of 0.43.

WAIPA NETWORKS LIMITED

PERFORMANCE MEASURES (cont.)

Network Performance (cont.)

Definitions

SAIDI The system average interruption duration index - the total average number of minutes that electricity was lost per customer. No normalisation was performed for major event days.

SAIFI The system average interruption frequency index - the total average frequency of interruptions to electricity supply per customer. No normalisation was performed for major event days.

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 new measures that focus on how connect and provide for stakeholders and how we monitor our overall impact on the environment.

Cambridge network Resilience	● The target for 2022 was to secure a site for the new Cambridge GXP. The site purchase was finalised in January 2022. While we have secured the site, WNL is actively seeking resource consent.
Deliver a community energy project	● Due to Covid-19 restrictions during the financial year a planned event was unable to go ahead. It is the intent that this event should be realised in FY23.
Climate Impact	● While the measures for the Company's Carbon Footprint are still in development, WNL remain committed to the Toitū_Enviromark certification. We have an opportunity to consider the carbon reduction programme offered by Toitū.

People	Target	2022	2021
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, everyday.			
Nil serious harm injuries ^	0 ●	0	0
Incidents related to critical risks to be reduced by 10%	With the implemation of Assura (Health & Safety Management Tool) in July 2021 we are collecting data of incidents attributed to our eight critical Health & Saftey Risks. Evaluation of a reduction will be calculated in the current year once a full data set is available.		

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

WAIPA NETWORKS LIMITED

28 COMPARISON OF STATEMENT OF CORPORATE INTENT AND FINANCIAL RESULTS

	Target $	Actual $
STATEMENT OF COMPREHENSIVE INCOME		
Line Charges	32,650,000	34,730,169
Less Discounts	5,150,000	5,461,755
Net Line charges	27,500,000	29,268,414
Other Revenue	6,083,000	7,391,606
Net Revenue	33,583,000	36,660,020
Transmission	8,247,000	8,298,042
Operations	13,352,000	14,238,177
Depreciation	5,392,000	4,824,547
Operating Expenses	26,991,000	27,360,766
Profit from operations	6,592,000	9,299,254
Net Gain (Loss) on investments	-	(908,659)
Interest Income	-	2,205
Net Gain on Disposal of Assets	20,000	4,352
Profit before share of profit (loss) of associate, finance costs and tax	6,612,000	8,397,152
Finance Costs	148,000	195,976
Share of net profit (loss) of associates	-	-
Gain on disposal of associates	-	740,516
Profit before tax, attributable to the shareholder	6,464,000	8,941,692
Tax	1,357,000	1,809,214
Total comprehensive income for the Year, attributable to the shareholder	5,107,000	7,132,478

Unit sales for the year of 417GWh were above the target of 399GWh. As a result, line charge revenue increased to $34.7m from a target of $32.7m. Consumer discounts increased $0.5m above target which included higher loss rental rebates from Transpower than targeted.

Operating expenses increased $0.4m above target.

The loss on investments of $0.9m was not included in the target. No gain/(loss) on investment was incorporated into the target.

WAIPA NETWORKS LIMITED

COMPARISON OF STATEMENT OF CORPORATE INTENT AND FINANCIAL RESULTS (cont.)

STATEMENT OF FINANCIAL POSITION	Target $	Actual $
Assets		
Property, Plant and Equipment	153,372,000	148,857,385
Right of Use assets	-	151,991
Intangible assets	5,496,000	7,177,327
Prepayments	-	265,267
Investments	-	-
Loans to Shareholders	-	80,788
Total non-current assets	158,868,000	156,532,758
Cash and cash equivalents	-	1,331,455
Investments	65,000,000	65,363,746
Trade and other receivables	2,598,000	4,297,135
Prepayments	280,000	117,992
Income tax receivable		585,908
Work in Progress	97,000	67,393
Stock	1,487,000	2,215,855
Total current assets	69,462,000	73,979,484
Total assets	228,330,000	230,512,242
Equity	183,287,000	182,086,686
Liabilities		
Employee entitlements	-	161,133
Lease liabilities		138,219
Capital Contributions in advance	9,379,000	8,392,603
Derivative financial instruments	-	-
Deferred tax liabilities	22,308,000	23,306,943
Borrowings	-	-
Total non-current liabilities	31,687,000	31,998,898
Trade and other payables	3,362,000	3,439,990
Capital Contributions in advance	-	5,213,909
Borrowings	8,841,000	7,050,000
Lease liabilities		19,014
Derivative financial instruments	-	-
Provisions	708,000	703,745
Income tax payable	445,000	-
Total current liabilities	13,356,000	16,426,658
Total liabilities	45,043,000	48,425,556
Total equity and liabilities	228,330,000	230,512,242

During the year the company has increased borrowings to fund network expansion, although borrowing levels are below target. Proceeds from the sale of UFFH in FY21 remain held in a managed investment fund making a loss of $0.9m in FY22. Current liabilities are above target due to the high balance of capital contributions in advance. For the purpose of the target all capital contributions and related party borrowings were allocated to non current liabilities.

WAIPA NETWORKS LIMITED

COMPARISON OF STATEMENT OF CORPORATE INTENT AND FINANCIAL RESULTS (cont.)

STATEMENT OF CASH FLOWS	Target $	Actual $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers, net of payment of discount	30,820,000	31,890,174
Payments to suppliers and employees	(20,579,000)	(22,194,910)
Net GST	94,000	248,550
Cash generated from operations	10,335,000	9,943,814
Interest received	-	952
Interest and finance costs paid	(148,000)	(193,380)
Taxes paid	(1,802,000)	(2,474,144)
Net cash flows from operating activities	8,385,000	7,277,242
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	40,000	124,414
Capital Contributions	3,127,000	6,029,746
Purchase of property, plant and equipment	(19,585,000)	(16,105,044)
Purchase of intangible assets	-	(1,888,612)
Proceeds from sale of investment in associate	-	361,017
Proceeds from settlement of loan to associate	-	-
Purchase of investments	-	(1,372,989)
Distribution of investments	-	1,372,989
Net cash used in investing activities	(16,418,000)	(11,478,479)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in borrowings	5,841,000	4,050,000
Loan to Shareholder	-	(79,535)
Repayment of borrowings	-	(51,819)
Principal portion of the lease liability	-	(17,801)
Net cash flows from financing activities	5,841,000	3,900,845
Net increase (decrease) in cash held	(2,192,000)	(300,392)
Cash and cash equivalents at 1 April	2,192,000	1,631,847
Cash and cash equivalents at 31 March	-	1,331,455
CASH BALANCES IN THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	-	1,331,455

Increase in borrowings was below target due to spend on property, plant and equipment being lower than expected.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Waipa Networks Limited's financial statements and performance information for the year ended 31 March 2022

The Auditor-General is the auditor of Waipa Networks Limited (the company). The Auditor-General has appointed me, Wikus Jansen van Rensburg, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the company on his behalf.

Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the company on pages 20 to 50 and pages 53 to 55, that comprise the statement of financial position as at 31 March 2022, 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 information of the company on pages 51 to 52.

In our opinion:

- the financial statements of the company:
  - ◊ present fairly, in all material respects:
    - ∗ its financial position as at 31 March 2022; 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 2022.

Our audit was completed on 29 June 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

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

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the company's statement of corporate intent.

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 19 and pages 60 to 65, 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 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 - (consolidated in 2018), 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.

Wikus Jansen van Rensburg
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Directors’ Report & Statutory Information

Ownership

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

The Directors have pleasure in presenting their report and the Financial Statements for the year ended 31 March 2022

Financial Results, Appropriations and Dividends for Year Ended 31 March 2022

	2022	2021
	$	$
Equity as at 1 April	174,954,208	138,772,946
Total comprehensive income for the year	7,132,478	36,181,262
Equity as at 31 March	182,086,686	174,954,208

Directors

During the year:

JA Kay retired by rotation and being eligible offered himself for re-election.

The following director appointment was made on 30 June 2021 by shareholder resolution as a minute book entry in lieu of meeting, per section 122 of the Companies Act 1993.

- JA Kay re-elected to the Board.

At the forthcoming 2022 Shareholders meeting:

Mike Marr & Mark Stuart will retire by rotation on being eligible, will offer themselves for re-election.

Directors Remuneration

Directors' fees paid during the year were as follows:	
Current Directors	$
JA Kay	64,509
MJ Marr	47,306
MS Stuart	37,631
JR Kerr	37,631
JGS Cameron	37,631

Directors' Interests

Particulars of the Directors' current general disclosures of interest are:		
J Kay	Lone Wolf Enterprises Ltd	Director and Shareholder
	Network Waitaki	Director
	Whitestone Contracting	Director *(new January 2022)*
	Lightforce	Chair *(new March 2022)*
J Cameron	Elevate Capital Partners Limited	Director and Shareholder
	I.D.A.ShonCo Limited	Director and Shareholder
	Tourism Investment Partners Limited	Director and Shareholder
	Dunedin International Airport Limited (*Chair Audit, Risk and Strategic Opportunities Committee)*	Interim Chair - Director
	Tupu Angitu Limited (*subsidiary of Lake Taupo Forest Trust)*	Director
	Veterinary Enterprises Group Limited	Director
	PMG Funds Limited	Director *(remove effective 30 June)*
	PMG Holdings Limited	Director *(remove effective 30 June)*
	PMG Property Funds Management Limited	Director *(remove effective 30 June)*
	NZFM (2022) General Partner Limited	Director *(November 2021)*
J Kerr	New Zealand Rugby	*(Removed effective 30 April 2022)*
	NZTE	Chair
	Callaghan Innovation	Board Member
	JR Kerr Trust	Trustee
	University of Waikato	Masters Student
	Eke Panuku Development Auckland	Director
	New Zealand Police Assurance & Risk Committee	Member
	Media Works	Board Advisor
Mike Marr	The Runway Foundation (Charitable Trust)	Trustee
	TPT Group Holdings (Australia) Ltd & Subsidiaries: • ASG Australia (Pty) Limited	Non-executive Director
	NEO Corporation	Non-executive Director
	AUT University Business School	Advisory Board Member *(Retired effective December 2021)*
	Flok Limited (jointly owned by TPT Group, KiwiRail & Spark)	Shareholder
	Rhema Media	Independent Director
	Innovation Franklin Limited	Non-executive Director
	Counties Energy	Trustee *(renamed)*
	The Promise Trust (Trust 1)	Trustee, beneficiary
	The Promise Trust No.2	Trustee, beneficiary
	The Promise Trust Investment Trust (Trust 3)	Trustee, beneficiary
	Eqalis Group NZ Limited • Grow BoP Limited • ICE-X International • Limited • Eqalis IP Limited • A-Script International • Limited • Q-Safe International • Limited • Eqalis Pharmaceuticals *(resigned 31 March 2022)* • Limited • Restoreme Clinic Limited • CBD Isolates Limited	Independent Director *(new 4 Aug 2021)*

Particulars of the Directors' current general disclosures of interest are:		
M Marr **Cont….**	TPT Group Holdings (NZ) Ltd & Subsidiaries: IT Engine Limited Technology Leasing (NZ) Limited Promessa Residential Limited Promessa Commercial No.2 Limited Advanced Group (NZ) Limited Advanced Security Group Limited Advanced Security Group (Wkto) Limited Advanced Security Group (Sth Is) Limited Advanced Security Group (Wgtn) Limited Promessa Property Group Limited ASGSPL Limited Terese Marr Music Limited Marrfam Limited ASG Technologies Limited TPT Group Investment Fund Limited Customised Wireless Networks Limited New Zealand Security Group Limited NZ Technology Accelerator Limited *Acquisition* 14 Limited Advanced Security Group (NZ) Limited CableNet Limited	Non-executive Director and Shareholder
M Stuart	Movac Limited	Director and Shareholder
	Movac Fund 3 LP	Limited Partner
	Movac Fund 3 side Car LP	Limited Partner
	Movac Fund 4 LP	Limited Partner
	Movac Fund 4 Partners LP	Limited Partner
	Movac Fund 4 Custodial Limited	Director and Shareholder
	Movac Fund 4 General Partner Limited	Director and Shareholder
	NZSF Side Car (Movac) LP	Beneficial interest
	Ngai Tahu Side Car (Movac) LP	Beneficial interest
	Movac MYIA Investments Limited	Director, Beneficial interest
	Movac Solve Investment Limited	Director, Beneficial interest
	Movac Fund 5 General Partner Limited	Director, Beneficial interest
	Movac Fund 5 Custodial Limited	Director, Beneficial interest
	Movac Fund 5 Partners LP	Limited Partner
	Movac Fund 5 LP • Evnex Limited	Limited Partner
	Park Help Limited *(Name Change)*	Chairman, Beneficial interest
	Park Help International Limited *(Name Change)*	Chairman, Beneficial interest
	Park Help Solutions (incorporated in Spain)	Director, Beneficial interest
	Park Help Technologies Limited	Chairman, Beneficial interest
	Miruku Ltd	Director, Beneficial interest *(new 30 March)*
	Tectrax ltd	Director, Beneficial interest *(new 30 March)*
	Industrial Tube Manufacturing Ltd	Chairman
	TGF Holdings Ltd	Chairman
	Fencing Systems (NZ) Ltd	Director
	Archgola Ltd	Chairman
	ITM Brisbane Holdings Ltd	Director
	Pencarrow Limited	Director and Shareholder
	United Nominees Limited	
	Dawn Aerospace Ltd	Director, Beneficial interest

During the year there were no specific disclosures

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 Waipa Networks.

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

Jonathan Kay
Chairman

Mike Marr
Deputy Chair

Jonathan Cameron
Director

Jennifer Kerr
Director

Mark Stuart
Director

DIRECTORY

Board of Directors

Jonathan Kay —Chairman
Mike Marr—Deputy Chairman
Mark Stuart
Jonathan Cameron
Jennifer Kerr

Management

Adam Fletcher (resigned 18 June 2021)
Chief Executive Officer

Marcel Manders
(from 21 June 2021—13 May 2022)
Interim Chief Executive Officer

Aaron Bethune (resigned 4 March 2022)
Corporate Services Manager

Peter Armstrong
Head of Network Assets

Dave Rodgers
Head of Operations

Leah Guest (from 27 September 2021)
Head of People Safety & Wellbeing

Registered Office

240 Harrison Drive
PO Box 505
Te Awamutu 3840

Telephone:	07 872 0745
Email:	info@waipanetworks.co.nz
Website:	waipanetworks.co.nz
Twitter :	WaipaNetworks
Facebook:	waipanetworks

Bankers

Westpac Banking Corporation
Te Awamutu

Solicitors

Tompkins Wake
Westpac House
Level 8 430 Victoria Street Hamilton

Auditors

Audit New Zealand (On behalf of the Auditor-General)
Level 6/280 Queen Street Auckland

Photo: Karl Dalton