

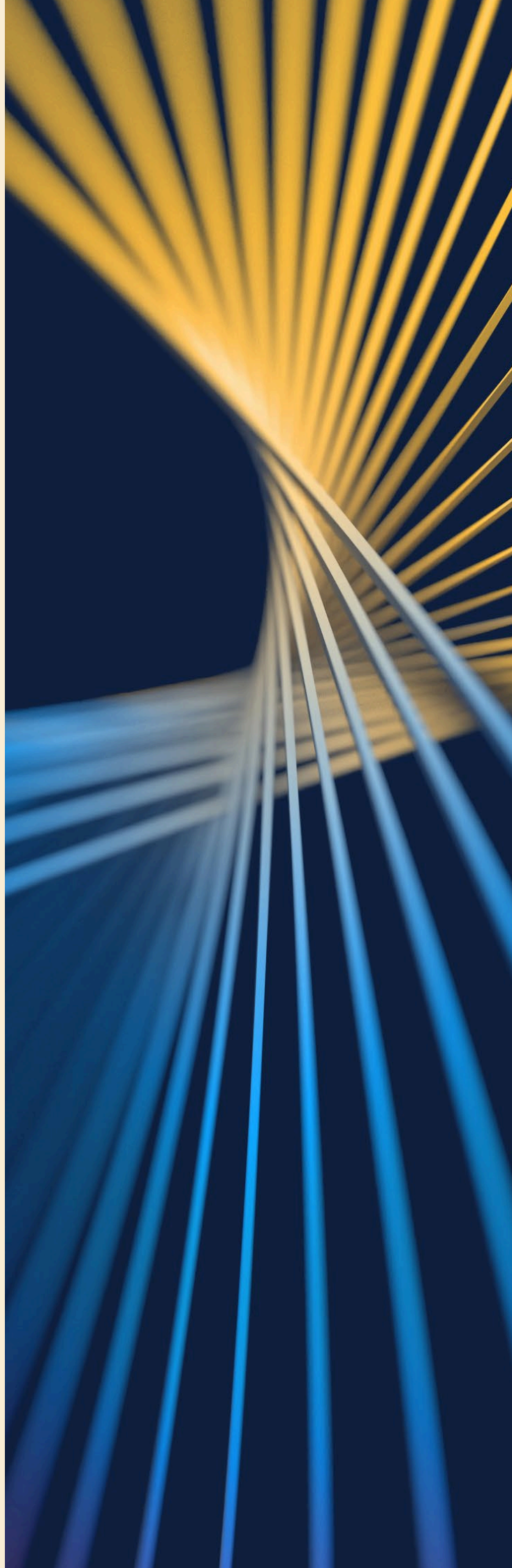


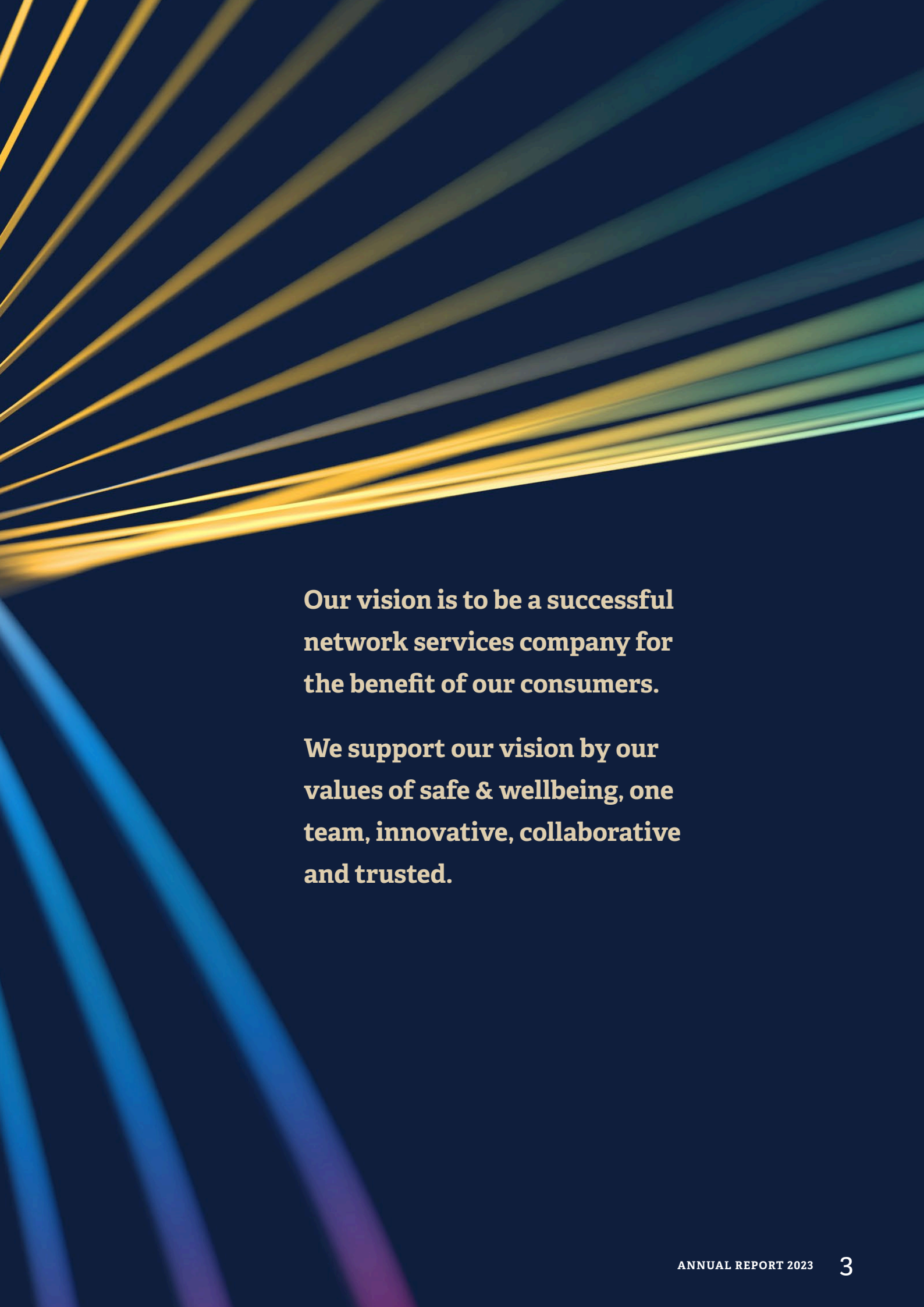
**networktasma**  
Your consumer-owned electricity distributor

**2023  
ANNUAL  
REPORT**

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**Our vision is to be a successful network services company for the benefit of our consumers.**

**We support our vision by our values of safe & wellbeing, one team, innovative, collaborative and trusted.**

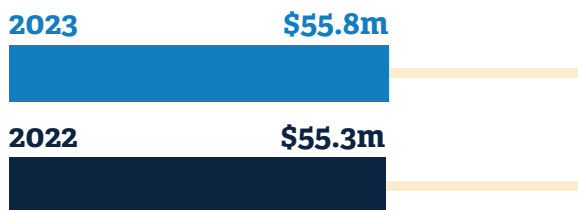


# 2023 Highlights

## Financial



### Operating revenue



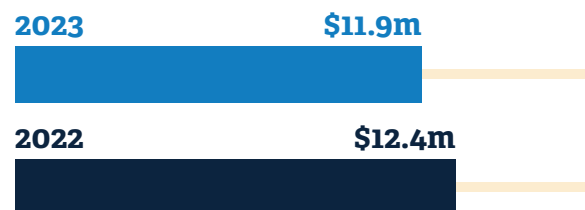
### EBITDA



### Discounts



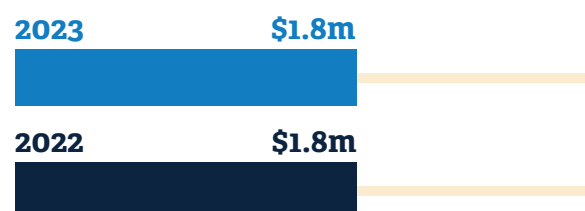
### Surplus after tax



### Capital spend



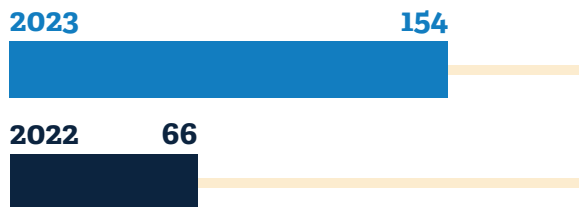
### Dividends



## Reliability



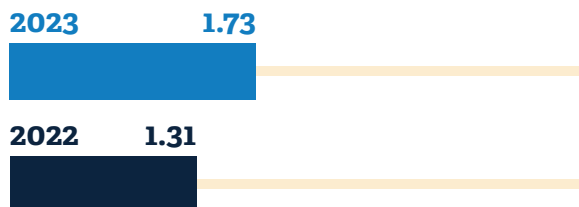
### Planned SAIDI (minutes)



### Unplanned SAIDI (minutes)

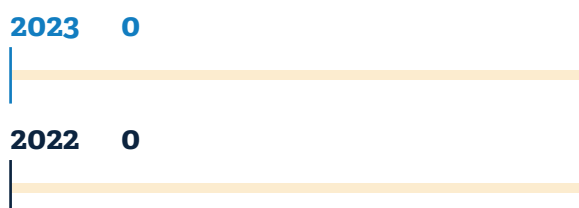


### SAIFI (outages)



## Safety

### Public safety or property damage



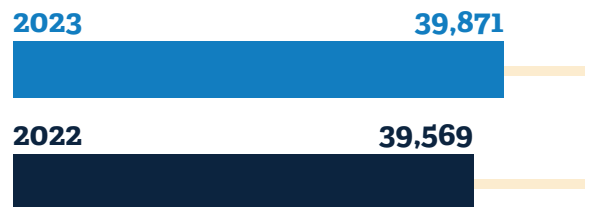
## Network



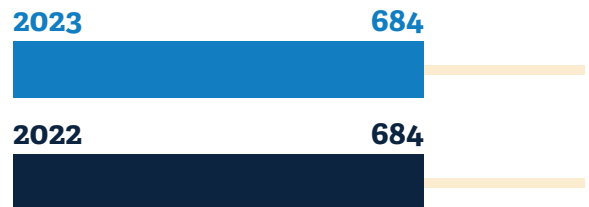
### Network Connections



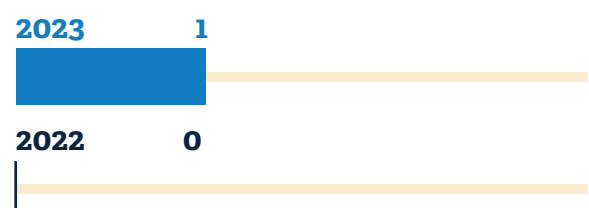
### Advanced meters installed



### Energy volumes delivered (GWh)



### Lost time injury



# Directors' and CEO Report

*On behalf of the Directors and CEO of Network Tasman, we have the pleasure of presenting the annual report and audited financial statements for the financial year ended 31 March 2023.*

The company is pleased to report an operating surplus of \$11.9 million against our SCI target of \$9.0 million (\$12.4 million in 2021/22).

Regional growth has continued to support strong contributions across all of the businesses and allowed us to continue to invest in the safety and reliability of our networks. The company invested a total of \$13.6 million in the network for the year (\$11.5 million in 2022) while continuing to maintain a sound financial position.

Unplanned outages were impacted by two severe storm events during the year. Planned outages were higher than target during the year due to our programme to replace our aging light copper conductor and programme of renewal projects. Overall, SAIDI was 275 minutes for the year, an increase from 176 minutes last year.

In the non-regulated business units, additions to the company's investment properties and

investments in advanced meters by Network Tasman and On Metering, are realising increasing returns backed by long-term contracts with retailers.

## Asset Management

Management and the Board devote considerable time to developing and enhancing our Asset Management Plan (AMP). The company continues to focus on network condition and the implementation of a proactive program of maintenance and asset renewals. The company continues to monitor the effects climate change has on our network assets including the possibility of sea-level rise, coastal inundation and the frequency of major storms.

Our focus remains on providing open access to all consumers and technologies. Going forward, we expect capital investment to increase as decarbonisation of the regional economy (both industrial and light transport) occurs.

## Five Year Trend

	2023	2022	2021	2020	2019
<b>Revenue (\$m)</b>	<b>55.8</b>	55.3	54.7	48.3	51.6
<b>Earnings before interest, tax, depreciation &amp; customer contributions (\$m)</b>	<b>20.6</b>	22.6	22.4	19.0	19.9
<b>Net operating cash flow (\$m)</b>	<b>15.8</b>	17.1	16.2	14.9	21.2
<b>Total cash dividends paid (\$m)</b>	<b>1.8</b>	1.8	1.6	2	2
<b>Total electricity delivered (GWh)</b>	<b>776</b>	776	752	746	761
<b>Electricity maximum demand (MW)</b>	<b>148</b>	146	144	142	132

There are a number of major capital projects currently underway. Investment in upgrading the Motueka sub-station to provide additional capacity for the region is now underway while the Motupipi sub-station upgrade should be completed this year. We are planning to upgrade and increase capacity at the Hope sub-station to meet increased demand from Lower Queen Street developments.

The Tasman region has some of the highest penetration rates of electric vehicles (EVs) in the country. The company is working to prepare for the impact electric vehicles will have on our network, especially on older low-voltage networks.

In anticipation of these new loads, the company implemented a new network design standard that will ensure that assets vested with us will meet the expected increase in loads in the future. This together with smart charging infrastructure, pricing signals and a targeted capital investment program, will ensure that our network continues to meet demands as they occur.

Three current gaps in the Tasman region roading network for the provision of EV charging capability are being resolved with Meridian Energy winning an EECA (Energy Efficiency & Conservation Authority) tender for charging solutions at Springs Junction, St Arnaud and Kohatu.

### Pricing and Discounts

Network Tasman continues to have one of the lowest residential line charges in the country. Consumers received \$13.7 million including GST credited to their power accounts (\$13.3 million in 2022

As a regulated business, Network Tasman remains subject to the Commerce Commission's Default Price-Quality Path (DPP). The DPP regime was re-set for a 5-year period from 1 April 2020. The current weighted average cost of capital (WACC) permitted for regulated distributors is 4.57%.

With the current and likely future volatility in the economy, Network Tasman works to ensure a smooth transition of prices across regulatory periods. As a result of the company's moderate price rises, we remain \$6 million below the revenue cap set by the Commission.

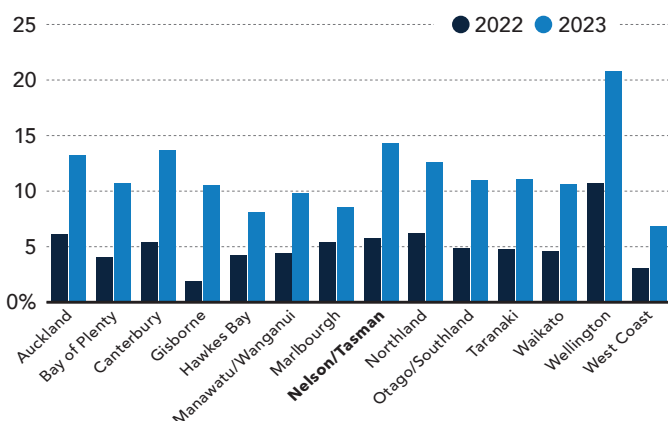
### Network Tasman Fibre

Network Tasman Fibre continues to expand the range of fibre services we provide to the local market. Connections on the network continue to grow, as contracted residential and commercial sub-divisions are completed, and value-added services such as our managed CCTV service increase. The fibre business continues to have a strong forward work programme of new contracted residential and commercial sub-divisions.

With recent upgrades, the network is well placed to support the continued delivery of superior services to the market and to future-proof our core network as customer demand increases and higher connection speeds are demanded.

While competition from wireless service providers is likely to intensify as new generations of technology are developed, fibre networks have demonstrated their resilience and ability to meet the ever-increasing demands for data capacity.

**EV's as proportion of light vehicle registrations**



### Advanced Meters

Network Tasman provides advanced metering services to 75% of our ICPs. Returns from the investment are underpinned by long-term contracts with major retailers. Our associate company, Smartco Limited's software as a service (SaaS) Hiko Energy Insight platform has developed a number of tools that will enable us to more effectively manage our network and utilise the data the meters provide. The Smartco roadmap provides for the continued development of the SaaS analytics tools. Enhancement and development of these tools will continue in 2023 to make them more usable and better suited to distributors' particular issues as members work out how best to solve everyday problems with the newly available information. Smartco's entry in the Energy Excellence Awards, "Network collaboration with Hiko Energy Insights", is a finalist in the Network Initiative of the Year category.

On Metering Limited (OML) our joint venture with Alpine Energy Limited, currently has 30,527 meters installed on the MainPower network (72% of the total ICP's). After a period of significant investment in its advanced meter deployment, On Metering is forecast to deliver returns to shareholders going forward.

### Nelson Electricity Limited (50% owned)

Nelson Electricity Limited supplies electricity to 9,292 consumers in the Nelson City area. The network is primarily underground and provides consumers with one of the most reliable networks in the country. Nelson Electricity paid a fully imputed dividend of \$1.1 million (Network Tasman's share \$0.55 million) for the year.

Consumption trends remain static with few new connections occurring although several inner-city apartment developments are now under construction. Nelson Electricity faces a number of challenges going forward. As a regulated electricity distributor, the Commerce Commission's Default Price-Quality Path (DPP3) has reduced returns for the current 5-year regulatory period. The Electricity Authority's decision to require distribution businesses to pass Loss Rental Rebates through to retailers will have a significant impact on Nelson Electricity's returns for the 2023/24 year.



### Investment Properties

The investment property portfolio of commercial and industrial properties continues to provide a high standard of quality office and industrial accommodation. The company's investment properties are fully leased to a number of blue-chip tenants on long-term leases.

Demand for well-located industrial sections remains strong in the Tasman region. We continue to believe that ownership of this well-located land will generate sound returns over the long term.

Returns from the company's investment properties continue to be underpinned by the buoyant property sector and changes in market yields. A number of rental reviews were completed during the year with increases reflecting market movements and CPI adjustments. A number of key tenants have also completed lease renewals since balance date.

Despite a firming of yields on the Queen Street and industrial properties, rental renewals completed during the year underpinned the valuations for these well located properties.

### Risk Management

We maintain a continuous review of our risk matrix across all of the company's activities. This matrix identifies the key risks facing the company and is reviewed by the Board on a regular basis.

We have a robust risk management and insurance programme in place, and are confident in our restoration capability to deal with a natural disaster affecting our network. We have reviewed the impacts and responses of the North Island severe storm events of early 2023, including Cyclone Gabrielle. The lessons from the affected



EDB's will be used to further strengthen our resilience for future events.

Network Tasman continues to engage leading cyber security consultants to complete annual cyber-security reviews including penetration testing and assessment of controls. These reviews inform our ongoing programme of continual improvement of our security maturity level. We also receive security advice and support from recognised leaders in cyber security and are collaborating with Vector Technology Services in deploying their tools to assist with cyber security prevention, monitoring and response planning.

### **Health and Safety**

Workplace health, safety and wellbeing remain a key priority across all activities of the company. Our goal is to maintain a "zero harm" workplace so our staff and contractors arrive home safely.

Regular review and improvement of our health and safety systems are an integral part of our approach to reflect the dynamic ever-changing nature of health and safety. It is pleasing to report Network Tasman achieved ISO 45001 Accreditation during the year. The accreditation process reinforces the direction for further growth and assurance that our practices will continue to aspire to the highest standards.

Contractors are an essential part of our business and as such present a unique combination of risks across each contractor interaction. We conduct networking forums as a proactive way of strengthening our relationships and connection to a vital part of our business.

New initiatives continue to strengthen and refine Network Tasman's health and safety management systems. The commitment to review and improve,

alongside building a 'just' safety culture focused on learning from incidents rather than finding blame, continues to improve engagement and more effective risk management practices.

### **Sustainability**

Network Tasman believes that environmental sustainability is integral to operating as a successful well managed business and we are looking to improve environmental sustainability in all of our operations.

Enabling and supporting decarbonisation remains the most significant contribution the company can make to the region's future sustainability initiatives along with investing in our network to support growth in the region.

### **Financial Position**

The company remains in a sound financial position with no term debt and operating cash flows funding the on-going capital investment plans for the business.

In addition to the payment of \$13.7 million in line discounts to consumers, the strong performance of the non-network investments of the business allowed Network Tasman to pay a fully imputed dividend of \$1.8 million to our shareholder, the Network Tasman Trust.

## DIRECTORS' AND CEO REPORT

### Outlook

After a long period of growth in new connections, we are anticipating a year of more subdued growth especially in the residential sector.

As with the wider economy, Network Tasman is experiencing some cost pressures particularly in contracting and key raw material items. These cost increases will put upward pressure on our maintenance and capital investment programmes.

The company remains well placed to respond to the challenges that decarbonisation of the economy will present. While there is some uncertainty in the timing of decarbonisation, what is clear is that electrification of the economy will occur and demand on the network will increase significantly over time.

Network Tasman is well placed to continue to invest in the network to meet this increased demand. We have a portfolio of businesses that continue to provide solid returns across the economic cycles, a team of experienced staff and a robust financial position to meet the challenges ahead.

We remain confident that our dedicated team will continue to deliver a safe and reliable service to our customers and the communities in which we operate.

Finally, we would like to thank our shareholding Trust and trustees who continue to support the ongoing direction of the company.



**John McCliskie**  
Chairman



**Oliver Kearney**  
Chief Executive Officer

# Board of Directors



**Michael J McCliskie (John)**  
Dip. Horticulture, CFInstD

**Chairman** (since 2008)

John has a background in international fruit marketing and is a director of a number of local and national companies involved in primary production. John is an experienced company director with past involvement in a range of SMEs, corporates, co-operatives and government entities. He is a director of Nelson Electricity and a number of private companies.



**Tony Reilly**  
B.Agr.Com, CFInstD

**Director** (since 2008)

Tony has been involved in agricultural governance since 1995 at a local and national level, particularly in the dairy sector. Tony is also a director of a number of private companies.



**Sarah Smith**  
BCom, CFInstD

**Director** (since 2017)

Sarah has extensive business and governance experience in both the private and public sectors. As an independent director, Sarah has more than 20 years of experience and is currently chair of World of Wearable Arts. Sarah is also a trustee of The Lion Foundation and for several charitable organisations. She is a Chartered Fellow of the Institute of Directors.



**Lindsay R McKenzie**  
BSc, IOD

**Director** (since 2019)

Lindsay has enjoyed a successful public sector career as General Manager of Southland Regional Council and latterly, Chief Executive of Gisborne District Council. From 2012 to 2018 he served as Chief Executive of Tasman District Council. More recently he has been contracted as an external adviser to a Crown Entity and is currently a director of Taylors Contracting Limited. Lindsay is the President of the Nelson YMCA Inc, a Justice of the Peace and active in the voluntary sector.



**Lee Babe**  
MinstD, Mt Eliza AMP

**Director** (since 2022)

Lee has extensive leadership experience in national infrastructure, specifically within the local and central government asset management and environmental sectors. Lee was Chief Executive of Nelson City Council environmental asset management services trading organisation Nelmac from 2011 to 2018. He was involved in establishing and Chairing Mahitahi Colab, which partnered with the Chamber of Commerce, Nelson Regional Development Agency and Nelson Marlborough Institute of Technology. Lee is currently a director and shareholder of a number of private companies and is a trustee of RISE, a specialist family violence charitable NGO in Te Tau Ihu (Top of the South).



**Allan J V Miller**  
PhD, B.E. Hons, MInstD,  
M.EEANZ, SMIEEE

**Director** (since 2020)

Allan is an electrical engineer and has held roles in high-tech product development and the electricity industry. He is a member of the Electricity Authority and the NZ Battery Project Technical Reference Group. Previously he worked at Transpower and Western Power (Perth) and was a director of the Electric Power Engineering Centre (EPECentre), where he established and led the GREEN Grid research programme. Prior to that Allan was Managing Director of Allied Telesis Labs, a product development centre for the Japanese internet infrastructure and security company Allied Telesis. Allan resigned on 29 May 2023.

# Financial Performance

*Network Tasman maintains a robust financial position to meet the ongoing needs of our customers and shareholder.*

Sustained regional growth supported strong contributions across the business with key highlights from the core electricity, fibre and investment property business units.

We have exceeded our SCI financial targets for 2022/23, delivering an operating surplus of \$11.9 million, \$2.9 million above the target of \$9.0 million and \$0.5 million below last year.

The major variance from last year was an increase in distribution revenue of \$1.6 million, customer contributions of \$1.9 million, offset by lower property revaluation of \$2.5 million, and increased expenses of \$0.9 million. Prudent financial management has seen operating costs per connection continue to lie below the national average for electricity distribution businesses (EDBs).

Customer contributions of \$4.9 million reflect the continued buoyant nature of the residential property market with a number of large subdivisions being developed across the region.

Consumers received line discounts totalling a record \$13.7 million including GST (\$13.3 million in 2022) credited to consumers' power accounts during the year.

Cash flow from operations was \$15.8 million for the year, \$1.3 million below last year. This cash flow enables Network Tasman to fund both maintenance and growth capital expenditure on the electricity network and fund additional investments in the fibre optic communications network as required.

At the end of the financial year, the group had total cash of \$6.1 million.

Financial performance targets		Actual Result 2023	SCI Target 2023	Actual Result 2022
<b>TOTAL COMPANY</b>				
Surplus before interest, tax, line discount and customer contributions	\$mil	<b>22.7</b>	21.2	24.7
Operating surplus after tax and customer contributions	\$mil	<b>11.9</b>	9.0	12.4
Operating surplus to shareholders' funds	%	<b>4.90%</b>	3.81%	5.32%
<b>LINE BUSINESS ONLY</b>				
Cash operating costs per consumer	\$	<b>304</b>	299	284
Line Charge Discounts (Excluding GST)	\$mil	<b>11.9</b>	12.0	11.6



Network Tasman spent \$16.1 million on capital expenditure during the year.

Our capital investment in the electricity network has been concentrated on accommodating the growth that is occurring in our region and improving network safety and reliability.

The reliability of the electricity distribution network is a key company objective. To meet this objective directors continue to review capital expenditure plans, network design and management options to improve feeder reliability across the network.

In the non-regulated business units, the company's investment properties and investments in advanced meters by Network Tasman and On Metering, backed by long-term contracts with retailers, are realising increasing returns.

Capital expenditure on the fibre network has been focused on organic growth around the existing network including reticulating the steady growth in rural sub-divisions in the Tasman area.

The financial targets as set down in Network Tasman's Statement of Corporate Intent, are compared in Note 33 on pages 58 and 59 with the actual results for the year ended 31 March 2023.

The company again paid a fully imputed dividend of \$1.8 million to the Network Tasman Trust.

## 2023 Financial Highlights

### OPERATING REVENUE

**\$55.8m**



↑ \$0.5m

### SURPLUS AFTER TAX

**\$11.9m**



↓ \$0.5m

### EBITDA

**\$25.5m**



↓ \$0.1m

### CAPEX SPEND

**\$16.1m**



↑ \$3.0m

### DISCOUNTS (INCL. GST)

**\$13.7m**



↑ \$0.4m

### DIVIDENDS

**\$1.8m**



No change

# Operational Performance

*Network Tasman is committed to ensuring the health and safety of all people affected by the work we do, including employees, contractors, visitors and members of the public.*

## Health and Safety

Over the 2022/2023 year, Network Tasman has made significant gains in health and safety maturity, utilising internal and external audit processes to focus our ongoing development priorities.

In April 2022, an internal gap analysis was completed to gauge Network Tasman’s Health and Safety position against the requirements of ISO 45001 – the international standard for Occupational Health and Safety Management Systems. The precise requirements specified in the standard provided a tool to systematically analyse Network Tasman’s Health and Safety

Management System (HSMS) with a rigour that critically deepened our understanding of our system structure and how we are performing against the standard.

Following this, Network Tasman committed to achieving ISO 45001 Accreditation. In August 2022, and March 2023, respectively, the Certification/ Registration body operating as Telarc completed a two-stage audit process, resulting in Network Tasman gaining ISO 45001 accreditation. Telarc will review this status annually, providing Network Tasman with direction for further growth and an assurance that our practices will continue to aspire to the highest standards.

## Safety of electricity supply

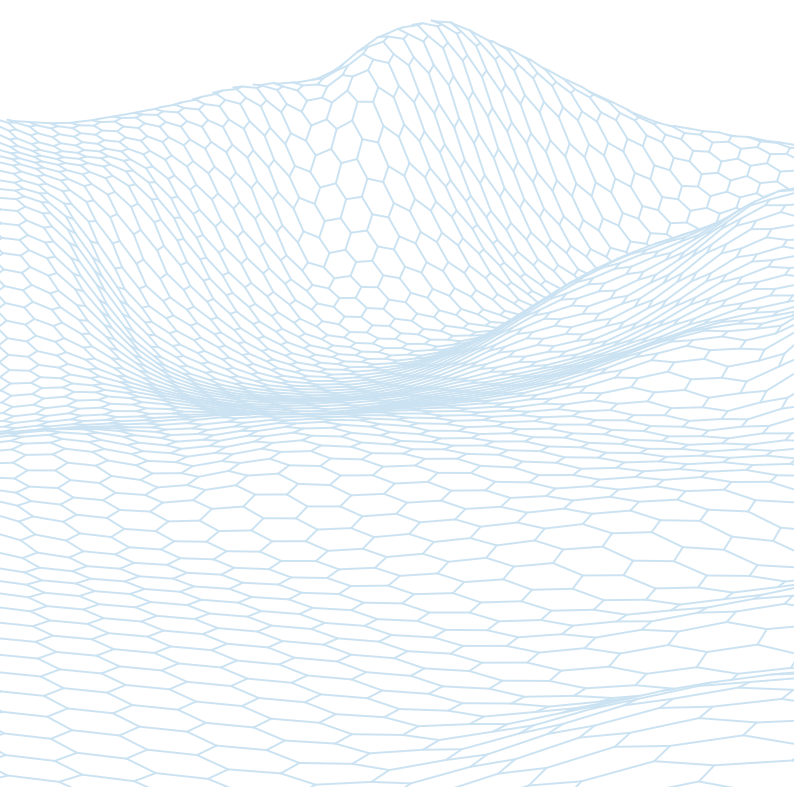
		Actual Result 2023	SCI Target 2023	Actual Result 2022
Lost time injuries not to exceed –	number	1	0	0
<b>Public Safety and Damage Events</b>				
Public Injury Events	number	0	0	0
Public Property Damage Events	number	0	0	1
Public Safety Management System (PSMS) certified & audited by Telarc		Yes	Yes	Yes

There was one lost-time injury and no public safety injuries or property damage incidents recorded during the year. The lost-time injury related to a contractor’s staff member not wearing eye protection. Network Tasman’s safety incidents reported over the year capture both internal incidents and those reported by our major contractor organisations.



Network Tasman understands that the foundation of an effective Health and Safety Management System relies on the connection with day-to-day practices, knowing our strengths and acting on opportunities for improvement. Our work with contractors, incident investigations, risk management and auditing are among the avenues to continue strengthening our approach.

Network Tasman is focused on measuring what we are achieving rather than what we plan to do. This ensures we continue striving for health and safety engagement and commitment from all levels of our organisation. We anticipate the year ahead will be another of meaningful and targeted health and safety growth.



## 2023 Operational Highlights

### **RESPONSE AND RECOVERY**

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*Network Tasman and contractors managed the recovery from the severe storm event of August 2022 with minimal disruption to supply.*

### **PLANNING**

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*Network Tasman has undertaken significant work in preparation for the de-carbonisation of industry and transportation in the Nelson Tasman region.*

### **PROGRESSED**

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*Progressed upgrade of the Motupipi and Motueka Substations. The first Motupipi transformer operational.*

### **REPLACED**

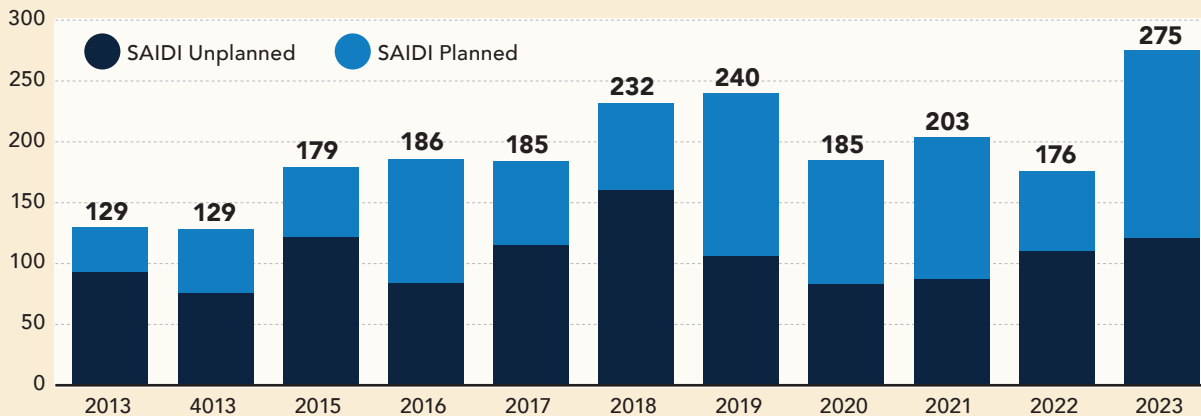
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*Completed replacement of a further 17.5km of the ten-year light copper conductor replacement programme.*

## OPERATIONAL PERFORMANCE

### Measuring our SAIDI performance

Reliability performance targets (excludes Transpower planned and unplanned outages)



### Reliability of the Network

All our customers require and need a reliable electricity supply.

One of the key ways we measure our network reliability is the average duration of supply interruptions per connected consumer, measured by the SAIDI index (System Average Interruption Duration Index).

The Planned SAIDI index was 154 minutes for the year (66 minutes for 2021/22) and the Unplanned SAIDI index was 121 minutes for the year (110 minutes for 2021/22). During the last three years, our network achieved a 99.98% reliability measure.

The reliability performance targets as set down in Network Tasman’s Statement of Corporate Intent, are compared in the table in Note 33 on pages 58 and 59 with the actual results for the year.

In planning to support future regional growth, every year Network Tasman undertakes a review of its AMP. We must continually balance the tension between our AMP objectives, including provision for asset renewals and growth, with our planned outage (from scheduled maintenance and capital work) and unplanned outage (from incidents outside our control – traffic accidents, storm damage) limits which are enforced by regulation.

Two extreme weather events occurred during the year that were the main contributors to unplanned outages. These, along with the usual mix of common causes of car versus pole, trees felled over lines, bird strikes, broken insulators and cable faults were the main cause of the higher unplanned SAIDI minutes for the year.

Planned SAIDI minutes were above target for the year from the impact of our light copper reconductoring renewal project on our high voltage network and programme of renewal projects. This work will continue for the next seven years and we now expect planned SAIDI to be around 100 minutes per annum during this period.

Our AMP takes maintenance of a reliable electricity supply into account through our planned maintenance activities including our vegetation management.

A further consideration is the way we monitor and manage our network assets as they approach the end of their life.



## Network Maintenance

Network Tasman spent \$7.0 million on network maintenance, including \$1.2 million on vegetation management, during the 2022/23 financial year.

Network Tasman operates a comprehensive network maintenance programme based on condition-based assessment and planned replacement of system components.

Our maintenance contractors Delta Utility Services, ElectroNet and vegetation services provider Treescape, continue to deliver a high level of service.

## Capital Expenditure

The company spent \$13.6 million on the distribution network with \$1.2 million on new customer connections, \$3.7 million on system growth, \$6.1 million on replacement and renewal and \$2.6 million on reliability and safety.

During the year, 695 consumer connections were

added to the network, a growth rate of 1.6%. Network Tasman is budgeting to spend \$177 million in the next ten years.

Network Tasman produces an annual AMP that documents the company's asset management practices and management strategy for its network distribution assets.

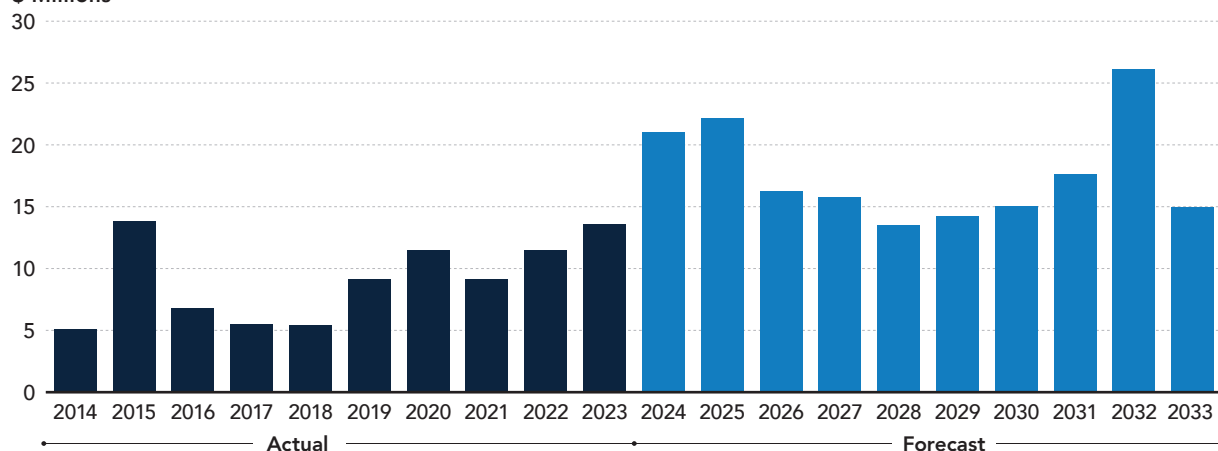
The key drivers for the network development plan are maintaining the security of supply and reliability of the network.

During the year a further 17.5km of the ten-year light copper conductor replacement programme was completed.

Key planned/projects for 2023/24 include the continuation of the light copper conductor replacement programme, upgrades of the Motupipi and Motueka zone substations, the Founders Park to Wakapuaka 33 kV cable, the commencement of the 35mm PILC HV Cable replacements and planning and commencement of the Hope Substation upgrade to 23MVA firm.

## Projected network capital expenditure

\$ Millions



### Four major projects progressed during 2022/23

- 1 Ten-year programme to replace 210kms of aging light copper conductors. These older light copper conductors are reaching the end of their useful life. The company replaced 17.5kms during the year and has now replaced a total of 74km of light copper conductor. This project significantly increased the level of planned SAIDI during the year and will continue to impact upon our reported planned SAIDI over the remainder of the project.
- 2 Upgrade of the Motueka substation project replaces existing aged equipment that has reached end of life. It improves the security of the supply for the Motueka area through the provision of upgraded and expanded assets and supports growth in the area.
- 3 Upgrade of the Motupipi substation project is multi-faceted in that it replaces aged equipment that has reached end of life, improves the security of the supply for Golden Bay through the provision of upgraded and expanded assets (n-1 security) and provides voltage support for the 66kV network that supplies the Motueka and Golden Bay areas.
- 4 End-of-life replacement of small-capacity armoured paper lead HV cables with a copper conductor. Following on from the two earlier projects to replace sections of this cable, it is proposed to replace 12.5km of cable over five years, averaging 2.5km per year.

## OPERATIONAL PERFORMANCE

### Regulation

As a non-exempt electricity distribution company, Network Tasman is subject to price and quality regulation by the Commerce Commission.

The company's audited annual compliance statement shows that it was fully compliant with both the price and quality controls for 2022/23.

In 2022/23, Network Tasman's total line revenue was \$6 million below the regulated maximum allowable revenue set by the Commission.

The allowable revenue that each regulated lines company can earn is reset every five years by the Commission with the DPP3 reset applying from 1 April 2020.

The electricity sector is entering a time of change and opportunity as a result of climate change and the transition to a low-carbon economy. These issues are prominent in the minds of both of the organisations primarily responsible for regulating the electricity distribution sector: The Commerce Commission and Electricity Authority.

Both regulators are undertaking reviews so that the regulatory framework is updated to ensure that regulation assists and empowers distributors to manage these changing circumstances appropriately and efficiently.

The Commerce Commission is currently reviewing the Input Methodologies and has an ongoing project to review the Information Disclosure requirements that apply to electricity distribution businesses.

The Input Methodologies are the rules and processes that underpin the Commission's regulation of electricity lines services. The Input Methodologies apply to key components of the regulatory regime. These include how the Commission values assets, allocates costs, shares risk between businesses and consumers, and determine how businesses are compensated for their investments. As the Commission must apply the Input Methodologies when setting price-quality paths, decisions it makes as part of this review will influence the price and quality regulation that Network Tasman is subject to following the next reset of price and quality standards in 2025.

The Information Disclosure obligations require electricity distribution businesses to disclose information about their performance with the aim of encouraging them to improve efficiency and quality as well as incentives to innovate and invest.

The Commerce Commission has completed the first tranche of its review of the Information Disclosure obligations for electricity distribution businesses. In this first tranche of the review, the Commission expanded the disclosure obligations

on electricity distribution businesses to include information about quality of service, asset management practices and preparedness for the future, namely:

- **Quality of service:** Requirements were expanded to capture different dimensions of service quality, such as connection and customer service information;
- **Asset management:** More comprehensive reporting requirements were introduced to capture information on distributors' practices and capability, such as requiring information on vegetation management, decommissioning data and operational expenditure on cybersecurity.
- **Decarbonisation:** reporting requirements have been expanded to capture more information on innovation and managing new network connections.

The Commission has signalled it considers its review of the Information Disclosure framework to be ongoing and further changes are expected in the coming years.

The Electricity Authority is reviewing the framework under which distribution networks are regulated to ensure the right regulatory settings are in place to promote competition and best support the transition to a low-emissions future. The Authority has published a paper that considered a broad range of themes, including:

- How to improve access to data that offers greater visibility of distributors' low voltage networks;
- Whether there are barriers that are inefficiently limiting the entry and development flexibility services across the distribution sector;
- Reviewing the capacity and capability of the distribution sector to coordinate and integrate the growing penetration of distributed energy resources connecting to distribution networks; and
- Whether additional electricity supply standards will be required to address power quality issues associated with greater penetration of distributed energy resources, such as solar PV and electric vehicles.

Network Tasman is actively participating in each of these regulatory work streams, either directly or via the ENA (Electricity Network Association).

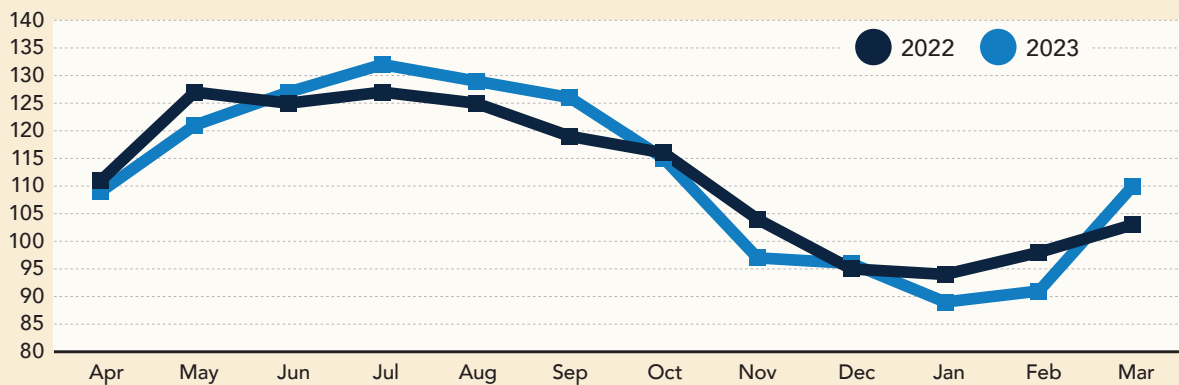
The Electricity Authority also has an ongoing project to improve the efficiency of distributors' prices. It does this primarily via its scorecard process, during which the Authority annually reviews each distributors' prices and scores them against its assessment criteria.

### Network supply and demand profile

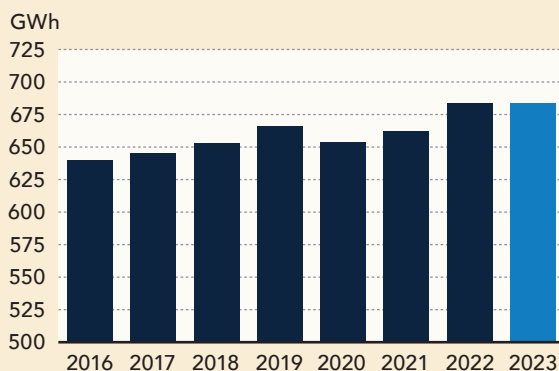
The fundamental requirement for long-term network planning is a sound demand forecast. The risks to the company’s asset management program associated with a poor demand forecast include amongst other things; the potential for over or under investment, inability to meet demand, severely underutilised assets and the potential for significant optimisation of assets in future valuations with corresponding impacts in price movements and financial performance. Our AMP is based on a comprehensive demand forecast using the most current information available.



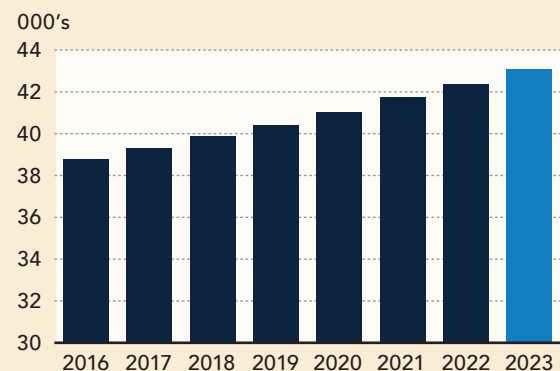
### Total monthly max system demand



### Energy delivered to NTL’s network



### Consumer connections



# Resilience

*Network Tasman continuously works to enhance infrastructure, strengthen our emergency response capabilities, and adopt innovative technologies to deliver the highest reliability and service to the Tasman area.*

Network Tasman is exposed to many hazards, both man-made and natural. We understand the importance of having a network that is resilient to these hazards while providing consumers with a reliable and cost-effective electricity distribution network.

Historically, we have responded well to a range of challenges. Still, recent extreme weather events are becoming all too familiar for New Zealanders, as we recently experienced with Cyclone Gabrielle.

Widespread power outages in the North Island caused communication networks to fail, limiting the ability to access critical emergency information and use payment systems.

Network Tasman's success in the future will include our ability to plan for, withstand, respond and recover from complex resilience challenges such as this.

## ROBUST INFRASTRUCTURE

We build and maintain a resilient power distribution network that can withstand and recover from disruptions. This includes reconductoring powerlines and deploying robust transformers, substations and other critical components.

Network Tasman designs all new facilities to seismic strength in line with critical infrastructure levels and is progressively upgrading structures to provide earthquake resilience.

Network Tasman additionally has standardised the design of lines and substations across our network. This standardisation helps to reduce the variety of spares we hold, which means we can more easily redeploy critical assets in an emergency.

## OPERATIONAL READINESS

Network Tasman's day-to-day business includes responding to events that cause damage to our network, such as vehicle impacts, bird strikes and interference from vegetation. The response to these and similar events are managed from our main control room, which has a permanently installed backup power supply, including batteries and a diesel generator.

In addition, we have a portable control centre that is tested regularly and can be used should our main control room become unavailable for any reason.

Contingency plans have been established to ensure continuity of power supply during unexpected events or emergencies.

Our main field services depot and store are in Hope near Richmond, but we also have smaller remote depots in Murchison and Golden Bay. These remote depots provide local support to these areas and can respond quickly and independently to a developing situation.





*“Resilience is the capacity to absorb shock, recover from disturbances, adapt to changing conditions and retain the same level of function”*  
– NZ Government, 2023

## NETWORK REDUNDANCY

We design our network and set the levels of redundancy and the ability to resupply from alternative sources in alignment with our Standard Security of Supply. This standard is based on a national guideline which has, in turn, been adopted by our industry body (The Electricity Engineers Association of NZ) from an international guideline. The standard is widely adopted in New Zealand and internationally.

Specifically, Network Tasman limits the load on single-line urban underground feeder circuits (that cannot usually be repaired under single contingency event scenarios within 24 hours) to that load that a transportable generator can supply. Once these load limits have been reached on these spur circuits, then permanently available alternative supply circuit routes are developed.

## RAPID TECHNOLOGICAL CHANGE

Network Tasman uses intelligent grid technologies to enhance its resilience. By integrating advanced monitoring, automation, and communication systems, we can quickly detect faults, isolate affected areas, and restore power more efficiently. Smart grid technologies provide real-time data and analytics, enabling proactive decision-making, load management, and fault prediction.

Network Tasman also uses remote control technologies such as Supervisory Control and Data Acquisition (SCADA). This remote monitoring allows us to control equipment and identify abnormalities remotely, allowing timely maintenance and troubleshooting. This technology enhances the reliability of our network and ensures prompt response to any potential faults.

Network Tasman is developing an IT Disaster Recovery Plan in line with international standard ISO27001 to specify the actions we can take if an incident impacts our company's information security systems.



# Emergency Response and Preparedness

*Network Tasman maintains a Disaster Readiness and Response Plan to effectively manage shocks and minimise downtime.*

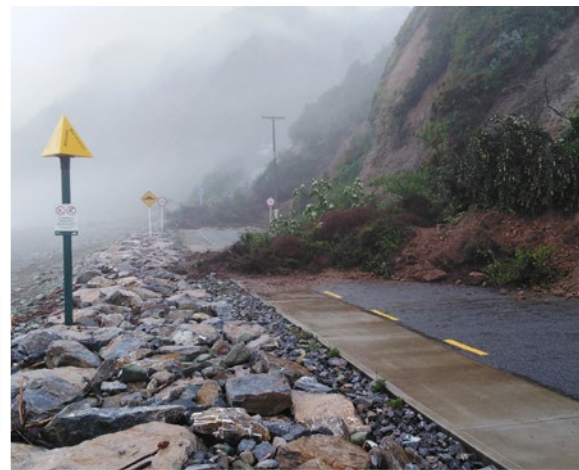
We work closely with the Nelson Tasman Civil Defense Management (CDEM) group and are identified as a lifeline utility under the CDEM Act. We ensure a coordinated and efficient response during emergencies.

Our Disaster Readiness and Response Plan covers resilience issues, mainly of natural disasters and catastrophic events. This is intentional, as recent climate change has increased the frequency and impact of severe weather events.

The Nelson floods in 2022 reminded us of our network's vulnerability to severe natural disasters and the importance of preparedness and resilience.

This event prompted discussions on improving prevention measures and emergency response systems to mitigate the impact of future floods in the region.

**Pictured below (clockwise from left): Poormans Stream Marsden Valley, The Glen, Owen Valley**







The Glen

*In August of 2022, a state of emergency was declared after continuous heavy rain caused severe landslips and flooding across the Nelson Tasman region. On the 17th of August at 6 pm, a large tree fell (pictured below) and broke the lines on Marsden Valley Road. This cut power supply to customers in the Atawhai, Founders, Marsden and Isel (Stoke) areas, and our Delta linesmen worked in wild weather to restore power by midnight.*

**Pictured below (clockwise from left): Marsden Valley Dog Park, Tahuna Hills, Maitai Golf Course**





# Environmental Sustainability

*Network Tasman's aim is to work towards environmental sustainability in our operations.*

This objective fits within our principal objective, which is to operate as a successful commercially-focused business, prudently managed and financially stable.

We also have a focus on the management of our assets and investments for the long-term benefit of our customers and shareholders.

The company has considered the impact of climate change, a key risk on our risk register, taking the necessary steps to identify threats and protect our network assets.

Network Tasman believes that businesses are responsible for achieving good environmental practices and operating in a sustainable manner.

As such, we are committed to reducing our environmental impact and continuing to improve our environmental performance as an integral and fundamental part of our business strategy and operating methods.

We have seen a 19.8% increase in our emissions from last year.

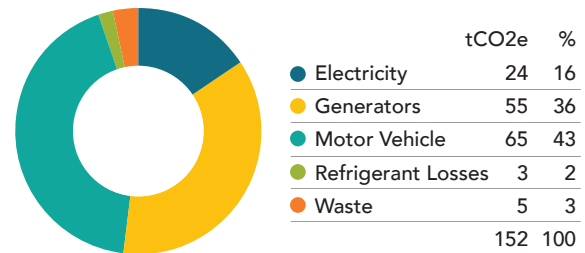
The increase has arisen from conflict between reliability and carbon neutrality which remains a challenge. The increased activity from COVID-19 now becoming BAU, added to the need to utilise generators to support planned outages in Golden Bay and prevent breaching our DPP reliability limits, has accounted for the increase in our carbon footprint. The necessary generator use contributed 83% of the increase for the year. Excluding the generator impact, emissions increased by 4.5% largely driven by growth in electricity use and the motor vehicle fleet.

At this point in time, we have not had our assessment verified by an independent auditor.

We have excluded the calculation of the electricity transmission and distribution losses (TDL) which is by far our largest emission and currently exclude our contractors' carbon footprint. Excluding the TDL emissions make the graphics above meaningful as we have virtually no control over the TDL emissions.

Our carbon footprint is 43% motor vehicle related followed by generator use at 36%. At present, we are limited in the electric vehicle options for off-road vehicles essential to our work. This will provide the most significant opportunity to reduce our footprint. Our carbon footprint primarily arises from network operations (84%) and our corporate activities (16%).

## Our carbon footprint emissions profile



Work has continued to establish an ESG (Environmental, Social and Governance) reporting framework during 2023. The Climate-related disclosure regime was released finally in late 2022 but this does not apply to Network Tasman at this time.

We have however met some of the requirements in the work we have completed over the past years including measurement of our carbon footprint over the past four years, setting metrics to reduce our carbon footprint, measuring the impact of sea-level rise scenarios on our network assets.

## Decarbonisation

Decarbonisation remains the most significant contribution the company can make to the region's future sustainability initiatives. Following are the key initiatives:

### Industrial Process Heat

We have commissioned Deta Consulting to review the large industrial loads that will look to decarbonise – either through biomass or electrification and to discuss with those consumers their future intentions. This work will inform our long-term network investment plans outlined in our Asset Management Plan.

### Electrification of Transport

Using advanced meter data, we have commissioned ANSA Limited to model the potential load from EVs across the network under a range of uptake scenarios.

Following this review, we have revised our network design standards to ensure that new networks being constructed and vested with us will provide sufficient capacity to meet expected loads under a range of scenarios.

For our existing networks, we are using smart meter data to identify the low-voltage networks most likely to be constrained by EV uptake. Again, this will inform our long-term asset management planning.



# Investments

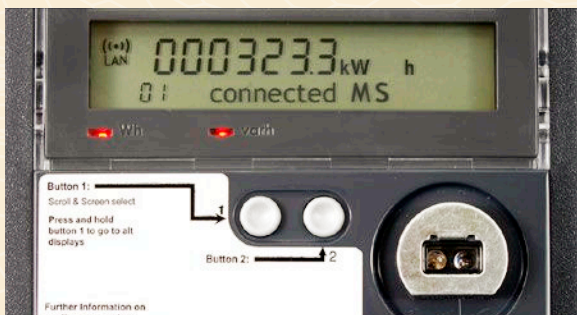
*The company's investments in fibre, Nelson Electricity Limited and our legacy investment properties all contributed to the overall profitability of the company.*

## network tasman fibre

### Network Tasman Fibre

The company has implemented a strategy to retain market share in the face of increasingly ubiquitous fibre coverage and lower wholesale pricing.

Capital expenditure on the fibre network is being targeted at growing customer connections around our existing fibre network and providing value-added services. Niche services such as the CCTV network continue to grow in terms of utilisation and returns from our investment.



### On Metering Limited

On Metering Limited (OML), our 50% joint venture with Alpine Energy completed the deployment of advanced meters in the North Canterbury region as part of the SmartCo consortium.

As at 31 March 2023, On Metering had deployed a total of 31,414 meters.

Returns from this investment are supported by long-term fixed-price contracts with major electricity retailers.



### Nelson Electricity Limited

The company has held a long-term 50% investment.

Nelson Electricity Limited provides electricity distribution services for Nelson City.

The company has continued to repay the debt incurred in the redevelopment of the Haven Road substation.

Network Tasman received a fully imputed dividend of \$0.55 million from Nelson Electricity during the year.



### Investment Properties

After a period of reinvestment, the company's investment properties have delivered another sound return.

The company's investment property at 281 Queen Street, Richmond is 100% leased with long-term leases to Te Whatu Ora Health New Zealand Nelson Marlborough, Primary Health and Stantec.

The balance of the portfolio comprises industrial properties and vacant land at Hope that can be developed as quality tenants are secured on favourable commercial terms.

# Financial Statements

*For the year ended 31 March 2023*

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<i>Statement of Changes in Equity</i>	<b>28</b>
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*The directors of Network Tasman Limited (Network Tasman) are responsible for preparing the company and Group's financial statements and ensuring that they give a true and fair view of the Group's financial position as at 31 March 2023 and the results of their operations and cash flows for the year ended 31 March 2023.*

The directors consider that the financial statements of Network Tasman Limited and Group have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgments and estimates and that all relevant financial reporting and accounting standards have been followed.

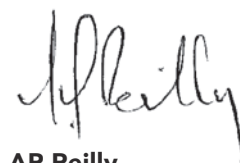
The directors also believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Network Tasman Limited and Group and facilitate compliance of the financial statements with New Zealand equivalents to International Financial Reporting Standards.

The directors are pleased to present the financial statements of Network Tasman Limited and Group for the year ended 31 March 2023.

For and on behalf of the board of directors:



**MJ McCliskie**  
Chairman  
30 June 2023



**AP Reilly**  
Director  
30 June 2023

## FINANCIAL STATEMENTS

### Network Tasman Limited & Group

## Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
Total operating revenue	2	55,830	55,253
Total operating expenses	3	(40,938)	(39,991)
<b>Earnings before interest and tax</b>		<b>14,892</b>	15,262
Interest income	4	140	18
Interest expense	5	(1)	(13)
Share of surplus of associates and joint ventures	17	881	907
<b>Profit before income tax</b>		<b>15,912</b>	16,174
Income tax (expense) / income	6	(4,004)	(3,802)
<b>Profit for the period</b>		<b>11,908</b>	12,372
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>			
Comprehensive income from continuing activities		11,908	12,372
Comprehensive income from discontinued activities		-	-
		<b>11,908</b>	12,372

## Statement of Changes in Equity

For the year ended 31 March 2023

<b>TOTAL EQUITY AT BEGINNING OF PERIOD</b>	9	<b>232,734</b>	222,162
Total comprehensive income		11,908	12,372
<b>OTHER MOVEMENTS</b>			
Distributions to owners during the period	8	(1,800)	(1,800)
<b>Total equity at end of period</b>	9	<b>242,842</b>	232,734

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.



## Network Tasman Limited & Group

### Statement of Financial Position

As at 31 March 2023

	Note	As at 31 March 2023 \$000	As at 31 March 2022 \$000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	6,149	7,298
Trade receivables	12	5,503	5,425
Other current assets	13	1,082	1,084
Loans to joint ventures	19	3,064	3,489
<b>Total current assets</b>		<b>15,798</b>	17,296
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	221,420	210,319
Investment properties	15	37,876	36,897
Intangible assets	16	556	598
Investment in associate and joint ventures	17	13,923	13,592
Other non-current assets	18	3,346	2,252
<b>Total non-current assets</b>		<b>277,121</b>	263,658
<b>Total assets</b>		<b>292,919</b>	280,954
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	14,450	14,177
Tax payable	21	970	681
Provisions	22	426	375
<b>Total current liabilities</b>		<b>15,846</b>	15,233
<b>NON-CURRENT LIABILITIES</b>			
Provisions	22	281	264
Deferred taxation	24	33,950	32,723
<b>Total non-current liabilities</b>		<b>34,231</b>	32,987
<b>EQUITY</b>			
Attributable to shareholders of the company	9	242,842	232,734
<b>Total equity</b>		<b>242,842</b>	232,734
<b>Total liabilities and equity</b>		<b>292,919</b>	280,954

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Statement of Cash Flows

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Receipts from customers		51,630	48,943
Dividend income received		550	550
Interest income received		134	18
		<b>52,314</b>	49,511
<i>Cash was applied to:</i>			
Payments to suppliers and employees		34,073	30,100
Income tax paid		2,488	2,296
Interest expense paid		1	13
		<b>36,562</b>	32,409
<b>Net cash flows from operating activities</b>	26	<b>15,752</b>	17,102
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Cash was provided from:</i>			
Proceeds from sale of property, plant and equipment		6	-
Repayment of investment in associates and joint ventures		425	250
		<b>431</b>	250
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment and investment properties		15,532	12,323
		<b>15,532</b>	12,323
<b>Net cash flows from investing activities</b>		<b>(15,101)</b>	(12,073)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Cash was applied to:</i>			
Term loans	23	-	-
Dividends paid		1,800	1,800
		<b>1,800</b>	1,800
<b>Net cash flows from financing activities</b>	27	<b>(1,800)</b>	(1,800)
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(1,149)</b>	3,229
Cash balances at beginning of period		7,298	4,069
<b>Cash balances at end of period</b>		<b>6,149</b>	7,298
<b>COMPOSITION OF CASH BALANCES AT END OF YEAR</b>			
Cash on hand and at bank		163	190
Cash equivalents - term deposits		5,986	7,108
<b>Total</b>	11	<b>6,149</b>	7,298

The accompanying notes and accounting policies form part of and are to be read in conjunction with this statement.

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

## 1. STATEMENT OF ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

The reporting entity is Network Tasman Limited and Group. Network Tasman Limited is a profit-oriented company registered under the Companies Act 1993 and its financial statements comply with section 44 of the Energy Companies Act 1992. The financial statements are for Network Tasman Limited and its interest in associate and joint venture entities (Nelson Electricity Limited and On Metering Limited) and wholly-owned non-trading subsidiary company Tasman Energy Limited, are referred to as "The Group".

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for for-profit entities. Network Tasman Limited and Group is a tier 1 entity.

### BASIS OF PREPARATION

These financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency, rounded to the nearest thousand dollars (\$'000) unless otherwise stated. The financial statements have been prepared on the basis of historical cost with the exception of some distribution system assets and investment properties, which have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets.

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates ruling at the date when the fair value was determined. Exchange differences are recognised in the operating surplus in the period in which they arise.

The Statement of Comprehensive Income and Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All components in the Statement of Financial Position are stated net of GST except for receivables and payables which are stated inclusive of GST.

The financial statements comprise a Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to these statements.

### STATUTORY BASE

The financial statements have been prepared in accordance with the Energy Companies Act 1992 and New Zealand equivalents to International Financial Reporting Standards.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities, certain classes of property, plant and equipment, which have been included at fair value through the Statement of Comprehensive Income.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the notes to the financial statements.

### NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The company has not applied new standards and amendments for the year ending 31 March 2023.

### NEW STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and interpretations have been issued but are not yet effective for the current year-end. The reported results and financial position of the Group is not expected to change on adoption of these pronouncements as they do not result in any changes to the Group's existing accounting policies. Adoption will however result in changes to information currently disclosed in the financial statements.

### SUMMARY OF KEY ACCOUNTING POLICIES

Key accounting policies have been adopted in preparation and presentation of the financial statements and can be found in the specific note to which the policy applies.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

These accounting policies have been applied consistently to all years presented unless otherwise stated.

Other than the above, there have been no changes in accounting policies and disclosures.

**FINANCIAL STATEMENTS**

## Network Tasman Limited &amp; Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

<b>2. OPERATING REVENUE</b>	<b>Note</b>	<b>12 months 31 March 2023 \$000</b>	<b>12 months 31 March 2022 \$000</b>
<b>CONTINUING ACTIVITIES</b>			
Revenue from contracts with customers		<b>46,246</b>	47,045
Revenue from property rental		<b>2,252</b>	2,089
Vested assets		<b>5,530</b>	2,431
Increase in fair value of investment properties	15	<b>88</b>	2,545
Depreciation Recovered		<b>3</b>	-
Other revenue		<b>1,711</b>	1,143
<b>Total operating revenue from continuing activities</b>		<b>55,830</b>	55,253
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>			
Distribution network revenue		<b>39,125</b>	39,560
Technology networks revenue		<b>5,821</b>	5,582
Connection fees and levies		<b>516</b>	483
Customer contributions		<b>222</b>	836
Management fees		<b>198</b>	195
Sundry income		<b>364</b>	389
		<b>46,246</b>	47,045



## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

## 2. OPERATING REVENUE (cont')

### ACCOUNTING POLICY

#### REVENUE

Due to time between performing the service and payment being less than one year, Network Tasman has not made any adjustment for financing costs.

#### Distribution network revenue

Network Tasman provides electricity distribution services to electricity retailers and a small number of directly contracted customers based on both a variable (units consumed) and fixed (daily or capacity charge) component. Therefore, there is a single performance obligation. Electricity distribution services are performed on a daily basis and considered as a series of distinct services provided over time. Revenue is recognised as electricity is provided, reduced for an estimated discount based on usage. This method meets the requirements of NZ IFRS 15 in that the performance obligation is satisfied over time, as the services are delivered on a daily basis. Revenue is recognised over time using an output method. Network Tasman applies the practical expedient in NZ IFRS 15 para. B16 which enables the company to recognise revenue in the amount to which the entity has a right to invoice. This is because Network Tasman has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the company's performance. Customers are invoiced monthly and payment is due in the month following invoice. Discounts are considered variable consideration, which is constrained because Network Tasman has a practice of providing discounts on a biannual basis. Therefore, the amount of revenue recognised is reduced for an accrual for the expected discount to be applied based on usage.

#### Technology networks revenue

The technology networks revenue relates to the provision of access to Network Tasman's telecommunication and metering networks. Telecommunication customers are provided with fibre optic services and the metering customers are provided with their consumers' remote meter reading data. Therefore, each contract contains a single performance obligation. These services are performed on a daily basis and considered as a series of distinct services provided over time. Retail telecommunications and electricity providers gain access as the benefit, and then consume that benefit by earning revenue from the end user for data or electricity. They are invoiced at fixed rates on a monthly basis. Network Tasman recognises revenue over time based on the output method. Network Tasman applies the practical expedient in NZ IFRS 15 para. B16 which enables the company to recognise revenue in the amount to which the entity has a right to invoice. This is because Network Tasman has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the company's performance. The transaction price includes a variable component relating to service credits and liquidated damages that may be payable by Network Tasman if the company fails to meet contractual levels of service. As it is not probable that Network Tasman will be required to pay these amounts, no adjustment to revenue is required.

#### Connection fees and levies

Customer connection fees and levies are set out in Network Tasman's Connection of New Loads to the Distribution Network policy. Performance obligations are satisfied at a point in time. Network Tasman recognises this revenue when the connections are lived.

#### Capital contributions

Capital contributions are cash payments from customers towards the cost of new connections and network extensions. The performance obligation is satisfied at a point in time when the asset is connected to the electricity, telecommunication or metering network. At this point, the revenue is recognised in an amount equal to the payment received from the customer. Amounts received in advance are treated as a liability until the connection or network extension is live and operational.

#### Management fees

Management fees are charged for financial and engineering services. The performance obligation is recognised over time mirroring the revenue received.

#### Sundry income

Sundry income includes amounts for direct on-charges of costs and charges for services. These typically are small charges. Performance obligations are satisfied at a point in time. Revenue is recognised at that point in time.

#### Revenue from property rental

The income from leases is recognised as it accrues.

#### Vested assets

The Group acquires certain distribution assets for less than their replacement cost. Such assets are recognised at fair value and the fair value is recognised as revenue in the year of acquisition.

#### Investment income

Dividend income is recognised on the date that the dividend is declared.

#### Change in fair value of investment properties

The increase or decrease arising from the investment property valuation is recognised in the surplus / deficit

#### KEY JUDGEMENT

Network Tasman invoices its customers (predominantly electricity retailers) monthly for electricity delivery services on the basis of metered usage figures provided by those retailers. Network Tasman is entirely reliant upon the accuracy of the monthly metered data supplied by the retailers. With the majority of customers on advanced meters, the reliance on estimates has reduced. Estimates are inherent in this data, however any inaccuracies in the estimates are corrected in subsequent months when read data becomes available. All meters are read at least once a year.

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>3. OPERATING EXPENSES</b>			
<b>Operating expenses include:</b>			
Gross transmission costs		13,027	13,890
Operation & Maintenance		7,311	7,009
<b>DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT AND AMORTISATION OF INTANGIBLE ASSETS</b>			
Distribution network		6,340	6,122
Technology networks		2,265	2,392
Land & buildings		170	180
Plant & equipment		118	120
Information technology		92	114
Intangible assets		252	241
<b>Total depreciation of property, plant and equipment and amortisation of intangible assets</b>		<b>9,237</b>	<b>9,169</b>
<b>Auditors' fees</b>			
Audit fee - Network Tasman Ltd		101	73
Other assurance services - Audit New Zealand		62	51
Other assurance services comprise an independent assurance report on the company's regulatory disclosure in accordance with the Electricity (Information Disclosure) Requirements 2008 and the default price - quality path compliance statement.			
<b>Costs of offering credit</b>			
Bad debts written off		42	18
<b>Other expenses</b>			
Directors' fees		280	260
Donations		11	9
Employment costs		4,839	4,407
Loss on disposal of assets		494	520
Short term leases	23	6	6
Other expenses		5,528	4,579
<b>Total expenses from continuing activities</b>		<b>40,938</b>	<b>39,991</b>

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>4. INTEREST INCOME</b>			
Interest income		140	18

**ACCOUNTING POLICY**

**INTEREST INCOME:** Interest income is recognised as it accrues using the effective interest method.

<b>5. INTEREST EXPENSE</b>			
Interest paid		1	13

**ACCOUNTING POLICY**

**INTEREST EXPENSE:** Borrowing costs are recognised as an expense in the financial year in which they are incurred.

<b>6. INCOME TAX</b>			
Operating surplus before income tax		15,912	16,174
Prima facie taxation at 28%		4,455	4,529
<b>Plus / (less) taxation effect of:</b>			
Non-taxable customer contributions		(1,381)	(840)
Depreciation		232	154
Equity accounted earnings from associate and joint ventures		(246)	(255)
Change in fair value of investment properties		(25)	(712)
Movement in deferred tax		1,227	1,220
Other adjustments		(258)	(294)
<b>Total taxation adjustments</b>		<b>(451)</b>	<b>(727)</b>
<b>Income tax expense recognised in statement of financial performance</b>		<b>4,004</b>	<b>3,802</b>
Comprising:			
Current tax liability		2,777	2,582
Deferred tax on temporary differences	24	1,227	1,220
		<b>4,004</b>	<b>3,802</b>

**ACCOUNTING POLICY**

**TAXATION**

Income tax expense comprises both current tax and deferred. Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year and any adjustments to income tax payable in respect of prior years.

Current and deferred tax are recognised as an expense or income in the surplus or deficit, except where they relate to items that are recognised outside the surplus or deficit (whether in other comprehensive income or directly in equity) in which case the tax is also recognised outside Statement of Comprehensive Income.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is recognised, using tax rates that have been enacted or substantively enacted by balance date.

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>7. IMPUTATION CREDIT ACCOUNT</b>			
Imputation credits available for use in subsequent reporting periods		30,853	28,561
<b>8. DIVIDENDS</b>			
Dividends during the period:			
Dividends paid (3.148 cents per share)		1,800	1,800
<b>Total dividends paid</b>		<b>1,800</b>	<b>1,800</b>
<b>9. EQUITY</b>			
Issued and paid up capital		57,185	57,185
Share premium reserve		1,938	1,938
Retained earnings	10	183,719	173,611
<b>Total equity</b>		<b>242,842</b>	<b>232,734</b>
<b>Issued and paid up capital</b>			
Balance at beginning of period		57,185	57,185
<b>Balance at end of period</b>		<b>57,185</b>	<b>57,185</b>
All shares are \$1 shares and are fully paid. There is no uncalled capital. All shares carry equal voting rights. None of the shares carry fixed dividend rights.			
<b>Share premium reserve</b>			
Balance at beginning of period		1,938	1,938
Premium paid during year		-	-
<b>Balance at end of period</b>		<b>1,938</b>	<b>1,938</b>

The share premium reserve was created on 1 May 1993, recognising the difference between the share capital issues and the closing value of corporate ownership of the Tasman Electric Power Board at 30 April 1993.



Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>10. RETAINED EARNINGS</b>			
Balance at beginning of period		173,611	163,039
Operating surplus for the period		11,908	12,372
<b>Total available for appropriation</b>		<b>185,519</b>	175,411
Dividends paid	8	(1,800)	(1,800)
<b>Balance at end of period</b>		<b>183,719</b>	173,611
<b>11. CASH AND EQUIVALENTS</b>			
Cash on hand and at bank		163	190
Short-term deposits		5,986	7,108
<b>Total cash and equivalents</b>		<b>6,149</b>	7,298

The carrying value of short-term deposits approximates their fair value. The short-term deposits are with the Bank of New Zealand and Westpac New Zealand Limited. The Standard & Poor's ratings is AA- for both banks. The interest rates on these investments are 4.11% to 4.55% (31 March 2022: 0.8% to 1.2%).

**ACCOUNTING POLICY**

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with banks and short-term deposits with maturities of three months or less at their inception.

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>12. TRADE RECEIVABLES</b>			
<b>Current</b>			
Trade receivables		5,508	5,427
Less loss allowance		(5)	(2)
<b>Total current receivables</b>		<b>5,503</b>	<b>5,425</b>

The carrying value of receivables approximates their fair value. As at 31 March 2023 and 31 March 2022 the trade receivables have been assessed for expected credit losses. See the calculation in note 29.

#### ACCOUNTING POLICY

##### RECEIVABLES

Receivables are initially measured at fair value and subsequently measured at amortised cost using effective interest method, less any loss allowance.

##### Impairment

Where an indicator of impairment exists either at an individual asset or at the cash generating unit level, the fair value of the asset will be determined by assessing the recoverable amount of the individual asset or the cash generating unit.

A cash generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss for a non-revalued asset is recognised in the operating surplus for the year.

The carrying amounts of the Group's assets, other than inventory, investment property and deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists for an asset, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not

generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amounts are the higher of fair value (less costs to sell) and value in use. In assessing value in use, the estimated future pre-tax 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 which the estimates of future cash flows have not been adjusted.

Equity instruments are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price. Any subsequent recovery of an impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the operating surplus.

##### KEY JUDGEMENT

Judgement is exercised in choosing the levels of loss allowance and assessing the factors impacting recoverability.

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>13. OTHER CURRENT ASSETS</b>			
Sundry receivables		362	376
Prepayments		720	708
		<b>1,082</b>	<b>1,084</b>

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 14. PROPERTY, PLANT AND EQUIPMENT

	Electricity distribution network	Technology networks	Land & buildings	Plant and equipment	Information technology	Right-of-use assets	Assets under construction	Total assets
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OR VALUATION</b>								
Balance at 31 March 2021	245,651	39,663	12,925	1,804	1,520	2,823	8,902	<b>313,288</b>
Additions / adjustments	12,810	1,702	148	16	(539)	-	737	<b>14,874</b>
Disposals	(731)	(24)	-	-	-	-	-	<b>(755)</b>
<b>Balance at 31 March 2022</b>	<b>257,730</b>	<b>41,341</b>	<b>13,073</b>	<b>1,820</b>	<b>981</b>	<b>2,823</b>	<b>9,639</b>	<b>327,407</b>
Balance at 1 April 2022	257,730	41,341	13,073	1,820	981	2,823	9,639	<b>327,407</b>
Additions / adjustments	18,070	1,141	429	106	102	-	679	<b>20,527</b>
Disposals	(625)	(293)	-	(2)	(49)	-	-	<b>(969)</b>
<b>Balance at 31 March 2023</b>	<b>275,175</b>	<b>42,189</b>	<b>13,502</b>	<b>1,924</b>	<b>1,034</b>	<b>2,823</b>	<b>10,318</b>	<b>346,965</b>
<b>ACCUMULATED DEPRECIATION</b>								
Balance at 31 March 2021	83,186	18,118	2,456	1,085	1,039	2,823	-	<b>108,707</b>
Depreciation expense	6,122	2,392	180	120	114	-	-	<b>8,928</b>
Adjustment	-	-	-	-	(313)	-	-	<b>(313)</b>
Elimination on disposal	(224)	(10)	-	-	-	-	-	<b>(234)</b>
<b>Balance at 31 March 2022</b>	<b>89,084</b>	<b>20,500</b>	<b>2,636</b>	<b>1,205</b>	<b>840</b>	<b>2,823</b>	<b>-</b>	<b>117,088</b>
Balance at 1 April 2022	89,084	20,500	2,636	1,205	840	2,823	-	<b>117,088</b>
Depreciation expense	6,340	2,265	168	118	92	-	-	<b>8,983</b>
Elimination on disposal	(273)	(204)	-	(2)	(47)	-	-	<b>(526)</b>
<b>Balance at 31 March 2023</b>	<b>95,151</b>	<b>22,561</b>	<b>2,804</b>	<b>1,321</b>	<b>885</b>	<b>2,823</b>	<b>-</b>	<b>125,545</b>
<b>CARRYING AMOUNTS</b>								
<b>As at 31 March 2022</b>	<b>168,646</b>	<b>20,841</b>	<b>10,437</b>	<b>615</b>	<b>141</b>	<b>-</b>	<b>9,639</b>	<b>210,319</b>
<b>As at 31 March 2023</b>	<b>180,024</b>	<b>19,628</b>	<b>10,698</b>	<b>603</b>	<b>149</b>	<b>-</b>	<b>10,318</b>	<b>221,420</b>

#### VALUATION INFORMATION

The company elected to use the deemed cost approach on adoption of NZ IFRS, in accordance with NZ IFRS1. This approach has used the fair value determined for each asset category at its most recent valuation and then adjusted for subsequent additions at cost. Distribution assets are valued at deemed cost based upon an independent valuation completed by PricewaterhouseCoopers as at 31 March 2004.

There are no restrictions over the title of the property, plant and equipment, nor are any items of property, plant and equipment pledged as security for liabilities.

#### IMPAIRMENT

The company performed a review of indicators of impairment of the property, plant and equipment and consider the carrying value is appropriate and no impairment is required.

## Network Tasman Limited &amp; Group

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

## 14. PROPERTY, PLANT AND EQUIPMENT (cont')

## ACCOUNTING POLICY

## PROPERTY, PLANT AND EQUIPMENT

## Initial recording

All owned items of property, plant and equipment are initially recorded at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price plus any other costs directly attributable to bringing the item to working condition for its intended use. Donated assets are recorded at fair value.

Distribution system assets are stated at deemed cost based upon an independent valuation completed by PricewaterhouseCoopers as at 31 March 2004, except for vested assets that are recognised at fair value. Other property, plant and equipment, information technology and motor vehicles are recorded at cost.

## Asset components

When the components of an item of property, plant and equipment have different useful lives, the cost of the item is allocated to its components and each component is accounted for separately in accordance with the company's Asset Management Plan (AMP).

## Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale will be capitalised to the cost of that asset. Once an asset is put into productive use capitalisation of borrowing costs will cease.

All other borrowing costs will be recognised as an expense in the period in which they are incurred.

## Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that the expenditure increases the economic benefits over the total life of the item beyond those most recently assessed in determining the basis of the item's carrying amount.

## Disposal of property, plant and equipment

Where an item of property, plant and equipment is disposed of any gains or losses are reported in the operating surplus. An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the operating surplus in the year the item is de-recognised.

## Depreciation

Depreciation of property, plant and equipment is calculated so as to expense the cost of the assets, less any residual value, over the assets' useful lives. The depreciation methods and depreciation rates used are as follows:

Asset class	Depreciation method	Depreciation rates
Distribution networks	Straight line / Diminishing value	1.33% - 33.33%
Buildings	Straight line / Diminishing value	1.43% - 20%
Meters	Diminishing value	13% - 25%
Plant and equipment	Diminishing value	20%
Motor vehicles	Diminishing value	20%
Information technology	Diminishing value	48%

These rates may vary from those allowed for taxation purposes.

The depreciation rates on distribution system assets in existence at the time of the previous revaluation (31 March 2004) are based on the assessed residual lives as determined in the calculation of the Optimised Depreciated Replacement Cost (ODRC).

New distribution assets (as from 1 April 2004) were assessed based on the standard useful lives as contained in the Handbook for Optimised Deprival Valuation of System Fixed Assets of Electricity Line Businesses as issued by the Commerce Commission and dated 30 August 2004. Pole structures, which have a physical life well in excess of the standard useful lives, were assessed by the company's qualified engineers.

## Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

## Fair value measurement

The Group measures financial instruments, such as derivatives, and non-financial assets such as investment properties, at fair value at each balance date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

## 14. PROPERTY, PLANT AND EQUIPMENT (cont')

### ACCOUNTING POLICY

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Right-of-use assets

Right-of-use assets are included in property, plant and equipment on the balance sheet. Right-of-use assets relate to historic assets constructed at Transpower NZ Limited's grid exit points prior to the introduction of NZ IFRS 16.

#### KEY JUDGEMENT

Significant judgement is exercised in assessing potential indicators of impairment and carrying out any required impairment tests. This includes that choice of WACC rate and forecasts. No impairments have been recognised in the current year.

## 15. INVESTMENT PROPERTIES

### Movement in investment properties

Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
Opening balance	36,897	34,040
Plus additions	839	136
Depreciation expense	(2)	-
Change in use	(5)	116
Plus / (less) fair value gain / (loss) on valuation	88	2,545
Plus increase / (decrease) in assets under construction	59	60
<b>Closing balance</b>	<b>37,876</b>	<b>36,897</b>
<b>Investment properties are represented by:</b>		
Land	14,958	14,413
Buildings	22,785	22,412
Assets under construction Investment	133	72
<b>Total investment properties</b>	<b>37,876</b>	<b>36,897</b>

### VALUATION INFORMATION

The Group's investment properties primarily consist of two commercial properties in the Richmond area. 281 Queen Street is a mixed commercial and office development that has been substantially strengthened and refurbished. The other property is an industrial subdivision at 24 Main Road Hope. The Hope property's main tenants are Farmlands Limited, Delta Utilities Limited (the company's main network contractor) and vacant land scheduled for development. The Group has no restrictions on the realisability of its investment properties.

Investment properties were valued by S Charles B.Com (VPM), ANZIV, MPINZ, an independent registered valuer of Duke & Cooke Limited as at 31 March 2023. The valuation was based on fair value. Assets under construction have been valued at cost.

In determining fair value, using the capitalisation of net income method, Mr Charles used significant unobservable inputs (level 3 as defined by NZ IFRS 13). This method is based upon assumptions including future rental income and appropriate discount rates.



## FINANCIAL STATEMENTS

### Network Tasman Limited & Group

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 15. INVESTMENT PROPERTIES (cont')

Reconciliation of Fair Value	Office / commercial \$000	Industrial \$000	Other \$000	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
Opening balance	18,422	17,034	1,441	36,897	34,040
Additions	39	794	6	839	136
Depreciation expense	-	(1)	(1)	(2)	-
Change in use	-	-	(5)	(5)	116
Plus increase / (decrease) in assets under construction	128	(69)	-	59	60
Change in fair value	(265)	436	(83)	88	2,545
<b>Closing Balance</b>	<b>18,324</b>	<b>18,194</b>	<b>1,358</b>	<b>37,876</b>	<b>36,897</b>

The valuation of commercial or industrial property is generally from two main approaches. First, the cost approach being a summation of the land value and depreciated value of all buildings and site improvements, and the second, the income capitalisation approach which involves establishing the net maintainable income which the property can produce and then capitalising this at an appropriate rate of return.

In many cases, there can be a significant difference between the two methods for the same property. With properties traded for investment reasons the ultimate market value adopted is generally arrived at by the income capitalisation approach. The cost approach provides a guide to value and is most appropriately used when dealing with properties which are so specialised in their design that there is little or no comparable open market sales evidence.

Adequate market evidence exists for the assessment of the fair value of these properties by the income capitalisation approach.

Three investment properties are valued using an income capitalisation valuation method. Capitalisation rates range from 6.20% - 6.5% (31 March 2022 : 5.75% - 6.5%) with weighted average lease terms of 1.1 years – 4.3 years (31 March 2022 : 0.6 years – 2.5 years). A 0.25% reduction in the capitalisation rate increases the fair value of the properties by \$1.2 million (31 March 2022 : \$1.0 million) and an 0.25% increase in the capitalisation rate decreases the fair value of the properties by \$1.1 million (31 March 2022 : \$1.4 million).

The Valuer reported, despite early predictions, the commercial property market has remained resilient and observed property transactions have shown a continued downward trend in investment yields, especially for those properties where long-term tenant occupation is secure. Longer term uncertainty remains for properties having a reliance on travel and tourism for their income or ability to pay rent.

#### ACCOUNTING POLICY

##### INVESTMENT PROPERTIES

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition investment properties are stated at fair value.

Gains or losses arising from changes in the fair values of investment properties are recognised in the operating surplus in the year in which they arise. Valuations are determined on an annual basis by independent registered valuers, Duke & Cooke Limited.

##### KEY JUDGEMENT

The valuation of investment properties is undertaken by an independent registered valuer. This valuation involves the use of judgement, estimations and assumptions.

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>16. INTANGIBLE ASSETS</b>		
<b>Movement in intangible assets</b>		
Opening balance	598	447
Plus additions	335	225
Less amortisation	(252)	(241)
Plus increase/(decrease) in assets under construction	(106)	167
Less disposals	(201)	-
Plus accumulated provision write back on disposal	182	-
<b>Closing balance</b>	<b>556</b>	598

Intangible assets are represented by:

	At cost \$000	Accum. amortisation \$000	Carrying amount \$000
<b>Intangible assets - 31 March 2023</b>			
Computer software	3,030	2,535	495
Assets under construction	61	-	61
<b>Total Intangible assets</b>	<b>3,091</b>	<b>2,535</b>	<b>556</b>
<b>Intangible assets - 31 March 2022</b>			
Computer software	2,896	2,465	431
Assets under construction	167	-	167
<b>Total Intangible assets</b>	<b>3,063</b>	<b>2,465</b>	<b>598</b>

There are no restrictions over the title of the intangible assets, nor are any intangible assets pledged as security for liabilities.

**ACCOUNTING POLICY**

**INTANGIBLE ASSETS**

**Computer Software**

Computer software is separately acquired and capitalised at its cost as at the date of acquisition. After initial recognition, separately acquired intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Where the computer software has a defined life, it is amortised on a straight line basis over its life. Where the computer software does not have a defined life the associated amortisation rate has been estimated as 48% diminishing value.

Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each year is recognised in the operating surplus.

**KEY JUDGEMENT**

Significant judgement is exercised in assessing potential indicators of impairment and carrying out any required impairment tests. No impairments have been recognised in the current year.

## FINANCIAL STATEMENTS

## Network Tasman Limited &amp; Group

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>17. INVESTMENT IN ASSOCIATE AND JOINT VENTURES</b>			
<b>Name of entity</b>	<b>Activity</b>		
<b>Nelson Electricity Limited</b>	Distribution network owner & operator	<b>12,318</b>	12,105
<i>Ownership interest</i>		<b>50%</b>	50%
Nelson Electricity Limited is incorporated in New Zealand, and has a balance date of 31 March.			
<b>Results of associate</b>			
Share of surplus before income tax		<b>1,059</b>	1,061
Movement in NEL deferred tax		<b>33</b>	34
Income tax		<b>(329)</b>	(334)
<b>Share of comprehensive income</b>		<b>763</b>	761
<b>Total recognised revenues and expenses</b>		<b>763</b>	761
<b>Carrying value of associate</b>			
Opening balance at beginning of period		<b>12,105</b>	11,894
Share of comprehensive income		<b>763</b>	761
Dividends received		<b>(550)</b>	(550)
<b>Closing balance at end of period</b>		<b>12,318</b>	12,105
<b>Summarised financial information of associate</b>			
Nelson Electricity Limited applied NZ IFRS's reduced disclosure regime from 1 April 2015. It has a different accounting policy for property, plant and equipment, continuing to revalue rather than adopting deemed cost.			
The following is a summary of Network Tasman Limited's share of Nelson Electricity Limited's financial information adjusted to be prepared on the same basis as Network Tasman Limited financial statements.			
Assets		<b>18,214</b>	18,070
Liabilities		<b>5,895</b>	5,965
Revenues		<b>4,626</b>	4,626
Surplus / (deficit)		<b>763</b>	761

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>17. INVESTMENT IN ASSOCIATE AND JOINT VENTURES (cont')</b>			
<b>Name of entity</b>	<b>Activity</b>		
<b>On Metering Limited</b>	Meter deployment company	<b>1,346</b>	1,228
<i>Ownership interest</i>		<b>50%</b>	50%
On Metering Limited is incorporated in New Zealand, and has a balance date of 31 March. On Metering Limited applied NZ IFRS's reduced disclosure regime.			
<b>Results of joint venture</b>			
Share of surplus / (deficit) before income tax		<b>162</b>	48
Prior period restatement		-	(117)
Movement in deferred tax		<b>(6)</b>	41
Income tax		<b>(39)</b>	174
<b>Share of comprehensive income / (loss)</b>		<b>118</b>	146
<b>Total recognised revenues and expenses</b>		<b>118</b>	146
<b>Carrying value of joint venture</b>			
Opening balance at beginning of period		<b>1,228</b>	1,082
Share of comprehensive income / (loss)		<b>118</b>	146
<b>Closing balance at end of period</b>		<b>1,346</b>	1,228
On Metering loss is equity accounted.			
<b>Summarised financial information of joint venture</b>			
The following is a summary of Network Tasman Limited's share of On Metering Limited's financial information.			
Assets		<b>4,592</b>	4,845
Liabilities		<b>3,246</b>	3,617
Revenues		<b>1,169</b>	1,094
Surplus / (deficit)		<b>118</b>	146



# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>17. INVESTMENT IN ASSOCIATE AND JOINT VENTURES (cont')</b>			
<b>Name of entity</b>	<b>Activity</b>		
<b>SmartCo Limited</b>	Meter deployment company		
<i>Ownership interest</i>		<b>14%</b>	14%
SmartCo Limited is incorporated in New Zealand, and has a balance date of 31 March. SmartCo Limited applied NZ IFRS's reduced disclosure regime.			
<b>Results of associate</b>			
Share of surplus before income tax		<b>5</b>	12
Income tax		<b>(5)</b>	(12)
<b>Share of comprehensive income</b>		-	-
<b>Total recognised revenues and expenses</b>		-	-
<b>Carrying value of associate</b>			
Opening balance at beginning of period		<b>259</b>	259
Share of comprehensive income		-	-
<b>Closing balance at end of period</b>		<b>259</b>	259
<b>Summarised financial information of associate</b>			
The following is a summary of Network Tasman Limited's share of SmartCo Limited's financial information.			
Assets		<b>619</b>	627
Liabilities		<b>435</b>	443
Revenues		<b>2,747</b>	2,608
Surplus / (deficit)		-	-
<b>Total carrying value of associates and joint ventures</b>			
Nelson Electricity Limited		<b>12,318</b>	12,105
On Metering Limited		<b>1,346</b>	1,228
SmartCo Limited		<b>259</b>	259
<b>Total</b>		<b>13,923</b>	13,592

#### Impairment

An impairment assessment for Nelson Electricity Limited and On Metering Limited has been completed with no impairment identified.

#### ACCOUNTING POLICY

##### INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Associate and joint venture companies are accounted for using the equity method. On initial recognition the investment in associates and joint ventures is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the entity discontinues recognising its share of further losses.

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

**18. OTHER NON-CURRENT ASSETS**

Prepayment	Total Cost \$000	Life of Asset	Annual Expense \$000
Asset Constructed by Transpower under a New Investment Agreement (Asset completed June 2019)	6,008	55 years	109
	<b>Note</b>	<b>12 months 31 March 2023 \$000</b>	12 months 31 March 2022 \$000
Opening prepayment		<b>2,361</b>	1,046
Additional expenditure		-	180
Payments for year		<b>1,113</b>	1,244
Less expense for year		<b>(109)</b>	(109)
<b>Closing balance at end of period</b>		<b>3,365</b>	2,361
Current prepayment		<b>109</b>	109
Non-current prepayment		<b>3,256</b>	2,252
<b>Total prepayment</b>		<b>3,365</b>	2,361
<b>Other non-current assets</b>			
Non-current prepayment		<b>3,256</b>	2,252
Other		<b>90</b>	-
<b>Total other non-current assets</b>		<b>3,346</b>	2,252

**19. LOANS TO JOINT VENTURES**

Loan to On Metering Limited		<b>3,064</b>	3,489
<b>Total loans to joint ventures</b>		<b>3,064</b>	3,489
<b>On Metering Limited</b>			
Opening balance		<b>3,489</b>	3,739
Less repayments		<b>(425)</b>	(250)
<b>Closing balance at end of period</b>		<b>3,064</b>	3,489

**ACCOUNTING POLICY**

The loan is repayable on demand and is measured at amortised cost.

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>20. TRADE AND OTHER PAYABLES</b>			
<b>Current</b>			
Trade payables and accruals		14,450	14,177
<b>Total current payables and accruals</b>		<b>14,450</b>	<b>14,177</b>

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

#### ACCOUNTING POLICY

##### TRADE AND OTHER PAYABLES

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

#### 21. TAX PAYABLE

<b>Current</b>			
Tax Payable		970	681
<b>Total tax payable</b>		<b>970</b>	<b>681</b>

#### 22. PROVISIONS

<b>Current</b>			
Employee entitlements		426	375
<b>Total current provisions</b>		<b>426</b>	<b>375</b>
<b>Non-current</b>			
Employee entitlements		281	264
<b>Total non-current provisions</b>		<b>281</b>	<b>264</b>
<b>Total Provisions</b>		<b>707</b>	<b>639</b>
<b>Provision for employee entitlements</b>			
Balance at beginning of period		639	578
Additional provisions made		416	359
Amount utilised		(348)	(298)
<b>Balance at end of period</b>		<b>707</b>	<b>639</b>
The provision for employee entitlements relates to employee benefits such as accrued annual leave, long service leave and sick leave.			
<b>Total Provisions</b>		<b>707</b>	<b>639</b>

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

## 22. PROVISIONS (cont')

### ACCOUNTING POLICY

#### EMPLOYEE ENTITLEMENTS

Employee entitlements include annual leave, a provision for sick leave entitlement and long service leave. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months, such as long service

leave, are measured at the full value of the estimated future cash outflows to be made by the Group taking into account the years of service, years of entitlement and the likelihood staff will reach the point of entitlement.

#### KEY JUDGEMENT

Judgement is exercised in determining the Group's liability for non-vested long service and retiring leave entitlements.

## 23. LOANS AND BORROWINGS

### Current

Secured bank loans

### Total loans and borrowings

All financial liabilities are classified as financial liabilities measured at amortised cost.

Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
	-	-
	-	-

### (a) TERMS AND DEBT REPAYMENT SCHEDULE

The terms and conditions of outstanding loans were as follows:

	Maturity	Interest Rate	Face Value	March 2023 \$000	March 2022 \$000
Bank of New Zealand Limited - Secured	25 Sep 2023	n/a	\$10 million	-	-
				-	-

### (b) SECURITY

Bank of New Zealand Limited

The bank loans are secured over a Negative Pledge Agreement where Network Tasman Limited undertakes not to dispose of, encumber or grant a security interest in any asset of the company without written permission from the Bank.

### ACCOUNTING POLICY

Loans and borrowing include term loans and lease liabilities.

#### LEASE LIABILITY

Except for certain short-term and low-value leases, NZ IFRS 16 requires all leases to be recognised as finance leases and shown in loans and borrowings on the statement of financial position.

Network Tasman applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term, (note 3).

At the commencement of the lease term, the Group recognises leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The amount recognised as an asset is depreciated over its useful life or the shorter of the lease term and useful life.



## FINANCIAL STATEMENTS

### Network Tasman Limited & Group

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 23. LOANS AND BORROWINGS (cont')

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>(c) LOAN FACILITIES</b>			
The company has the following undrawn borrowing facilities			
Bank of New Zealand Limited		10,000	10,000
<b>Total</b>		<b>10,000</b>	<b>10,000</b>

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>24. DEFERRED TAXATION</b>			
Balance at beginning of period		32,723	31,503
Deferred tax on temporary differences		1,227	1,220
<b>Balance at end of period</b>		<b>33,950</b>	<b>32,723</b>

#### Analysis of temporary deferred tax differences

For the year ended 31 March 2023	Fixed assets \$000	Provisions \$000	Prepayments \$000	Total \$000
Opening balance	32,238	(176)	661	32,723
Charge to income	940	(19)	306	1,227
<b>Closing balance</b>	<b>33,178</b>	<b>(195)</b>	<b>967</b>	<b>33,950</b>

For the year ended 31 March 2022	Fixed assets \$000	Provisions \$000	Prepayments \$000	Total \$000
Opening balance	31,369	(159)	293	31,503
Charge to income	869	(17)	368	1,220
<b>Closing balance</b>	<b>32,238</b>	<b>(176)</b>	<b>661</b>	<b>32,723</b>

Under current accounting standards, Network Tasman is required to recognise a deferred tax liability equal to the tax effect of the difference between the Company's accounting value of assets and liabilities and the equivalent tax carrying values for the same assets and liabilities. Deferred tax generally arises from tax temporary differences.

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

**25. OPERATING LEASE ARRANGEMENTS**

Network Tasman has 14 non-cancellable operating leases as lessor of land and buildings that comprise the investment property portfolio.

Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>Analysis of operating leases</b>		
No later than one year	1,821	1,231
Later than one year and not later than five years	1,591	2,282
Later than five years	771	-
	<b>4,183</b>	<b>3,513</b>

The lease arrangements are renewed on a periodic basis as disclosed in the lessors' individual contracts. In 2023 rental income received from leases with non-cancellable operating lease arrangements amounted to \$2,252,000 (2022: \$2,089,000)

Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>26. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating surplus after tax</b>	<b>11,908</b>	<b>12,372</b>
<b>Items not involving cash flows:</b>		
Depreciation & amortisation	9,237	8,856
Movement in deferred taxation	1,227	1,220
Non cash customer contributions and vested assets	(5,530)	(2,431)
Change in fair value of investment properties	(88)	(2,545)
Equity accounted earnings from associate and joint ventures	(331)	(360)
Bad debts written off	42	18
(Gain) / loss on sale assets	491	520
	<b>5,048</b>	<b>5,278</b>
<b>Movement in working capital:</b>		
Increase (decrease) in non capital payables	(49)	967
Increase (decrease) in provisions	68	60
(Increase) decrease in non capital receivables and prepayments	(1,223)	(1,575)
	<b>(1,204)</b>	<b>(548)</b>
<b>Net cash flows from operating activities</b>	<b>15,752</b>	<b>17,102</b>

# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

#### 27. CASH FLOWS FROM FINANCING ACTIVITIES

There are no significant non-cash movements arising in relation to the carrying amount of Network Tasman's liabilities arising from financing activities. The movement in these liabilities is therefore reflected by cash flows as presented above in the financing section of the statement of cash flows.

#### 28. RELATED PARTY INFORMATION

##### Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% of the company's shares (100% 31 March 2022). Refer to Note 8 for dividends paid to the holding entity.

Associate & joint venture companies		Percentage owned by Network Tasman Limited	
		31 March 2023	31 March 2022
Nelson Electricity Limited	Associate company	50%	50%
On Metering Limited	Joint venture	50%	50%
SmartCo Limited	Associate company	14%	14%

Network Tasman Limited provided the following services to Nelson Electricity Limited:

- Management and operational services
- Oncharge at cost of charges from Transpower NZ Limited for connection by Nelson Electricity Limited to the national grid
- Fibre services

Network Tasman Limited leases a room from Nelson Electricity Limited for fibre equipment.

Network Tasman Limited provided operational and management services to On Metering Limited.

Network Tasman Limited provided management services and charges meter rental to SmartCo Limited.

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 28. RELATED PARTY INFORMATION (cont')

	<b>12 months 31 March 2023 \$000</b>	12 months 31 March 2022 \$000
<b>Transactions during the year</b>		
<i>Charges from Network Tasman Limited to Nelson Electricity Limited</i>	<b>1,538</b>	1,799
<i>Charges from Nelson Electricity Limited to Network Tasman Limited</i>	<b>5</b>	8
<i>Charges from Network Tasman Limited to On Metering Limited</i>	<b>140</b>	140
<i>Charges from Network Tasman Limited to SmartCo Limited</i>	<b>3,067</b>	2,964
<i>Charges from SmartCo Limited to Network Tasman Limited</i>	<b>1,005</b>	907
<b>Outstanding balances at year end</b>		
<i>Balance due from Nelson Electricity Limited as at period end</i>	<b>150</b>	166
<i>Balance due to Nelson Electricity Limited as at period end</i>	<b>-</b>	1
<i>Balance due from On Metering Limited as at period end</i>	<b>130</b>	3
<i>Balance due from SmartCo Limited as at period end</i>	<b>524</b>	546
<i>Balance due to SmartCo Limited as at period end</i>	<b>170</b>	182

Network Tasman received a dividend from Nelson Electricity (note 17), and a loan repayment from On Metering (note 19). No related party debts have been written off or forgiven during the period (31 March 2022 : nil).

<b>Key Management personnel compensation</b>		
Salaries and other short-term benefits	<b>1,994</b>	1,794
Other long term benefits	<b>34</b>	31
<b>Total key management personnel compensation</b>	<b>2,028</b>	1,825

No post employment or termination benefits were paid during the year. (31 March 2022 : nil)

<b>Other related party transactions</b>		
<b>Transactions during the year</b>		
<i>Charges from Network Tasman Limited to Nelson City Council</i>	<b>116</b>	-
<i>Charges from Nelson City Council to Network Tasman Limited</i>	<b>18</b>	-
<i>Charges from Institute of Directors in New Zealand to Network Tasman Limited</i>	<b>2</b>	2
<i>Charges from Taylors Contracting Co Limited to Network Tasman Limited</i>	<b>-</b>	2
<i>Charges from Network Tasman Limited to Taylors Contracting Co Limited</i>	<b>25</b>	1
<i>Charges from ANSA Holdings Limited to Network Tasman Limited</i>	<b>-</b>	14
<i>Charges from Network Tasman Limited to the Cawthron Institute</i>	<b>-</b>	235
<i>Charges from Network Tasman Limited to Nelson Bays Primary Health</i>	<b>789</b>	670
<i>Charges from Network Tasman Limited to Nelmac Limited</i>	<b>-</b>	3
<i>Charges from Nelmac Limited to Network Tasman Limited</i>	<b>-</b>	14
<b>Outstanding balances at year end</b>		
<i>Balance due from Taylors Contracting Co Limited as at period end</i>	<b>-</b>	1



# FINANCIAL STATEMENTS

## Network Tasman Limited & Group

### Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

#### 29. FINANCIAL RISK MANAGEMENT

##### (a) CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. Financial instruments that potentially subject the company to concentration of credit risk consist of cash, short term investments and trade receivables.

##### Risk management

The company places short-term investments with registered banks only. The company has a treasury management policy which is used to manage this exposure to credit risk. As part of this policy, limits on the amount of surplus funds placed with any one banking institution have been set and approved by the board of directors. With new connection charges, the payment needs to be received prior to connection.

##### Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade receivables
- Sundry receivables
- Loans to joint ventures

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped into groups of similar payment profiles.

The expected loss rates are based on the payment profiles of sales over a period of 6 years and the corresponding historical credit losses.

On that basis, the loss allowance determined for trade receivables is:

		More than 30 days overdue	More than 60 days overdue	More than 90 days overdue	More than 120 days overdue	Total
<b>31 March 2023</b>	<b>Current</b>					
Expected loss rate	0.09%	0.44%	0.10%	0.61%	0.34%	
Carrying amount trade receivables	5,362	33	25	4	84	5,508
Loss allowance	5	-	-	-	-	5
<b>31 March 2022</b>	<b>Current</b>					
Expected loss rate	0.05%	0.25%	0.19%	0.19%	0.52%	
Carrying amount trade receivables	5,223	84	28	22	70	5,427
Loss allowance	2	-	-	-	-	2

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

**29. FINANCIAL RISK MANAGEMENT (cont')**

	<b>12 months 31 March 2023 \$000</b>	12 months 31 March 2022 \$000
<b>Movement in loss allowance</b>		
<b>Opening balance</b>	<b>2</b>	13
Receivables written off during period	<b>(40)</b>	(28)
Unused amount reversed / additional amount provided	<b>38</b>	15
Additional loss allowance recognised in income statement during the year	<b>5</b>	2
<b>Closing balance</b>	<b>5</b>	<b>2</b>

Trade receivables are written off when all avenues for recovery have been exhausted.

**Concentrations of credit risk**

The company's significant customers are electricity retailers of which the largest 4 have 73% (2022 : 73%) of total line charge sales.

The credit risk is not considered to be high. Apart from the advances of \$3.1 million to On Metering Limited, the company does not have any other significant concentrations of credit risk.

The maximum credit exposure for each class of financial instrument is the same as the carrying values stated in note 30.

The loan to joint ventures is repayable on demand, therefore no interest is charged. An assessment of the value of On Metering Ltd has been performed showing the business value is in excess of the value of Network Tasman's investment and there is no impairment required.

Short-term investments mature within the range of on-call to 90 days. The current interest rate on these investments are in the range from 4.36% to 4.55% (31 March 2022: 0.8% to 1.2%)

**Interest rate sensitivity analysis**

As at 31 March 2023 the weighted average term deposit interest rate was 4.5% (31 March 2022: 1%). If this rate changed by 1%, with all other things held constant, the surplus for the year would have been \$57,000 (2022: \$69,000) higher or lower.

**FINANCIAL STATEMENTS**

## Network Tasman Limited &amp; Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

**29. FINANCIAL RISK MANAGEMENT (cont')****(b) LIQUIDITY RISK**

Liquidity risk is the risk that the company will encounter difficulty raising liquid funds to meet commitments as they fall due.

Network Tasman Ltd currently holds \$6.1 million (31 March 2022: \$7.3 million) of cash and short term deposits and holds \$15.8 million (31 March 2022: \$15.2 million) of current liabilities. The current assets to current liabilities ratio is 1:1 (31 March 2022 1.1:1).

All creditors and other payables are settled within a 30 day term.

**Contractual maturities of financial liabilities**

<b>31 March 2023</b>	<b>Less than 12 months</b>	<b>12 months to 2 years</b>	<b>2 to 3 years</b>	<b>Total</b>
Trade payables	14,450	-	-	14,450
	<b>14,450</b>	<b>-</b>	<b>-</b>	<b>14,450</b>

<b>31 March 2022</b>	<b>Less than 12 months</b>	<b>12 months to 2 years</b>	<b>2 to 3 years</b>	<b>Total</b>
Trade payables	14,177	-	-	14,177
Secured bank loans	-	-	-	-
	<b>14,177</b>	<b>-</b>	<b>-</b>	<b>14,177</b>

**(c) FOREIGN CURRENCY RISK**

The company occasionally imports products denominated in foreign currencies. For specific one-off transactions undertaken in foreign currency, it is the company's policy to enter into foreign exchange forward contracts to manage the exposure to fluctuations in currency rates.

**Foreign exchange rate sensitivity analysis**

There are no foreign currency accounts at balance date.

Network Tasman Limited & Group

**Notes to and forming part of the Financial Statements**

For the year ended 31 March 2023

	Note	12 months 31 March 2023 \$000	12 months 31 March 2022 \$000
<b>30. FINANCIAL ASSETS AND FINANCIAL LIABILITIES</b>			
The carrying amounts of financial assets and liabilities in each of the NZ IFRS 9 categories are as follows:			
<b>Financial assets measured at amortised cost</b>			
Cash and cash equivalent	11	6,149	7,298
Trade receivables	12	5,503	5,425
Sundry receivables	13	362	376
Loans to joint ventures	19	3,064	3,489
<b>Total financial assets measured at amortised cost</b>		<b>15,078</b>	16,588
<b>Financial liabilities measured at amortised cost</b>			
Trade and other payables	20	14,450	14,177
Loans	23	-	-
<b>Total financial liabilities measured at amortised cost</b>		<b>14,450</b>	14,177

**31. COMMITMENTS**

The following amounts have been committed to by the company, but not recognised in the financial statements:

**Capital commitments**

Capital commitments as at 31 March 2023 \$6.8 million (31 March 2022 : \$8.5 million).  
 All capital commitments fall due within the next five years.

**32. CONTINGENCIES**

As at 31 March 2023 there were no material contingent assets or liabilities (31 March 2022: nil).



## FINANCIAL STATEMENTS

### Network Tasman Limited & Group

## Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 33. PERFORMANCE TARGETS

The following financial and reliability performance targets for the 12 months ending 31 March 2023 are specified in the company's Statement of Corporate Intent (SCI). Actual results are compared to the performance targets below:

		Actual Result 2023	SCI Target 2023	Actual Result 2022
<b>Financial performance targets</b>				
<b>Total company:</b>				
Surplus before interest, tax, line discount and customer contributions	\$mil	22.7	21.2	24.7
Operating surplus after tax and customer contributions	\$mil	11.9	9.0	12.4
Operating surplus to shareholders' funds	%	4.9%	3.8%	5.3%
<b>Line business only:</b>				
Cash operating costs per consumer	\$	304	299	284
Line Charge Discounts (Excluding GST)	\$mil	11.9	12.0	11.6
<b>Reliability performance targets (excludes Transpower planned and unplanned outages)</b>				
Average duration of planned supply interruptions per connected consumer (SAIDI) not to exceed -	minutes	154	100	66
Average duration of unplanned supply interruptions per connected consumer (SAIDI) not to exceed -	minutes	121	75	110
Average number of supply interruptions per connected consumer (SAIFI) not to exceed -	number	1.73	1.77	1.31
Average duration of supply interruptions (CAIDI) not to exceed -	minutes	159	99	134
Faults per 100 km of line not to exceed -	number	5	6	6
% faults not restored within three hours not to exceed -	%	25%	20%	35%

The SAIDI, SAIFI and CAIDI measures are industry standards, which enable assessment and comparison of network performance. Industry statistics include rural and urban networks. The Network Tasman network includes a significant rural component.

<b>SAIDI =</b>	$\frac{\text{Total Annual Consumer Minutes of Non Supply}}{\text{Total Number of Consumers}}$
<b>SAIFI =</b>	$\frac{\text{Total Annual Consumer Supply Interruptions}}{\text{Total Number of Consumers}}$
<b>CAIDI =</b>	$\frac{\text{Total Annual Consumer Minutes of Non Supply}}{\text{Total Annual Consumer Supply Interruptions}}$

## Network Tasman Limited & Group

# Notes to and forming part of the Financial Statements

For the year ended 31 March 2023

### 33. PERFORMANCE TARGETS (cont')

Unplanned SAIDI of 121 was over the target of 75 for the 2022/23 year. A wind storm event on 12 July 2022 and a major flooding event 17-20 August 2022 resulted in widespread losses of supply to consumers and accumulated 38 SAIDI points. A further 12 SAIDI points resulted from an unexplained outage of the Hope 33kV feeder which interrupted supply to approx 7,000 Richmond, Hope, Brightwater and Wakefield consumers on 12 March 2023.

Planned SAIDI of 154 was well over the target of 100 for the 2022/23 year. Network maintenance works were resumed in catch up mode from the previous year which was disrupted by Covid-19 lockdowns during the year.

SAIFI targets (the average number of interruptions experienced by consumers) were not exceeded during the year. Faults per 100km of line were in line with targets. These results reflect the good condition of the network and the good state of vegetation clearance.

In some circumstances, an unplanned loss of supply event can be followed by restoration of supply and then by a successive interruption as a result of isolating the initial cause, making repairs and completing the permanent restoration of supply to all consumers. Where this occurs, NTL's reported SAIFI records the initial outage and not any subsequent short duration outages required to effect the restoration of supply. NTL's reported SAIDI includes the customer minutes from subsequent short duration outages required to affect the restoration of supply. This treatment is consistent with that of previous years. For the 2023/24, NTL will report two sets of SAIDI and SAIFI figures: those based on the methodology summarised above (existing methodology) and a second set where the affect of subsequent short duration outages are recorded (successive interruption methodology).

While both SAIDI and SAIFI were higher than the SCI targets, they were well within the Commerce Commission limits.

The percentage of faults not restored within three hours was significantly higher for 2022/23 than in previous years. A significant contributing factor was a high number of long duration feeder outages during the year during major storms.

		Actual Result 2023	SCI Target 2023	Actual Result 2022
<b>Safety of electricity supply</b>				
Lost time injuries not to exceed -	number	1	0	0
<b>Public Safety and Damage Events</b>				
Public Injury Events	number	0	0	0
Public Property Damage Events	number	0	0	0

### 34. EVENTS OCCURRING AFTER BALANCE DATE

The directors of Network Tasman Limited are not aware of any significant event occurring subsequent to balance date which, if known at balance date, would have resulted in a different assessment within the financial statements.

### 35. CAPITAL MANAGEMENT

Network Tasman's capital is its issued and paid up capital, share premium reserve and retained earnings. Equity is represented by net assets as disclosed in the statement of financial position. The company manages its revenue, expenses, assets and liabilities and day to day financial transactions prudently. The purpose of managing Network Tasman's equity is to ensure the company achieves its goals and objectives, whilst remaining a going concern.

## Independent Auditor's Report

### To the readers of Network Tasman Limited's group financial statements and performance information for the year ended 31 March 2023

The Auditor-General is the auditor of Network Tasman Limited Group (the Group). The Auditor-General has appointed me, John Mackey, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group on his behalf.

#### Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Group on pages 28 to 59, that comprise the statement of financial position as at 31 March 2023, the statement of comprehensive income, statement of changes 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 Group on pages 58 and 59.

In our opinion:

- the financial statements of the Group:
  - present fairly, in all material respects:
    - its financial position as at 31 March 2023; 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 Group presents fairly, in all material respects, the Group's achievements measured against the performance targets adopted for the year ended 31 March 2023.

Our audit was completed on 30 June 2023. 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 Group 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 Group 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 Group 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 Group 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.



## AUDIT REPORT

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Group'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 Group'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 Group'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 Group'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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 3 to 27 and 64 to 68 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 Group 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 assurance engagements pursuant to the Electricity Distribution Information Disclosure Determination 2012 – (consolidated in 2018) and the Electricity Distribution Services Default Price-Quality Path Determination 2020. These assurance engagements are compatible with those independence requirements. Other than the audit and these assurance engagements, we have no relationship with or interests in the Group.



John Mackey  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

# Statutory Information

*The Group's principal activity is to own and operate the electricity distribution network in the wider Nelson and Tasman areas, excluding Nelson Electricity's supply area in Nelson city.*

## Principal activities

In addition to its principal activity, the Group has interests in complementary businesses including Network Tasman Fibre (a fibre optic communications network), commercial and industrial property, 50% shareholdings in Nelson Electricity Limited and On Metering Limited and advanced metering on the Network Tasman network.

## Directors holding office during the year were:

- MJ McCliskie (Chair)
- LD Babe (Appointed 1 August 2022)
- LR McKenzie
- AJV Miller (Resigned 29 May 2023)
- AP Reilly
- SL Smith
- SJ Weir (Retired 29 July 2022)

## Remuneration of directors

Directors received the following fees:

Director	2023
MJ McCliskie (Chair)	73,407
LD Babe (Appointed 1 August 2022)	27,546
LR McKenzie	41,319
AJV Miller	41,319
AP Reilly	41,319
SL Smith	41,319
SJ Weir (Retired 29 July 2022)	13,773

## Remuneration of employees

The number of employees whose remuneration and benefits exceeded \$100,000 in the financial year was:

Remuneration band	2023
\$100,000 - \$109,999	1
\$110,000 - \$119,999	3
\$120,000 - \$129,999	5
\$130,000 - \$139,999	5
\$190,000 - \$199,999	1
\$200,000 - \$209,999	2
\$220,000 - \$229,999	1
\$230,000 - \$239,999	1
\$260,000 - \$269,999	1
\$400,000 - \$409,999	1

## Directors' insurance

The Group has Directors' and Officers' liability insurance cover to a value of \$10 million and Defence Costs liability insurance of \$5 million, which covers Directors of Network Tasman Limited and Directors representing Network Tasman Limited on associated and joint venture company boards. Cover is also provided for Statutory Liability to a value of \$5 million and Defence Cost Liability insurance of \$5 million. The insurance does not cover liabilities arising from criminal actions.

## Directors' benefits

No director of the Group has received or become entitled to receive benefits other than the benefits included in the total remuneration listed above. However, directors may receive benefits as consumers of Network Tasman and beneficiaries of the Network Tasman Trust. Any benefits received will be on the same terms and conditions as all other consumers and beneficiaries.

There were no loans made by the Group to any director nor has the Group guaranteed any debts incurred by a director.

## Auditors

As required by statute the Auditor-General will appoint the auditors and directors will negotiate their fee and terms of audit. The fees paid to the auditors for audit work and other services are disclosed in the financial statements.

## Entries recorded in the interests register

The following represents the particulars of the entries made in the Network Tasman's interests register for the year ended 31 March 2023:

<b>MJ McCliskie</b>	Alandale Orchards Limited Nelson Electricity Limited High Health Alliance Limited BT Mining Limited		Chair Chair Chair Chair
<b>LD Babe</b>	<b>Appointed 1 August 2022</b> Rockfield Ventures Limited Homes for Life Developments Limited HBONC Limited 9 Sutton St Limited Nelson Self Storage Limited Switch Lighting Limited 7 RISE Living Safe Agfirst Nelson Consulting Ltd		Director Director Director Director Director Trustee of Shareholder Trustee Advisory
<b>LR McKenzie</b>	Taylor's Contracting Limited YMCA Nelson Inc Nelson Training Centre Limited Christchurch City Council Invercargill City Council Nelson City Council		Director Chair/President Director External committee advisor External advisor Acting CE
<b>AJV Miller</b>	Allan Miller Consulting Limited Electricity Authority IPAG NZ Battery Project Technical Reference Group ANSA Holdings Limited		Director Member Member Director
<b>AP Reilly</b>	AP & KM Reilly Limited Dos Rios Dairy Limited Queens Farm Limited Browns Pastoral Farm Management Limited Project De-vine Trust		Chair Director Supervisor Shareholder Trustee
<b>SL Smith</b>	The Lion Foundation Ohinetahi Charitable Trust Warren Architects Education Trust World of Wearablearts Limited Sasco Holdings Limited		Trustee Chair Trustee Chair Director
<b>SJ Weir</b>	<b>Retired 29 July 2022</b> Marriott Orthodontics Limited Anderson Lloyd Lawyers Copyright Tribunal Institute of Directors Cawthron Institute Trust Board Care Foundation Nelson Regional Development Agency Limited Financial Advisers Disciplinary Committee SJ Weir Law Limited Nelson Orthodontics Limited Nelson Bays Primary Health		Director Consultant to & Former Partner Tribunal Member Councillor Trustee Co-Chair Director Committee Member Director Shareholder Independent Chair
AFTER BALANCE DATE			
<b>LR McKenzie</b>	Nelson City Council Kaipara District Council	Ceased 6 April 2023 Appointed 1 April 2023	Acting CE Consulting
<b>AJV Miller</b>	Resigned 29 May 2023		
<b>AP Reilly</b>	Sacred Heart Church Trust	Appointed 20 June 2023	Trustee

# Corporate Governance

*The Board of Directors of Network Tasman Limited and Group (the “Board”) are guided by a Board Charter which recognises the requirement to adopt best practice in relation to its corporate governance policies and procedures.*

The Board is committed to a high standard of corporate governance and is guided by the “Code of Proper Practice for Directors” as recommended by the Institute of Directors in New Zealand.

## Role of the Board of Directors

The Board is appointed by the shareholders to supervise the management of the company. The Board establishes the company’s objectives, strategies for achieving objectives, the overall policy framework within which the Network Tasman’s business is conducted and monitors management’s performance. The Board has delegated the day-to-day management of the company to the chief executive.

The Board also ensures that appropriate procedures are in place to provide for effective internal control and that the business complies fully with legislative health and safety requirements.

## Board operations and membership

Network Tasman’s constitution allows for a maximum of eight directors of the company.

The Board currently comprises six directors: a non-executive Chair and five non-executive directors. Board members have an appropriate range of proficiencies, experience and skills to ensure that all governance responsibilities are completed to ensure the best possible management of resources.

Network Tasman’s constitution sets out policies and procedures for the operation of the Board, including the appointment and removal of directors.

The full Board met 11 times during the financial year ended 31 March 2023.

## Associate Director Programme

Network Tasman Limited and shareholder Network Tasman Trust operate an Associate Director Programme designed to offer emerging directors the opportunity to accelerate their boardroom experience for a period of twelve months with observer status on the Board of Network Tasman.

The aim of the programme is to enhance the capability of senior leaders embarking on a governance career and to increase the availability of talented people for appointment to boards within the Nelson/Tasman region. It provides support to emerging directors with ongoing mentoring and opportunities for professional development and social networking within the governance environment.

## Board Committees

### Health and Safety Committee

The Board has a Health and Safety Committee, comprising the full Board, to maintain an effective governance framework in accordance with relevant legislative and achieve the safety vision of “everyone safe, all of the time”. The committee is tasked with ensuring that health and safety are key considerations in every operational decision made within the company.

Management and the Board are focused on ensuring a thorough health and safety management system (HSMS) oversight process is operating across all business units of the company. Activities include reviews with contractors and site visits. The committee met four times during the year.

### Remuneration Subcommittee

The Board has a Remuneration Subcommittee comprising three non-executive directors. The Remuneration Subcommittee is responsible for assisting the Board in overseeing the appointment, performance and remuneration of the chief executive and members of the executive team (including succession planning) and reviewing the Remuneration Policy with the objective of being a good employer. The committee met twice during the year.

### Audit and Risk Subcommittee

The Board has an Audit and Risk Subcommittee comprising two non-executive directors. The Audit and Risk Subcommittee is responsible for overseeing the financial, accounting and internal and external audit activities of the company, including reviewing the adequacy and effectiveness of internal controls and monitoring of corporate risk assessment, meeting with and reviewing the performance of the external auditors, reviewing the financial statements and making recommendations on financial and accounting policies. The committee met three times during the year. Specific areas overseen by the Audit and Risk Subcommittee include the following:

- **Risk Management**

The Board has overall responsibility for the company’s risk management and internal control systems. The Board has established policies and procedures that are designed to provide effective internal control. Annual budgets, asset management plans, business plans and longer-term strategic plans are prepared and agreed



by the Board, as well as a delegated authority policy. Financial statements and operational reports are prepared on a monthly basis and reviewed by the Board throughout the year to monitor performance against budget targets and objectives.

In addition, the Board monitors the risk management framework and reviews ways to enhance existing risk management strategies, including the segregation of duties, the employment of suitably qualified and experienced staff and the implementation, where considered necessary and effective, and considers the recommendations made by the internal and external auditors.

• **Internal Audit**

The Board maintained an internal audit programme during 2022/23, utilising an experienced independent internal auditor. Four audits were completed during the year.

• **Treasury Policy**

Exposure to interest rate risk is managed in accordance with the company’s treasury policy that sets limits of management authority and levels of exposure to banking institutions.

**Statement of Corporate Intent**

In accordance with section 39 of the Energy Companies Act 1992, the Board submits to the shareholder trust a draft Statement of Corporate Intent (SCI) for the coming financial year. The SCI sets out the company’s overall objectives, intentions and financial and performance targets for shareholder review.

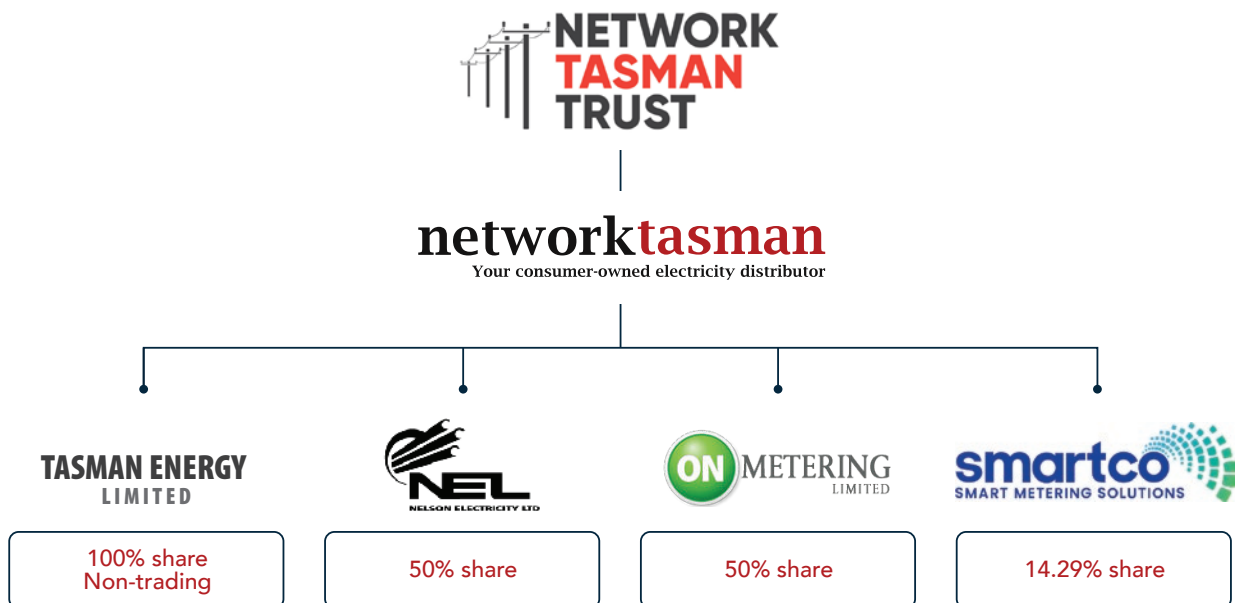
A copy of the Statement of Corporate Intent is available on the company’s website [www.networktasman.co.nz](http://www.networktasman.co.nz)

**The Role of the Shareholder Trust**

The Network Tasman Trust (“the Trust”) holds all the shares in Network Tasman Limited. The Board aims to ensure that the Trust is informed of all major developments impacting on the company’s affairs.

Board members meet frequently with trustees to communicate matters of importance. Information is also provided by way of the Interim Report, Annual Report, Asset Management Plan and Statement of Corporate Intent.

*Network Tasman Ownership Structure as at 31 March 2023*



# Corporate Directory

## Directors

John McCliskie – *Chair*  
Lee Babe  
Lindsay McKenzie  
Tony Reilly  
Sarah Smith

## Executive

Oliver Kearney  
*Chief Executive Officer*  
Robert Derks  
*Operations Manager*  
Kerry Haycock  
*Corporate Services Manager*  
Murray Hendrickson  
*Network Manager – Strategy  
& Development*  
Darren Jurgens  
*Network Manager – Planning  
& Delivery*  
Andrew Stanton  
*Fibre and Technology Manager*  
Daniel Vincent  
*Regulatory & Commercial  
Manager*

## Network Tasman Trust

Gweny Davis – *Chair*  
Patrick Adamson  
Ian Barker  
Judene Edgar  
Ian Kearney  
Terry Kreft

## Head Office

52 Main Road Hope, 7020  
PO Box 3005, Richmond 7050  
Telephone: 64 3 989 3600 or 0800 508 098  
E-mail: [info@networktasman.co.nz](mailto:info@networktasman.co.nz)  
Website: [www.networktasman.co.nz](http://www.networktasman.co.nz)  
Facebook: @networktasman  
Twitter: @networktasman

## Auditor

Audit New Zealand on behalf of  
the Auditor-General

## Bankers

Bank of New Zealand

## Solicitors

Pitt & Moore

## Trust Administrator

Alicia Chapman  
C/- RWCA Limited  
Level 3, 7 Alma Street, Nelson 7010  
PO Box 3164, Richmond 7050  
Telephone: 0800 82 78 78  
E-mail: [admin@networktasmantrust.org.nz](mailto:admin@networktasmantrust.org.nz)