



**ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

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Index to 2025 Annual Report

Index	A
Chair's Report	1
Directory	5

Network Tasman Trust & Subsidiaries

Group Statement of Comprehensive Income / (Loss)	6
Group Statement of Changes in Equity	7
Group Balance Sheet	8
Group Statement of Cash Flows	9
Group Notes to and Forming part of the Financial Statements	10
Auditors Report	41

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Chair's Report to Annual Meeting – Friday 25 July 2025

The Trust has continued to hold regular meetings throughout the year dealing with a range of issues. Trustees have met with the Board as a whole on three occasions to discuss matters of common interest and particularly to review the Company's Statement of Corporate Intent. As Chair of the Trust, I have met regularly with the Board Chair, Sarah Smith. I am pleased to say that the Trust and the Board are working very well together and Trustees appreciate being kept well informed.

Finance

During the year, the Trust generated interest income amounting to \$76,888 and received gross dividends totalling \$11,448,360. These dividends were sourced from the windup of NTT Investments Limited, as well as from Network Tasman Limited and the Jarden Investment portfolio. After accounting for operating expenses of \$366,782, consumer distributions of \$3,451,676, and income tax of \$2,249,975, the Trust reported an after-tax operating surplus of \$5,458,575 (compared to a deficit of \$1,969,800 in 2024). This year, a distribution of \$80 per ICP was made via consumers' power accounts. At year-end, the transferred Jarden portfolio amounted to \$4.47 million.

Additionally, prior to the transfer to the Trust, funds generated from the sale of the Company's retail division were invested with Jarden and other financial institutions. The financial results reflected a profit of \$178,822 (2024: deficit \$16,639) after accounting for a donation of \$260,000 to the Network Tasman Charitable Trust, operating expenses, and income tax.

Community Activities

Community activities are mainly carried out by the Network Tasman Charitable Trust which this year made grants mostly to community organisations to the value of \$138,300. It also awards the Sir Wallace Rowling Scholarships to students going on to tertiary education, there being six recipients this year.

In this next section I report on the activities of Network Tasman Limited. This information has been extracted from the Network Tasman Limited Annual Report.

Financial Performance

The surplus after tax for the 2024/25 year was \$23.1 million, including the \$11.2 million gain on the previously held equity interest resulting from the acquisition of the remaining 50% shareholding of Nelson Electricity from Marlborough Lines. Excluding the gain on previously held equity interest, operating surplus after tax was \$11.9 million, \$0.1 million below the target of \$12.0 million and \$1.9 million above last year. Consumers received line discounts totalling \$14.0 million, including GST (\$14.1 million in 2024), credited to consumers' power accounts during the year.

Customer contributions of \$3.5 million were down \$1.5 million from last year, reflecting the slowdown of the residential property market and the number of large subdivisions being developed across the region.

Cash flow from operations was \$18.7 million for the year, an increase of \$4.0 million on the previous year. This cash flow enables Network Tasman to fund maintenance and growth capital expenditure on the electricity network. Network Tasman spent \$19.0 million on capital expenditure during the year.

Our capital investment in the electricity network has been concentrated on accommodating the growth in our region and improving network safety and reliability through ongoing asset maintenance and renewal.

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 supporting organic growth around the existing network, including reticulating rural subdivisions in the wider Tasman area.

At the end of the financial year, the Group had borrowings of \$32.2 million. During the year, the company paid a fully imputed dividend of \$2.0 million to the Network Tasman Trust.

The financial targets, as set down in Network Tasman's Statement of Corporate Intent, are compared on the previous page with the actual results for the year ended 31 March 2025.

Health and Safety

Ongoing development priorities have included the integration of new health and safety software and the ongoing revision of management system functions against business need and industry best practice. As a priority Network Tasman continues to evaluate its health and safety performance against legislative requirements across all levels of the organisation with the guidance of external expertise where required. These activities have in turn supported our alignment with the requirements of ISO 45001 Occupational Health and Safety Management Systems, which Network Tasman is committed to upholding.

Through systematic analysis of Network Tasman's health and safety data and the deepening integration of health and safety policy across business activities, our understanding of business risk is continuing to strengthen. Network Tasman's Health and Safety Management System aims to capture the reality of on-the-ground practices, and ensure we and our contractors are managing risks appropriately.

There were two lost-time injuries, no public safety injuries and one property damage incidents recorded during the year. The lost-time injury related to minor injuries to two of our contractors' workers.

The public property damage event occurred when a high voltage (11kV) power line fell onto the low voltage (400v) power line causing damage to an adjacent property. Network Tasman's safety incidents reported over the year capture both internal incidents and those reported by our major contractor's.

In addition to the effective control of our principal risks, over the coming year Network Tasman's priorities include initiatives to further support and grow our safety culture, continue to strengthen safe work practices, prioritise worker wellbeing, and positively engage and collaborate with our stakeholders.

Pricing and Discounts

As a regulated business, Network Tasman remains subject to the Commerce Commission's Default Price Path regime (DPP).

Network Tasman continues to have low line charges and remains well below the revenue cap set by the Commerce Commission. Consumers received \$14.0 million including GST in line discounts (\$14.1 million in 2024).

The DPP regime was reset for a 5-year period from 1 April 2025, with a large increase in allowable revenues for most regulated distribution businesses. While there is pricing pressure in several areas, we remain focused on delivering value to our consumers through low prices while also delivering a safe and reliable network.

Network Tasman Fibre

The Network Tasman fibre business continues to experience growth across all our services. We work with developers to maintain our position as the fibre provider of choice for new large-scale residential and business park developments.

Network Tasman continues to see growth in our CCTV managed services as organisations look to outsource their CCTV requirements. The CCTV network has 398 cameras in operation across the top of the South Island and provides services to organisations including Port Nelson, local Councils and the NZ Police.

With recent core infrastructure upgrades, the fibre 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.

Advanced Meters

Network Tasman, through our associate company Smartco, provides advanced metering services to 75% of our installation control points (ICPs). Returns from this investment are underpinned by long-term contracts with major retailers. Smartco has developed a suite of network management tools via the Hiko Energy Insight platform. These tools are provided to network owners as software as a service (SaaS). Hiko Energy Insights allow networks to more effectively manage their maintenance and capital investment programs based on actual advanced meter data.

On Metering Limited (OML) is a joint venture with Alpine Energy Limited and owns and operates 32,606 meters on the MainPower network. Returns from this investment continue to grow as shareholder advances are progressively repaid.

Regulation

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

The company's unaudited annual compliance statement shows that it was fully compliant with both the price and quality controls for 2024/25.

In 2024/25, Network Tasman's total line revenue was \$8.7 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. The Commission has published its decision for the DPP4 reset, applying from 1 April 2025.

The Commission has proposed a significant increase in Network Tasman's regulated revenue cap across the 5-year DPP4 period. As Network Tasman already collects revenues materially below the current regulated revenue caps, the significantly higher revenue allowances from 1 April 2025 are unlikely to alter Network Tasman's forward-looking revenue requirements.

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

Both regulators are involved in projects to ensure the regulatory framework is updated to empower distributors to manage these changing circumstances appropriately and efficiently, and to strengthen the performance of the electricity market in the short to medium term, benefiting all consumers.

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

Dividend

Network Tasman paid a fully imputed dividend of \$2.0 million to our shareholder, the Network Tasman Trust.

Conclusion from the Trust Chair

NetworkTasmanLtd became a consumer-owned entity in 1993. The first Trustees were elected to represent what has now become, 31 years later, around 44,000 households connected to the network. Consumer ownership brings incredible value to our region and I believe it was a good choice then and remains a good option now. Network Tasman Ltd has paid annual discounts to consumers via their power accounts. It has also paid a dividend to the Trust. The Trust has itself paid out distributions to the beneficiaries of the Trust (essentially the same people as the consumers). And all of this money has been kept in the community for the people of the region. It now totals around \$330 million over these 31 years. And all the while Network Tasman Ltd's line charges remain almost the lowest of any network in New Zealand. This is an enviable position to be in.

To all Trustees, thank you for your continued support in making the Chair a satisfying position. And thank you to the Directors and Management of the Company for your work in steering the company towards a solid result whilst dealing with the challenges of a changing commercial, technological and environmental world. When we compare Network Tasman Ltd alongside other line companies, the Trustees and beneficiaries/consumers can be very grateful for how you have positioned the Company.

Last year was an election year and we welcome new Trustee Nick Smith to our team following the retirement of Ian Barker.

A handwritten signature in black ink, appearing to read 'Gwenny Davis', with a long horizontal flourish extending to the right.

Gwenny Davis
Chair

Network Tasman Trust & Subsidiaries

Directory

As at 31 March 2025

Network Tasman Trust

Legal Name	Network Tasman Trust
Nature of Trust	Electricity Consumer Investment Trust
Date Settled	1 May 1993
Trustees	S G Davis (Chair) P J Adamson (Resigned 30 September 2024) I P Barker J L Edgar I F Kearney T M Kreft Nick Smith (Appointed 1 October 2024)
Administrator	A Chapman
Registered Office	RWCA Limited Level 3, 7 Alma Street Nelson 7010
Postal Address	P O Box 3164 Richmond 7050
Accountants	RWCA Limited Level 3, 7 Alma Street Nelson 7010
Auditors	NMA Nelson Marlborough Audit Limited PO Box 732 Nelson 7040
Remuneration of Trustees	Chair: \$33,055 Trustees: \$16,527

Network Tasman Limited

Directors	LD Babe LR McKenzie AP Reilly SL Smith (Chair) RA Pickworth MJ Playford
Registered Office	52 Main Road Hope 7020
Postal Address	P O Box 3005 Richmond 7050

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

Network Tasman Trust & Subsidiaries

Statement of comprehensive income / (loss)

For the year ended 31 March 2025

	GROUP		PARENT	
Note	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
Total operating revenue	70,353	58,648	11,527	2,425
Total operating expenses	(47,278)	(46,879)	(4,002)	(3,680)
Operating surplus / (loss) before income tax	23,075	11,769	7,525	(1,255)
Share of surplus of associate	421	568	0	0
Operating surplus / (loss)	23,496	12,337	7,525	(1,255)
Income tax (expense) / income	(4,430)	(5,976)	(2,250)	(715)
Operating surplus / (loss) for the period	19,066	6,361	5,275	(1,970)
Other comprehensive income	0	0	0	0
Network Tasman share revaluation	0	0	21,056	8,292
Total comprehensive income / (loss)	19,066	6,361	26,331	6,322
Total comprehensive income / (loss):				
Comprehensive income from continuing activities	19,066	6,361	26,331	6,322
Comprehensive income from discontinued activities	0	0	0	0
	19,066	6,361	26,331	6,322

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

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Statement of changes in equity

For the year ended 31 March 2025

	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
Total equity at beginning of period	259,755	253,394	259,756	253,434
Operating surplus / (loss)	19,066	6,361	5,275	(1,970)
Other comprehensive income				
Network Tasman subsidiaries share revaluation	0	0	21,056	8,292
Consumer distribution adjustment	0	0		0
Total equity at end of period	278,821	259,755	286,087	259,756

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

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Balance sheet

As at 31 March 2025

	Note	GROUP	GROUP	PARENT	PARENT
		12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
		\$000	\$000	\$000	\$000
Current assets					
Cash and cash equivalents	9	2,478	2,194	2,006	1,708
Other financial assets	10	0	0	0	0
Trade receivables	11	7,205	6,887	0	9
Loans to joint ventures	19	2,212	2,638	0	0
Other current assets	12	1,292	1,137	15	0
Total current assets		13,187	12,856	2,021	1,717
Non-current assets					
Property, plant and equipment	13	294,269	231,548	2	3
Advances to subsidiaries	14	0	0	125	0
Investment properties	15	49,038	43,336	0	0
Intangible assets	16	9,481	548	0	0
Investment in associates and joint ventures	17	1,837	14,457	0	0
Investment in subsidiaries	18	0	0	279,510	258,464
Other non-current assets	20	5,733	4,350	0	0
Other investments	21	4,479	6,700	4,479	0
Total non-current assets		364,837	300,939	284,116	258,467
Total assets		378,024	313,795	286,137	260,184
Current liabilities					
Payables and accruals	22	17,989	15,870	50	47
Provisions	23	497	443	0	0
Loans and Borrowings	24	8,742	0	0	0
Total current liabilities		27,228	16,313	50	47
Non-current liabilities					
Provisions	23	327	305	0	0
Advances to subsidiaries	14	0	0	0	381
Loans and Borrowings	24	23,527	0	0	0
Deferred taxation	25	48,121	37,422	0	0
Total non-current liabilities		71,975	37,727	0	381
Equity					
Attributable to trustees of the trust	7	278,821	259,755	286,087	259,756
Total equity		278,821	259,755	286,087	259,756
Total liabilities and equity		378,024	313,795	286,137	260,184

For and on behalf of the Trustees;

Trustee:

Trustee:

Date:

5 July 2025

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

Network Tasman Trust & Subsidiaries

Statement of cash flows

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers	51,108	48,655	0	0
Dividend income received	892	251	11,450	2,361
Interest income received	194	374	77	64
Tax refunds received	0	0	0	0
	52,194	49,281	11,527	2,425
<i>Cash was applied to:</i>				
Payments to suppliers and employees	31,412	31,766	365	257
Income tax paid	2,424	2,955	2,261	712
Interest expense paid	231	13		
Distributions	3,443	3,428	3,443	3,428
	37,510	38,162	6,069	4,397
Net cash flows from operating activities	14,685	11,120	5,458	(1,972)
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from sale of property, plant and equipment	241	24	0	0
Proceeds from other financial assets	0	0	0	0
Repayments of advances and loans		1,956	0	1,926
Proceeds from other investments	0	458	0	0
Insurance proceeds	(2)	17	0	0
	239	2,455	0	1,926
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment and investment properties	19,432	19,348	0	3
Payments from other financial assets	0	0	0	0
Payments of advances and loans	0	0	506	0
Payments from other investments	4,229	0	4,654	0
Payment for purchase of subsidiaries (net of cash received)	16,771	0	0	0
	40,432	19,348	5,160	3
Net cash flows from investing activities	(40,193)	(16,893)	(5,160)	1,923
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Term Loans	25,791	0	0	0
<i>Cash was applied to:</i>				
Dividends paid	0	0	0	0
Term Loans	0	0	0	0
Finance lease repayments	0	0	0	0
	0	0	0	0
Net cash flows from financing activities	25,791	0	0	0
Net increase (decrease) in cash held				
Cash Balances of beginning of the period	2,194	(5,774)	1,707	1,756
Cash balances at end of period	2,478	2,194	2,005	1,707
Composition of cash balances at end of year				
Cash on hand and at bank	2,306	1,979	1,005	1,707
Cash equivalents - term deposits	172	215	1,000	0
Total	2,478	2,194	2,005	1,707

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

Network Tasman Trust & Subsidiaries

Notes to and forming part of the Financial Statements

For the year ended 31 March 2025

1. Statement of Accounting Policies

Statement of Compliance

The reporting entity is Network Tasman Trust. Network Tasman Trust is an Electricity Consumer Investment Trust and holds all shares in NTT Investments Limited and Network Tasman Limited.

The registered office of Network Tasman Trust and NTT Investments Limited is RWCA Limited, Level 3, 7 Alma Street, Nelson. The registered office of Network Tasman Limited is 52 Main Road, Hope, Nelson.

NTT Investments Limited is an Investment Company now held by Network Tasman Trust.

Network Tasman Limited is a profit-oriented company registered under the Companies Act 1993. The company is a reporting entity for the purposes of the Companies Act 1993 and its financial statements comply with that of the Act and section 44 of the Energy Companies Act 1992.

The financial statements are for Network Tasman Trust, NTT Investments Limited and Network Tasman Limited, which is referenced to as 'the "Group"'. Network Tasman Limited includes its interest in subsidiary and joint venture entities (Nelson Electricity Limited and On Metering Limited) and wholly owned non-trading subsidiary company Tasman Energy Limited.

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 profit-orientated entities. The Group is a tier 1 entity.

Basis of Preparation

These financial statements are presented in New Zealand dollars, which is the groups 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 financial statements comprise of a Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flow, and notes to these statements.

Goods and Services Tax (GST)

Network Tasman Trust and NTT Investments Limited are exempt from GST. Network Tasman Limited is registered for GST.

The statement of comprehensive income and cash flow statement have been prepared so that all components are stated exclusive of GST except those relating to Network Tasman Trust and NTT Investments Limited, which include a GST component.

All components in the balance sheet which relate to Network Tasman Limited are stated net of GST, except for receivables and payables which are stated inclusive of GST.

Statutory Base

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

Network Tasman Trust & Subsidiaries

Notes to and forming part of the Financial Statements

For the year ended 31 March 2025

New and amended standards adopted

Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)

The company has not applied any other new standards and amendments for the year ending 31 March 2025

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.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2025

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities:

During the financial year, Nelson Electricity Limited was accounted for as an associate under the equity method in accordance with NZ IAS 21 Investments in Associates and Joint Ventures, reflecting the Group's significant influence but not control

On the final day of the financial year, the Network Tasman Limited acquired the remaining interest in Nelson Electricity Limited, resulting in 100% ownership and control. From that date, the entity was reclassified as a subsidiary and consolidated into the Group's financial statements

As the acquisition occurred on the last day of the reporting period, Nelson Electricity Limited's income and expenses for the year are not included in the Group's consolidated statement of comprehensive income. Only the subsidiary's assets and liabilities as at the acquisition date are included in the Group's consolidated statement of financial position

This treatment is consistent with the principles of consolidation under NZ IFRS 10 Consolidated Financial Statements, which requires inclusion of a subsidiary's results only from the date control is obtained

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.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
2. Operating revenue				
Continuing activities				
Revenue from contracts with customers	50,805	47,829	0	0
Revenue from property rental	2,711	2,461	0	0
Vested assets	3,419	4,936	0	0
Insurance proceeds	0	17	0	0
Interest income	195	365	77	64
Dividend income	192	251	11,634	2,361
Increase in fair value of investment properties	1,555	2,751	0	0
Change in fair value of loan to joint venture	0	0	0	0
Gain (Loss) on previously held equity interest	11,392	0	-184	0
Depreciation Recovered	0	1	0	0
Other revenue	84	37	0	0
Total operating revenue from continuing activities	70,353	58,648	11,527	2,425
Revenue from contracts with customers				
Distribution network revenue	42,612	40,063	0	0
Technology networks revenue	6,556	6,200	0	0
Connection fees and levies	471	516	0	0
Customer contributions	342	509	0	0
Management fees	224	195	0	0
Sundry income	600	346	0	0
	50,805	47,829	0	0

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 Limited 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 Limited applies the practical expedient in NZ IFRS 15 para. B16 which enables the company to revenue in the amount to which the entity has a right to invoice. This is because Network Tasman Limited 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 Limited 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 customers' 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 Limited'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

Cash 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. 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.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the Financial Statements

For the year ended 31 March 2025

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
3. Operating expenses (con't)				
Costs of offering credit				
Bad debts written off	6	28	0	0
Change in provision for doubtful debts	0	0	0	0
Governance expenses				
Directors' and Trustees' fees	322	424	0	127
Other expenses				
Distributions	3,452	3,422	3,452	3,422
Donations	272	274	0	0
Employment costs	5,534	5,102	0	0
Loss on disposal of assets	286	924	0	0
Asset Impairment	0	1,363	0	0
Short-term leases	6	6	0	0
Other expenses	7,109	6,154	537	119
Interest Expense				
Interest paid	230	13	0	0
Total expenses from continuing activities	47,278	46,879	4,002	3,680

ACCOUNTING POLICY

Consumer distributions

Consumers of Network Tasman Trust are allocated a distribution each year. For the year ended 31 March 2025 this was distributed by way of a credit on consumers power bills. Consumer distributions are measured at cost.

The total distributions to consumers for the current year are recorded as an expense in the statement of comprehensive income / (loss) when authorised and issued.

4. Income tax

Operating surplus before income tax

Prima facie taxation at 28% (Company)	27,402
Prima facie taxation at 33% (Trust)	-3,903
	<u>23,499</u>

Plus / (less) taxation effect of:

Non-deductible expenditure	1,103	801
Non-taxable revenue	(4,227)	(1,565)
Movement in deferred tax	1,395	3,472
Prior year adjustments	(226)	0

Income tax expense recognised in statement of comprehensive income / (loss)

Comprising:	
Current tax liability	3,035
Deferred tax on temporary differences	1,395
	<u>4,430</u>

Balances payable and receivable at year end are recorded in note 12 and 22

	23,496	12,337	7,525	(1,255)
	7,673	4,461	0	0
	(1,288)	(1,193)	2,483	(414)
	1,103	801	1,139	1,129
	(4,227)	(1,565)	(1,372)	0
	1,395	3,472	0	0
	(226)	0	0	0
	(1,955)	2,708	(233)	1,129
	4,430	5,976	2,250	715
	3,035	2,504	2,250	715
	1,395	3,472	0	0
	4,430	5,976	2,250	715

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Notes to and forming part of the Financial Statements

For the year ended 31 March 2025

4. Income tax (con't)

ACCOUNTING POLICY

Taxation

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 Statement of Comprehensive Income, except where they relate to items that are recognised outside the Statement of Comprehensive Income (whether in other comprehensive income or directly in equity) in which case the tax is also recognised outside the 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 substantially enacted by balance date.

5. Imputation credit account

Imputation credits available for use in subsequent reporting periods:

6. Dividends

Dividends during the period:

Dividends paid

Bonus share issue

Total dividends paid

7. Equity

Trust capital

Share premium reserve

Revaluation reserve

Retained earnings

Consumer distribution adjustment

Total equity

Trust capital

Balance at beginning of period

Bonus share issue

Balance at end of period

Note	GROUP 12 months 31 March 2025 \$000	GROUP 12 months 31 March 2024 \$000	PARENT 12 months 31 March 2025 \$000	PARENT 12 months 31 March 2024 \$000
	35,117	34,101	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	29,500	29,500	29,500	29,500
	0	0	0	0
	0	0	222,335	201,280
8	249,050	229,984	33,981	28,706
	271	271	271	271
	278,821	259,755	286,087	259,757
	29,500	29,500	29,500	29,500
	0	0	0	0
	29,500	29,500	29,500	29,500

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP 12 months 31 March 2025 \$000	GROUP 12 months 31 March 2024 \$000	PARENT 12 months 31 March 2025 \$000	PARENT 12 months 31 March 2024 \$000
7. Equity (con't)				
Revaluation reserve				
Balance at beginning of period	0	0	201,280	192,988
Revaluation during year	0	0	21,055	8,292
Balance at end of period	0	0	222,335	201,280
Consumer distribution adjustment				
Balance at beginning of period	271	271	271	271
Adjustment during year	0	0	0	0
Balance at end of period	271	271	271	271

8. Retained earnings

Balance at beginning of period	229,984	223,623	28,706	30,676
Operating surplus / (deficit) for the period	19,066	6,361	5,275	(1,970)
Balance at end of period	249,050	229,984	33,981	28,706

9. Cash and equivalents

Cash on hand and at bank	2,305	1,979	1,005	1,707
Cash equivalents - short term / on call deposits	173	215	1,000	0
Total cash and equivalents	2,478	2,194	2,005	1,707

The carrying value of short-term / on call deposits with original maturity dates of three months or less approximates their fair value.

The on call deposits are with the Bank of New Zealand and Westpac New Zealand Limited. The Standards & Poors ratings is AA- for both banks

The interest rate on these investments are 3.55% on the Term Deposit held by Network Tasman Limited and 4.25% for Westpac Term PIE Fund held by the Network Tasman Trust (31 March 2024: 5.3%)

ACCOUNTING POLICY

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and investments in money market instruments with maturities of three months or less at their inception.

10. Other financial assets

Term deposits	0	0	0	0
Total other financial assets	0	0	0	0

The carrying value of short-term deposits with original maturity dates of three months or more approximates their fair value

There are no short term deposits held at year end.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
11. Trade receivables				
Current				
Trade receivables	7,208	6,889	0	9
Less loss allowance	(3)	(2)	0	0
Total current receivables	7,205	6,887	0	9

The carrying value of receivables approximates their fair value. As at 31 March 2025 and 31 March 2024 the receivables have been assessed for expected credit losses. Refer to the calculation in note 30.

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 groups 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

12. Other current assets

Derivatives	14	0	0	0
Sundry receivables	105	148	0	0
Tax Provision	154	81	0	0
Prepayments	1,019	908	15	0
20	1,292	1,137	15	0

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

13. Property, plant and equipment

	Electricity distribution network \$000	Technology networks \$000	Land & buildings \$000	Plant & equipment \$000	Computer equipment \$000	Right-of-use assets \$000	Assets under construction \$000	Total assets \$000
Cost or Valuation								
Balance at 1 April 2023	275,175	42,189	13,502	1,924	1,034	2,823	10,318	346,965
Additions / adjustments	19,736	1,643	941	(25)	185	-	(1,014)	21,466
Disposals	-	-	-	-	-	-	-	-
Change of Treatment	(1,555)	(172)	(46)	(41)	(130)	-	-	(1,944)
Balance at 31 March 2024	293,356	43,660	14,397	1,858	1,089	2,823	9,304	366,487
Balance at 1 April 2024	293,356	43,660	14,397	1,858	1,089	2,823	9,304	366,487
Additions / adjustments	14,021	1,185	186	59	308	-	2,391	18,150
Change of treatment	-	-	-	-	-	-	-	-
Disposals	(441)	(51)	(1)	(3)	(107)	-	-	(603)
Acquired on business combination	45,794	-	6,451	195	228	-	1,760	54,428
Balance at 31 March 2025	352,730	44,794	21,033	2,109	1,518	2,823	13,455	438,462
Accumulated depreciation								
Balance at 1 April 2023	95,151	22,561	2,804	-	1,321	885	-	125,545
Depreciation expense	6,610	2,136	196	111	106	-	-	9,159
Adjustment	1,307	-	-	-	-	-	56	1,363
Elimination on disposal	(823)	(123)	(21)	(35)	(126)	-	-	(1,128)
Balance at 31 March 2024	102,245	24,574	2,979	1,397	865	2,823	56	134,939
Balance at 1 April 2024	102,245	24,574	2,979	-	1,397	865	56	134,939
Depreciation expense	6,681	2,088	219	97	149	-	-	9,234
Elimination on disposal	(194)	(40)	(1)	(3)	(102)	-	-	(340)
Acquired on business combination	39	(1)	-	156	166	-	-	360
Balance at 31 March 2025	108,771	26,621	3,197	1,647	1,078	2,823	56	144,193
Carrying amounts								
As at 31 March 2024	191,111	19,086	11,418	461	224	-	9,248	231,548
As at 31 March 2025	243,959	18,173	17,836	462	440	-	13,399	294,269

Valuation information

Network Tasman Limited 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.

With the acquisition of Nelson Electricity Limited on the balance date, Network Tasman Limited recognised the fair value of Nelson Electricity Limited's property, plant and equipment as deemed cost on consolidation, in accordance with NZ IFRS 3 Business Combinations. 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 Group performed a review of indicators of impairment of the property, plant and equipment.

The Group considers the carrying value for all assets is appropriate except for a number of switches where an impairment of \$1,363,000 has been made. This impairment was recognised in the year ended 31 March 2024. No further impairment was identified in the current financial year.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

13. Property, plant and equipment (con't)

ACCOUNTING POLICY

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, computer equipment 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 on 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	Straight line	1% - 50%
Buildings	Straight line / Diminishing value	1.43% - 20%
Meters	Diminishing value	13% - 25%
Plant and equipment	Diminishing value	10% - 50%
Motor vehicles	Diminishing value	20%
Computer equipment	Straight Line / Diminishing value	16% - 67%

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.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

13. Property, plant and equipment (con't)

Fair value measurement (con't)

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

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 the choice of WACC rate and forecasts. No impairments have been recognised in the current year.

14. Advances to subsidiaries

NTT Investments Limited

Opening balance

Plus advances

Less repayments

Closing balance at end of period

Total advances

Current advances

Non current advances

Total advances

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
	0	0	(381)	1,545
	0	0	0	0
	0	0	506	(1,926)
	0	0	125	(381)
	0	0	125	(381)
	0	0	0	0
	0	0	0	(381)
	0	0	0	(381)

ACCOUNTING POLICY

Advances to subsidiaries are recorded at cost less any impairment. The loan is repayable on demand. Recovery strategies indicate that the outstanding balance of the loan would be fully recoverable, therefore the expected credit loss would be limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which is 0% as the loan is interest free) over the period until cash is realised

As the borrower has sufficient liquid assets which can be accessed within a short timeframe and no other debt obligations there are no indicators of impairment on these advances.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
15. Investment properties				
Movement in investment properties				
Opening balance	43,336	37,876	0	0
Plus Additions	6,736	183	0	0
Depreciation expense	4	4	0	0
Change in use	(18)	77	0	0
Plus / (less) fair value gain / (loss) on valuation	1,555	2,751	0	0
Plus increase / (decrease) in assets under construction	(2,575)	2,445	0	0
Closing balance	49,038	43,336	0	0
Investment properties are represented by:				
Land	15,784	15,004	0	0
Buildings	33,251	25,754	0	0
Assets under construction	3	2,578	0	0
Total investment properties	49,038	43,336	0	0

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 sub-division 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 last valued by S Charles B.Com (VPM), ANZIV, MPINZ, an independent registered valuer of Duke & Cooke Limited as at 31 March 2025. 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 NZIFRS 13). This method is based upon assumptions including future rental income and appropriate discount rates.

Reconciliation of Fair Value

	Office / Commercial	Industrial	Other	Total 2025	Total 2024
	\$000	\$000	\$000	\$000	\$000
Opening Balance	23,337	18,601	1,398	43,336	37,876
Additions	6,141	595	0	6,736	184
Disposals	0	0	0	0	0
Depreciation expense	4	0	0	4	4
Change in use	0	0	(18)	(18)	76
Plus increase / (decrease) in assets under construction	(2,408)	(167)	0	(2,575)	2,445
Change in fair value	2,436	(881)	0	1,555	2,751
Closing Balance	29,510	18,148	1,380	49,038	43,336

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. Residential property is valued using a statistical analysis of recent sales and comparison with Rating Valuation data. Bare land is valued using a direct sales comparison approach, reflecting the future development potential of the land.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

15. Investment properties (con't)

Four investment properties are valued using an income capitalisation valuation method.

Capitalisation rates range from 5.80% to 6.50% (31 March 2024 : 6.00% to 6.60%) with weighted average lease terms of 1.1 years to 14.7 years (31 March 2024 : 2.1 years to 8.2 years).

A 0.25% reduction in the capitalisation rate increases the fair value of the properties by \$1.8 million (31 March 2024 : \$1.3 million

and an 0.25% increase in the capitalisation rate decreases the fair value of the properties by \$1.6 million (31 March 2024 : \$1.2 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

ACCOUNTING POLICY

Investment properties

Investment properties are 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.

16. Intangible assets

Movement in intangible assets

	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
Opening balance	548	556	0	0
Plus additions	173	71	0	0
Less amortisation	(206)	(241)	0	0
Plus increase / (decrease) in assets under construction	(40)	162	0	0
Less disposals	(100)	(140)	0	0
Plus accumulated provision write back on disposal	100	140	0	0
Closing balance	475	548	0	0

Goodwill

Opening balance	0	0	0	0
Goodwill on acquisition of subsidiary	9,006	0	0	0
Closing balance	9,006	0	0	0

As at 31 March 2025, the Group has goodwill of \$9.0 million arising from the acquisition of Nelson Electricity Limited.

The Group has allocated 100% of the goodwill to the Nelson Electricity Limited which has been identified as a separate cash-generating unit (CGU).

This allocation reflects the fact that Nelson Electricity Limited operates independently and generates cash inflows that are largely independent from those of other assets or divisions within the Group

The Group considers Nelson Electricity Limited to be the appropriate level for goodwill allocation

as it represents the smallest identifiable group of assets that is expected to benefit from the synergies of the acquisition and for which cash flows can be separately identified

In accordance with IAS 36 'Impairment of Assets', the Group has performed an impairment test for goodwill.

A calculation of the present value of the estimated future cash flows was prepared using a post-tax discount rate of 5.84% to assess whether there was an impairment of goodwill.

This calculation was prepared after consideration of an independent valuation

The conclusion from this assessment was that there was no impairment of goodwill as the enterprise value exceeded the investment value

A sensitivity analysis of the pre-tax discount rate, shows that with a 0.5% increase in this discount rate, the enterprise value would decrease by \$2.2 million and a 0.5% decrease would increase the enterprise value by \$2.3million.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

ACCOUNTING POLICY

Goodwill

Goodwill is initially recognised as the excess of the cost of an acquired entity over the fair value of the identifiable net assets acquired.

It is subsequently measured at cost less accumulated impairment.

Goodwill is not amortised but is tested for impairment at least annually, by comparing carrying amount with recoverable amount at the cash generating unit (CGU) level

If the carrying amount exceeds the recoverable amount (being the higher of fair value less costs of disposal and value in use), an impairment loss is recognised. Any impairment loss recognised for goodwill is not reversed in subsequent periods

KEY JUDGEMENT

Significant judgement is exercised in assessing potential indicators of impairment and carrying out any required impairment tests

Intangible assets are represented by:

	At cost \$000	Accum. amortisation \$000	Carrying amount \$000
Intangible assets - 31 March 2025			
Computer software	3,098	2,807	291
Assets under construction	184	-	184
Goodwill	9,006		9,006
Total Intangible assets	12,288	2,807	9,481
Intangible assets - 31 March 2024			
Computer software	2,960	2,636	324
Assets under construction	224	-	224
Total Intangible assets	3,184	2,636	548

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.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

16. Intangible assets (con't)

Computer Software (con't)

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.

17. Investment in associates and joint ventures

Associate company

Name of entity	Activity
Nelson Electricity Limited	Distribution network owner & operator
<i>Ownership interest</i>	

On the 31 March 2025, Network Tasman Limited acquired the remaining 50% equity interest in Nelson Electricity Limited, increasing its ownership from 50% to 100%. As a result, Network Tasman Limited obtained control over Nelson Electricity Limited, and the investment was reclassified from an associate to a subsidiary.

Results of associate

Share of surplus / (deficit) before income tax	718	543	0	0
Movement in NEL deferred tax	10	35	0	0
Income tax	(231)	(187)	0	0
Share of comprehensive income / (loss)	497	391	0	0
Prior period adjustment	(164)			
Total recognised revenues and expenses	333	391	0	0

Carrying value of associate

Opening balance at beginning of period	12,709	12,318	0	0
Share of recognised revenues and expenses	497	391	0	0
Dividends received	(700)	0		
Recategorisation from investment in associate to investment in subsidiaries	(12,342)	0	0	0
Prior period adjustment	(164)			
Closing balance at end of period	0	12,709	0	0

Summarised financial information of associate

Note	GROUP 12 months 31 March 2025 \$000	GROUP 12 months 31 March 2024 \$000	PARENT 12 months 31 March 2025 \$000	PARENT 12 months 31 March 2024 \$000
	0	12,709		
	100%	50%		

	718	543	0	0
	10	35	0	0
	(231)	(187)	0	0
	497	391	0	0
	(164)			
	333	391	0	0
	12,709	12,318	0	0
	497	391	0	0
	(700)	0		
	(12,342)	0	0	0
	(164)			
	0	12,709	0	0

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements
For the year ended 31 March 2025

17. Investment in associates and joint ventures (con't)

Name of entity	Activity
On Metering Limited	Meter deployment company

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.

Results of joint venture

Share of surplus / (deficit) before income tax
Prior period restatement

Movement in deferred tax
Income tax

Share of comprehensive income / (loss)

Total recognised revenues and expenses

Carrying value of joint venture

Opening balance at beginning of period
Share of comprehensive income

Closing balance at end of period

On Metering loss is equity accounted.

Summarised financial information of joint venture

The following is a summary of Network Tasman Limited's share of On Metering Limited's financial information

Assets
Liabilities
Revenues
Surplus / (deficit)
Cash and cash equivalents
Non-current financial liabilities (excluding trade and other payables and provisions)
Depreciation and Amortisation
Interest income
Income tax expense

Name of entity	Activity
SmartCo Limited	Meter deployment company
Ownership interest	

SmartCo Limited is incorporated in New Zealand, and has a balance date of 31 March

SmartCo Limited applied NZ IFRS's reduced disclosure regime.

Results of associate

Share of surplus / (deficit) before income tax
Movement in deferred tax

Income tax

Share of comprehensive income / (loss)

Total recognised revenues and expenses

Carrying value of associate

Opening balance at beginning of period
Share of recognised revenues and expenses
Dividends received
Reduction in Contributed Equity
Increase in Share Capital

Closing balance at end of period

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
	1,611	1,523		
	50%	50%		
	122	247	0	0
	0	(1)	0	0
	0	0	0	0
	(1)	(6)	0	0
	(33)	(63)	0	0
	88	177	0	0
	88	177	0	0

	1,523	1,346	0	0
	88	177	0	0
	1,611	1,523	0	0

	8,109	4,352	0	0
	4,889	2,828	0	0
	2,518	1,234	0	0
	174	177	0	0
	382	356		
	4,428	686		
	902	5,278		
	23	944		
	71	29		
		138		
	14%	14%		

	20	12	0	0
	0	0	0	0
	(20)	(12)	0	0
	0	0	0	0
	0	0	0	0
	225	259	0	0
	0	0	0	0
	0	0	0	0
	0	(259)		
	0	225		
	225	225	0	0

NMA Nelson
Marlborough Audit
Limited

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000

17. Investment in associates and joint ventures (con't)

Summarised financial information of associate

The following is a summary of Network Tasman Limited's share of SmartCo Limited's financial information

Assets	3,676	690	0	0
Liabilities	1,488	489	0	0
Revenues	3,759	2,930	0	0
Surplus / (deficit)	21,700	0	0	0
Profit from continuing activities	0	0		
Cash and cash equivalents	220	759		
Non-current financial liabilities (excluding trade and other payables and provisions)	85	52		
Depreciation and Amortisation	425	335		
Interest income	15	19		
Income tax expense	20	12		
Total carrying value of associates and joint ventures				
Nelson Electricity Limited	0	12,709	0	0
On Metering Limited	1,611	1,523	0	0
SmartCo Limited	225	225	0	0
Total	1,836	14,457	0	0

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 an associate or joint venture 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.

18. Investments in subsidiaries

Network Tasman Limited Shares

Cost price	0	0	29,500	29,500
Bonus share issue	0	0	27,685	27,685
Share revaluation	0	0	222,325	194,006
	0	0	279,510	251,191

NTT Investments Limited Shares

Share revaluation	0	0	0	7,273
	0	0	0	7,273

Total investments in subsidiaries

	0	0	279,510	258,464
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Both investments are carried at fair value.

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
- 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

The fair value measurements are categorised within Level 3 of the fair value hierarchy.

NMA Nelson
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Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Nelson Electricity step acquisition

On 31 March 2025, Network Tasman acquired the remaining 50% of issued share capital of Nelson Electricity Limited (Nelson Electricity), an entity who manages and operates the electricity distribution network in the Central Nelson city area. The acquisition will result in the consolidation of the electricity networks in the Nelson and Tasman region.

Prior to Network Tasman acquiring the remaining 50% of issued share capital, Nelson Electricity was recognised and disclosed as an investment in associate.

Purchase consideration:

The assets and liabilities recognised as a result of the acquisition are as follows:

Cash paid	23,499
Deferred payment	362
Fair value of the previously held interest at acquisition	23,495
	47,356
Total purchase consideration	
Trade and other receivables	791
Cash	40
Prepayments	116
Derivatives	14
Current tax assets	106
Work in progress	1,760
Land	2,678
Office buildings	3,773
Electrical network	45,756
Plant and equipment	101
Trade and other payables	(1,004)
Short term borrowing	(6,450)
Derivatives	(27)
Deferred tax	(9,304)
	38,350
Net identifiable assets	
Goodwill	9,006
	47,356

The goodwill is attributable to the acquired workforce and expected synergies between Network Tasman Limited and Nelson Electricity Limited.

Acquired receivables

The fair value of the acquired trade receivables is equivalent to the gross contractual amount for trade receivables due (of \$791k).

Revenue and profit contributions

The remaining 50% of shareholding within Nelson Electricity was acquired on balance date. Therefore, the value of contributed revenues and net profit to the Group for the period is nil.

If the acquisition occurred on 1 April 2024, the consolidated revenue and consolidated profit for the year ended 31 March 2025 would be \$66.9 million and \$16 million respectively.

These amounts have been calculated using the group's accounting policies and by adjusting the results of the subsidiary to reflect additional depreciation and amortisation that would have been charged, assuming the fair value adjustments to property, plant and equipment had applied from 1 April 2024, together with any consequential tax effects.

Purchase consideration - cash outflow

Outflow of cash to acquire subsidiary	
Cash consideration	23,499
less balance acquired	
Cash consideration	(40)
	23,459

Net cash flows from investing activities

Acquisition related costs

Acquisition related costs of \$108,000 are included in total operating expenses in the Statement of Comprehensive Income and in operating cash flows in the Statement of Cash Flows.

Remeasurement of previously held equity interest to its acquisition date fair value

The group recognised a gain of \$11.2m as a result of measuring at fair value its 50% equity interest in Nelson Electricity held prior to the acquisition date.

The gain has been included within the total operating revenue line within the Statement of Comprehensive Income.

Nelson Electricity Limited is incorporated in New Zealand, and has a balance date of 31 March.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

18. Investments in subsidiaries (con't)

Significant unobservable valuation inputs are provided below:

The following discount rates were used.

	Valuation Technique	Discount Rate (WACC)	Terminal value plus growth rate
Network Tasman Limited	DCF Method	4.57%	1%
Network Tasman Limited			
Growth rate	0.5% increase in the growth rate would result in an increase in fair value of 14.40% \$66,618,34; 0.5% decrease in the growth rate would result in an decrease in fair value of 10.86% (\$50,250,202		
WACC	1% increase in WACC would result in an decrease in fair value of 19.42% (\$89,858,170 1% decrease in WACC would result in an increase in fair value of 34.48% \$159,533,50;		

Fair value of the unquoted ordinary shares has been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Based on this assessment, the Group has identified no impairment.

ACCOUNTING POLICY

Investment in subsidiaries

Subsidiaries are entities where the parent holds the shareholding.

The Group financial statements consolidate all entities where the parent has the capacity to control their financing and operating policies as to obtain benefits from the activities of the subsidiaries.

The Group's investments in its subsidiaries are recorded at fair value. After initial measurement the changes in fair value are recognised in the other comprehensive income / (loss) and credited to the revaluation reserve.

19. Loans to joint ventures

Loan to On Metering Limited

Total financial assets held at fair value

On Metering Limited

Opening balance

Plus advances

Less repayments

Closing balance at end of period

Total financial assets held at fair value

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
	2,212	2,638	0	0
			0	0
	2,212	2,638	0	0
	2,638	3,064	0	0
	0	0	0	0
	(426)	(426)	0	0
			0	0
	2,212	2,638	0	0
	2,212	2,638	0	0

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

19. Loans to joint ventures (con't)

ACCOUNTING POLICY

With the loan repayable on demand, it is measured at amortised cost.

20. Other non-current assets

Prepayment

Asset Constructed by Transpower under a New Investment Agreement (Asset completed June 2019)

Total Cost \$000	Life of Asset	Annual Payment \$000
6,394	55 years	634

	Note	GROUP 12 months 31 March 2025 \$000	GROUP 12 months 31 March 2024 \$000	PARENT 12 months 31 March 2025 \$000	PARENT 12 months 31 March 2024 \$000
Expense for year		109	109	0	0
		109	109	0	0
Opening prepayment		5,258	3,365	0	0
Payments for year		1,603	2,002	0	0
less expense for year		(109)	(109)	0	0
Total prepayment		6,752	5,258	0	0
Current prepayment	12	1,019	90	15	0
Non-current prepayment		5,733	4,260	0	0
		6,752	4,350	15	0

On the 31 March 2025 a payment \$386,000 was made to Transpower for a New Investment Agreement. This payment was for the total of the New Investment Agreement and was included in prepayments. This payment will be expensed over the asset's expected life of 55 years.

21. Other investments

Term Deposits, Bonds & Debenture Stock
Jarden Wealth Portfolio

Total other investments

	0	6,700	0	0	0
	4,479	0	4,479	0	0
Total other investments	4,479	6,700	4,479	0	0

ACCOUNTING POLICY

Other investments

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are being accounted for as an increase or decrease in expenses. This is not shown separately in the financial statement notes.

Realised gains on other investments are presented in operating revenue.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
22. Payables and accruals				
Current				
Trade payables and accruals	16,923	15,401	43	47
Tax Payable	1,066	469	7	0
Total current payables and accruals	17,989	15,870	50	47

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

23. Provisions

Current				
Employee entitlements	497	443	0	0
Sundry provisions	0	0	0	0
Total current provisions	497	443	0	0
Non-current				
Employee entitlements	327	305	0	0
Total non-current provisions	327	305	0	0
Total Provisions	824	748	0	0
Provision for employee entitlements				
Balance at beginning of period	748	707	0	0
Additional provisions made	495	446	0	0
Amount utilised	(419)	(405)	0	0
Balance at end of period	824	748	0	0

The provision for employee entitlements relates to employee benefits such as accrued annual leave, long service leave and sick leave.

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 as the full value of the estimated future cash outflows to be made by the company 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 company's liability for non-vested long service and retiring leave entitlements

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

24. Loans and Borrowings

Current

Secured bank loans

Total current loans and borrowings

Non-current

Secured bank loans

Derivatives

Total non-current loans and borrowings

Total loans and borrowings

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

a) Terms and Debt Repayment Schedule

The terms and conditions of outstanding loans were as follows:

Westpac NZ Limited - Secured
Westpac NZ Limited - Secured
Westpac NZ Limited - Secured

Maturity	Interest Rate	Face Value	31 March 2025 \$000	31 March 2024 \$000
26 Sept 2026	5.10%	\$17 million	2,292	
31 Mar 2028	4.90%	\$24 million	23,499	
30 April 2025	5.55%	\$8 million	6,450	0
			32,241	0

b) Security

Westpac NZ 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

c) Fair Value

The fair value of loans and borrowings approximates their carrying amount due to the use of market interest rates

d) Covenants

The Group complied with all loan covenants during the reporting period. The covenants are the negative pledge as noted under security above

Earnings each financial year are not less than 3.00 times the funding costs for that financial year. The interest cover ratio is tested annually by Westpac NZ at its absolute discretion

The carrying amount of liabilities affected by the covenants is \$32.2 million. There are no indicators that the Group may have difficulty complying with the covenants

e) Derivatives

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The risk is managed by the Group maintaining an appropriate mix between fixed and floating borrowings, and by the use of interest rate swap contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts

Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt

The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows at the end of the reporting period and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the reporting period

Outstanding Interest Rate Swaps

Less than 1 Year
1 to 2 years
2 to 5 years

Average Contracted Rate	Notional Principal Value	Fair Value Assets (Liabilities)
2025 %	2025 \$000	2025 \$000
3.13	2000	14
0.00	0	0
4.00	2000	-28
	4000	(14)

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
	8,742	0	0	0
	8,742	0	0	0
	23,499	0	0	0
	28			
	23,527	0	0	0
	32,269	0	0	0

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

f) Lease Liability

ACCOUNTING POLICY

Loans and borrowing include term loans, financing arrangements and lease liabilities

Lease liabilities

Except for certain short-term and low-value leases, NZ IFRS 16 requires all leases to be recognised as leases and shown in loans and borrowings on the balance sheet.

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, Network Tasman Limited recognises finance leases as assets and liabilities in the balance sheet 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.

d) Loan facilities

Network Tasman Limited has the following undrawn borrowing facilities:

Bank of New Zealand Limited

Total

	16,759	17,000	0	0
Total	16,759	17,000	0	0

25. Deferred taxation

Balance at beginning of period
Deferred tax on temporary differences
Acquired on business combination

Balance at end of period

Note	GROUP 12 months 31 March 2025	GROUP 12 months 31 March 2024	PARENT 12 months 31 March 2025	PARENT 12 months 31 March 2024
	\$000	\$000	\$000	\$000
	37,422	33,950	0	0
	1,395	3,472	0	0
	9,304			
	48,121	37,422	0	0

Analysis of temporary deferred tax differences

For the year ended 31 March 2025

	Fixed assets \$000	Provisions \$000	Prepayments \$000	Total \$000
Opening balance	36,380	(206)	1,248	37,422
Charge to income	1,052	(21)	364	1,395
Charge to equity	-	-	-	-
Acquired on business combination	9,316	(12)	-	9,304
Closing balance	46,748	(239)	1,612	48,121

For the year ended 31 March 2024

	Fixed assets \$000	Provisions \$000	Leases \$000	Total \$000
Opening balance	33,178	(195)	967	33,950
Charge to income	3,202	(11)	281	3,472
Charge to equity	-	-	-	-
Closing balance	36,380	(206)	1,248	37,422

Under current accounting standards, Network Tasman Limited is required to recognise a deferred tax liability equal to the tax effect of the difference between the Company's accounting value of fixed assets and the equivalent tax carrying values for the same assets.

Adjustments for provisions result in reducing the deferred tax liability. Adjustments for prepayments result in increasing the deferred tax liability.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

26. Operating lease arrangements

Network Tasman Limited has 15 non-cancellable operating leases as lessor of land and buildings that comprise the investment property portfolio

Analysis of operating leases

No later than one year	2,430	882
Later than one year and not later than five years	6,807	918
Later than five years	8,043	613
	17,280	2,413

The lease arrangements are renewed on a periodic basis as disclosed in the lessors' individual contracts. In 2025 rental income received from leases with non-cancellable operating lease arrangements amounted to \$2,711,000 (31 March 2024: \$2,461,000)

27. Reconciliation of operating surplus to net cash flows from operating activities

Note	GROUP 12 months 31 March 2025 \$000	GROUP 12 months 31 March 2024 \$000	PARENT 12 months 31 March 2025 \$000	PARENT 12 months 31 March 2024 \$000
Total comprehensive income	19,066	6,361	26,331	6,322
Items not involving cash flows:				
Depreciation & amortisation	9,438	9,397	2	1
Asset impairment	0	1,363	0	0
Insurance proceeds	0	(17)	0	0
Movement in deferred taxation	1,395	3,472	0	0
Non cash customer contributions	(3,419)	(4,936)	0	0
Change in fair value	(1,555)	(2,751)	0	0
Equity accounted earnings from associate	279	(568)	0	0
Gain on previously held equity interest	(11,153)	0	184	0
Bad debts written off	6	28	0	0
(Gain) loss on sale of assets	228	921	0	0
Tax refund	36	3	0	3
RWT paid	(12)	0	(12)	0
Consumer distribution adjustment	0	0	0	0
Network Tasman share revaluation	0	0	(21,056)	(8,292)
	(4,757)	6,912	(20,882)	(8,287)
Movement in working capital:				
Increase (decrease) in non capital payables	1,203	184	15	(6)
Increase (decrease) in provisions	76	41	0	0
(Increase) decrease in non capital receivables and prepayments	(903)	(2,379)	(6)	0
	376	(2,154)	9	(6)
Net cash flows from operating activities	14,685	11,119	5,458	(1,971)

28. Cash flows from financing activities

There are no significant non-cash movements arising in relation to the carrying amount of the Group'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.

29. Related party information

a) Company

Parent entity

The holding entity of the company is the Network Tasman Trust which holds 100% of the company's shares (31 March 2024: 100%).

Subsidiary company

NTT Investments Limited was incorporated 14 February 2008 as an investment company. The holding entity of the company is the Network Tasman Trust which holds 100% of the company's shares (31 March 2024: 100%).

Associate & joint venture companies

Nelson Electricity Limited
On Metering Limited
SmartCo Limited

	Percentage owned by Network Tasman Limited	
	2025	2024
Subsidiary	100%	50%
Joint venture	50%	50%
Associate company	14%	14%

**NMA Nelson
Marlborough Audit
Limited**

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

29. Related party information (con't)

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 metering services to SmartCo Limited.

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
Transactions during the year				
<i>Charges from Network Tasman Limited to Nelson Electricity Limited</i>	1,305	1,368	0	0
<i>Charges from Nelson Electricity Limited to Network Tasman Limited</i>	5	4		
<i>Charges from Network Tasman Limited to On Metering Limited</i>	178	140	0	0
<i>Charges from On Metering Limited to Network Tasman Limited</i>	0	0	0	0
<i>Charges from Network Tasman Limited to SmartCo Limited</i>	3,175	3,142	0	0
<i>Charges from SmartCo Limited to Network Tasman Limited</i>	1,321	1,114	0	0
Outstanding balances at year end				
Balance due from Nelson Electricity Limited as at period end	111	156	0	0
Balance due to Nelson Electricity Limited as at period end	0	0	0	0
Balance due from On Metering Limited as at period end	130	130	0	0
Balance due to On Metering Limited as at period end	0	0	0	0
Balance due from SmartCo Limited as at period end	537	545	0	0
Balance due to SmartCo Limited as at period end	308	188	0	0

Network Tasman Limited 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 2024: Nil)

Key Management personnel compensation

Salaries and other short-term benefits	2,206	2,238	141	127
Post employment benefits	0	0	0	0
Other long term benefits	37	32	0	0
Termination benefits	0	0	0	0
Total key management personnel compensation	2,243	2,270	141	127

No post employment or termination benefits were paid during the year. (31 March 2024 : nil)

Other related party transactions

Trustees were paid an honoraria and meeting fees. Directors were only paid directors' fees and reimbursement of company related expenses. All other related party transactions were of a minor nature and at an arm's length value.

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months March 2025	31 12 months 31 March 2024	12 months March 2025	31 12 months 31 March 2024
	\$000	\$000	\$000	\$000
29. Related party information (con't)				
Transactions during the year				
<i>Charges from Network Tasman Limited to Nelson City Council</i>	191	400	0	0
<i>Charges from Nelson City Council to Network Tasman Limited</i>	44	66	0	0
<i>Charges from Network Tasman Limited to Nelmac Limited</i>	0	0	0	0
<i>Charges from Nelmac Limited to Network Tasman Limited</i>	22	38	0	0
<i>Charges from the Institute of Directors in New Zealand to Network Tasman Limited</i>	0	0	0	0
<i>Charges from Taylors Contracting Co Limited to Network Tasman Limited</i>	264	0	0	0
<i>Charges from Network Tasman Limited to Taylors Contracting Co Limited</i>	48	15	0	0
<i>Charges from PwC New Zealand Limited to Network Tasman Trust</i>	112	0		
Outstanding balances at year end				
Balance due to Nelmac Limited as at period end	3	10	0	0
Balance due from Taylors Contracting Co Limited as at period end	55			
Balance due from Nelson City Council as at period end	11	44	0	0
Balance due to Nelson City Council as at period end	3		0	0

b) Trust

The Network Tasman Charitable Trust was established to hold the W E Rowling Scholarship Fund. This trust has the same trustees as Network Tasman Trust. During the year NTT Investments Limited donated \$260,000 (31 March 2024: \$264,000) to the Network Tasman Charitable Trust to allow the Trust to make grants to Network Tasman Trust consumers and to maintain a loan fund cover.

NTT Investments Limited was established as a subsidiary of Network Tasman Trust as an investment company. The directors of the company are the same as the trustees of Network Tasman Trust. The balance of the advance to Network Tasman Trust as at 31 March 2025 was \$124,654 Creditor (31 March 2024: \$380,522 Debtor).

NTT Investments also paid both a capital dividend and an imputed dividend to the Network Tasman Trust and for \$4,328,335 as it undergoes a winding up in the subsequent year. All investment assets with Jarden Wealth were also transferred at Market Value to the Network Tasman Trust during the year under review.

30. Financial risk management

a) Company - Network Tasman Limited

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting 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

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

30. Financial risk management (cont'd)

a) Company - Network Tasman Limited

Credit risk

- Impairment of financial assets

The company 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 company 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 was determined as follows for trade receivables is:

31 March 2025	Current	More than 30 days	More than 60 days	More than 90 days	More than 120 days	Total
Expected loss rate	0.04%	0.13%	0.12%	0.10%	0.47%	
Carrying amount trade receivables	7,041	54	26	15	73	7,209
Loss allowance	3	-	-	-	0	3

31 March 2024	Current	More than 30 days	More than 60 days	More than 90 days	More than 120 days	Total
Expected loss rate	0.03%	0.16%	0.12%	0.32%	0.53%	
Carrying amount trade receivables	6,718	62	35	2	63	6,880
Loss allowance	2	0	0	0	0	2

- Movement in loss allowance

Opening balance	2
Receivables written off during period	(5)
Unused amount reversed	3
Additional loss allowance recognised in income statement during the year	3
Closing balance	3

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 70% (31 March 2024: 73%) of total line charge sales. The credit risk is not considered to be high. Apart from advances of \$2.2 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 31.

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 3.55% and 4.25% (31 March 2024: 5.3%)

- Interest rate sensitivity analysis

For the year ended 31 March 2025 total loan interest was \$230,000.

If the loan interest rates during the year increased / decreased by 1%, and all other things were held constant, the profit before income tax would decrease / increase by \$37,000

Note	GROUP	GROUP	PARENT	PARENT
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000
	2	5	-	-
	(5)	(32)	-	-
	3	27	-	-
	3	2	-	-
	3	2	-	-

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

30. Financial risk management (cont')

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 Limited currently holds \$0.4 million (31 March 2024: \$0.4 million) of cash and short term deposits and holds \$27.2 million (31 March 2024: \$16.3 million) of current liabilities. The current ratio is 0.4:1 (31 March 2024 0:7:1).

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

- Contractual maturities of financial liabilities

31 March 2025	Less than 12 months	12 months to 2 years	2 to 3 years	Total
Trade payables	16,923	-	-	16,923
Secured bank loans	6,450	2,292	23,499	32,241
	23,373	2,292	23,499	49,164

31 March 2024	Less than 12 months	12 months to 2 years	2 to 3 years	Total
Trade payables	15,401	-	-	15,401
Secured bank loans	-	-	-	-
	15,401	-	-	15,401

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.

b) Company - NTT Investments Limited

The company recognises that in respect of the reported financial instruments, being cash and short-term investments, fair value is equivalent to the carrying amount as stated in the balance sheet. Bonds and debenture stock are stated at market value.

Credit risk

Credit risks are limited by making deposits with registered banks or licensed non-bank deposit takers and a Funds Manager. The investment policy for NTT Investments Limited set and approved by the Board of Directors is to split the investment on a basis of 45% growth assets (equities) and 55% income generating assets (cash and fixed interest) managed by an independent custodian.

Interest rate risk

Interest rate risk has been managed by spreading investments into a number of short and long-term deposits and investments. There were no short term deposits held at year end (Interest rates 31 March 2024: 0%).

c) Trust

The Trust recognises that in respect of the reported financial instruments, being cash, short-term investments and debtors, fair value is equivalent to the carrying amount as stated in the balance sheet.

Credit risk

Credit risks are limited by making deposits only with registered banks, building societies or licensed non-bank deposit takers

Interest rate risk

Interest rate risk has been managed by splitting investments into a number of short term deposits. There was a short term Westpac PIE Fund with a Rate of Return for 4.25% per annum (Interest rates 31 March 2024: 0%).

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

Note	GROUP		PARENT	
	12 months 31 March 2025	12 months 31 March 2024	12 months 31 March 2025	12 months 31 March 2024
	\$000	\$000	\$000	\$000

31. Financial assets and financial liabilities

The carrying amounts of financial assets and liabilities in each of the NZ IFRS 9 categories are as follows

Financial assets measured at amortised cost

Cash and cash equivalent	9	2,478	2,194	2,005	1,707
Other financial assets: term deposits and loans	10	0	0	0	0
Debtors and other receivables	11	7,205	6,887	0	9
Sundry receivables	12	105	148	0	0
Advance to associates and subsidiaries	14	0	0	0	0
Loans to joint ventures	19	2,212	2,638	0	0
Total financial assets measured at amortised cost		12,000	11,867	2,005	1,716

Financial liabilities measured at amortised cost

Trade payables and accruals	22	17,989	15,870	43	47
Advance from associates and subsidiaries	14	0	0	0	381
Secured bank loans	24	32,241	0	0	0
Total financial liabilities measured at amortised cost		50,230	15,870	43	428

Fair value financial assets

Other investments	21	4,479	6,700	4,479	0
Total fair value financial assets		4,479	6,700	4,479	0

Available for sale financial assets

Investment in subsidiaries	18	0	0	279,510	258,464
Total available for sale financial assets		0	0	279,510	258,464

32. Commitments

The following amounts have been committed to by Network Tasman Limited, but not recognised in the financial statements

Capital Commitments

Capital commitments as at 31 March 2025 \$4.6 million (31 March 2024 : \$8.8 million). All capital commitments fall due within the next five years:

The Parent has no capital commitments (31 March 2024: nil).

33. Contingencies

As at 31 March 2025 there were no material contingent assets or liabilities for the Group or Parent (31 March 2024: nil)

Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

34. Performance targets

The following financial and reliability performance targets for the 12 months ending 31 March 2025 are specified in Network Tasman Limited's Statement of Corporate Intent (SCI). Forecast results are compared to the performance targets below:

	Actual Result 2025	SCI Target 2025	Actual Result 2024
Financial performance targets			
<i>Total company:</i>			
Surplus before interest, tax, line discount and customer contribution:	\$mil 24.9	23.7	23.1
Operating surplus after tax and before customer contributions	\$mil 11.9	12.0	10.0
Operating surplus to shareholders' funds	% 4.4%	4.6%	4.0%
<i>Line business only:</i>			
Total network costs per consumer	\$ 0	0	0
Cash operating costs per consumer	\$ 369	353	350
Line Charge Discounts (Excluding GST)	\$mil 12.2	12.2	12.3

Reliability performance targets (excludes Transpower planned and unplanned outages)

For the 2024/25 year, Network Tasman has reported two sets of SAIDI and SAIFI figures: those on the Transitional SAIDI and SAIFI Approach the single count method, and a second set where outages that follow the initial interruption are recorded as successive interruptions (Multi Count Approach). The Transitional SAIDI and SAIFI Approach is the same method that has been used in past years. However Network Tasman are now required to disclose the Multi Count Approach from the 2024 disclosure year going forward.

The Commerce Commission had provided an exemption in the past to all Electricity Distribution Businesses (EDBs subject to the EDB Information Disclosure Determination 2012 (the ID Determination) from needing to record and report 'successive interruptions' (Multi Count Approach). The exemption no longer applies from the 2024 disclosure year. Network Tasman has fully implemented the Multi Count Approach from 1 April 2023 and will be reporting on both methods in the 2024, 2025 and 2026 disclosure years as required by the Commerce Commission

a) Transitional SAIFI and SAIDI Approach

Average duration of supply interruptions per connected consumer (SAIDI) planned not to exceed -	minutes	168	100	104
Average duration of supply interruptions per connected consumer (SAIDI) unplanned not to exceed -	minutes	97	75	133
Average number of supply interruptions per connected consumer (SAIFI) not to exceed -	number	1.40	1.77	1.54
Average duration of supply interruptions (CAIDI) not to exceed -	minutes	190	99	154
Faults per 100 km of line not to exceed -	number	5.0	6.0	5.0
% faults not restored within three hours not to exceed -	%	23%	20%	27%

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

$$\text{SAIDI} = \frac{\text{Total Annual Consumer Minutes of Non Supply}}{\text{Total Number of Consumers}}$$

$$\text{SAIFI} = \frac{\text{Total Annual Consumer Supply Interruptions}}{\text{Total Number of Consumers}}$$

$$\text{CAIDI} = \frac{\text{Total Annual Consumer Minutes of Non Supply}}{\text{Total Annual Consumer Supply Interruptions}}$$

b) Multi Count Approach

	Actual Result	Actual Result 2024	
Average duration of supply interruptions per connected consumer (SAIDI) planned not to exceed -	minutes	166	105
Average duration of supply interruptions per connected consumer (SAIDI) unplanned not to exceed -	minutes	86	115
Average number of supply interruptions per connected consumer (SAIFI) not to exceed -	number	1.51	1.86
Average duration of supply interruptions (CAIDI) not to exceed -	minutes	167	118

In some circumstances, an unplanned loss of supply event can be followed by restoration of supply and then by a subsequent interruption as a result of isolating the initial cause, making repairs and completing the permanent restoration of supply to all consumers.

Where this occurs, Network Tasman's reported SAIFI records the initial outage and not any subsequent short duration outages required to affect the restoration of supply (single count method).

Network Tasman'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.

Planned SAIDI of 168 was over the target of 100 for the 2024/25 year.

An outage of the 66kV line supplying Motupipi on 7 July 2024 (2400 consumers) plus a follow-up 11kV outage of the Takaka area on 21 July 2024 (2000 consumers) affected most of the consumers in the Golden Bay area.

Unplanned SAIDI of 97 was over the target of 75 for the 2024/25 year.

A fault on the Collingwood 33kV line on 18 March 2025 affected approximately 1000 consumers north of Takaka including Collingwood accumulating 6.4 minutes.

An 11kV cable fault on 28 Jan 2025 affected consumers in the Kaiteriteri and Sandy Bay areas accumulating 5.7 minutes.

Under the Transitional Approach, SAIDI was higher than the SCI targets, but well within the Commerce Commission limits.

SAIFI results (the average number of interruptions experienced by consumers) were well under target during the year.

Faults per 100km of line were within targets. This results reflect the good condition of the network and the good state of vegetation clearance.

The percentage of faults not restored within three hours was lower than 2023/24 and but under the target. A contributing factor was a high number of long duration feeder outages during the year.

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Network Tasman Trust & Subsidiaries

Notes to and forming part of the financial statements

For the year ended 31 March 2025

34. Performance targets (cont'd)

Safety of electricity supply

Lost time injuries not to exceed -

Public safety and damage events

Public Injury Events

Public Property Damage Events

Public Safety Management System (PSMS) certified & audited by Telarc

	Actual Result 2025	SCI Target 2025	Actual Result 2024
number	2	0	1
number	0	0	0
number	1	0	0
	Yes	Yes	Yes

35. Events occurring after balance date

The trustees of Network Tasman Trust 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.

36. 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 balance sheet. 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



NMA Nelson Marlborough Audit Ltd

INDEPENDENT AUDITOR'S REPORT

To the Beneficiaries of Network Tasman Trust

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Network Tasman Trust and its subsidiaries which comprise the consolidated balance sheet as at 31 March 2025, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Network Tasman Trust as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)).

Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, the group.

Other Information

The Trustees are responsible for the other information. The other information comprises the Chair's Report for the year ended 31 March 2025.

Our opinion on the consolidated financial statements 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

The Responsibility of the Trustees for the Consolidated Financial Statements

The Trustees are responsible on behalf of the group for the preparation and fair presentation of these consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees 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 consolidated financial statements 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.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements.

We communicate with those charged with governance 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.

NMA Nelson Marlborough Audit Ltd

NMA Nelson Marlborough Audit Limited
PO Box 732
Nelson 7040

5 July 2025