

**Central Hawke's Bay  
Consumers Power Trust**

**Consolidated Financial statements  
for the year ended 31 March 2025**

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**Statement of comprehensive income**

For the year ended 31 March 2025

	Notes	Consolidated 2025 \$'000	2024 \$'000
<b>Revenue</b>			
Revenue from contracts with customers		18,573	17,335
Posted discount accrued	2	(1,686)	(1,439)
Net revenue from contracts with customers	2	16,887	15,896
Other income	2	309	164
		17,196	16,060
<b>Expenses</b>			
Other expenses	3	(10,482)	(9,281)
Research & Development expenses		(121)	(113)
Total operating expenses		(10,603)	(9,394)
<b>Earnings before interest, taxes, depreciation and amortisation expenses (EBITDA)</b>		<b>6,593</b>	<b>6,666</b>
Depreciation and amortisation expense	5,17	(3,392)	(2,473)
Finance expenses		(1,012)	(885)
Finance costs - net		-	188
Change in fair value of network distribution assets		-	188
<b>Profit before income tax</b>		<b>2,189</b>	<b>3,496</b>
Income tax	4	659	(3,567)
<b>Profit/(Loss) for the year</b>		<b>2,848</b>	<b>(71)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains/(Losses) on revaluation of Electricity distribution network	5	-	13,070
Deferred tax impact		-	(3,660)
		-	9,410
<b>Items that may be subsequently reclassified to profit or loss:</b>			
		-	-
		-	-
<b>Other comprehensive income for the year, net of tax</b>		-	9,410
<b>Total comprehensive income for the year</b>		<b>2,848</b>	<b>9,339</b>

The above statement comprehensive income should be read in conjunction with the accompanying notes


CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST  
Notes to the Financial Statements  
For the year ended 31 March 2025


CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST

**Balance sheet**  
**As at 31 March 2025**

	Notes	Group 2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,097	1,442
Trade and other receivables	8	1,797	1,813
Inventories	7	1,874	2,178
Current tax receivables		15	(13)
Total current assets		4,783	5,420
<b>Non-current assets</b>			
Property, plant and equipment	5	110,617	104,701
Intangible assets		191	147
Investment property	17	3,067	1,164
Investments		-	-
Derivative Financial instruments		-	-
Total non-current assets		113,875	106,012
<b>Total assets</b>		<b>118,658</b>	<b>111,432</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		2,418	2,139
Interest bearing liabilities	15	13,367	5,867
Contract liabilities	2	1,686	1,439
Current tax		41	154
Employee provisions		440	454
Total current liabilities		17,952	10,053
<b>Non-current liabilities</b>			
Interest bearing liabilities	15,16	6,000	9,000
Employee Provisions		55	54
Derivative financial instruments		211	(20)
Deferred tax liabilities	4	17,060	17,826
Total non-current liabilities		23,326	26,860
<b>Total liabilities</b>		<b>41,278</b>	<b>36,913</b>
<b>Net assets</b>		<b>77,380</b>	<b>74,519</b>
<b>EQUITY</b>			
Share capital	10	8,000	8,000
Reserves		9,420	9,420
Retained earnings		59,960	57,099
<b>Total equity</b>		<b>77,380</b>	<b>74,519</b>

For and on behalf of the Trust.

  
Trustee  
Date 18.7.25

  
Trustee  
Date 18.7.25

The above statement comprehensive income should be read in conjunction with the accompanying notes

**Statement of changes in equity**

For the year ended 31 March 2025

	Notes	Attributable to equity holders of the Company			
		Share capital	Revaluation reserve	Retained earnings	Total equity
		\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 April 2024</b>		8,000	9,420	57,099	74,519
Profit/(loss) for the year		-	-	2,848	2,848
Other comprehensive income:					
Revaluation of Electricity distribution network	5	-	-	-	-
Deferred tax on revaluation		-	-	-	-
Restated tax movement		-	-	13	13
Total other comprehensive income		-	-	13	13
<b>Total comprehensive income</b>		-	-	<b>2,861</b>	<b>2,861</b>
Dividends		-	-	-	-
<b>Balance as at 31 March 2025</b>		<b>8,000</b>	<b>9,420</b>	<b>59,960</b>	<b>77,380</b>
<b>Balance as at 1 April 2023</b>		8,000	10	57,170	65,180
Profit/(loss) for the year		-	-	(71)	(71)
Other comprehensive income:					
Revaluation of Electricity distribution network	5	-	13,070	-	13,070
Deferred tax on revaluation		-	(3,660)	-	(3,660)
Total other comprehensive income		-	9,410	-	9,410
<b>Total comprehensive income</b>		-	<b>9,410</b>	<b>(71)</b>	<b>9,339</b>
Dividends		-	-	-	-
<b>Balance as at 31 March 2024</b>		<b>8,000</b>	<b>9,420</b>	<b>57,099</b>	<b>74,519</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes

## Statement of cash flows

### For the year ended 31 March 2025

	Consolidated 2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	16,427	14,846
Contributions for capital works	816	1,093
Interest received	25	5
Income taxes received	-	80
Payments to suppliers and employees	(9,758)	(9,950)
Interest paid	(1,012)	(885)
Income taxes paid	(235)	-
<b>Net cash inflow / (outflow) from operating activities</b>	<b>6,263</b>	<b>5,189</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investments		
Proceeds from disposal of property, plant and equipment	395	85
Purchase and construction of property, plant and equipment	(11,503)	(9,136)
Purchase of investments	-	-
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(11,108)</b>	<b>(9,051)</b>
<b>Cash flows from financing activities</b>		
Proceeds from other borrowings	4,500	3,867
Payment of Dividends	-	(1)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>4,500</b>	<b>3,866</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(345)</b>	<b>4</b>
Cash and cash equivalents at the beginning of the financial year	1,442	1,438
<b>Cash and cash equivalents at end of year</b>	<b>1,097</b>	<b>1,442</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

## **1 About this report**

These financial statements are for Central Hawkes Bay Consumers Power Trust (CHBCPT) and its subsidiary (together 'the Group'). The CHBCPT holds all the shares in Centralines Limited ('Centralines') on behalf of the consumers who are connected to Centralines' electricity lines network.

Centralines provide electricity distribution and line function services to consumers and businesses, as well as fibre optic network interconnections and related services throughout the Central Hawke's Bay. Centralines also provides vegetation and electrical contracting services.

Centralines is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 17 Coughlan Rd, Waipukurau, New Zealand. It is registered under the Companies Act 1993 and is an energy company in terms of the Energy Companies Act 1992.

These consolidated financial statements have been approved for issue by the Trustees on 18 July 2025.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **(a) Basis of preparation**

The consolidated financial statements of the CHBCPT have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP').

The group is designated as for-profit entity for financial reporting purposes.

The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), and other New Zealand accounting standards and authoritative notices that are applicable to For-profit entities that apply NZ 1FRS Reduced Disclosure Regime (NZ IFRS RDR)

The Group is eligible and has elected to report in accordance with Tier 2 for profit accounting standards, NZ IFRS RDR on the basis that the Group has not public accountability and is not a large for profit public sector entity. The Group has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

The accounts have been prepared on a going concern basis.

### **Reporting entity**

The consolidated financial statements for the Group are for the economic entity comprising Central Hawkes Bay Consumers Power Trust and its subsidiary, Centralines Limited.

Centralines Limited is 100% owned by the Central Hawke's Bay Consumers' Power Trust.

### **Statutory base**

The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Energy Companies Act 1992.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of property, plant and equipment, which are adjusted to fair value through other comprehensive income.

### **Critical accounting judgements and estimates**

The preparation of financial statements in conformity with NZ IFRS RDR requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

- Valuation of Electrical distribution network (note 5)

**CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST**  
**Notes to the Financial Statements**  
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- Estimation of useful lives for depreciation (accounting policy)

**(b) Goods and Services Tax (GST)**

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

**(c) Principles of consolidation**

On consolidation the group has eliminated all inter entity transactions from the Balance Sheet and the Statement of Comprehensive Income

**(d) New and amended standards adopted by the Group**

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 March 2024, except for new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to NZ IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants  
Amendments to FRS-44- Disclosure of Fees for Audit Firms' Services

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. The application of Amendments to NZ IAS 1 Disclosure of Accounting Policies, did not have any impact on the policies.

Standards issued and not yet effective and not early adopted. NZ IFRS 18 - Presentation and Disclosure in Financial Statements (effective 1 January 2027)

The standard introduces a more structured format for the income statement, including clearly defined subtotals such as Operating Profit and Profit before Financing and Income Taxes. These subtotals must be derived using a prescribed classification of income and expenses into three categories: operating, investing and financing. The standard also requires specific disclosures related to Management-Defined Performance Measures (MPMs) to enhance transparency around non-GAAP performance metrics.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**(e) Critical accounting judgements and estimates**

The preparation of financial statements in conformity with NZ IFRS RDR requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:

- Valuation of Electrical distribution network (note 5)

- Estimation of useful lives for depreciation (note 5)



**CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**1.1 Summary of CHBCPT's financial performance for the year ended 31 March 2025**

	<b>Consolidated</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Revenue	217	5
Trustee expenses	(76)	(76)
Other expenses	(115)	(115)
Net Surplus	<u>26</u>	<u>(186)</u>

**1.2 Summary of CHBCPT's financial position as at ended 31 March 2025**

	<b>Consolidated</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Current assets	164	138
Non-current assets	8,000	8,000
Total assets	<u>8,164</u>	<u>8,138</u>
<b>Current liabilities</b>	<u>20</u>	<u>20</u>
Net Assets	<u>8,144</u>	<u>8,118</u>
<b>Equity</b>	<u>8,144</u>	<u>8,118</u>

Note, on consolidation inter entity transactions relating to dividends and investments are eliminated

**CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST**  
**Notes to the Financial Statements**  
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## 2 Revenue

### Revenue streams

The Company generates revenue primarily from electricity distribution and line function services provided to consumers and businesses in the Central Hawkes Bay. Other sources of revenue include electrical contracting services and investment income.

	<b>Consolidated</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Net revenue from contracts with customers <sup>1</sup>	<b>16,887</b>	15,896
Other income:		
Interest income	<b>25</b>	5
Gain on sale of Investment Property	<b>89</b>	-
Miscellaneous income	<b>195</b>	159
<b>Total revenue</b>	<b>17,196</b>	16,060

### Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Electricity line revenue <sup>1</sup>	<b>14,783</b>	13,995
Capital contributions	<b>816</b>	1,093
Contracting revenue	<b>1,283</b>	751
Other	<b>5</b>	57
	<b>16,887</b>	15,896

<sup>1</sup>Net of the accrued posted discount of \$1,686,400 to be paid to consumers connected to the Company's electricity network as at 31 March 2025 and scheduled to be paid to consumers before 30 June 2025.

### Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Contract liabilities – posted discount payable to consumers	<b>1,686</b>	1,439
<b>Total contract liabilities</b>	<b>1,686</b>	1,439

### Changes in contract assets and liabilities

The Company has recognised a contract liability for the discount to be paid to consumers. The Company will pay a posted discount of \$0.020 c/kWh to all consumers registered on its electricity network as at 31 March 2025. The discount is calculated using twelve months of consumption data from 1 April 2024, and is scheduled to be paid to consumers in the month of June 2025. The minimum discount payable to any consumer is \$55.00, and the maximum is \$5,850

### Accounting policy

#### (i) Electricity line revenue

The Company owns, manages and operates an electricity distribution network. The Company distributes electrical energy on behalf of electricity retailers that has been brought to points of supply by the National Grid operator or produced by embedded generators, to consumers connected to the Company's electricity distribution network.

## **2 Revenue**

Line revenue relates to the provision of electricity distribution services and includes pass-through revenue and recoverable cost revenue. Prices are regulated, and customers are charged through a mix of fixed charges which are recognised on a straight-line basis and variable charges which are recognised based on the volume of distribution services provided. Consistent with NZ IFRS 15 this revenue is recognised over time at the fair value of services provided based on an output method as the service is delivered to match the pattern of consumption. Pass through and recoverable costs include transmission costs, statutory levies and utility rates.

The Company pays a discount to eligible consumers registered on its network as at 31 March each year. The basis of the discount is posted on the Company's Electricity Distribution Delivery Prices disclosure at the start of each financial year, and is paid to consumers via their retailer in the following financial year. The electricity line revenue recognised is net of the discount to be paid to consumers. A contract liability (included in trade and other payables) is recognised for the expected discount payable to consumers in relation to electricity distribution made until the end of the reporting period.

### *(ii) Capital contributions*

Customer contribution revenue relates to contributions received from customers towards the costs of reticulating electricity to new subdivisions, constructing uneconomic lines and relocating existing lines. The revenue recognised is the fair value of the asset being constructed. Revenue is recognised at a point in time when the asset is connected to the network for customers whose supply of electricity is contracted to a retailer. For retailers, this revenue is recognised over time.

### *(iii) Contracting revenue*

Contracting revenue relates to revenue from electrical contracting services provided to third parties and is recognised as the fair value of the service provided or asset being constructed. Where an asset is being constructed for a third party, revenue is recognised over time as a result of control of the asset transferring to the customer over the time. For electrical services revenue is recognised at a point in time when the performance obligation is satisfied.

### *(iv) Interest income*

Interest income is recognised using the effective interest method.

## **3 Operating Expenditure**

Other operating expenses are recognised in the statement of comprehensive income as an expense when they are incurred.

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b><i>Other expenses from ordinary activities</i></b>		
Trustees Fees	76	76
Audit New Zealand - Audit services	151	132
Audit New Zealand - Regulatory disclosures	61	52
Director's Fees	190	190
Donations	1	1
Employee related expenses	1,330	1,469
Bad Debt expenses	4	-
Transpower charges	2,153	2,090
Maintenance costs	2,613	2,125
Other operating expenses	3,903	3,146
	<b>10,482</b>	<b>9,281</b>

**CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2025**

**4 Taxation**

	<b>Consolidated</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>(a) Income tax expense</b>		
Current tax	301	394
Deferred tax associated with timing differences	(766)	3,153
Prior period current tax adjustment	(194)	20
<b>Income tax expense</b>	<b>(659)</b>	<b>3,567</b>
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>(b) Reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	2,189	3,496
Income tax @ 28%	613	979
Tax effects of:		
• Income not subject to tax	24	(35)
• Effects of buildings becoming non-depreciable	(1,167)	2,603
• Expenses not deductible for tax purposes	65	-
Prior period current tax adjustment	(194)	20
<b>Income tax expense</b>	<b>(659)</b>	<b>3,567</b>
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>(c) Deferred tax liabilities</b>		
<b>The balance comprises temporary differences attributable to:</b>		
Property, plant and equipment	17,240	17,958
Employee provisions	(107)	(112)
Derivatives	(59)	-
Other provisions	(14)	(20)
<b>Total deferred tax liabilities</b>	<b>17,060</b>	<b>17,826</b>
<b>Movements:</b>		
Opening balance	17,826	11,013
Deferred portion of current year tax expense	(766)	3,153
Amounts charged or credited direct to equity	-	3,660
Closing balance	<b>17,060</b>	<b>17,826</b>

A deferred tax asset has not been recognised in relation to losses of \$2,205,982 in the Trust (2024 \$2,062,783)

During the year, the tax value of buildings was split into separate components relating to building structure assets and building fit-out assets. This resulted in an increase in tax depreciation deductions in the current and prior years. It also resulted in a reduction in the deferred tax adjustment for buildings, as it increased the amount of future tax deductions.

**Accounting policy**

Income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

## Non-current assets - Deferred tax assets

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 not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. 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 realised, using tax rates that have been enacted or substantively enacted by balance date.

## 5 Property, plant and equipment

	Electrical distribution network \$'000	Fibre network \$'000	Land and buildings \$'000	Other assets \$'000	Total \$'000
<b>Year ended 31 March 2025</b>					
Opening net book amount	88,779	346	13,183	2,393	104,701
Additions	10,356	-	9	756	11,121
Disposals	-	-	-	-	-
Assets classified as investment property	-	-	(1,828)	-	(1,828)
Depreciation charge	(2,265)	(66)	(431)	(615)	(3,377)
Revaluation	-	-	-	-	-
Closing net book amount	<u>96,870</u>	<u>280</u>	<u>10,933</u>	<u>2,534</u>	<u>110,617</u>
<b>At 31 March 2025</b>					
Cost	11,744	1,398	11,762	7,581	32,485
Valuation	87,391	-	-	-	87,391
Accumulated depreciation	<u>(2,265)</u>	<u>(1,118)</u>	<u>(829)</u>	<u>(5,047)</u>	<u>(9,259)</u>
Net book amount	<u>96,870</u>	<u>280</u>	<u>10,933</u>	<u>2,534</u>	<u>110,617</u>
<b>Year ended 31 March 2024</b>					
Opening net book amount	69,142	412	13,924	2,167	85,645
Additions	8,138	-	233	783	9,154
Disposals	-	-	-	(12)	(12)
Assets classified as investment property	-	-	(872)	-	(872)
Depreciation charge	(1,760)	(66)	(102)	(545)	(2,473)
Revaluation	<u>13,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,259</u>
Closing net book value	<u>88,779</u>	<u>346</u>	<u>13,183</u>	<u>2,393</u>	<u>104,701</u>
<b>At 31 March 2024</b>					
Cost	1,388	1,398	13,581	6,867	23,234
Valuation	87,391	-	-	-	87,391
Accumulated depreciation	<u>-</u>	<u>(1,052)</u>	<u>(398)</u>	<u>(4,474)</u>	<u>(5,924)</u>
Net book amount	<u>88,779</u>	<u>346</u>	<u>13,183</u>	<u>2,393</u>	<u>104,701</u>

### (a) Valuations of Electrical distribution network

In 2024 the electricity distribution network was revalued to fair value of \$87.391m in accordance with NZ IAS 16- Property, Plant and Equipment, NZ IAS 36 Impairment of Assets, and NZ IFRS 13 – Fair Value Measurement. Including capital work in progress of \$1.388m, this resulted in an opening net book value of \$88.779m in 2025.

In the absence of an active market for the network, Centralines calculated fair value using significant unobservable inputs (Level 3, as defined in NZ IFRS 13). Centralines used a discounted cash flow (DCF) methodology. Centralines based its cash flow forecasts on the company's cash flow forecasts and adjusted those forecasts to remove the impacts of expansionary growth on forecast future revenues, operating expenditure and capital expenditure. The Terminal Value of the network is based on the Regulated Asset Base ('RAB') in 10 years post year end.

## **5 Property, plant and equipment**

The current book value of the Electricity distribution network was assessed against the fair value as at 31 March 2025, calculated using the Discounted Cash Flow (DCF) method which showed that there was no material difference of \$4.1m. On this basis, the revaluation has not been recognised.

The following key assumptions were applied in the methodology:

- Line Revenue price increase: Centralines became an exempt EDB under the Commerce Act from October 2021 when all Trustees of Centralines became elected. As a result, Centralines has greater discretion to determine its own prices and revenues.

For the year ending 31 March 2026, forecast revenue assumed the board approved budget for the period. For subsequent years, it was assumed that revenue will increase by 13.2% in 2026, by 10% in 2027, by 7% in 2028 and followed by 5% increases per annum to 2035.

- Cashflows were discounted using a post-tax Weighted Average Cost of Capital (WACC) 6.18%. (2024 6.50%)

A sensitivity analysis of the key assumptions shows that the biggest impact on the NPV of the future cash flows for Centralines' electrical distribution network is the movement in distribution revenue and less sensitive to movements in capital expenditure.

A sensitivity analysis on a number of variables as follows:

- a capital expenditure increase/(decrease) of 5% would decrease/(increase) the network's fair value by \$0.3m and (\$0.3m) respectively.
- an increase/(decrease) in the discount rate of 0.5% would decrease/(increase) the network's fair value by \$5.2m and (\$4.9m) respectively.
- an operating expense increase/(decrease) of 5% would decrease/(increase) the network's fair value by \$2.3m and (\$2.3m) respectively and,
- a distribution revenue increase/(decrease) of 5% would increase/(decrease) the network's fair value by \$5.7m and (\$5.7m) respectively.

### **(b) Capital work in progress**

Capital work in progress as at 31 March 2025 of \$4,496,287 (2024: \$1,599,068) of which \$4,496,287 is included in Electrical distribution network additions.

### **(c) Capital commitments**

The value of contractual capital commitments as at 31 March 2025 is estimated at \$2,260,000 (2024:\$Nil).

## ***Accounting policy***

### **Property, plant and equipment**

Property, plant and equipment, except the electrical distribution network, is stated at historical cost less depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The electrical distribution network is carried at fair value using a discounted cash flow model. The network is re-valued every five years at a minimum. The carrying amount is tested annually by assessing this value against a discounted cash flow model. Where there is any material variance, the network is revalued to reflect the fair value of the network. Additions are recognised at cost and are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

### **Depreciation**

Depreciation on electrical distribution assets is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated remaining useful lives.

## **5 Property, plant and equipment**

Any accumulated depreciation on electrical distribution assets as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Depreciation on other assets (other than Land which is not depreciated) is calculated using the straight-line method to allocate their cost over their estimated useful lives.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

• Electrical distribution network	0-70 years
• Fibre network	0-12 years
• Buildings	5-60 years
• Land	
• Other assets:	
- Motor vehicles	5-15 years
- Plant and equipment	1-12 years
- Office furniture and equipment	1-20 years
- Information technology	2-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### Impairment of assets

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

## **6 Cash and Cash Equivalents**

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Cash at bank and in hand	<b>248</b>	1,005
Deposits at call	<b>849</b>	437
	<b><u>1,097</u></b>	<u>1,442</u>

### **(a) Risk exposure**

The Company's exposure to credit risk is discussed in note 9,(b). The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

### **(b) Deposits at call**

Market fluctuations in interest rates affect the earnings on these investments but Company policy of placing deposits with high credit quality financial institutions minimises the credit exposure.

### **(c) Fair value**

The carrying amount for cash and cash equivalents equals the fair value.

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## 7 Inventories

Inventories are stated at cost. Cost is determined using the average cost method. The cost of work in progress comprises design costs, stock, direct labour, other direct costs and related production overheads.

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Stock	<b>1,830</b>	2,052
Work in progress	<b>44</b>	126
	<b>1,874</b>	2,178

## 8 Trade and other receivables

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	<b>1,837</b>	1,886
Provision for doubtful receivables	<b>(50)</b>	(73)
	<b>1,787</b>	1,813
Sundry Receivables and Accruals	<b>10</b>	-
<b>Total trade and other receivables</b>	<b>1,797</b>	<b>1,813</b>

### (a) Impaired receivables

Movements on the provision for impairment of trade receivables are as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 April		
Opening balance	<b>(73)</b>	(28)
Provision for impairment recognised during the year	<b>(27)</b>	(60)
Receivables written off during the year as uncollectible	<b>28</b>	-
Amounts recovered during the year	<b>22</b>	15
At 31 March	<b>(50)</b>	(73)

### **Accounting policy**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due within 30 days and therefore are all classified as current. There are no significant financing components.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the statement of comprehensive income.



## **9 Financial risk management**

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

### **(a) Fair value estimation**

The methods and assumptions used are that carrying amounts in the financial statements reflect the estimated fair value of the financial instruments including receivables, cash and cash equivalents, investments, derivatives and accounts payable.

Financial assets and liabilities:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b><i>Fair value of financial assets at amortised cost</i></b>		
Cash and cash equivalents	<b>1,097</b>	1,442
Trade and other receivables	<b>1,787</b>	1,813
	<u>-</u>	<u>-</u>
	<b>2,884</b>	3,255
<b><i>Financial assets at fair value through profit or loss</i></b>		
Derivative financial instruments	<u>-</u>	20
	<u>-</u>	20
<b><i>Fair value of financial liabilities at amortised cost</i></b>		
Trade and other payables	<b>2,398</b>	2,139
Bank Loans	<b>19,367</b>	14,867
	<u>21,765</u>	<u>17,006</u>
<b><i>Financial liabilities at fair value through profit or loss</i></b>		
Derivative financial instruments	<u>211</u>	-
	<u>211</u>	-

Note, the Company only has two classifications of its financial assets.

All cash and cash equivalents and investments are classed as financial assets at amortised cost. Financial assets at amortised cost are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate less any impairment. Amortisation or impairment losses are recognised in the profit or loss.

Derivative financial assets are classed as Fair value through profit or loss. Derivative financial instruments are recognised at fair value. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

Investments consist of short term deposits held with registered banks and are classified as current assets if they mature within 12 months, otherwise they are classified as non-current.

Investments are held to collect principle and interest as part of a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### **(b) Credit risk**

In the normal course of its business the Company incurs credit risk from accounts receivable, bank balances and investments. There is no significant concentration of credit risk and the Company has a policy of assessing the credit risk of significant new customers and monitors the credit quality of existing customers. Counterparties to cash and investments are major banks, which are approved by the directors under the Company's Investment Policy. The Company's maximum credit risk exposure is as disclosed in the statement of financial position and collateral or other security is not held.

## **9 Financial risk management (Continued)**

### **(c) Liquidity risk**

Liquidity risk represents the risk that the Company may not have the financial ability to meet its contractual obligations. The Company evaluates its liquidity requirements on an ongoing basis. Overall the Company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding in place to cover potential shortfalls.

### **(d) Derivatives**

The Company is exposed to floating interest rate risk due to its bank borrowings. The Company may use interest rate swap contracts to convert certain floating exposures to fixed rate, to provide more certainty around interest expenditure. The swap contracts in place at 31 March 2025 have a notional principal amount of \$11.5 million and convert floating rate interest (BKBM) to a fixed rate range of 3.69% to 5.01%.

#### **Accounting policy**

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at the end of each reporting period. Subsequent changes in fair value are recognised through profit or loss in the Statement of Comprehensive Income.

## **10 Contributed Equity**

	<b>2025</b>	2024	<b>2025</b>	2024
	<b>Shares</b>	Shares	<b>\$'000</b>	\$'000
	<b>'000</b>	'000		
Issued and Fully paid (no par value)	<b>8,000</b>	8,000	<b>8,000</b>	8,000

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## 11 Related party transactions

The amounts owing to related parties are paid in accordance with the Company's normal commercial terms of trade. No related party debts have been written off or forgiven during the year. Certain directors of the Company are also directors of other companies with whom the Company transacts. All such transactions are on normal commercial terms.

### (a) Company Structure

Central Hawkes Bay Consumers Power Trust owns all of the issued capital of Centralines Limited.

Centralines Limited has a management contract operated by Unison Networks Limited, an electricity lines company based in Hastings. This contract provides for executive, financial and technical managerial services for Centralines Limited.

Related parties of the Group include:

- Central Hawkes Bay Consumers Power Trust
- Centralines Limited
- Unison Networks Limited

The Group's Directors and key management personnel  
Entities in which Directors had an interest

### (b) Key management and personnel compensation

Key management personnel compensation for the years ended 31 March 2025 and 31 March 2024 is set out below. The key management personnel are all the directors of the Group.

	<b>Consolidated</b>	
	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
Short term benefits - Trust	76	76
Short term benefits - Trust's Subsidiary - Directors	190	190
	<b>266</b>	<b>266</b>

### (c) Transactions with related parties

The group purchased Nii (2024: \$nil) of goods and services were made to entities that Trustees were directors/shareholders in.

Trustees transactions with the Group were made under normal terms of conditions of supply and sale. No discounts on electric contracting were given during the year.

The Group purchased materials, management services and contracting services of \$6,337k (2024 \$5,383k) from Unison Networks Ltd who supply key management personnel.

The Group made retail purchases from Farmlands of \$8k (2024 \$11k) in which the directors of the Group have personnel interest

### (d) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2025</b>	2024
<i>Related Party</i>	<b>\$'000</b>	\$'000
Unison Networks Limited	584	352
Farmlands	-	1
	<b>584</b>	<b>353</b>

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties

## **12 Commitments**

### *(i) Operating lease commitments*

Lease payments under operating leases, for short term leases or leases for which the underlying asset is of low value are expenses in the statement of comprehensive income in equal instalments over the lease term.

The expense for the period is \$2,400 (2024 \$2,599)

The Company has applied NZ IFRS 16.6. No right of use asset has been recognised.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>Operating Leases as a Lessee</b>		
No later than 1 year	<b>2</b>	2
Later than 1 year and no later than 5 years	<b>3</b>	6
Later than 5 years	<u>-</u>	<u>-</u>
Total	<u><b>5</b></u>	<u>8</u>

The Company leases its investment property in Peel St. The lease has a term of six years with two x two year renewals. The lease rental has an annual CPI adjustment.

Rental income recognised by the Company during the year is \$110,000 (2024 \$Nil)

	<b>2025</b>	2024
	<b>\$'000</b>	\$'000
<b>Operating Leases as a Lessor</b>		
No later than a year	<b>110</b>	110
Later than a year and no later than 5 years	<b>422</b>	440
Later than 5 years	<u>-</u>	<u>92</u>
Total	<u><b>532</b></u>	<u>642</u>

## **13 Contingencies**

As at 31 March 2025 the Company had no contingent liabilities or assets (2024: \$Nil).

## **14 Events occurring after the reporting period**

There were no events to report

## **15 Current liabilities - Interest bearing liabilities**

### **(a) Bank Loans**

All term borrowings are bank loans and interest rates for these borrowings are based on the bank bill rate plus margin and a line of credit charge. Centralines utilises Wholesale term loan facility arrangements, with a facility limit of \$22 million with varying maturity dates. This facility will be routinely renewed on maturity dates, so all borrowing under this facility are reported as term borrowings.

Loan 1, \$6 million, maturity 17 August 2025

Loan 2, \$6 million, maturity 19 October 2025

Loan 4, \$4 million, maturity 11 September 2025

The bank facility is secured by a General Security Agreement over the assets of the Company. The facility (including current and non-current loans) are subject to various covenants including a leverage ratio. Centralines complied with all covenants for the 2025 year.

As at 31 March 2025, certain bank loans were classified as current liabilities. Subsequent to balance date the Company has been actively engaged in refinancing these loans. The refinancing process is well advanced and the Company expects to finalise the new financing arrangement, which will extend the maturity date of these loans and increase the size of the borrowing facilities, shortly after the date of signing these financial statements.

### **(b) Interest Rate Risk Exposure**

Centralines will manage its interest rate risk exposure, as from April 2025 the expected date of full drawdown of debt, by the use of an amortising interest rate SWAP over its wholesale term loan borrowing. The Company's Treasury Policy requires interest rate hedging within prescribed limits, calculated as a percentage of forecast debt.

### **(c) Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are added to the cost of those assets, until such time as the assets are substantially ready for their intended use for sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

The Company policy is that an asset qualifies when the cost of construction is greater than \$500,000 and the construction period is longer than 6 months. Interest on borrowing costs are calculated based on the effective yearly interest rate.

Capitalised Interest recognised in the period is \$102,843 (31 March 2024 Nil)

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	<b>13,367</b>	<b>5,867</b>
Total secured current interest bearing borrowings	<b>13,367</b>	<b>5,867</b>

## **16 Non-current liabilities - Interest bearing liabilities**

### **(a) Bank Loans**

Loan 3, \$6 million, maturity 1 September 2026

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank loans	<b>6,000</b>	<b>9,000</b>
Total non-current interest bearing liabilities	<b>6,000</b>	<b>9,000</b>

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**17 Investment property**

	<b>2025</b>	2024
	<b>\$000</b>	\$000
<b>Balance at 1 April</b>	<b>1,163</b>	292
Transfer from property, plant and equipment	<b>2,097</b>	871
Additions	<b>114</b>	-
Depreciation	<b>(15)</b>	-
Disposals	<b>(292)</b>	-
Impairment	<b>-</b>	-
<b>Balance at 31 March</b>	<b><u>3,067</u></b>	<u>1,163</u>
 Cost	 <b>3,082</b>	 1,163
Accumulated depreciation	<b>(15)</b>	-
Book value	<b><u>3,067</u></b>	<u>1,163</u>

**Accounting Policy**

Investment property is measured at cost less depreciation and impairment losses.

The estimated useful lives of investment property are:

Land	Indefinite
Buildings	50 - 100 years

Depreciation on buildings is calculated using the straight-line method to allocate their cost or re-valued amounts over their estimated remaining useful lives.

**Investment property 1**

The fair value at 31 March 2025 is \$3,250,000

The valuation to determine the fair value was performed by Rowan Cambie, a registered valuer from CBRE Ltd, in November 2024. The fair value was determined using sales of comparable properties.

The investment property is a block of bare land purchased with the intention of being developed into a solar farm. The property is held at historical cost.

**Investment property 2**

The fair value at 31 March 2025 is \$1,370,000

The valuation to determine the fair value was performed by Jack Elliott, a registered real estate agent from Colliers, in September 2022. The fair value was determined using sales of comparable properties.

The investment property is a commercial property previously used as the depot for the Company. The property is currently leased. The property is held at historical cost.

**Investment property 3**

The fair value at 31 March 2025 is \$110,000

The valuation used to determine the fair value is the purchase price, the property was purchased in December 2024.

The investment property is a block of bare land purchased with the intention of giving access to the Coughlan Road property, that may be subdivided for sale. The property is held at historical cost.