Central Hawke's Bay Consumers Power Trust

Consolidated Financial statements for the year ended 31 March 2026

Contents

Statement of comprehensive income

For the year ended 31 March 2026

	Notes	Consolidated 2026 $'000	2025 $'000
Revenue			
Revenue from contracts with customers	2	**20,643**	18,573
Posted discount accrued	2	**(-)**	(1,686)
Net revenue from contracts with customers	2	**20,643**	16,887
Other income	2	**376**	309
		21,019	17,196
Expenses			
Transpower charges		**(2,561)**	(2,153)
Network maintenance		**(1,871)**	(2,613)
Employee related expenses		**(1,253)**	(1,330)
Other expenses	3	**(5,433)**	(4,386)
Business development		**(477)**	(121)
Total operating expenses		**(11,595)**	(10,603)
Earnings before interest, taxes, depreciation and amortisation expenses (EBITDA)		**9,424**	6,593
Depreciation and amortisation expense	5,17	**(3,359)**	(3,392)
Finance expenses		**(969)**	(1,012)
Profit before income tax		**5,096**	2,189
Income tax	4	**(1,740)**	659
Profit/(lLoss) for the year		**3,356**	2,848
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Gains/(Losses) on revaluation of Electrical distribution network	5	-	-
Deferred tax impact		-	-
Items that may be subsequently reclassified to profit or loss:			
		-	-
		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		3,356	2,848

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

CENTRAL HAWKE'S BAY CONSUMERS POWER TRUST

Balance sheet

As at 31 March 2026

	Notes	Consolidated 2026 $'000	2025 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**1,088**	1,097
Trade and other receivables	8	**6,386**	1,797
Inventories	7	**1,726**	1,874
Current tax receivables		**11**	15
Total current assets		**9,211**	4,783
Non-current assets			
Property, plant and equipment	5	**116,940**	110,617
Intangible assets		**222**	191
Investment property	17	**2,612**	3,067
Investments		**100**	-
Total non-current assets		**119,874**	113,875
Total assets		**129,085**	118,658
LIABILITIES			
Current liabilities			
Trade and other payables		**5,193**	2,418
Interest bearing liabilities	15	**-**	13,367
Contract liabilities	2	**74**	1,686
Current tax liabilities		**631**	41
Employee provisions		**450**	440
Total current liabilities		**6,348**	17,952
Non-current liabilities			
Interest bearing liabilities	15,16	**24,000**	6,000
Employee Provisions		**56**	55
Derivative financial instruments		**56**	211
Deferred tax liabilities	4	**17,889**	17,060
Total non-current liabilities		**42,001**	23,326
Total liabilities		**48,349**	41,278
Net assets		**80,736**	77,380
EQUITY			
Share capital	10	**8,000**	8,000
Reserves		**9,420**	9,420
Retained earnings		**63,316**	59,960
Total equity		**80,736**	77,380

For and on behalf of the Trust.

Trustee
Date 16.7.26

Trustee
Date 16.7.26.

The above balance sheet should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 31 March 2026

		Attributable to equity holders of the Company			
	Notes	Share capital $'000	Revaluation reserve $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 April 2025		8,000	9,420	59,960	77,380
Profit/(loss) for the year		-	-	3,356	3,356
Other comprehensive income:					
Revaluation of Electricity distribution network	5	-	-	-	-
Deferred tax on revaluation		-	-	-	-
Restated tax movement		-	-	-	-
Total other comprehensive income		-	-	-	-
Total comprehensive income		**-**	**-**	**3,356**	**3,356**
Dividends		-	-	-	-
Balance as at 31 March 2026		**8,000**	**9,420**	**63,316**	**80,736**
Balance as at 1 April 2024		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
Total comprehensive income		**-**	**-**	**2,861**	**2,861**
Dividends		-	-	-	-
Balance as at 31 March 2025		**8,000**	**9,420**	**59,960**	**77,380**

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 2026

	Consolidated 2026 $'000	2025 $'000
Cash flows from operating activities		
Receipts from customers	**17,647**	16,427
Contributions for capital works	**1,121**	816
Interest received	**4**	25
Income taxes received	**79**	-
Payments to suppliers and employees	**(11,530)**	(9,758)
Interest paid	**(969)**	(1,012)
Income taxes paid	**(396)**	(235)
Net cash inflow / (outflow) from operating activities	**5,956**	6,263
Cash flows from investing activities		
Purchases of Investments	**(100)**	-
Costs incurred for solar farm future investment	**(905)**	-
Proceeds from disposal of property, plant and equipment	**25**	395
Purchase and construction of property, plant and equipment	**(9,618)**	(11,503)
Net cash inflow / (outflow) from investing activities	**(10,598)**	(11,108)
Cash flows from financing activities		
Proceeds from other borrowings	**4,633**	4,500
Payment of Dividends	**-**	-
Net cash inflow / (outflow) from financing activities	**4,633**	4,500
Net increase (decrease) in cash and cash equivalents	**(9)**	(345)
Cash and cash equivalents at the beginning of the financial year	**1,097**	1,442
Cash and cash equivalents at end of year	**1,088**	1,097

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

1 About this report

(a) Entity reporting

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 provides 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.

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

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

These consolidated financial statements have been approved for issue by the Trustees on 16 July 2026.

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.

(b) 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 IFRS 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 does not have 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.

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.

(c) 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.

(d) Principles of consolidation

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

(e) New and amended standards adopted by the Group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the External Reporting Board ('XRB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards issued but not yet effective and not early adopted.

Certain new accounting standards and amendments have been issued that are not yet mandatory for the 31 March 2026 reporting period and have not been early adopted. Those that are relevant to the Group are set out below.

NZ IFRS 18 Presentation and Disclosure in Financial Statements replaces NZ IAS 1 Presentation of Financial Statements and is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. Many of the original NZ IAS 1 disclosure requirements are retained, and there is no impact on the recognition or measurement of items in the financial statements. Key changes include:

- New requirements to classify income and expenses into defined categories (operating, investing and financing) in the Statement of Comprehensive Income;
- Introduction of two new defined subtotals – "Operating Profit" and "Profit before Financing and Income Taxes";
- Enhanced disclosure requirements for management-defined performance measures (for example, EBITDAF or adjusted profit); and
- Enhanced requirements and principles for the location, aggregation and disaggregation of information in the primary statements and the notes.

The Group has performed a preliminary assessment and expect the standard will require changes to the structure and presentation of the Statement of Comprehensive Income, including the key changes noted above. The Group will adopt the standards from 1 April 2027.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to NZ IFRS 9 and NZ IFRS 7). These amendments are effective for annual reporting periods beginning on or after 1 January 2026 (the year ending 31 March 2027 for the Group). They clarify the classification of financial assets with ESG-linked and similar features, provide an option to derecognise certain financial liabilities settled by electronic payment, and introduce new disclosures for equity investments designated at fair value through other comprehensive income and for financial instruments with contingent features. The Group does not expect these amendments to have a material impact, as it holds financial assets at amortised costs and derivatives measured at fair value through profit or loss, and has no equity investments designated at fair value through other comprehensive income.

Amendments to NZ IFRS 10 and NZ IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. These amendments are effective for annual reporting periods beginning on or after 1 January 2028 (the year ending 31 March 2029 for the Group). They require an entity to recognise a full gain or loss when a transaction with an Associate or Joint Venture involves a business, and only a partial gain or loss when the transaction involves assets that do not constitute a business. As described in Note 14, after balance date the Group contributed assets to a newly established Joint Venture at a fair value above their carrying amount. These amendments may affect the measurement and timing of any gain recognised on such contributions in future periods, depending on whether the assets contributed are assessed to constitute a business. The Group is assessing the impact and does not expect to early adopt.

There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation, amortisation and derivative financial statements (EBITDAF) or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 April 2027.

(f) 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)

(g) Notes to the financial statements

Information that is considered material and relevant to the users of these financial statements is included within the notes to the financial statements. The assessment of materiality and relevance includes qualitative as well as quantitative factors including the size and nature of the balance and if the balance is important in understanding the Group's current or future performance.

Other relevant accounting information not included in the notes to the accounts is included below.

1.1 Summary of CHBCPT's financial performance for the year ended 31 March 2026

	2026	2025
	$'000	$'000
Revenue	**162**	217
Trustee expenses	**(79)**	(76)
Other expenses	**(83)**	(115)
Net Surplus	**-**	26

1.2 Summary of CHBCPT's financial performance for the year ended 31 March 2026

	2026	2025
	$'000	$'000
Current assets	**165**	164
Non-current assets	**8,000**	8,000
Total assets	**8,165**	8,164
Current liabilities	**(21)**	(20)
Net Assets	**8,144**	8,144
Equity	**8,144**	8,144

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

2 Revenue

Revenue streams

The Group 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.

	Consolidated	
	2026	2025
	$'000	$'000
Net revenue from contracts with customers[1]	**20,643**	16,887
Other income:		
Interest income	**4**	25
Gain on sale of Investment Property	**-**	89
Miscellaneous income	**217**	195
Change in fair value of derivative financial instruments	**155**	-
Total revenue	**21,019**	17,196

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

	2026	2025
	$'000	$'000
Electricity line revenue[1]	**18,741**	14,783
Capital contributions	**1,121**	816
Contracting revenue	**763**	1,283
Other	**18**	5
	20,643	16,887

Accounting policy

(i) Electricity line revenue

The Group owns, manages and operates an electricity distribution network. The Group 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 Group's electricity distribution network.

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.

2 Revenue

From time to time, the Group 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 Group'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.

	Consolidated	
	2026	2025
	$'000	$'000
Other expenses from ordinary activities		
Trustees' Fees	**79**	76
Audit New Zealand - Audit services	**174**	151
Audit New Zealand - Regulatory disclosures	**58**	61
Directors' Fees	**213**	190
Donations	**2**	1
Bad Debt expenses	**(5)**	4
Other operating expenses	**4,912**	3,903
	5,433	4,386

4 Taxation

	Consolidated 2026 $'000	2025 $'000
(a) Income tax expense		
Current tax	**924**	301
Deferred tax associated with timing differences	**829**	(766)
Prior period current tax adjustment	**(13)**	(194)
Income tax expense	**1,740**	(659)

	2026 $'000	2025 $'000
(b) Reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	**5,096**	2,189
Income tax @ 28%	**1,427**	613
Tax effects of:		
• Income not subject to tax	**28**	24
• Effects of buildings becoming non-depreciable	**-**	(1,167)
• Expenses not deductible for tax purposes	**71**	65
Prior period current tax adjustment	**214**	(194)
Income tax expense	**1,740**	(659)

	2026 $'000	2025 $'000
(c) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**18,023**	17,240
Employee provisions	**(111)**	(107)
Derivatives	**(16)**	(59)
Other provisions	**(7)**	(14)
Total deferred tax liabilities	**17,889**	17,060
Movements:		
Opening balance	**17,060**	17,826
Deferred portion of current year tax expense	**829**	(766)
Amounts charged or credited direct to equity	**-**	-
Closing balance	**17,889**	17,060

A deferred tax asset has not been recognised in relation to losses of $2,333,885 in the Trust (2025: $2,205,982)

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
Year ended 31 March 2026					
Opening net book amount	96,870	280	10,933	2,534	110,617
Additions	9,062	-	71	545	9,678
Disposals	-	-	-	(11)	(11)
Assets classified as investment property	-	-	-	-	-
Depreciation charge	(2,420)	(65)	(229)	(630)	(3,344)
Revaluation	-	-	-	-	-
Closing net book amount	103,512	215	10,775	2,438	116,940
At 31 March 2026					
Cost	20,806	774	11,711	7,923	41,214
Valuation	87,391	-	-	-	87,391
Accumulated depreciation	(4,685)	(559)	(936)	(5,485)	(11,665)
Net book amount	103,512	215	10,775	2,438	116,940
Year ended 31 March 2025					
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 value	96,870	280	10,933	2,534	110,617
At 31 March 2025					
Cost	11,744	1,398	11,762	7,581	32,485
Valuation	87,391	-	-	-	87,391
Accumulated depreciation	(2,265)	(1,118)	(829)	(5,047)	(9,259)
Net book amount	96,870	280	10,933	2,534	110,617

(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 $4,496m, this resulted in an opening net book value of $96,870m in 2026. A valuation was carried out in the current year using the DCF approach. It was not materially different to the carrying amount. No adjustment has been made in 2026.

In the absence of an active market for the network, the Group calculated fair value using significant unobservable inputs (Level 3, as defined in NZ IFRS 13). The Group used a discounted cash flow (DCF) methodology. The Group 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 following key assumptions were applied in the methodology:

- Line Revenue forecast

For the year ending 31 March 2027, forecast revenue assumed the board approved budget for the period. For subsequent years, it was assumed that revenue will increase by 6% in 2027, by 4% in 2028, by 4% in 2029 and followed by 4% increases per annum to 2036.

- Cashflows were discounted using a post-tax Weighted Average Cost of Capital (WACC) 5.90% (2025: 6.18%).

A sensitivity analysis of the key assumptions shows that the biggest impact on the NPV of the future cash flows for the Group's 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 $4.7m and ($5.2m) respectively.
- An operating expense increase/(decrease) of 5% would decrease/(increase) the network's fair value by $2.4m and ($2.3m) respectively and,
- A distribution revenue increase/(decrease) of 5% would increase/(decrease) the network's fair value by $5.5m and ($5.7m) respectively.

(b) Capital work in progress

Capital work in progress as at 31 March 2026 of $6,465,725 (2025: $4,496,287) of which $6,465,725 is included in Electrical distribution network additions.

(c) Capital commitments

The value of contractual capital commitments as at 31 March 2026 is estimated at $Nil (2025: $2,260,000).

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 Group 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 Group 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

	Consolidated	
	2026	2025
	$'000	$'000
Cash at bank and in hand	**616**	248
Deposits at call	**472**	849
	1,088	1,097

(a) Risk exposure

The Group'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.

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.

	Consolidated	
	2026	2025
	$'000	$'000
Stock	**1,708**	1,830
Work in progress	**18**	44
	1,726	1,874

8 Trade and other receivables

	2026	2025
	$'000	$'000
Trade receivables	**2,240**	1,837
Provision for doubtful receivables	**(17)**	(50)
	2,223	1,787
Sundry Receivables and Accruals	**400**	10
Prepayments	**3,763**	-
Total trade and other receivables	**6,386**	1,797

(a) Impaired receivables
Movements on the provision for impairment of trade receivables are as follows:

	2026	2025
	$'000	$'000
At 1 April		
Opening balance	**(50)**	(73)
Provision for impairment recognised during the year	**(17)**	(27)
Receivables written off during the year as uncollectible	**45**	28
Amounts recovered during the year	**5**	22
At 31 March	**(17)**	(50)

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 Group 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.

Prepayments – costs incurred on behalf of the Joint Venture.

Prepayments of $3,763,000 (2025: $Nil) are costs incurred by the Group on behalf of the Joint Venture to develop the solar farm. They will be set off against the Group's cash contribution at financial close (refer Note 14).

Receivables - other – deemed contribution

Receivables – other is shown separately as it is distinct from ordinary trade receivables. It represents the project assets (resource consent, supporting documentation, network connection approval and related rights). The Group will contribute as a non-cash ("deemed") contribution in exchange for partnership equity at financial close (refer Note 14).

9 Financial risk management

The Group's activities expose it to a range of financial risks, including liquidity risk, debt funding risk, interest rate risk, credit risk, and foreign exchange risk. These risks are managed in accordance with the Group's Board-approved Treasury Policy, which sets out the framework, control limits and reporting obligations for the Treasury function. The Audit and Risk Committee oversee compliance with the Treasury Policy on behalf of the Board. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group'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:

	Consolidated	
	2026	2025
	$'000	$'000
Fair value of financial assets at amortised cost		
Cash and cash equivalents	**1,088**	1,097
Trade and other receivables	**2,623**	1,787
	3,711	2,884
Financial assets at fair value through profit or loss		
Derivative financial instruments		-
		-
Fair value of financial liabilities at amortised cost		
Trade and other payables	**4,599**	2,398
Bank Loans	**24,000**	19,367
	28,599	21,765
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	**56**	211
	56	211

Note, the Group 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 Group incurs credit risk from accounts receivable, bank balances and investments. There is no significant concentration of credit risk and the Group 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 Group's Treasury Policy. The Group'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 is the risk that the Group is unable to access cash to fund mismatches in its cashflows as they fall due. In accordance with the Treasury Policy, the Group maintains external debt plus available (undrawn) committed bank debt facilities, together with cash and cash equivalents, at a level of not less than 110% of peak 12-month projected debt, or $2 million, whichever is greater, at all times. Cash and cash equivalents for this purpose are limited to cash, overnight bank deposits, wholesale/retail bank term deposits of no greater than 31 days, and bank-issued Registered Certificates of Deposit of less than 181 days. A rolling 12-month debt and cash flow forecast is prepared and updated monthly to monitor compliance with this limit and to identify funding requirements. The Group complied with the liquidity risk control limit throughout the year.

(d) Debt funding (refinancing risk)

Debt funding risk is the risk that the Group is unable to refinance existing facilities, or raise new debt, at acceptable pricing (fees and borrowing margins) and terms. All new loans and committed bank debt facilities, including refinancing, are approved by the Board. The Treasury Policy requires refinancing activity to be initiated well ahead of facility maturity, with replacement facilities executed prior to the maturity date, to manage the risk of adverse pricing or terms. As at 31 March 2026, the Group held committed wholesale term loan facilities of $35.0 million, of which $24.0 million was drawn (2025: $22.0 million, of which $19.4 million was drawn). (refer Note 15).

(e) Interest rate risk

Interest rate risk is the risk of adverse financial impact arising from current and future debt repricing at market interest rates above budgeted financing costs. The primary objective of interest rate risk management is to reduce uncertainty around market interest rate movements through the fixing of interest costs. A secondary objective is to spread and smooth net financing costs within acceptable risk parameters.

The Treasury Policy requires the Group to manage its fixed/floating interest rate profile, calculated on forecast core gross debt, within Board-approved limits across maturity bands ranging from 0-12 months through to 60-120 months. The Group uses interest rate swaps to convert floating-rate exposures to fixed rate, providing more certainty around interest expenditure.

As at 31 March 2026, interest rate swaps with a notional principal of $16 million were in place, converting floating-rate interest (BKBM) to fixed rates between 3.42% and 5.01%. The Group complied with the Treasury Policy hedging limits during the year.

(f) Foreign exchange risk

Foreign exchange risk is the risk that the New Zealand Dollar value of foreign currency payments will vary because of changes in foreign exchange rates during the life of the transaction. The Group had no material foreign currency exposures during the year (2025; $Nil). Where exposures arise, they are managed in accordance with the Treasury Policy, which sets transaction-size thresholds and approved hedging instruments.

(g) Derivatives – 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 and loss in the Statement of Comprehensive Income. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

9 Financial risk management (Continued)

Classification of financial assets

The Group has two classifications of financial assets. All cash and cash equivalents and investments are classed as financial assets at amortised costs. 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 profit or loss. Derivative financial assets are classed as fair value through profit or loss.

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 principal 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.

10 Share Capital

	2026 Shares '000	2025 Shares '000	**2026 $'000**	2025 $'000
Ordinary shares				
Fully paid (no par value)	**8,000**	8,000	**8,000**	8,000

11 Related party transactions

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

(a) Key management and personnel compensation

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

Centralines Limited has a management contract operated by Unison Network Limited, an electricity lines company based in Hastings. This contract provides for executive, financial and technical managerial services for Centralines Limited. The contract runs until 31 March 2029, with a right to extend by a further 5 years.

The key management personnel includes Trustees of the Central Hawke's Bay Consumers Power Trust, Directors of Centralines Limited and employees of Unison Networks Limited who provide key management services as part of the management contract with Centralines Limited. There are no employees of the Group who are classified as key management personnel.

The compensation paid or payable to Directors of Centralines Limited was $210,350 (2025: $189,500)

The compensation paid or payable to Trustees of Central Hawkes Bay Consumers Power Trust was $79,350 (2025 $76,280)

Transactions with related parties

			Transaction		**Year-end**	
Related Party	**Nature of transactions**	**Relationship with Trust**	**2026 $'000**	2025 $'000	**2026 $'000**	2025 $'000
Unison Networks Limited	Purchases materials, management services and contracting services	Key management personnel	**6,359**	6,337	**533**	584
Trustees	Lease payments	Trustee	**19**	-	-	-

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 (2025: $2,400)

The Group 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:

	2026 $'000	2025 $'000
Operating Leases as a Lessee		
No later than 1 year	**2**	2
Later than 1 year and no later than 5 years	**1**	3
Later than 5 years	**-**	-
Total	**3**	5

The Group 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 Group during the year is $112,750 (2025: $110,000)

	2026 $'000	2025 $'000
Operating Leases as a Lessor		
No later than a year	**113**	110
Later than a year and no later than 5 years	**318**	422
Later than 5 years	**-**	-
Total	**431**	532

13 Contingencies

As at 31 March 2026 the Group had no contingent liabilities or assets (2025: $Nil).

14 Events occurring after the reporting period

After balance date the Group reached financial close on a Joint Venture to develop, construct and operate the 32 MW Ongaonga Road Solar Farm at Hobin Road, Ongaonga, Central Hawkes Bay (the Project).

The Group and subsidiaries of Lodestone Energy Limited (Lodestone) each hold a 50% interest in a limited partnership (the LP) formed to deliver the Project. The Groups holds its interest through a newly incorporated wholly owned subsidiary, Ruahine Energy Group Limited (REG). Under the limited partnership agreement, Reserved Matters and the appointment or removal of the general partner require unanimous limited-partner approval, so no single partner controls the LP.

Management has assessed the arrangement under NZ IFRS 10 and NZ IFRS 11 and concluded the Group has joint control, not control. The arrangement is a Joint Venture. Accordingly:

- In the Group's consolidated financial statements, the investment will be equity accounted under NZ IAS 28 (not consolidated); and

- In the Centraline's separate financial statements, it will be measured at cost under NZ IAS 27.

The Project is funded by senior bank debt and equity contributed equally by the partners. The Group's contribution comprises a cash contribution and a non-cash ("deemed") contribution – the Project assets transferred to the LP under a deed of transfer, being the resource consent, supporting environmental documentation, the network connection approval related intellectual property and associated goodwill (The Centralines Assets).

14 Events occurring after the reporting period (Continued)

The contribution amounts are commercially sensitive and subject to confidentiality obligations under the transaction agreements. Given the potential prejudice to the commercial interests of the Group and its partner, the directors consider the specific amounts should not be disclosed, and the financial effect is described in qualitative terms only. An estimate of the financial effect cannot be reliably disclosed without prejudicing these confidentiality obligations.

Costs incurred by the Group on behalf of the Joint Venture before financial close – early works costs (shared equally) and prepaid development costs – will be set off against the Group's cash contribution at financial close. These are held within prepayments and capital work in progress at balance date (refer Notes 5 and 8).

At financial close the Joint Venture entered a senior facilities agreement with ASB Bank Limited. The facility is borrowed within the Joint Venture structure (through REG and the LP) and is non-recourse to the Group, which is not a guarantor and provides no security. The Group retains ownership of the land (held as investment property – refer Note 18) and leases it to the LP.

Financial close occurred in June 2026, after balance date and before these financial statements were authorised for issue. On close, the partner equity contributions were made and the Centralines Assets transferred to the LP.

There were no other material events after balance date.

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. The Group utilises Wholesale term loan facility arrangements, with a facility limit of $35 million with varying maturity dates. This facility will be routinely renewed on maturity dates, so all borrowing under this facility is reported as term borrowings.

The bank facility is secured by a General Security Agreement over the assets of the Group. The facility (including current and non-current loans) is subject to various covenants including a leverage ratio. The Group complied with all covenants for the 2026 year.

(b) Interest Rate Risk Exposure

The Group will manage its interest rate risk exposure by the use of an amortising interest rate SWAP over its wholesale term loan borrowing. The Group'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 Group's 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 $220,806 (31 March 2025: $102,843)

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

	2026	2025
	$'000	$'000
Bank loans	**-**	13,367
Total secured current interest-bearing borrowings	**-**	13,367

16 Non-current liabilities - Interest bearing liabilities

(a) Bank Loans

Loan 1, $13 million, maturity 31 August 2027
Loan 2, $22 million, maturity 31 August 2028

	2026	2025
	$'000	$'000
Bank loans	**24,000**	6,000
Total non-current interest-bearing liabilities	**24,000**	6,000

17 Investment property

	2026 $000	2025 $000
Balance at 1 April	**3,067**	1,163
Transfer from property, plant and equipment	**192**	2,097
Additions	**5**	114
Depreciation	**(13)**	(15)
Depreciation transfer from property, plant and equipment	**(192)**	-
Disposals	**(447)**	(292)
Impairment		-
Balance at 31 March	**2,612**	3,067
Cost	**2,832**	3,082
Accumulated depreciation	**(220)**	(15)
Book value	**2,612**	3,067

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.

Critical judgements are the classification of investment property.

Investment property 1

The fair value at 31 March 2026 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 2026 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 Group. The property is currently leased. The property is held at historical cost.

Investment property 3

The fair value at 31 March 2026 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.