WEL ENERGY TRUST

ANNUAL REPORT

For the year ended 31 March 2025

Apart from the images in the individual community stories, photos throughout this report have been supplied by the following organisations, and the Trust offers heartfelt thanks to them: Perry Outdoor Education Trust (including cover), Tainui Waka Cultural Trust, Lightning Events (Balloons over Waikato Festival) and Yield Marketing (staff photo).

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about WEL Energy Trust

Core Purpose

To ensure that WEL Networks Ltd operates as a successful business for the benefit of the community.

WEL Energy Trust (the Trust) was formed in 1993, and is now the 100% shareholder of WEL Networks Ltd.

Elected every three years, the Trustees are the kaitiaki on behalf of the community of an important community infrastructure asset, WEL Networks Limited, which is the electricity lines distribution business in our region.

Under our Trust Deed, the core purpose of the Trust is to:

1. Ensure the Electricity Lines Company operates as a successful business.
2. Invest surplus funds into the community.

The WEL Group, the Trust and WEL Networks Ltd support energy solutions and investments which enable our communities to thrive, now and into the future.

The Capital Beneficiaries are Hamilton City Council (63%), Waikato District Council (35%) and Waipa District Council (2%).

Vision

The Trust Vision has been a thriving, connected and equitable Waikato. We continue to believe that this is best achieved by backing those who are leaders in our community, by taking an intentional and research-based approach to impact, and by connecting, collaborating, and supporting collective efforts.

Our Values | Ngaa Uara

Te Tiriti o Waitangi
We aim to continue to strengthen the relationship and trust between iwi, hapuu, whaanau and our organisation.

Connected
We are actively working within the community and are connected to the people and partners to deliver positive outcomes together.

Purpose Driven
Our actions seek to deliver a clear and positive outcome.

Integrity
We act in good faith and are prepared to be accountable.

This Annual Report outlines our progress during the 2024/25 financial year. We also invite you to read our newly-adopted 2025-28 Community Investment Strategy which is available on our website, www.welenergytrust.co.nz.

organisational **directory**

Trustees

(as at 31 March 2025)

The next Triennial Election will be held in June 2026.


Rachel Afeaki


Mike West


Alan Chew


Jan Johnston


Matt Silverton


Natasha Harvey


Jamie Strange

Staff

Shelley Halpin
(Trust Administrator)

Vanessa Keith
(Finance Administrator)

Marcel Manders
(Chief Executive Officer)

David Cowley
(Grants Manager)

Stacey Ward
(Grants Advisor)

Trust Committees

Finance, Audit and Risk

Natasha Harvey
(Chair to July 2024)

Michael West
(Current Chair)

Rachel Afeaki

Investment Committee (disbanded July 2024)

Jamie Strange (Chair)

Rachel Afeaki

Noah Schiltknecht
(Independent Member)

Marcel Manders
(Chief Executive Officer)

Grants Committee

Rotational after Quick Response rounds and as required for other Funds (such as Convening and Organisational Development, Vital Impact)

chair's
report

Kia ora, Malo e lelei, Talofa Lava, Ni Hao, Namaste, Bula Vinaka, Fakaalofa lahi atu, Kia 'orana, Mauri, Goeiedag, Greetings.

This year marked a steady, business-as-usual period of delivery for the WEL Energy Trust (the Trust), as the Board advanced its responsibilities under the Trust Deed through the implementation of our Annual Plan. While operationally stable, the Trust remains acutely aware of the rapidly evolving energy landscape across the Waikato Region. The Trust continues to deepen our working relationship with WEL Networks Ltd (the Company) to continue delivering value for our WEL Communities.

The rising demand and use for electricity across the Waikato – driven by population growth, industrial expansion, and the electrification of transport and manufacturing – is reshaping our region. More households and businesses are transitioning to cleaner, renewable electricity, reflecting both global trends and local aspirations for sustainability.

In response, the Trust is committed to leading from the front. We are increasing collaboration, fostering innovation, and supporting education to ensure that our communities continue to benefit from a power supply that is reliable, affordable, and future-ready.

Our WEL Communities

Our principal contribution to the region continues to be through our 100% ownership of WEL Networks and its subsidiaries (the Company). This ensures the continued delivery of a safe, reliable, and future-ready electricity distribution network for the benefit of all. In parallel, the Trust remains committed to balancing its obligations with both Capital and Income Beneficiaries – ensuring that long-term value is preserved while continuing to deliver meaningful, present-day impact.

Capital Beneficiaries

Our Capital Beneficiaries—Hamilton City Council (63%), Waikato District Council (35%), and Waipā District Council (2%)—benefit from our prudent strategic stewardship of the WEL Group. Under the guidance of capable, future-focused Directors and supported by a strong executive team, the Company has responded effectively to a rapidly evolving electricity sector. Strategic investments in generation and storage assets have strengthened and complemented ongoing network growth.

In parallel, the Trust's own diversified investment portfolio - currently valued at approximately ~$73 million and comprising term deposits, impact investments, community loans, and equities, has contributed to growing the total Trust Fund to approximately ~$1.16 billion.

Income Beneficiaries

The Trust supported its Income Beneficiaries through a variety of mechanisms funded by the Company's earnings and returns on the Trust's broader investment portfolio:

1. **The Discount**

   The greatest level of support to our Beneficiaries comes through the 'Discount'—a longstanding agreement between the Trust and the Company. This is derived from the regulated portion of the Electricity Distribution Business, meaning consumers benefit not only from regulatory protections, but also from the added financial support provided through the 'Discount'. For FY25, $14.5 million (including GST) was credited to the power accounts of all customers connected to the WEL Network during April and May. This initiative reached nearly 102,000 customers, with the average residential discount amounting to $135.49 (including GST).

2. **Grant Funding**

   Grant funding increased significantly this year — from $6.9 million (including conditional grants) to approximately $10.5 million — reflecting the Trust's strengthened commitment to our WEL Communities. Funding was distributed across our programmes: Quick Response, Community Support, Vital Impact, Convening and Organisational Development, and most notably Whare Ora – Affordable Energy for All. Whare Ora received a dedicated $1 million in funding to support community education and action on energy poverty, supporting our collaboration partnership with the 13 community providers who ensure equitable knowledge and understanding.

   In addition, the Trust established two new funding categories: the Capital Beneficiaries Fund and the Collaborative Energy Fund, further aligning our granting and investment with regional development priorities.

   All grants were assessed in line with the current Community Investment Strategy, ensuring transparency, consistency, and alignment with our long-term outcomes.

Company Performance

The Company delivered strong financial results, with revenue reaching $196 million and a net profit after tax of $20.09 million. A dividend of $9.3 million was returned to the Trust — a notable increase from $6.0 million in 2024 — directly supporting the delivery of this year's initiatives under the Annual Plan.

The Trust acknowledges the significant transformation currently underway in the electricity distribution sector. We support the Company's proactive approach, as articulated by its strategic statement, Leading Waikato's Energy Future. This direction reflects a clear commitment to addressing the energy trilemma — ensuring security, affordability, and sustainability — for the long-term benefit of our WEL communities.

We were pleased to appoint experienced Director, Jim Quinn to the Company Board in June 2024, and we extend our thanks to Company Chair Barry Harris, the Board, and the senior executive team for their continued leadership. Their execution of a long-term strategy not only strengthens the core network but also supports the region's transition to renewable energy, increased electric vehicle adoption, and wider electrification across industries and households.

A Busy Year

The Trust completed its 2022–2025 Community Investment Strategy, He Rautaki Haumi mō te Hapori, and proudly launched the 2025–2028 strategy, continuing our vision of EmPowering Waikato. The new strategy was shaped by prevailing socio-economic conditions and informed by meaningful input from our Capital Beneficiaries and community organisations.

Looking ahead, the Trust will explore opportunities to increase investment in energy-related initiatives and partnerships — including projects that reduce the cost of energy, support community or commercial property, and, where appropriate, utilise the Trust's balance sheet to enhance long-term, intergenerational returns.

We extend our sincere thanks to all who contributed their insights and expertise to the strategy's development.

A key highlight for the year was the Trust hosting the 2024 Energy Trusts of New Zealand (ETNZ) Spring Conference in Kirikiriroa Hamilton — a first for the organisation. We welcomed ETNZ members from across New Zealand to hear from the Trust, the Company, regional sector leaders and community voices, including our very special guest, New Zealand Olympic cyclist Sarah Ulmer.

Finally, the Trust relocated to new premises in the DV Bryant Building, providing a more accessible and functional base to strengthen our engagement with Capital Beneficiaries, community partners, and our WEL communities we serve.

Closing Words

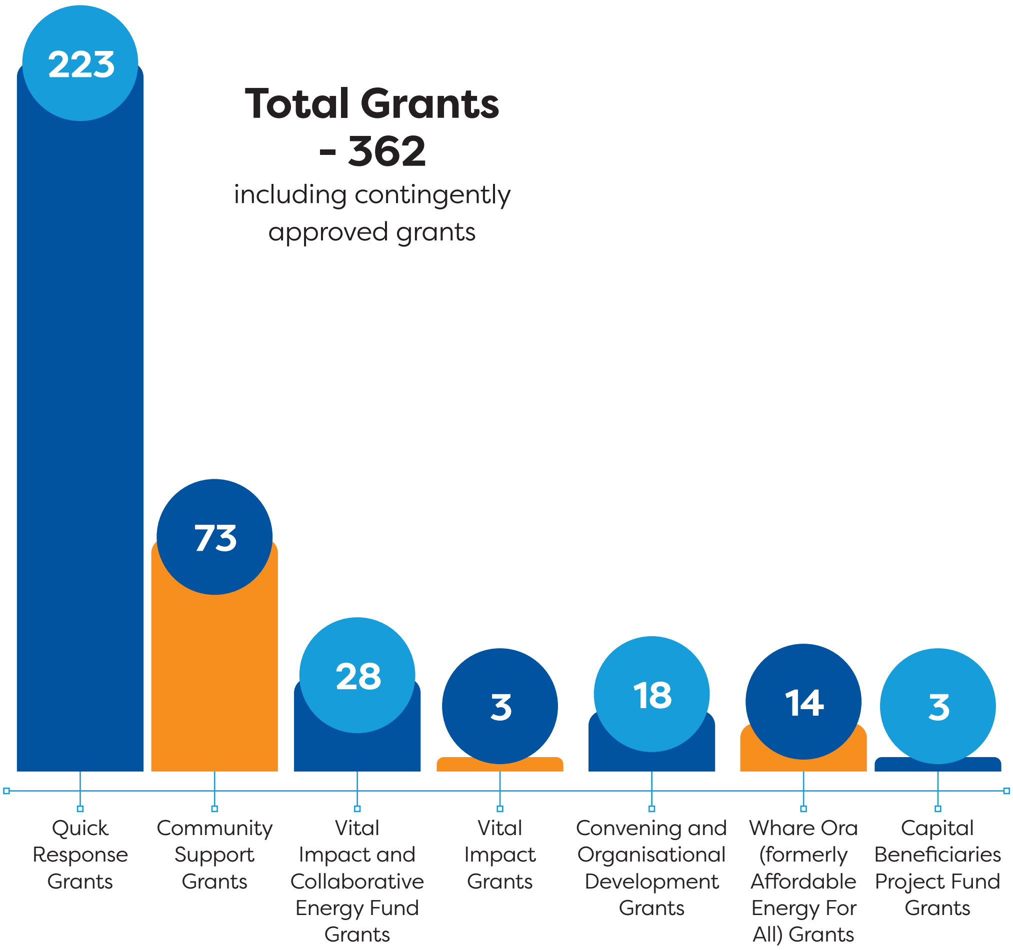
Our sincere thanks and appreciation go to our entire Trust management team led by CEO Marcel Manders for their continued professionalism, commitment, and service to our WEL Communities.

To my fellow Trustees — Natasha Harvey, Jan Johnston, Jamie Strange, Mike West, Alan Chew, and Matt Silverton — thank you for your dedication, wisdom, and principled governance. Your collective leadership remains a cornerstone of the Trust's stability and strategic direction.

The Trust remains confident in the strength of its governance and operations. We stay firmly future-focused, carefully balancing the needs of multiple stakeholders while operating within the parameters of the Trust Deed and our evolving strategic framework. With respect and integrity, we will continue to work closely with the Company to champion collaborative, innovative solutions that deliver lasting value for our WEL Communities and the wider Waikato region.

Ngaa mihi nui, warm regards
Rachel Afeaki, Chair

our grants at a glance



Average Quick Response Grant **$8,895**	Average Community Support Grant **$48,275**	Average Convening and Organisational Development Grant **$17,092**	Average Whare Ora Grant **$71,406**
Average Vital Impact Grant **$220,000**	Average Capital Beneficiaries Project Fund Grant **$510,000**	Average Vital Impact Collaborative Energy Fund Grant **$60,267**	Total Grants Amount Allocated (including contingently approved grants) **$10,692,384**

our pillars

Ngaa Pou

Te Tiriti o Waitangi

We embrace the principles of Te Tiriti o Waitangi through partnering with local iwi, hapuu, whaanau and maaori.

We are committed to honouring the principles of Te Tiriti o Waitangi to achieve the greatest outcomes for all, through meaningful engagement with tangata whenua.

Working Collaboratively

We work together with people and communities to achieve our Vision for the Waikato.

Equity & Equality

We work with others to enable a just and fair community where everyone can participate and prosper.

The Trust's Aims and Pillars guide our grantmaking.

our aims

Ngaa Whainga

Thriving Community
Hapori Taurikura

Opportunities are supported that bring people together to participate in health and wellbeing, sports and recreation, arts and culture, and to celebrate the diversity of our community.

Healthy Environment
He Taiao Hauora

Our taiao is healthy through prioritising waste minimisation, environmental education and locally-led initiatives.

Equitable Outcomes
Ngaa Hua Matatika

Equitable Outcomes are enabled with a focus on tamariki, rangatahi, housing, and education.

Maaori Aspirations
Ngaa Wawata o te Maaori

Local Maaori culture and knowledge is understood, respected and valued as part of our kaupapa.

Photo by Danni MacLennan

community stories

Most of the information in our community stories has been provided through acquittal submissions and we thank the groups involved for allowing us to highlight their organisations.

New Zealand Suzuki Institute Inc

$1,372

Purpose

The grant was used towards the cost of the venue for the Annual Suzuki Concert.

Community Outcomes/Impact

"The Hamilton Branch Annual Suzuki Concert has successfully achieved several positive outcomes for both our members and the wider community. Participants have demonstrated significant growth in their musical abilities, with the preparation and performance experience boosting their self-confidence as both musicians and students. This has fostered a deeper commitment to their musical journeys and inspired ongoing participation

The concert has also strengthened the sense of community among Suzuki families, teachers, and students, creating a supportive environment for musical learning. By showcasing a diverse range of music styles and cultures, the event has helped cultivate a broader appreciation for music, reaching beyond participants to extended families and the local community.

Additionally, the concert has facilitated valuable networking opportunities within the Suzuki community, allowing individuals to connect with others who share a passion for music education. Overall, the concert has provided a meaningful platform for musical growth, personal development, and community engagement, benefiting all involved."

Organisational impact

"The impact of this grant has been significant for our organisation. It enabled us to offer the Annual Suzuki Concert free of charge to families and the wider community, making the event more accessible and inclusive. Additionally, the grant allowed us to conserve our membership fees, which will now be directed towards the preparation for the Summer camp in January 2025. This support has helped ensure the continued success and sustainability of both our events and educational initiatives."

"We would like to express our sincere gratitude for the support provided through this grant. It has had a meaningful impact on our organisation, allowing us to continue offering valuable opportunities for our members and the wider community."

Quita Clifton, Vice Chairperson (now Chairperson)

This project aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura).

Photos by Danni MacLennan

Hamilton New Life Community Trust

$2,500

Purpose

The grant was put towards holding the Shine Ball for people with disabilities.

Community Outcomes/Impact

"Our Shine event this year was a Disco Ball themed event in which 135 disability guests and 50 carers participated. The event is eagerly anticipated each year by the disabled community. There continues to be a strong positive influence on the mental health and wellbeing of participants that goes far beyond the actual event with many already looking forward to next year's event. There have already been unsolicited positive emails received which have been very encouraging to the organisers."

Organisational Impact

"Our organisation looks forward to our annual Shine event and the many volunteers feel they receive as much as they give. The interactions with the special guests and the obvious joy and pleasure seen on the guests' faces is reward in itself. We count it is a privilege to serve the disabled community in this way."

"Our Disco Ball promotes equality and equity by providing those with disabilities a place where they can belong and participate in an event that is not usually available to a group such as them. This event brings people together and celebrates the diversity in our communities."

Alisha Aki, Funding Administrator

This project aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura) and Equitable Outcomes (Ngaa Hua Matatika)

Photos by YHWH Collective

Hamilton City Netball Centre

$90,000

Purpose

This Vital Impact Collaborative Energy grant was used towards a Court Lighting Project.

Community Outcomes/Impact

“We now have 21 courts all lit with LED lights. The light quality has improved over all courts and we will soon see a reduction in our power bills. We are looking forward to the season starting so that we can have more teams playing and training under lights.

We have just been approached by another sport who are wanting to use the courts with lights in our off-season. This will be a great cross-code use of the facility that we will explore.”

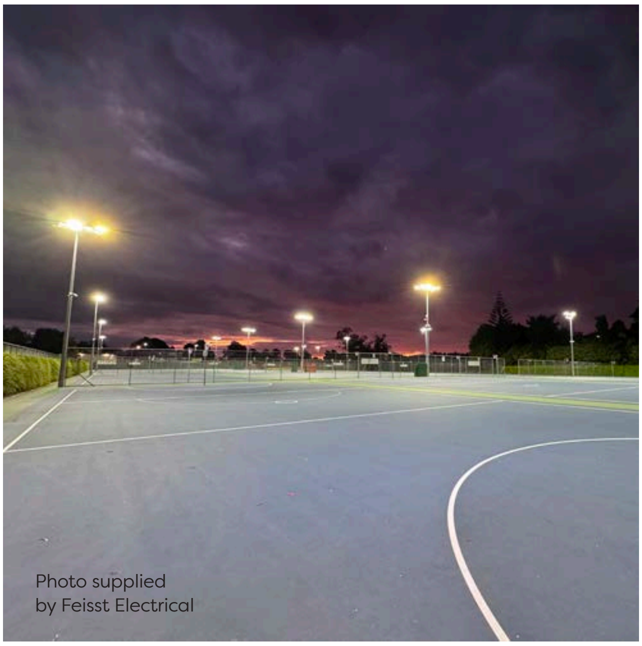


Photo supplied by Feisst Electrical

Organisational Impact

“We are now able to provide a better experience to our community when they play under lights. The quality of the light has improved, we have more courts that are now lit, increasing our capacity, and our power bills will reduce meaning we do not have to keep increasing fees.”

“Thank you for supporting this project!”

Clare Frankhouser, General Manager

This project aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura) and a Healthy Environment (He Taiao Hauora)

Tāngaro Tuia te Ora – Endangered Species Foundation

$10,000

Purpose

The funding was used towards the development and delivery of the Awhi Awa | Embrace a Stream educational and community engagement programme.

Community Outcomes/Impact

"The outcomes achieved include enhanced community awareness and direct engagement in freshwater conservation. Education sessions delivered to local kura and early childhood centres, including Borman Village Kids and Ohinewai Primary. This encouraged hands-on environmental learning and Tamariki participated actively, embracing local streams through educational modules and installing signage of native fish species, raising awareness about protecting waterway ecosystems.

The impact includes strengthened community connections, instilled values of kaitiakitanga, and practical knowledge about freshwater ecosystems and stormwater pollution. The broader community benefits from increased local environmental responsibility, improved biodiversity awareness, connecting people to natural environments where they live, and enabled tangible actions towards healthier waterways, contributing positively towards long-term environmental resilience."

Organisational Impact

"The WEL Energy Trust grant significantly boosted our organisation's capacity to deliver impactful environmental education and community engagement initiatives. Specifically, it enabled the development and piloting of educational resources, signage, and programme delivery at kura, early childhood centres and via workshops. The success and positive community response from these initial pilots have laid a foundation for scaling the Awhi Awa project, enhancing our credibility, reach, and effectiveness in growing environmental responsibility and meaningful conservation actions within the Waikato region."

"Thank you for your support, it has been instrumental in helping us educate local communities and kura to engage meaningfully in freshwater conservation. We look forward to building upon the Awhi Awa project and continuing to expand its impact on the health and biodiversity of our waterways."

Natalie Jessup, General Manager

This project aligned with the Trust Aims towards a Healthy Environment (He Taiao Hauora), a Thriving Community (Hapori Taurikura), and Maaori Aspirations (Ngaa Wawata o te Maaori).

Tāngaro Tuia te Ora – Endangered Species Foundation continued

"By engaging kura and communities in educational activities and hands-on stream guardianship, the project improves environmental health through increased awareness and direct actions to protect freshwater biodiversity. Community resilience has been strengthened by encouraging a collective sense of environmental responsibility and empowering tamariki to practice stream restoration, valuing ika taketake (native fish) and supporting Maaori cultural values. Through co-governance the initiative explicitly supports Maaori-led approaches, further embedding Maaori aspirations into community environmental efforts and decision-making processes."

Woodstock PTA

$3,000

Purpose

The grant was used to bring the first Pasifika fiafia to Kirikiriroa.

Community Outcomes/Impact

"The biggest outcome of this fiafia was to share and celebrate Pasifika performance, culture and food with the Hamilton community. Tamariki and rangitahi learned about different island groups, and proudly performed and presented Pasifika songs and dances, giving them pride in their heritage, promoting understanding and connecting our community. There were 12 stalls outside the fiafia where people could try different island flavours and connect with each other. K'aute Pasifika were also present to promote stopping smoking, vaccinations and other initiatives. We had to limit the number of performances to 12 schools and community groups and 12 stalls for this initial festival due to the capacity of the auditorium at Fairfield Intermediate, however there are more groups who would like to take part in a larger fiafia. The feedback was overwhelmingly positive and everyone is looking forward to a bigger event next year."

Photos by Ben Rangiawha from fotografx_multimedia

Organisational Impact - "Without this grant we would not have been able to bring this fiafia to our community. We are so proud of how the event ran and how the Pasifika and wider community embraced the opportunity to perform and attend the fiafia."

"We are incredibly grateful to WEL Energy Trust for your contribution to allow this fiafia to take place."

Mary Lamberton, Treasurer of Pasifika Fiafia Kirikiriroa

This project aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura).

The Lucy Foundation

$11,000

Purpose

The funds contributed to annual lease and utilities costs, and staffing for the Seed Training Programme.

Community Outcomes/Impact

"The main beneficiaries of the Seed Training Programme are disabled people and the local Waikato community.

Six young people with intellectual disabilities received on-the-job and living wage training through the Seed Training Programme. This included group and one-on-one training, mentoring and coaching to improve trainees' skills and employability. We also supported them to build their professional network and build a sense of belonging in the wider Waikato community. As well as contributing to the The Lucy Foundation (TLF) value chain of coffee, trainees also engaged with at least two potential community employers for the purpose of transitioning into community employment after they graduate from the Seed Training Programme in 2025.

Our main form of community engagement was through coffee parties where trainees went into local businesses and organisations to talk about disability rights, community, culture and coffee. In addition, trainees hosted coffee stalls at local markets and expos and presented about disability rights at conferences and events."

Organisational Impact

"This grant enabled TLF to lease an accessible community space for the Seed Training Programme to take place in. The impact of having our own space was huge. The TLF Hub became a physical place where trainees could be unapologetic in their disability identity, try new skills, make mistakes, grow, learn and explore their vocational hopes and dreams. Without funding from the WEL Energy Trust, we would not have been able to lease this space, nor run the Seed Training Programme."

"We are incredibly grateful to the WEL Energy Trust for seeing the value in the work of disabled person-led organisations that are serving the disability community. It is an incredibly difficult time for our disability community at the moment and the Trust's support is deeply appreciated."

Dr Robbie Francis Watene, Chair of the Board

This work aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura) and Equitable Outcomes (Ngaa Hua Matatika).

Hamilton Disability Arts Festival Trust

$2,000

(for April 2024 Quick Response grant)

Purpose

The grant was used towards the Launched 2024 Festival expenses.

Community Outcomes/Impact

“The Launched Festival, organised by the Hamilton Disability Arts Festival Trust, is an exciting, fun-filled opportunity for people with disabilities to show the world how awesome they are. There are very few opportunities like this, so the Steering Committee, now the biggest it has ever been, feels quite passionate about continuing to provide it.

The Launched Festival was once again a celebration of various artistic mediums, and a coming together of the community to applaud the talents and efforts that were on display. People from Hamilton and the greater Waikato came to display their art, perform and watch the Show. The performances were, once again, of their normal amazing calibre, with everyone showing us all how it’s done with style. Each year we learn from the previous year and strive to make the shows flow as smoothly as possible.

Each year new acts join the Festival, impressing us with their skills and confidence. People who have never performed in front of a live audience before come away full of confidence to do so again next year. This year we had 10 new performers. The thrill of achieving such a powerfully successful and independent performance could be felt long after their songs had finished.

It is absolutely incredible how people who have challenges in everyday life can reveal talents which create the most stunning pieces of artwork. There were different types of art displayed of course because peoples’ talents are so diverse. The Enrich + sewing group brought along some amazing pieces. This year’s winner of the People’s Choice Award was Giovanni Woods with ‘The Frog.’ The arts display

Hamilton Disability Arts Festival Trust continued

gives everyone an opportunity to show off their skills as not everyone can sing or is comfortable holding a microphone."

Organisational Impact

"Without the WEL Energy Trust grant we would not be able to hold the Launched Festival. This year we had four people wishing to join our Steering Committee telling us that this is a very welcome and important event in everyone's calendar."

"Thank you so much. Receiving the WEL Energy Trust grants enables us to hold the Launched Festivals which are very important to so many people in the community."

Lillian Martin, Festival Coordinator

This project aligned with the Trust Aims towards a Thriving Community (Hapori Taurikura) and Equitable Outcomes (Ngaa Hua Matatika).

Photos supplied by Launched 2024

recipient organisations

Organisation Name	Funding Allocation
A Rocha Aotearoa New Zealand	$12,000
Abbeyfield Waikato Inc	$7,890
Air Training Corps Association of NZ - 7 Squadron Hamilton	$4,780
Aphasia New Zealand (AphasiaNZ) Charitable Trust	$5,000
Art in Nature Arboretum Trust	$10,000
Arts for Health Community Trust	$15,000
Arum Aikido Club	$2,000
Asthma & Respiratory Services (Waikato) Inc	$12,500
Balloons over Waikato Trust	$110,000
Beerescourt Tennis Club Inc	$5,000
Big Buddy Mentoring Trust	$10,000
Bowel Cancer Aotearoa Charitable Trust	$5,000
Brain Injury Waikato Inc	$15,000
Brain Tumour Support Trust NZ	$2,782
Chamber Music New Zealand	$4,000
Chartwell Co-operating Parish	$1,000
Childplayworks Charitable Trust	$6,000
Christian Youth Camps Inc	$20,000
Citizens Advice Bureau Hamilton Inc	$27,500
Clarence Street Theatre Trust (2)	$75,000
Claudelands Croquet Club Inc	$12,759
Community and Enterprise Leadership Foundation	$20,000
Community Energy Whāingaroa Ltd (3)	$212,500
Community Link Trust	$40,000
Complex Chronic Illness Support Inc	$5,000
Creative Waikato Trust (2)	$370,000
Crunch Arts Trust	$6,000
Dance Therapy NZ	$9,000
David Johnstone Pukemokemoke Bush Trust	$15,000
Dementia Waikato Charitable Trust	$12,000
Desert Spring Ministries Trust (2)	$108,000
Diversity Counselling New Zealand	$57,500
Dyslexia Association of Waikato	$12,500
Eastlink Badminton Society Inc	$50,000
Eastlink Cricket Club Inc	$3,200
EcoMatters Environment Trust	$75,000

Organisation Name	Funding Allocation
Efalata Trust	$10,000
English Language Partners New Zealand Trust	$9,316
Epilepsy Association of New Zealand Inc	$4,064
Epilepsy Waikato Charitable Trust	$15,000
EquiPotential NZ Inc	$15,000
EVolocity Charitable Trust	$10,000
Fairfield College	$5,000
Families Autism and Behavioural Support Trust	$30,000
Fast Track Inclusion Trust	$6,000
Flyers Junior Basketball Club	$7,500
Footnote Dance Trust Board	$7,018
Frankton Rugby Sports Club	$20,000
Fraser-Tech Rugby Football Club Inc	$17,000
Friends of Hamilton Public Libraries Association (2)	$8,720
Friendship House (Huntly) Community Charitable Trust (2)	$92,240
Galaxy Waikato Touch Club Inc	$2,500
Get Kids Active Charitable Trust (2)	$16,000
Girls Rock Aotearoa Inc	$13,000
Glen Afton and Pukemiro Districts Community Hub Inc	$12,500
Glenview Community Centre (3)	$87,000
Graeme Dingle Foundation Waikato	$50,000
Gymsports New Zealand Inc	$4,131
Habitat for Humanity Central Region Ltd	$80,000
Hamilton Aquatics Inc	$5,000
Hamilton Arts Trust	$10,000
Hamilton Bengali Association Inc	$4,000
Hamilton Blues Society New Zealand Inc	$4,000
Hamilton Branch - New Zealand Suzuki Institute	$1,372
Hamilton Caledonian Society's Pipe Band Inc	$3,146
Hamilton Children and Families Trust	$5,000
Hamilton Chinese Golden Age Society Inc	$2,000
Hamilton Christian Nightshelter Trust (2)	$45,000
Hamilton Christmas Charitable Trust	$15,000

Organisation Name	Funding Allocation
Hamilton Citizens Band Inc	$5,000
Hamilton City Council (2)	$1,050,000
Hamilton City Gymnastics Inc	$3,000
Hamilton City Netball Centre Inc	$90,000
Hamilton Colombian Community Trust	$4,000
Hamilton Combined Christian Foodbank Trust (2)	$60,000
Hamilton Competitions Society Inc	$2,000
Hamilton Disability Arts Festival Trust (2)	$4,500
Hamilton Gardens Summer Festival Foundation	$120,000
Hamilton Girls' High School	$90,000
Hamilton Golf Club Inc	$7,500
Hamilton Harriers Club Inc	$6,000
Hamilton Kerala Samajam Inc	$2,500
Hamilton Lodge of the Theosophical Society Inc	$2,000
Hamilton Marist Rugby Football Club Inc	$25,000
Hamilton Methodist Social Services Trust	$22,500
Hamilton Multicultural Services Trust (2)	$120,000
Hamilton New Life Community Trust	$2,500
Hamilton Old Boys Cricket Club Inc	$8,000
Hamilton Old Boys Rugby and Sports Club Inc (2)	$120,000
Hamilton Pony Club Inc	$2,000
Hamilton Returned and Services Association (Inc)	$5,000
Hamilton Rowing Club Inc	$6,000
Hamilton South Community Centre Association Inc (2)	$26,000
Hamilton Toybox Toy Library	$1,600
Hamilton Woodturners Inc	$9,600
Heart Kids Waikato	$5,000
Hellmilton Roller Ghouls Inc	$3,000
Hope Rising Farm Charitable Trust	$32,000
Horsham Downs Golf Club Inc	$5,000
Hospice Waikato Trust	$20,000
Huntly Community Advice Trust and Social Services	$6,000
Huntly Gymnastics Club Inc	$10,000
Huntly Mining and Cultural Museum Society Inc	$65,000
Huntly Swimming Club Inc	$10,000
Insight Endometriosis Charitable Trust	$50,000
Kaitiakitanga Charitable Trust	$47,500
Kake Oranga Hāhi Katorika (Catholic Family Support Services)	$10,000
K'aute Pasifika Trust	$170,000
KidsCan Charitable Trust	$15,000

Organisation Name	Funding Allocation
Kihikihi Health, Sports, Arts and Recreation Charitable Trust	$7,500
Kimihia Lakes Community Charitable Trust	$65,000
Kirikiriroa & St Peter's Scout Group	$20,000
KnowYourStuffNZ Charitable Trust	$5,000
Let's Get Together Huntly c/o Friendship House (Huntly) Community Charitable Trust	$9,000
Life Education Trust Hamilton	$15,000
Link House Birthright Waikato Trust	$50,000
Little Masters Cricket Club Inc	$3,600
Live Better (Cultural Centre Trust)	$25,000
Living Theatre Charitable Trust	$2,500
Louise Perkins Foundation	$5,000
Manaaki Tāngata | Victim Support	$5,000
Maramarua School	$20,000
Matawhaanui Trust	$47,500
Mathematics for a Lifetime Charitable Trust	$4,000
Maungatautari Ecological Island Trust (2)	$85,000
McKenzie Centre Trust	$15,000
Meat the Need	$10,000
Melville Association Football Club Inc (2)	$60,015
Melville Rugby & Sports Club inc	$40,000
Mo'ui Lelei Health and Wellness Charitable Trust Inc (2)	$7,470
MS Waikato Trust	$8,000
Narrows Park Ministry Trust	$5,000
Nepal New Zealand Waikato Friendship Society Inc	$5,000
Neurogenesis Trust	$3,000
New Zealand China Friendship Society Inc	$4,000
New Zealand Sikh Society	$20,000
Nga Tai Whakarongo Whanau Hoe Waka Inc	$9,020
Ngaruawahia Community House (2)	$121,000
Ngaruawahia Community Youth Holiday Programme	$15,000
Ngaruawahia Rugby League Football Club Inc	$18,610
Ngaruawahia Squash and Racquets Club	$12,000
Ngāti Hauā Iwi Trust	$20,000
North Waikato Bluelight Ventures (2)	$18,000
North Waikato Care Of The Aged Trust Board	$20,000
Northern United Sports Club Inc	$18,000
Northgate Community Church	$10,000
Oho Mauri Solutions Charitable Trust	$20,000
Opus Orchestra Trust	$8,000

Organisation Name	Funding Allocation
Orange Sky New Zealand Ltd	$30,000
Orchestras Central Trust	$50,000
Outward Bound Trust of New Zealand	$15,000
Pacific Rose Festival Trust	$3,000
Para Kore Marae Inc	$12,000
Parent to Parent NZ Inc	$15,000
Patricia Avenue School	$3,639
People First New Zealand Inc	$5,000
Perry Outdoor Education Trust Ltd	$50,000
Phoenix House Charitable Trust	$2,500
Pivot Bail Charitable Trust	$35,000
Positive Change Programmes Charitable Trust	$10,000
Poutama Rites of Passage Trust	$27,500
Presbyterian Support (Northern)	$10,000
Prison Care Ministries	$24,000
Pukete Neighbourhood Association Inc (2)	$90,000
Raahui Pookeka Waka Sports	$5,000
Raglan Community Arts Council Inc	$12,000
Raglan Community House Charitable Trust	$35,000
Raglan Community Radio Inc	$18,000
Raglan District Museum Society Inc	$5,000
Raglan Football Club Inc	$7,000
Raglan Maori Wardens	$6,000
Raglan Naturally Community Trust (2)	$15,000
Raglan Sailing Club Inc	$8,000
Raglan Surf Life Saving Club Inc	$14,936
Rainbow Chinese Community Centre Charitable Trust	$12,000
Rainbow Hub Waikato	$30,000
Rauawaawa Kaumatua Charitable Trust	$50,000
RAW 2014 Ltd	$40,000
Recreate NZ	$10,000
Resthills Sports Centre Inc	$19,561
Riff Raff Public Art Trust	$9,634
Riverlea Theatre and Arts Centre Inc (2)	$64,652
Road Safety Education Ltd	$6,912
Rock Quest Charitable Trust	$9,000
Ronald McDonald House Charities New Zealand Trust (2)	$17,000
Rototuna Indoor Recreation Centre Trust	$4,500
Royal New Zealand Plunket Trust	$9,000
Shama, Ethnic Women's Trust (2)	$75,000
Smart Waikato Trust	$32,500
South East Kirikiriroa Community Association Inc	$25,000
SPELD New Zealand Inc	$5,000

Organisation Name	Funding Allocation
Sri Lanka Friendship Society Waikato Inc	$4,000
St Paul's Anglican Church Huntly	$10,000
St Paul's Swimming Club Inc	$12,000
St Peters Anglican Church, Raglan	$3,000
St Stephen's Anglican Church Tamahere	$7,000
St Vincent de Paul Hamilton (4)	$255,000
Storytime Foundation Trust Board	$10,000
Stroke Foundation Hamilton	$3,000
Student Residence Trust Aotearoa	$10,000
Student Volunteer Army Foundation	$10,000
Surf Life Saving Northern Region Inc	$10,000
Swim Waikato Inc	$72,500
Tainui Maori Women's Welfare League Regional Council	$15,000
Tāngaro Tuia Te Ora - Endangered Species Foundation	$10,000
Taupiri Bowling Club Inc	$3,000
Te Ahurei a Rangatahi	$15,000
Te Awa River Ride Charitable Trust	$25,000
Te Iti Rearea Sports Club	$2,500
Te Kauwhata Health Awareness Society Inc	$32,500
Te Kauwhata Rugby Sports Club Inc	$45,000
Te Kauwhata Squash Inc	$10,000
Te Kauwhata Volunteer Fire Brigade	$15,000
Te Mata School Parent Teacher Association	$20,000
Te Ohu Whakaita Charitable Trust (2)	$110,000
Te Papanui Enderley Community Trust	$25,000
Te Po ki te Ao Marama Tihei Mauriora	$6,000
Te Rapa Rugby Sports Club Inc	$20,000
Te Rauhii	$45,000
Te Rongopai Community Trust	$45,000
Te Rūnanga o Kirikiriroa Charitable Trust (2)	$129,000
Te Tamawai Trust	$55,000
Te Whakakitenga o Waikato	$110,000
Te Whanau Putahi Trust	$16,000
Te Whare o Te Ata Fairfield Chartwell Community House (2)	$68,000
Te Whare Toi O Ngaaruawaahia Inc	$45,000
The Cake Detective Charitable Trust	$4,000
The Community Waikato Trust	$70,000
The Flagstaff Club Inc (2)	$125,000
The Girl Guides Association New Zealand Inc	$20,000
The Hamilton Squash and Tennis Club Inc	$6,103
The Hearing Association Hamilton and Districts Branch Inc	$5,000
The Kids in Need Waikato Charitable Trust	$15,000

Organisation Name	Funding Allocation
The Kukutaaruhe Education Trust	$10,000
The Life Flight Trust	$20,000
The Lucy Foundation	$11,000
The One Victoria Trust Board (2)	$104,878
The Order of St John Central Region Trust Board	$25,000
The Pinc and Steel Cancer Rehabilitation Foundation	$4,000
The Place Charitable Trust Board	$10,000
The Raglan District Community Vehicle Trust	$2,000
The Refugee Orientation Centre Trust	$40,000
The Te Kauwhata & Districts Information & Support Centre Inc (2)	$73,000
The Voices of Hope Trust	$10,000
The Waikato Hot Air Balloon Club Inc	$7,702
Toa Sports Club (2)	$10,000
True Colours Children's Health Trust	$10,000
Turangawaewae Waka Sports Ltd	$15,000
Turn and Gymnastic Circle Inc	$20,000
United Youth Orchestra Trust	$2,000
Unseen Heroes	$12,000
Volunteering Waikato - Te Ohu Tuuao o Waikato	$30,000
Waahi Whaanui Trust	$20,000
Waerenga Recreational Centre Inc	$15,000
Waikato Arab Social Club	$8,000
Waikato Basketball Council Inc	$45,000
Waikato Cathedral Church of St Peter	$12,000
Waikato Community Broadcasting Charitable Trust	$15,000
Waikato Community Lands Trust	$5,000
Waikato Contract Bridge Club Inc	$5,000
Waikato District Council (2)	$730,000
Waikato Environment Centre Trust (Go Eco) (2)	$155,000
Waikato Equitherapy Inc	$15,000
Waikato Ethnic Family Services Trust	$5,000
Waikato Family Centre Trust	$15,000
Waikato Guild of Woodworkers	$3,185
Waikato Hockey Association Inc	$8,000
Waikato Hockey Charitable Trust (2)	$118,000
Waikato Indian Charitable Trust	$5,000
Waikato Institute for Leisure and Sport Studies Trust Board	$10,000
Waikato Japanese Community Trust	$4,000
Waikato Lacrosse Inc	$7,500
Waikato Multicultural Council Inc	$3,000
Waikato Pacific Business Network Inc	$45,000
Waikato Paraplegic and Physically Disabled Association	$37,500
Waikato Refugee Forum Inc	$27,500
Waikato Regional Council (2)	$315,000

Organisation Name	Funding Allocation
Waikato Regional Property Trust	$250,000
Waikato Regional Volleyball Association Inc	$30,000
Waikato Rocks Trust	$35,000
Waikato Role Playing Guild Inc	$3,415
Waikato Rowing Club Inc	$10,000
Waikato Screen NZ Ltd	$20,000
Waikato Seeds for Change Charitable Trust	$35,000
Waikato Senior Indian Citizens Association Inc (2)	$6,000
Waikato Society of Arts Inc	$5,000
Waikato Society of Potters Inc	$5,000
Waikato Somali Friendship Society Inc	$5,000
Waikato Table Tennis Association Inc	$7,000
Waikato Tennis Trust	$80,000
Waikato Tongan Community Charity Trust	$7,500
Waikato Touch Association Inc	$7,500
Waikato Women's Refuge - Te Whakaruruhau (2)	$122,500
Waipa District Council	$30,000
Wairau 100 Waters Paddling Club Inc	$6,334
Waitetuna School	$15,000
Waru Rua Rima Charitable Trust	$20,000
West Hamilton United Football Club Inc	$35,000
Western Community Association Inc (4)	$193,600
Whaingaroa Raglan Destination Management Organisation (2)	$20,000
Woodstock PTA	$3,000
Xtreme Zero Waste Limited Liability Company	$20,000
Yasmina Community Trust	$8,000
YMCA North Inc	$17,500
Young Women's Christian Association of Hamilton Inc	$20,000
Young Workers Resource Centre (2)	$38,000
Youthline Auckland Charitable Trust	$10,000
YSAR Trust	$10,000
Zeal Youth Trust Aotearoa (formerly Zeal Education Trust)	$70,000

Total Grants Approved........................ $10,692,384
(including contingent liabilities)

Some organisations received multiple grants within the reporting period (as indicated), and this was due to applying in two different calendar years, or making successful applications to different funding programmes.

requirements of the trust deed

Annual Plan

Clause 16.14 of the Trust Deed requires that a draft Annual Plan be prepared and issued for public submissions before the final Annual Plan is adopted.

The Annual Plan for 2024-25 was approved at the Trust meeting held 26 March 2024 after a draft was issued for public consultation in late-February 2024 (81 written submissions received).

The 2024-25 Annual Plan was underpinned by the 2022-25 Community Investment Strategy | He Rautaki Haumi mo te Hapori, which came into effect in June 2022 and included three key intentions:

- To be responsive to our community
- To maximise long term impact by being strategic
- To leverage grants through partnership and collaboration, expanding support beyond grantmaking

As well as Aims | Ngaa Whainga for:

- A Thriving Community
- A Healthy Environment
- Equitable Outcomes
- Maaori Aspirations

Action Areas

For 2024-25, the Annual Plan highlighted key areas to be addressed and proposed actions for:

1. Strategic Intent
2. Investments and Finance
3. Working with WEL Networks to benefit electricity consumers and the wider community
4. Working with our Capital Beneficiaries
5. Effective Community Investment

These were reported on bi-monthly at Trust meetings throughout the year using the following key aims/actions:

Strategic Intent

- Provide a balanced benefit for the Trust's income beneficiaries, including electricity consumers
- Ensure income streams are sufficient to meet strategic intent
- Support Community Investment Strategy focus areas and work with other funders to deliver the greatest benefit to our community
- Review the current strategic intent with a focus for the future strategic period of 2025-28

Investments and Finance

- Identify the best mechanism(s) to ensure Company meets the Trust's strategic intent (e.g., dividend, discounts)
- Ensure growth, income and performance expectations are clear and being met
- Identify investment opportunities where we can work with others to impact on regional priority areas, returning a balance of measured social and financial dividends to the Trust

Working with WEL Networks to benefit electricity consumers and the wider community

- Ensure WEL Networks is a successful business, delivering reliable, affordable, sustainable energy and monitor this with relevant reporting
- Reduce energy hardship and improve energy efficiency initiatives, while supporting a return of value to all electricity consumers through the discount programme
- Ensure expectations are established and agreed in relation to:
  - Inter-generational benefit
  - Returns to the Trust

Working with our Capital Beneficiaries

- Conduct reviews of investment, capital growth and other performance measures through the Annual Report and other appropriate opportunities
- Consult on the development of the Trust's draft Annual Plan and budget and engage on Community Support grants rounds
- Engage with Capital Beneficiaries, at least annually, to understand their strategic intentions

Effective Community Investment

- Maintain core granting activities in Quick Response and Community Support grants
- Implement new grant initiative: WEL Networks/Trust Impact Grants (Vital Impact Collaborative Energy Fund)
- Partner to achieve global, national and regional priorities through the Sustainable Development Goals
- Provide Convening and Organisational Development support
- Further develop the Affordable Energy For All Support Programme (now Whare Ora) and monitor results
- Enhance Strategic Intent outcomes ($3M Distribution Fund)
- Discount Programme

Annual Report

Clause 16.15 of the Trust Deed requires that an Annual Performance Report be prepared.

The 2023-24 Annual Report was adopted on 9 July 2024 and presented at the Annual General Meeting held 30 July 2024, where PricewaterhouseCoopers was appointed Auditors of the Trust for the year ended 31 March 2025.

Changes to the Trust Deed

Clause 16.15 of the Trust Deed requires any changes to the Deed to be disclosed in the Annual Report.

With the exception of several entrenched clauses, the Trust Deed gives authority for the Trustees to make amendments to the Deed by resolution passed by a 75% majority of Trustees. Some parts of the Deed (e.g., changes to the election provisions) also require use of a public consultative (notice and submission) procedure.

There were no changes made to the Trust Deed between 1 April 2024 and 31 March 2025.

The Trust Deed is available to view on the Trust's website under Trust Documents.

Review of Investment

Clause 8.1 of the Trust Deed requires that the Trustees regularly review their investment in WEL Networks Ltd. Clause 16.15 of the Trust Deed requires that the Annual Report includes the results of this review of investment. In carrying out the review, the Trust has considered these requirements, along with clauses 8.2, 14.2 and 14.3 of the Trust Deed.

A summary of the key findings from the 2024 review is provided below.

Information Used and Matters Covered

The Company's Annual Report for the 12 months ended 31 March 2024 was received 30 May 2024 and a full review of the Trust's investment in WEL Networks Ltd was undertaken by KPMG, dated 2 September 2024. This review prepared by KPMG was comprehensive and the results/findings are as follows:

- **Group Financial Performance**
  - WEL Networks Ltd group financial performance includes the results for both the electricity lines business and non-regulated businesses. Operating earnings (EBIT) increased by ~$13M to $27.7M in FY24 compared to FY23 ($14.7M). The net profit before tax of $29.2M includes net finance income of $1.56M as a result of the repayment of the bond during the period.
  - WEL Networks Ltd paid a dividend to the Trust of $6M in FY24. In addition, WEL Networks Ltd paid out $12.4M in consumer discounts.
  - The Company repaid its bonds during the year. The Company has debt facilities in place at FY24, and so is well positioned to fund the capital expenditure anticipated in the Asset Management Plan (AMP).

- **Performance for the Electricity Distribution Businesses**
  - For FY24 WEL Networks Ltd's regulatory return on investment of 6.99% was marginally higher than the average 6.07% for the peer Electricity Distribution Businesses (EDBs).

- **Generation and EPC Businesses**
  - The EPC and generation businesses provide diversity in WEL Networks Ltd's offering and has the potential to strengthen WEL Networks Ltd's relationships with customers through a wider service availability.
  - The EPC business specialises in big solar and batteries, and has seen significant growth in FY24.
  - In October 2023, the EPC business successfully completed Rotohiko, the 35MWh Battery Energy Storage System (BESS) project in Huntly. Rotohiko is the first large scale BESS in New Zealand and is a milestone project for the business.
  - There are a number of planned solar farms and BESS projects being undertaken by EPC for generation. Rangimarie and Taiohi are currently consented for construction, and Bell Island is undergoing the consent process.
  - Once completed, the solar and BESS generation assets are transferred to the generation business (NewPower Ltd) to operate and maintain.

- **Asset Management Plan and Capital Expenditure**
  - WEL Networks Ltd is investing in low voltage and Distributed Energy Resource Management Systems to increase network visibility and expand operational capabilities to support customer participation in the electricity system.
  - WEL Networks Ltd's total forecast capital expenditure in the 2024 AMP is now approximately $1.03B over the next 10 years, compared to the forecast capital expenditure of $812M in the 2023 AMP. A significant driver behind the forecast

increase in capital expenditure is growth forecasts in the residential, commercial and industrial development activity being higher than previously anticipated. This has led to an increase in Customer Initiated Works capital expenditure of ~$95M.

- WEL Networks Ltd has ~$11M of debt and $74M of facility available to fund capital expenditure.

• **ESG and Climate Change**

- WEL Networks Ltd has a number of ESG and sustainability targets, including carbon emission targets. WEL Networks Ltd is not required to report under TCFD as they have already repaid their NZX-listed debt.
- WEL Networks Ltd pursues sustainability initiatives through their E3 Strategy. These include catering to greater EV popularity, working towards gaining ISO55001 Certification and pursuing various solar power projects.

Strategic Direction, Targets and Measures

Clause 16.2 of the Trust Deed requires that the Trust monitors the performance of the Directors of the Company with respect to WEL Networks Ltd's Strategic Direction, Targets and Measures document. WEL Networks Ltd submits this document to the Trust each year for comment and approval.

The document is prepared and agreed to ensure that the Directors and Management of WEL Networks Ltd are directing the Company in a manner that is aligned with the goals of the Trust as owner. It incorporates both longer-term strategic direction and shorter-term annual objectives.

The Trust has reviewed WEL Networks Ltd's performance against its Strategic Direction, Targets and Measures and is satisfied that the targets are being satisfactorily met. The Strategic Directions Document/Statement of Corporate Intent dated March 2024 for FY25 to FY29 was received by the Trust on 30 January 2024 and a Letter of Expectation dated 28 August 2024 sent to WEL Networks Ltd for the 2025/26 Financial Year.

access to information by beneficiaries

Giving information to Beneficiaries

The Trust must comply with the Trusts Act 2019 (please refer to Sections 49 to 55).

The Trust received and responded to 5 requests for various information during the 2024/25 year, pertaining to the following general topics:

- Trust Meeting Minutes
- Grant payments
- Trust Annual Plans (including draft Annual Plan submissions)

All WEL Energy Trust meetings are advertised for the public to attend, and Agendas and Minutes are also available on the Trust's website under Trust Documents (Trust Meetings). A number of confidential items largely pertaining to the commercial nature of the Company's operations are considered in the Public Excluded section of the Trust's monthly meetings.

Financial Performance Against Budget

(a) Trust Income and Expenditure against Annual Plan

The Trust income and expenses against budget for the year ended 31 March 2025 are as follows:

Trust 2024 Actual $000		Trust 2025 Actual $000	Trust 2025 Budget $000
	Income		
601	Interest	479	228
6,000	Dividends	9,300	9,300
15,503	Investment Portfolio Returns (net of fees) - Realised & Unrealised	2,528	2,419
72	Impact Investment Returns	14	234
22,176		12,321	12,181
	Operating Expenditure		
614	Management and Administration	673	801
59	Communications	84	111
343	Representation	109	130
242	Elections and Trustee Remuneration	246	246
139	WEL Network Shareholding	75	110
21	Special Projects	39	40
21	Distribution Expenses	21	26
-	Loss/(Gain) on loan revaluation, interest and credit loss adjustments	-	-
1,439	**Total Operating Expenditure**	1,247	1,464
20,737	*Surplus/(Deficit) before Distributions*	11,074	10,717
6,338	Distributions - Community Grants (including grant returns)	10,642	10,500
-	Distribution - Discretionary Electricity Consumer Discount	-	-
14,399	**Adjusted Net Surplus/(Deficit) after Tax*	432	217
44	Taxation Paid (Receivable)	25	-
14,355	***Adjusted Net Surplus/(Deficit) after Tax**	**407**	**217**

(b) Trust Capital Fund and Trust Income Fund

The movements in the Capital Fund and Income Fund against budget for the year ended 31 March 2025 are as follows:

Trust 2024 Actual $000		Trust 2025 Actual $000	Trust 2025 Budget $000
	CAPITAL FUND		
52,067	Vested Capital	52,067	52,067
52,067	**Total Capital Fund**	**52,067**	**52,067**
	INCOME FUND		
95,716	Opening Retained Surplus and Reserves	111,615	98,695
14,355	*Adjusted Net Surplus for the Period	407	217
110,071	**Total Income Fund**	**112,022**	**98,912**
162,138	**Total Equity**	**164,089**	**150,979**

*Adjusted net profit/(loss) includes gains/losses on the investment portfolio which are presented in Other Comprehensive Income in the Financial Statements

statement of service performance

(Prepared in accordance with PBE FRS 48)

WEL Energy Trust's focus is on delivering three key outcomes, as defined in the Trust Deed, to Stakeholders and the Community

1. Management of its investment in WEL Networks Ltd				
		2025	**2024**	
To ensure the Company operates as a successful business	**Revenue Growth** - Revenue actual FY25 vs previous FY24	$195.6M	$180.0M	Achieved
	Positive Profitability - EBITDA actual	$59.9M	$55.1M	Achieved
	Positive Shareholder Return – Return on Investment (The ratio is calculated by dividing the Profit after income tax expense for the year by Total equity from WEL Networks Limited's 2025 financial statements)	2.47%	2.4%	Achieved
	Positive Shareholder Return – Return on Invested Capital (The ratio is calculated by dividing net operating profit after tax* by average invested capital** from WEL Networks Limited's 2025 financial statements *Net operating profit after tax is calculated as EBITDA minus Investment income, minus Depreciation and amortisation expense, minus Finance expense on leases, plus Finance interest on leases, minus the impact of tax at 28%. **Average invested capital is calculated as the average of Total equity, plus borrowings, minus cash and cash equivalents, minus financial assets at fair value through other comprehensive income, less term deposits, for the current and previous financial year.)	2.18%	2.79%	Achieved
Consistent Network Reliability	**System Average Interruption Duration Index (SAIDI)** - Actuals to be within 10% of previous year (WEL calculates SAIDI in accordance with Electricity Distribution Information Disclosure (amendments related to IM Review 2023) Amendment Determination 2024 - November 2024 which is required for all EDBs. This measure includes Class B and Class C interruptions only. The Normalised System Average Duration Index (SAIDI) measure has been changed to the System Average Duration Index (SAIDI) measure. The Electricity Distribution Information Disclosure (amendments related to IM Review 2023) Amendment Determination 2024 - November 2024 has removed the requirement for disclosure of normalised SAIDI from Schedule 10 of the Information Disclosure Schedules. As a result, we have changed this measure to align with regulatory reporting requirements. In 2024, there were no events subject to normalisation, therefore comparatives have not been restated.	Actual - 266.1 mins	Actual - 178.72 mins	Not Achieved

2. Provided sustainable Financial Investment Portfolio				
Trust Financial Investment Portfolio (exclusive to the WEL Networks ownership)	Investment Return % vs. Trust Statement of Investment Policy Objectives target 4.5% (The ratio is calculated by dividing the Trust's total finance income and change in fair value of equity investments at fair value through other comprehensive income excluding WEL Networks investment income by the Trust's total assets excluding investment in WEL Networks)	Actual return 5.31%	Actual return 20.16%	Achieved

3. Invest Surplus Funds into the Community				
Payment of Company Discounts	Electricity discounts provided to all households connected to the WEL Networks distribution network	$12.6M in discounts issued to ICPs	$12.4M in discounts issued to ICPs	Achieved
Approval of Community Grants	**85% of Annual Plan funding distributed via grants:**			Achieved
		Budget vs Actual		
	Community Support	$3,850,000 vs $3,524,060	$2,600,000 vs $2,803,500	
	Quick Response	$2.000,000 vs $1,983,514	$2.000,000 vs $1,581,158	
	Convening and Organisational Development	$250,000 vs $307,652	$250,000 vs $192,500	
	Whare Ora (Affordable Energy for All)	$1,000,000 vs $999,680	$650,000 vs $650,350	
	Vital Impact	$400,000 vs $660,000	$1,500,000 vs $1,110,000	
	Vital Impact Collaborative Energy Fund	$1,500,000* vs $1,687,478 *New fund established for 2025		
	Capital Beneficiaries Fund	$1,500,000* vs $1,530,000 *New fund established for 2025		

advisors

- Accountants.. Baker Tilly Staples Rodway, Waikato LP, Hamilton
- Energy Industry.................................... KPMG
- Investment Management .... Makao Investments Ltd
- Solicitors .... Tompkins Wake, Hamilton
- Bankers .... ASB Hamilton Commercial Banking
  Bank of New Zealand, Hamilton
- Auditors.. PricewaterhouseCoopers

financial statements
for the year ended 31 March 2025

The Trustees are pleased to present the financial statements of the WEL Energy Trust.

The financial statements report on both the WEL Energy Trust as the Trust and the WEL Energy Trust and its wholly owned company as a Group. The Group incorporates the results of:

- WEL Energy Trust ('the Trust')
- WEL Networks Limited ('the Company') and subsidiary companies

Rachel Afeaki
Chair

8 July 2025

Michael West
FAR Chair/Trustee

8 July 2025

financial statements

contents

Statements of Comprehensive Revenue and Expense

For the year ended 31 March 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Revenue	4	195,561	180,034	9,300	6,000
Expenses					
Expenses, excluding finance costs	5	(173,721)	(153,574)	(1,247)	(1,439)
Grants		(10,642)	(6,338)	(10,642)	(6,338)
Finance income	6	5,259	7,476	2,669	1,891
Finance expenses	6	(2,607)	(4,082)	-	(232)
Other gains/(losses)		5,116	371	352	770
Surplus before income tax expense		18,966	23,887	432	652
Income tax expense	7	(7,741)	(9,956)	(25)	(44)
Surplus after income tax expense for the year	24	11,225	13,931	407	608
Other comprehensive revenue and expense					
Items that will not be reclassified subsequently to revenue and expenses					
Gain on the revaluation of land and buildings, net of tax		-	(1,121)	-	-
Change in the fair value of equity investments at fair value through other comprehensive revenue and expense		1,544	14,552	1,544	13,747
Items that may be reclassified subsequently to revenue and expenses					
Cash flow hedges (net of tax)		204	(89)	-	-
Other comprehensive revenue and expense for the year, net of tax		1,748	13,342	1,544	13,747
Total comprehensive revenue and expense for the year		12,973	27,273	1,951	14,355

The above statements of comprehensive revenue and expense should be read in conjunction with the accompanying notes

Statements of Financial Position

As at 31 March 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Assets					
Current assets					
Cash and cash equivalents	8	23,865	18,657	5,888	2,049
Trade and other receivables	9	20,867	21,304	170	487
Contract assets	10	-	458	-	-
Derivative financial instruments	20	244	-	-	-
Income tax receivable		369	-	2	-
Loans advanced	14	178	120	178	120
Term deposits		3,000	9,500	3,000	4,000
Net investment in lease	15	1,213	610	-	-
Total current assets		49,736	50,649	9,238	6,656
Non-current assets					
Financial assets at fair value through other comprehensive revenue and expenses	11	67,222	67,908	67,222	67,908
Investments in subsidiary	29	-	-	85,797	85,797
Property, plant and equipment	12	972,677	883,829	56	11
Intangibles	13	34,859	33,149	-	-
Loans advanced	14	2,811	2,994	2,811	2,994
Net investment in lease	15	29,156	26,095	-	-
Total non-current assets		1,106,725	1,013,975	155,886	156,710
Total assets		1,156,461	1,064,624	165,124	163,366
Liabilities					
Current liabilities					
Trade and other payables	16	27,576	23,488	1,007	1,202
Current borrowings	17	47,925	10,952	-	-
Derivative financial instruments	20	-	40	-	-
Income tax		-	1,105	-	-
Current employee benefit obligations and provisions	18	4,817	4,324	28	26
Customer discount payable		12,625	12,450	-	-
Deferred income	19	7,232	11,273	-	-
Total current liabilities		100,175	63,632	1,035	1,228
Non-current liabilities					
Borrowings	17	34,921	-	-	-
Deferred tax liabilities	21	123,051	115,622	-	-
Deferred income	19	739	768	-	-
Total non-current liabilities		158,711	116,390	-	-
Total liabilities		258,886	180,022	1,035	1,228
Net assets		897,575	884,602	164,089	162,138

The above statements of financial position should be read in conjunction with the accompanying notes

Statements of Financial Position

As at 31 March 2025

	Note	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Equity					
Contributed equity	22	52,067	52,067	52,067	52,067
Reserves	23	153,532	161,752	5,549	11,455
Accumulated comprehensive revenue and expense	24	691,976	670,783	106,473	98,616
Total equity		897,575	884,602	164,089	162,138

Chair

Trustee

8 July 2025

The above statements of financial position should be read in conjunction with the accompanying notes

Statements of Changes in Equity

For the year ended 31 March 2025

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total equity $'000
Balance at 1 April 2023	52,067	144,580	660,682	857,329
Surplus after income tax expense for the year	-	-	13,931	13,931
Other comprehensive revenue and expense for the year, net of tax				
Movement in revaluation reserve from disposal of distribution network assets	-	(1,617)	1,617	-
Cash flow hedges (net of tax)	-	(89)	-	(89)
Movement in revaluation reserve from disposal of financial assets at fair value through other comprehensive revenue and expense	-	5,447	(5,447)	-
Asset revaluation reserve (net of tax)	-	(1,121)	-	(1,121)
Movement in equity investments at fair value through other comprehensive revenue and expense	-	14,552	-	14,552
Total comprehensive revenue and expense for the year	-	17,172	10,101	27,273
Balance at 31 March 2024	52,067	161,752	670,783	884,602

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total equity $'000
Balance at 1 April 2024	52,067	161,752	670,783	884,602
Surplus after income tax expense for the year	-	-	11,225	11,225
Other comprehensive revenue and expense for the year, net of tax				
Movement in revaluation reserve from disposal of distribution network assets	-	(2,518)	2,518	-
Cash flow hedges (net of tax)	-	204	-	204
Movement in equity investments at fair value through other comprehensive revenue and expense	-	1,544	-	1,544
Movement in revaluation reserve from disposal of financial assets at fair value through other comprehensive revenue and expense	-	(7,450)	7,450	-
Total comprehensive revenue and expense for the year	-	(8,220)	21,193	12,973
Balance at 31 March 2025	52,067	153,532	691,976	897,575

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

Statements of Changes in Equity

For the year ended 31 March 2025

Trust	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total equity $'000
Balance at 1 April 2023	52,067	(2,292)	98,008	147,783
Surplus after income tax expense for the year	-	-	608	608
Other comprehensive revenue and expense for the year, net of tax	-	-	-	-
Movement in equity investments at fair value through other comprehensive revenue and expense	-	13,747	-	13,747
Total comprehensive revenue and expense for the year	-	13,747	608	14,355
Balance at 31 March 2024	52,067	11,455	98,616	162,138

Trust	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total equity $'000
Balance at 1 April 2024	52,067	11,455	98,616	162,138
Surplus after income tax expense for the year	-	-	407	407
Other comprehensive revenue and expense for the year, net of tax	-	-	-	-
Movement in equity investments at fair value through other comprehensive revenue and expense	-	1,544	-	1,544
Movement in revaluation reserve from disposal of financial assets at fair value through other comprehensive revenue and expense	-	(7,450)	7,450	-
Total comprehensive revenue and expense for the year	-	(5,906)	7,857	1,951
Balance at 31 March 2025	52,067	5,549	106,473	164,089

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

Statements of Cash Flows

For the year ended 31 March 2025

	Note	Consolidated		Trust	
		2025 $'000	2024 $'000	2025 $'000	2024 $'000
Cash flows from operating activities					
Receipts from customers		191,999	181,419	-	-
Payments to suppliers and employees		(132,321)	(121,207)	(1,216)	(1,368)
Dividends received		-	-	9,300	6,000
Interest received		548	438	548	438
Grants paid		(10,849)	(5,623)	(10,849)	(5,623)
Income taxes paid		(1,837)	(2,549)	-	5
Net cash from/(used in) operating activities	31	47,540	52,478	(2,217)	(548)
Cash flows from investing activities					
Payments for/proceeds from term deposits		6,500	77,905	1,000	-
Payments for financial assets at fair value through other comprehensive revenue and expenses		(28,475)	(1,450)	(28,475)	(1,450)
Payments for property, plant and equipment		(121,405)	(103,054)	(57)	(5)
Payments for intangibles		(6,304)	(10,986)	-	-
Interest received on finance lease		1,875	1,633	-	-
Payments received for finance lease		737	181	-	-
Proceeds from disposal of financial assets at fair value through other comprehensive revenue and expenses		33,398	77,940	33,392	-
Proceeds from disposal of property, plant and equipment		897	115	-	-
Interest received		715	3,952	-	-
Loan principal payments received		196	189	196	189
Net cash from/(used in) investing activities		(111,866)	46,425	6,056	(1,266)
Cash flows from financing activities					
Proceeds from borrowings		83,000	11,000	-	-
Interest and other finance costs paid		(2,466)	(4,472)	-	-
Repayment of borrowings		(11,000)	(150,000)	-	-
Net cash from/(used in) financing activities		69,534	(143,472)	-	-
Net increase/(decrease) in cash and cash equivalents		5,208	(44,569)	3,839	(1,814)
Cash and cash equivalents at the beginning of the financial year		18,657	63,226	2,049	3,863
Cash and cash equivalents at the end of the financial year	8	23,865	18,657	5,888	2,049

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

Notes to the Financial Statements

31 March 2025

Note 1. General information

Reporting entity
WEL Energy Trust, a Trust as defined in its Trust Deed, is the holding entity of WEL Networks Limited, a company incorporated in New Zealand under the Companies Act 1993. The Group consists of WEL Energy Trust (the 'Trust'), WEL Networks Limited (the 'Company' or 'WEL') and its subsidiaries (together the 'Group'). The Group comprises an electricity network business delivering energy to customers in the Waikato Region, the generation and sale of wholesale electricity, and a project and commercial management business delivering innovative energy solutions. The WEL Energy Trust's principal objective is to ensure WEL Networks Limited operates as a successful business, as well as having regard to consumer interest in the regulation of the electricity industry and distributing and investing surplus revenue and expenses in accordance with its Trust Deed.

The Trust has designated itself and the Group as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of the Trust and Group are for the year ended 31 March 2025. The financial statements were authorised for issue by the Trustees on 8 July 2025.

Once issued the Trustees do not have the power to amend these financial statements.

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

Note 2. Basis of preparation and significant accounting policies

Basis of preparation
Statement of compliance
The financial statements of the Trust and of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with Public Benefit Entity Standards (PBE Standards) and authoritative notices that are applicable to entities that apply PBE Standards.

The Group is classified as a Tier 1 reporting entity and it applies full PBE Standards. These standards are largely based on International Public Sector Accounting Standards (IPSAS).

Measurement base
The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value and certain classes of property, plant and equipment.

Consolidation
Subsidiaries
The Group financial statements incorporate the assets and liabilities of the WEL Energy Trust (Trust or Parent) including WEL Networks Limited (Company) and all subsidiaries of WEL Networks Limited as at 31 March 2025 and the results of WEL Energy Trust and WEL Networks Limited and its subsidiaries for the year then ended. The Trust's subsidiary WEL Networks Limited and its other subsidiaries are all those entities (including structured entities) over which the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Note 2. Basis of preparation and significant accounting policies (continued)

Joint Venture
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive revenue and expense. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduces the carrying amount of the investment.

Foreign currency transactions
Functional and presentation currency
Items included in the financial statements in each of the Group's entities are measured using the currency of the primary economic environment in which each of the entities operation ('the functional currency'). The financial statements are presented in New Zealand dollars, which is WEL Energy Trust's functional currency and the Trust and Group's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit component of the statements of comprehensive revenue and expenses, except when deferred in other comprehensive revenue and expense as qualifying cash flow hedges and qualifying net investment hedges.

Summary of significant accounting policies
The accounting policies that are significant to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Exchange revenue
Electricity line revenue
The Group invoices its customers (predominately electricity retailers) monthly for electricity delivery services across the region's lines network. Customers do not have extended contract terms and can terminate at short notice. Prices are the same across all customers and regulated under the Commerce Act being the Electricity Distribution Services Information Disclosure Determination 2012. WEL Networks Limited's obligation is to provide a single performance obligation of continuous service to which the customer benefits incrementally and consecutively over time, as the service is delivered. The Company makes use of a practical expedient to record revenue monthly being a distinct period that the Company captures usage and price information at the point at which WEL have a right to invoice. The reported net line revenue includes the provision for the annual customer discounts that are accrued on a monthly basis (over time) in line with usage but only paid to customers once a year. Unclaimed discounts are released against the statement of comprehensive revenue and expense.

Third party contributions
Third party contributions are charges to the end customer when they request a new or modified connection to the electricity distribution network. Capital contributions are invoiced in advance and held as deferred income to be recognised in the statement of comprehensive revenue and expense when the customer is connected.

OurPower electricity retail revenue
OurPower invoices its customers weekly for consumption of electricity. Customers do not have extended contract terms and can terminate at short notice. Prices are the same across all customers. OurPower's obligation is to provide a single performance obligation of continuous service to which the customer benefits incrementally and consecutively over time, as the service is delivered. OurPower records revenue weekly, being the period OurPower captures usage and price information for invoicing. Retail customers were transferred to another retailer on 1 June 2023, and OurPower exited the retail business.

Note 2. Basis of preparation and significant accounting policies (continued)

Infratec EPC (Engineering, Procurement and Construction) Revenue
Infratec New Zealand Limited designs and project manages the installation of solar panels as well as carrying out development and consultancy work related to solar projects. These EPC contracts are individually reviewed to determine the revenue recognition treatment. The revenue from the design and construction of a solar project is recognised over time as the asset does not have an alternative use to the entity and there is an enforceable right to payment for work completed to date. Based on the individual contract terms, either the inputs method or the outputs method is used for measuring progress towards completion of the performance obligation. For the inputs method, the revenue is recognised over time on a percentage of completion basis, which is based on costs incurred to date and total expected costs. For the outputs method, the revenue is recognised over time based on the contractual performance completed to date. Certain contracts make use of a practical expedient where the right to consideration from a customer corresponds directly with the value to the customer.

Smartco metering revenue
Smartco uses WEL metering infrastructure for the purposes of providing consumption data and related services to Retailers. WEL Networks Limited's obligation is to provide a single performance obligation of continuous service to which the customer benefits incrementally and consecutively over time, as the service is delivered. The Company makes use of a practical expedient to record revenue monthly being a distinct period that the Company captures usage information at the point at which WEL have a right to invoice.

Electricity generation, trading and reserves revenue
NewPower generates electricity which is purchased by one customer and any excess electricity is sold to the wholesale market, there is a single performance obligation being the sale of electricity. Generation revenue is recognised over time when control has transferred to the customer, this takes place when electricity is delivered to the individual customer or the national grid.

NewPower stores electricity in a Battery Energy Storage System (BESS) which is discharged to the national grid typically during high electricity prices or grid demand via bids cleared by the system operator. There is a single performance obligation being the discharge of electricity. Trading revenue is recognised over time when control has transferred to the customer, this takes place when electricity is delivered to the national grid.

The Group also generates reserve revenue by providing instantaneous reserves to the system operator (Transpower) under the New Zealand Electricity Market arrangements. Instantaneous reserves for the Group relate to stored electricity, and available demand reduction (hot water) which are offered to the system operator to respond to sudden supply interruptions. There is a single performance obligation to hold electricity in reserve in accordance with dispatch instructions set by the system operator. Reserve revenue is recognised over time when control has transferred to the customer, this takes place as the reserve period occurs.

For electricity generation, trading and reserves revenue, the Group makes use of a practical expedient to record revenue monthly being a distinct period that NewPower captures usage and price information for invoicing.

Interest income
Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Income on financial assets at fair value through other comprehensive revenue and expense
Income on financial assets at fair value through other comprehensive revenue and expense is recognised when the right to receive the distribution is established.

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

Note 2. Basis of preparation and significant accounting policies (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loans advanced
Concessionary loans given below market rate are recognised initially at fair value and subsequently measured at amortised cost. Effective interest and associated transaction costs are charged to the surplus or deficit component of the statements of comprehensive revenue and expense over the term of the loan.

Cash and cash equivalents
In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Land and buildings are recorded at fair value, based on periodic, at least every three years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amounts. The electricity distribution network is also measured at fair value on the basis of an independent valuation prepared by expert valuers using a discounted cash flow method at least every three years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of self-constructed assets includes the cost of materials and direct labour and an allowance for overheads. Borrowing costs are capitalised in respect of qualifying assets. For the electricity network qualifying assets are deemed to be those valued at $200,000 or more and which take more than three months to construct.

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 can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the revenue and expense component of the statement of comprehensive revenue and expense during the financial period in which they are incurred.

Note 2. Basis of preparation and significant accounting policies (continued)

Labour is capitalised against network assets. Labour costs are capitalised in the period in which they are incurred and are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Non-network assets under construction include work in progress relating to land and buildings, plant and equipment, motor vehicles and computer hardware.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive revenue and expense and shown as other reserves in equity. Decreases that offset previous increases of the same asset are charged in other comprehensive revenue and expense and debited against other reserves directly in equity; all other decreases are charged to the statement of comprehensive revenue and expense. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive revenue and expense, and depreciation based on the asset's original cost is transferred from other reserves to accumulated comprehensive revenue and expense.

Land is not depreciated and assets under construction are not depreciated until the asset is ready for use. Depreciation on other assets is calculated on a straight-line basis to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows.

Buildings	10-50 years
Electricity network	6-80 years
Generation assets	5-25 years
Computer hardware	2-12 years
Plant and equipment	3-30 years
Motor vehicles	4-20 years

The exception to this is the gas-fired generators (in NewPower) used for generating electricity (generation assets) which are depreciated on a units of use basis using the kWh generated per month as a percentage of total kWh available over the assets life. The estimated useful life for each of the generators is as follows:

Gas generation plant and equipment on a usage basis	82,179,750 kWh	Units of use

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to revenue or expense. Any revaluation surplus reserve relating to the item disposed of is transferred directly to accumulated comprehensive revenue and expense.

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

The amount of interest capitalised for the year ended 31 March 2025 was $453,000 (2024: nil).

All other borrowing costs are recognised in surplus or deficit in the period in which they are incurred.

Net investment in lease
The net investment in the lease is recognised at the commencement of the lease. The net investment is recognised at the present value of lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Income for the finance lease is recognised in finance income in the statement of revenue and expense.

Note 2. Basis of preparation and significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in revenue or expense arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of 'value in use' and the 'fair value less costs to sell'. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Computer software
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:
- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probably future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured, this includes direct labour costs and relevant overhead costs.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

Easements
Acquired easement rights are capitalised on the basis of the costs incurred. Where the rights have no expiration date and have an indefinite useful life these costs are not amortised. Impairment reviews for infinite life intangibles are undertaken annually linked to the valuation of the electricity network as the easements give rights for network assets to be physically located on that land.

Acquired easement rights are capitalised on the basis of the costs incurred. Where the rights have an expiration date these costs are amortised on a straight-line basis over their estimated useful lives (33 years).

Financial assets
Classification
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive revenue and expense or through revenue and expense), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Note 2. Basis of preparation and significant accounting policies (continued)

Recognition
Regular purchases and sales of financial assets are recognised on the trade-date which is the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through revenue and expense (FVRE), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVRE are expensed in revenue and expense.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three classifications, amortised cost, FVOCRE and FVRE.

Amortised cost
Amortised cost assets are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, and are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in revenue and expense and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive revenue and expense.

Financial assets at fair value through other comprehensive revenue and expense
Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive revenue and expense on the basis that they are not held for trading. These are classified as equity investments as they are not puttable instruments and represent a pro rata residual interest in the net assets of the funds. These comprise the Group’s individual equity investments in note 11. On disposal of these equity investments, any related balance within the FVOCRE reserve is reclassified to accumulated comprehensive revenue and expense.

Financial assets at fair value through revenue and expense
Financial assets not measured at amortised cost or at fair value through other comprehensive revenue and expense are classified as financial assets at fair value through revenue and expense. Typically, such financial assets will be either:

(i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
(ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in revenue and expense.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive revenue and expense. For trade receivables, the group applies the simplified approach permitted by PBE IPSAS 41 which requires expected lifetime losses to be recognised from initial recognition of the receivables. The measurement of the loss allowance depends upon the Group’s assessment at the end of each reporting period as to whether the financial instrument’s credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive revenue and expense, the loss allowance is recognised in other comprehensive revenue and expense with a corresponding expense through surplus or deficit. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through surplus or deficit.

Note 2. Basis of preparation and significant accounting policies (continued)

Financial liabilities
Financial liabilities at amortised cost are non derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current liabilities, except for maturities greater than 12 months after the reporting date which are classified as non current liabilities. Other financial liabilities are classified as 'trade and other payables' in the statement of financial position.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities.

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

Interest bearing liabilities
Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the revenue and expense component of the statement of comprehensive revenue and expense statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Employee benefits
Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in 'other payables' in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value. For termination benefits falling due less than 12 months after the reporting date, the carrying value approximates their fair value.

Defined contribution plan
Obligations for contributions to KiwiSaver are accounted for as a defined contribution plan and are recognised as an expense in revenue and expense as incurred. The expense recognised in the current period in relation to these contributions was $1,371,000 (2024: $1,250,000).

Bonuses
The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Grant expenditure
The Trust's grant expenditure is discretionary. The Trust has no obligation to award on receipt of the grant application. The grants are recognised as expenditure in 'Grants' in the surplus or deficit component of the statements of comprehensive revenue and expense when approved by the Trust, and the approval has been communicated, and to the extent that the applicant is expected to meet the substantive conditions attached. A number of grants are for a multi-year period where the grant will be reviewed annually and the Trust has no obligation to continue the grant funding for each subsequent annual period. Where this is the case, a liability is not recognised until the conditions are met by the recipient. Where the recipient has not utilised the funding as expected and returns the grant, the Trust recognises a deduction to 'Grants' in the surplus or deficit component of the statements of comprehensive revenue and expense.

Note 2. Basis of preparation and significant accounting policies (continued)

Government grants
Government grants relating to the purchase of property, plant and equipment are either:
(i) Grants received from government organisations in relation to the undergrounding of parts of the electricity network which are included in non-current liabilities as deferred income and then credited to profit or loss on a straight-line basis over the expected lives of the related assets; or
(ii) ECCA grants for EV trucks and chargers which are offset against the total cost of the asset at the date of capitalisation.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- hedges of a particular risk associated assets or liability or a highly probably forecast transaction (cash flow hedge).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Movements in the hedging reserve in net assets/equity are shown in note 23. The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedge
Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect surplus or deficit. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive revenue and expense through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in revenue or expense. Amounts taken to net equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness at inception and prospectively at each reporting date to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to revenue or expense.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and no longer meets the criteria for hedge accounting, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Fair value hedges
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in revenue or expense, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in revenue or expenses within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in revenue or expense within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to revenue or expenses over the period to maturity using a recalculated effective interest rate.

Hedges of a net investment
Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in revenue or expense. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to revenue and expense.

Note 2. Basis of preparation and significant accounting policies (continued)

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Contributed equity
- Accumulated comprehensive revenue and expense
- Reserves

Contributed equity

Contributed equity of the Trust is the settled equity within the Trust as defined by the Trust Deed.

Reserves

These reserves relate to the property plant and equipment revaluation reserve, cash flow hedge reserve and financial assets at fair value through other comprehensive revenue and expense.

Revaluation reserve

This reserve relates to the revaluation of property, plant, and equipment to fair value.

Hedging reserve - cash flow hedges

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

Financial assets at fair value through other comprehensive revenue and expenses

This reserve comprises the net change in the fair value of financial assets designated as financial assets at fair value through other comprehensive revenue and expense.

Investments in subsidiaries

Investments in subsidiaries in the Trust's financial statements are stated at cost less impairment.

Goods and Services Tax ('GST')

The Trust is not registered for GST because the income that the Trust receives falls within the definition of exempt supplies contained in the Goods and Services Tax Act 1985 and also because the Trust does not undertake a taxable activity. The Trust’s financial statements have been prepared inclusive of GST. The financial statements of WEL Networks Limited and its subsidiaries in the consolidated financial statements have been prepared exclusive of GST. The surplus or deficit component of the statements of comprehensive revenue and expense 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.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the surplus or deficit component of the statements of comprehensive revenue and expense on a straight line basis over the period of the lease.

Changes in accounting policies

Except for the implementation of new accounting standards, there have been no significant changes in accounting policies during the year and accounting policies have been applied on a basis consistent with prior year.

Note 3. Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Estimated fair value of land and buildings and electricity network
A fair value assessment has been undertaken on the Maui St land and buildings, included in the land and buildings asset category, by independent valuers SGHU Valuations LP Registered Valuers (SGHU) on 31 March 2025 using a market approach. This is a Level 3 valuation. Refer to note 12 for the key assumptions and inputs. The trustees consider that the current carrying value can be retained, as the carrying value materially reflects estimated fair value.

It is the Group's policy to revalue the Electricity Network with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. As such the Group engaged Deloitte, an independent third party valuer, to perform the electricity network assets valuation for the year ended 31 March 2025. This is a Level 3 valuation. For the purposes of assessing the fair value of the electricity network as at 31 March 2025, management have updated the key inputs to develop an estimated valuation range and consider the carrying value relative to the respective valuation range. Refer to note 12 for the key assumptions and inputs.

Impairment testing of goodwill
The Group is required to test goodwill and other non-amortising intangible assets at least annually for impairment. Determining the recoverable amount for impairment testing purposes requires the use of judgement and estimation in relation to future forecast performance of the underlying cash generating unit. Refer to note 13 for the key assumptions and inputs.

Fair value of Purpose Capital Impact Fund and Impact Investment Enterprise Fund
Purpose Capital Impact Fund and Impact Investment Enterprise Funds are not funds that are publicly traded and are valued using the values provided by the funds which are based on valuations of the funds' underlying investments following appropriate methodology for early state private equity start-ups including the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. This is a Level 3 valuation.

Note 4. Revenue

	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Rendering of services				
Electricity lines revenue	132,467	123,504	-	-
Discount	(12,557)	(12,428)	-	-
Net lines revenue	119,910	111,076	-	-
Electricity third party contributions	14,989	12,762	-	-
Electricity generation, trading and reserves revenue	6,665	2,871	-	-
OurPower electricity retail revenue	-	919	-	-
Infratec EPC revenue	46,846	45,571	-	-
SmartCo metering revenue	1,852	1,810	-	-
	190,262	175,009	-	-
Other income				
Dividends	-	-	9,300	6,000
Other income	5,299	5,025	-	-
	5,299	5,025	9,300	6,000
Revenue	195,561	180,034	9,300	6,000

Note 5. Expenses, excluding finance costs

	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Transmission costs	24,165	23,399	-	-
Employee benefits	55,721	51,237	434	359
Capitalised labour	(20,108)	(20,174)	-	-
Materials and services	41,891	42,522	-	-
Rates	1,268	1,204	-	-
Contracting services	11,540	8,372	-	-
Consultancy	8,089	2,920	-	-
Electricity costs	2,384	1,382	-	-
Net loss on disposal of assets	4,926	4,330	2	-
Vehicle expenditure	1,956	1,910	-	-
Operating leases	990	908	49	44
Directors' and Trustees' fees	796	809	246	242
Bad debts written off	238	285	-	-
Change in provision for impaired receivables	17	(24)	-	-
Other expenses	8,543	7,617	506	789
Depreciation and amortisation	31,328	26,827	10	5
Foreign exchange movement	(23)	50	-	-
	173,721	153,574	1,247	1,439

During the year ended 31 March 2025, WEL Networks has undertaken an upgrade to SAP S4 HANA. Data migration and integration has been undertaken by external consultants which has resulted in an increase in consultancy expenses in the current year. Ongoing software as a service charges will be recognised in contracting services.

Note 5. Expenses, excluding finance costs (continued)

	Consolidated 2025 $'000	Consolidated 2024 $'000	Trust 2025 $'000	Trust 2024 $'000
Surplus before income tax includes the following specific expenses:				
Depreciation by asset class:				
Distribution network	18,754	17,175	-	-
Generation assets	1,418	133	-	-
Plant and equipment	3,812	3,862	10	5
Motor vehicles	1,312	1,733	-	-
Computer hardware	1,042	801	-	-
Buildings	396	352	-	-
	26,734	24,056	10	5
Amortisation of intangible assets:				
Easements and consents	2	3	-	-
Computer software	3,689	2,174	-	-
Computer software - internally generated	903	594	-	-
	4,594	2,771	-	-
Total depreciation and amortisation	31,328	26,827	10	5

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Amounts paid or payable to the auditors of WEL Energy Trust and Group:				
Audit services - (PwC)				
Audit financial statements - current year	475	455	114	108
Half year review	87	85	-	-
	562	540	114	108
Assurance and audit related services* - PwC				
Assurance procedures on disclosure information - current year	71	68	-	-
Other services - PwC				
Training costs - PwC Academy Subscription Fees and Corporate Treasury Management Course	-	2	-	-
Total auditors remuneration	633	610	114	108

Auditors' fees are recognised within 'other expenses'

*PwC perform assurance procedures and agreed procedures in their capacity as auditors over disclosure information required to be submitted to the Commerce Commission.

Note 6. Finance income and Finance expenses

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Surplus before income tax includes the following specific expenses:				
Finance income				
Financial assets income	2,190	1,289	2,190	1,289
Interest income	1,194	4,554	479	602
Finance income on lease	1,875	1,633	-	-
Finance income	5,259	7,476	2,669	1,891
Finance expenses				
Interest and finance charges paid/payable on borrowings	(2,607)	(3,974)	-	(124)
Fund management fees	-	(108)	-	(108)
Finance expenses	(2,607)	(4,082)	-	(232)

Note 7. Income tax expense

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Income tax expense/(credit)				
Current tax	391	4,641	25	44
Deferred tax (note 21)	7,350	5,315	-	-
Aggregate income tax expense	7,741	9,956	25	44
Numerical reconciliation of income tax expense and tax at the statutory rate				
Surplus before income tax expense	18,966	23,887	432	652
Tax at the statutory tax rate of 28%	4,849	6,406	143	215
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-taxable income	-	-	(644)	(660)
Foreign investment fund income	1,035	1,003	1,035	806
Non-deductible expenditure	7,182	4,277	4,746	2,957
Grants distributed	(4,202)	(2,423)	(4,202)	(2,423)
Prior period adjustment	(1,612)	(73)	-	-
Prior period deferred tax adjustment	1,528	219	-	-
Current year deferred tax movement related to buildings*	14	1,398	-	-
Imputation credits utilised	(1,078)	(895)	(1,078)	(895)
Overseas tax paid	25	44	25	44
Income tax expense	7,741	9,956	25	44

*Current year deferred tax movements relate to the initial recognition of deferred tax on new buildings. Prior year relates to a one off impact due to the tax law changes in 2024 where the Group can no longer claim tax depreciation on buildings going forward.

Note 7. Income tax expense (continued)

The tax on the Group's and Trust's surplus before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to surplus.

The tax losses incurred by the Trust are not recognised as a deferred tax asset in the statement of financial position as it is not probable that they will be utilised given the surplus of imputation credits received from WEL Networks Limited that are converted to losses. Tax losses that are unrecognised by the Trust total $5.0M (tax effect $1.7M) (31 March 2024: $5.0M (tax effect $1.7M)).

The Trust's income tax rate is 33% and its subsidiaries are at the company tax rate of 28% (2024: 33% and 28%).

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Imputation credits				
Imputation credits available for subsequent reporting periods based on a tax rate of 28% (2024: 28%)	44,719	47,308	-	-

The above amounts represent the balance of the imputation credit account as at the end of the financial year, adjusted for:
- Imputation credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- Imputation debits that will arise from the payment of dividends recognised as a liability at balance date
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 8. Cash and cash equivalents

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Cash at bank	17,349	17,602	888	2,049
Cash on deposit	5,000	-	5,000	-
Contract retention bank balances	1,516	1,055	-	-
	23,865	18,657	5,888	2,049

Note 9. Trade and other receivables

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Trade receivables	13,740	12,850	26	166
Amounts due from customers for contract work	3,027	4,790	-	-
Less: Allowance for expected credit losses	(514)	(497)	-	-
	16,253	17,143	26	166
Related party receivable	242	242	-	-
Prepayments	3,089	3,227	52	45
Other receivable	3	3	-	-
Other receivables - distributions receivable	92	276	92	276
Goods and services tax	1,188	413	-	-
	4,614	4,161	144	321
Total net trade and other receivables	20,867	21,304	170	487

Note 9. Trade and other receivables (continued)

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 25.

Allowance for expected credit losses
As of 31 March 2025, trade receivables for the Group of $1.8M (2024: $1.3M) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group has recognised a loss of $17,000 (2024: gain of $24,000) in revenue and expenses in respect of the expected credit losses for the year ended 31 March 2025.

The ageing analysis of all trade receivables and allowance for expected credit losses provided for above are as follows:

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current	14,451	15,811	26	166
One to three months	190	97	-	-
Over three months	1,612	1,235	-	-
	16,253	17,143	26	166

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Aging of expected credit losses				
Current 0.2%	23	46	-	-
One to three months 1.6%	3	3	-	-
Over three months 30.3%	488	448	-	-
	514	497	-	-

Movements in the allowance for expected credit losses are as follows:

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Opening balance	497	521	-	-
Increase/(decrease) in provision	17	(24)	-	-
	514	497	-	-

Note 10. Contract assets

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Contract assets	-	458	-	-

Note 11. Financial assets at fair value through other comprehensive revenue and expenses

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Harbour Asset Management Fund	7,927	-	7,927	-
First Sentier Investors (NZ) Scheme	12,338	-	12,338	-
Colchester Investment Funds	4,239	-	4,239	-
Impact Investment Enterprise Fund	213	223	213	223
Purpose Capital Impact Fund	4,526	3,464	4,526	3,464
Vanguard (NZD Hedged)	18,446	14,994	18,446	14,994
Vanguard (Unhedged)	19,533	49,227	19,533	49,227
	67,222	67,908	67,222	67,908

Impact investment enterprise fund includes a $5,000 uncalled commitment (2024: $5,000) relating to the partnership units acquired in the Impact Investment Enterprise Fund. The Purpose Capital Impact Fund includes a $525,000 uncalled commitment (2024: $1,200,000).

The Group's financial assets at fair value through other comprehensive revenue and expense are classified as non-current assets when they are not expected to be realised within the 12 months after the reporting date.

Note 12. Property, plant and equipment

	Electricity network $'000	Generation assets $'000	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Computer hardware $'000	Assets under construction * $'000	Total $'000
Consolidated 2024								
Opening net book amount as at 1 April 2023	723,181	22,515	20,088	31,191	6,279	1,761	5,086	810,101
Additions	82,567	10,873	-	684	1,564	1,156	6,898	103,742
Revaluation	-	-	(1,319)	-	-	-	-	(1,319)
Transfers	-	-	2	1,556	739	68	(2,365)	-
Disposals	(4,152)	-	-	(292)	(194)	(1)	-	(4,639)
Depreciation charge	(17,175)	(133)	(352)	(3,862)	(1,733)	(801)	-	(24,056)
Closing net book amount as at 31 March 2024	784,421	33,255	18,419	29,277	6,655	2,183	9,619	883,829
Cost/valuation	826,311	33,984	21,117	67,735	14,419	7,193	9,619	980,378
Accumulated depreciation	(41,890)	(729)	(2,698)	(38,458)	(7,764)	(5,010)	-	(96,549)
Closing net book amount as at 31 March 2024	784,421	33,255	18,419	29,277	6,655	2,183	9,619	883,829

	Electricity network $'000	Generation assets $'000	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Computer hardware $'000	Assets under construction * $'000	Total $'000
Consolidated 2025								
Opening net book amount as at 1 April 2024	784,421	33,255	18,419	29,277	6,655	2,183	9,619	883,829
Additions	79,302	26,079	5,753	2,637	2,604	193	3,825	120,393
Transfer	23	(350)	2,003	3,265	1,399	1,028	(7,334)	34
Disposals	(3,341)	-	-	(667)	(837)	-	-	(4,845)
Depreciation charge	(18,754)	(1,418)	(396)	(3,812)	(1,312)	(1,042)	-	(26,734)
Closing net book amount as at 31 March 2025	841,651	57,566	25,779	30,700	8,509	2,362	6,110	972,677
Cost/valuation	901,699	59,713	28,872	72,936	15,074	8,350	6,110	1,092,754
Accumulated depreciation	(60,048)	(2,147)	(3,093)	(42,236)	(6,565)	(5,988)	-	(120,077)
Closing net book amount as at 31 March 2025	841,651	57,566	25,779	30,700	8,509	2,362	6,110	972,677

Note 12. Property, plant and equipment (continued)

* The Assets under construction category above excludes work in progress relating to the Electricity network and Generation assets

The net book value of the Electricity network includes an estimated $64.9M of work in progress as at 31 March 2025 (2024: $77.8M). The net book value of the Generation assets includes an estimated $26.7M of work in progress at 31 March 2025 (2024: $31.2M).

Under paragraph 67 of PBE IPSAS 17, the useful life of assets shall be reviewed at least annually. As the useful life of an asset is an estimate, there is a requirement to demonstrate the rationale and appropriateness of the estimate. A review of useful lives of motor vehicle assets was completed during the year ended 31 March 2024 based on the current vehicle strategy for the company. This resulted in the accounting useful lives being revised down for the heavy vehicle fleet from up to 20 years to 8 years with an appropriate residual value.

	Plant and equipment $'000	Total $'000
Trust 2024		
Opening net book amount as at 1 April 2023	11	11
Additions	5	5
Depreciation charge	(5)	(5)
Closing net book amount as at 31 March 2024	11	11
Cost/valuation	57	57
Accumulated depreciation	(46)	(46)
Closing net book amount as at 31 March 2024	11	11
Trust 2025		
Opening net book amount as at 1 April 2024	11	11
Additions	57	57
Disposals	(2)	(2)
Depreciation charge	(10)	(10)
Closing net book amount as at 31 March 2025	56	56
Cost/valuation	107	107
Accumulated depreciation	(51)	(51)
Closing net book amount as at 31 March 2025	56	56

Land and buildings revaluations and impairment review
A fair value assessment has been undertaken on the Maui St land and buildings, included in the land and buildings asset category, by independent valuers SGHU Valuations LP Registered Valuers (SGHU) on 31 March 2025 using a market approach. This is a Level 3 valuation. Updated key inputs include market rent at $1,060,000 (2024: $1,020,000) and a capitalisation rate of between 5.32% and 5.82% (2024: 5.75% and 6.25%), resulting in a valuation range of $18.2M to $19.9M (2024: $16.3M to $17.7M). The Directors consider that the current carrying value of $18.3M can be retained, as the carrying value materially reflects estimated fair value (2024 carrying value: $16.5M).

Network revaluations and impairment review
The updated key inputs have resulted in a valuation range for the Electricity Network of $832.5M to $909.3M, with a mid-point of $869.9M (based on sensitivity to WACC low/high estimates). The Directors consider that the current carrying value of the network fixed assets of $841.7M can be retained, as the carrying value materially reflects estimated fair value (2024 carrying value: $784.4M).

Note 12. Property, plant and equipment (continued)

The primary valuation method is the discounted cash flow (DCF) methodology, over a 10 year period, with a terminal value based on the estimated regulatory asset base (RAB) using a multiple of 1.0x. While isolated changes to revenue and expenditure assumptions used in the discounted cash flow model can have a significant impact on the valuation range, as the valuation is prepared under a regulatory framework to earn a regulated return on investment, these assumptions are inter-related and therefore any reasonable changes to these assumptions would not result in a significant change to the valuation range. The valuation is however sensitive to the Weighted Average Cost of Capital (WACC) and the Regulated Asset Base (RAB) multiple used in the valuation as outlined in the table below. The valuation of the fixed assets is consistent with the requirements of PBE IPSAS 17 Property, Plant and Equipment, which requires the network to be valued based on the existing capabilities, i.e. excluding earnings growth that requires capital expenditure on network expansion but including growth that can be accommodated on the existing network.

We have considered the potential impact of climate change in the preparation of the electricity network valuation. We are forecasting a greater capital spend to enable the network to cope with future increased load expected from electrification, growth, and decarbonisation. The impact of this has been included in the latest Asset Management Plan which forms the basis of the assumptions used in the DCF for the network valuation.

The table below shows the sensitivities to key inputs of the valuation, which are represented by the valuation ranges.

2024	**Mid-point for valuation**	**Sensitivity Range**	**Valuation Impact of Sensitivity Range from Mid-point**
Electricity Network:			
WACC (Weighted Average Cost of Capital)	6.6%	6.1% - 7.1%	+ $38.5M / - $36.6M
RAB (Regulatory Asset Base) Multiple for Terminal Value (TV)	1.00x	0.98x - 1.02x	+/- $13.0M

2025	**Mid-point for valuation**	**Sensitivity Range**	**Valuation Impact of Sensitivity Range from Mid-point**
Electricity Network:			
WACC (Weighted Average Cost of Capital)	6.5%	6.0% - 7.0%	+ $39.3M / - $37.4M
RAB (Regulatory Asset Base) Multiple for Terminal Value (TV)	1.00x	0.98x - 1.02x	+/- $14.0M

If the assets were measured using historical cost basis they would be recorded as follows:

2024	**Land and buildings $'000**	**Electricity network $'000**
Consolidated		
Cost	11,029	830,869
Accumulated depreciation	(2,827)	(231,775)
Net book amount as at 31 March 2024	8,202	599,094

Note 12. Property, plant and equipment (continued)

2025	Land and buildings $'000	Electricity network $'000
Consolidated		
Cost	18,435	905,782
Accumulated depreciation	(3,244)	(242,671)
Net book amount as at 31 March 2025	15,191	663,111

Note 13. Intangibles

	Goodwill $'000	Assets under construction $'000	Computer software - internally generated $'000	Computer software $'000	Easements and consents $'000	Leasehold interest $'000	Total $'000
Consolidated 2024							
Opening net book amount as at 1 April 2023	8,303	10,188	91	4,038	2,666	107	25,393
Additions	-	5,398	986	4,132	11	-	10,527
Transfers	-	(6,377)	3,511	2,614	252	-	-
Amortisation charges	-	-	(594)	(2,174)	(3)	-	(2,771)
Closing net book amount 31 March 2024	8,303	9,209	3,994	8,610	2,926	107	33,149
Cost	8,303	9,209	5,371	28,839	5,525	107	57,354
Accumulated amortisation and impairment	-	-	(1,377)	(20,229)	(2,599)	-	(24,205)
Closing net book amount 31 March 2024	8,303	9,209	3,994	8,610	2,926	107	33,149

Note 13. Intangibles (continued)

	Goodwill $'000	Assets under construction $'000	Computer software - internally generated $'000	Computer software $'000	Easements and consents $'000	Leasehold interest $'000	Total $'000
Consolidated 2025							
Opening net book amount 1 April 2024	8,303	9,209	3,994	8,610	2,926	107	33,149
Additions	-	2,567	1,551	2,220	-	-	6,338
Transfers	-	(4,617)	2,685	1,702	196	-	(34)
Amortisation charges	-	-	(903)	(3,689)	(2)	-	(4,594)
Closing net book amount 31 March 2025	8,303	7,159	7,327	8,843	3,120	107	34,859
Cost	8,303	7,159	9,607	32,762	5,721	107	63,659
Accumulated amortisation and impairment	-	-	(2,280)	(23,919)	(2,601)	-	(28,800)
Closing net book amount 31 March 2025	8,303	7,159	7,327	8,843	3,120	107	34,859

	Computer software $'000	Total $'000
Trust 2024		
Cost	8	8
Accumulated amortisation and impairment	(8)	(8)
Closing net book amount 31 March 2024	-	-
Trust 2025		
Cost	8	8
Accumulated amortisation and impairment	(8)	(8)
Closing net book amount 31 March 2025	-	-

Goodwill

Of the $8.9 million of goodwill of $5.2 million arose on the original acquisition of the WEL Networks Group by the Trust, and $3.1 million relates to the acquisition of Infratec New Zealand Limited.

The carrying value of goodwill of $3.1M relates to Infratec New Zealand Limited as a single cash generating unit (2024 carrying value: $3.1M). The recoverable amount was determined using a 5 year discounted cashflow value in use model with key inputs including a discount rate of 24.2% pre-tax (11.6% post-tax) (2024: 26.3% pre-tax and 12.6% post-tax) and a terminal growth rate of -2% (2024: -2%) (accounting for potential competition and the eventual decline in demand new solar and battery installations). The cash flows are based on the current five-year management forecast (FY26 to FY30), followed by a terminal value (2024: based on the current five-year management forecast (FY25 to FY29), followed by a terminal value). The most sensitive components of the cash flows driving the valuation are the assumptions in the terminal value. These include annual revenue of $71.4M (2024: $71.4M), gross margin at 12.0% (2024: 12.0%), and fixed costs of $6.8M p.a (2024: $6.2M p.a). This results in approximately $0.8M (2024: $0.9M) of pre-tax annual cash flows (before discounting) in the terminal value calculation.

Note 13. Intangibles (continued)

The carrying amount of the CGU is $5.1M (2024: $3.7M), and the midpoint of the recoverable amount is $6.0M (2024: $7.6M).

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

2025	**From**	**To**
Gross Revenue Terminal Value	$71.4M	$69.0M
Gross Margin Terminal Value	12.0%	11.6%
Fixed Costs Terminal Value	$6.8M	$7.1M
WACC (pre-tax)	24.2%	31.0%

2024	**From**	**To**
Gross Revenue Terminal Value	$71.4M	$59.9M
Gross Margin Terminal Value	12.0%	10.1%
Fixed Costs Terminal Value	$6.2M	$7.6M
WACC (pre-tax)	26.3%	69.5%

The Trustees have completed an impairment assessment as at 31 March 2025 and noted that the recoverable amount for Infratec is greater than the carrying amount by $0.9M at the midpoint (2024: $3.9M). Based on this the Trustees consider that there are no indicators of impairment and the current carrying value of goodwill can be retained.

The recoverable amount of WEL Networks Limited was determined using a 'fair value less cost to sell' method, using Discounted Cash Flow (DCF) methodology over a 10 year period. A 10 year analysis period has been used, rather than the standard five year period, to more accurately capture ongoing and future connections growth, along with cost and scale efficiencies and the key inputs include:

- a post tax Weighted Average Cost of Capital (WACC) of 6.50% (2024: 6.60%) which is in line with the Electricity Network valuation;
- revenue averaging $180.8M p.a. (2024: $187.0M p.a) (excluding transmission), which reflects an expected regulatory ROI of 7.10% during the FY26 to FY30 period (2024: 7.57%), then increasing to 7.32% for the FY31 to FY35 period (2024: 7.73%);
- capital expenditure, including network expansion growth, averaging $99.8M p.a. (2024: $104.0M p.a.) sourced from the Asset Management Plan;
- terminal value based on estimated RAB (Regulatory Asset Base on which a regulated Electricity Distributor can earn a regulatory profit) at the end of FY35 of $1,648.7M (2024: $1,594.8M), at a 1.0x multiple; and
- costs to sell of $10M, at 1.1% (2024: $10M at 1.2%).

The conclusion is that there is no impairment to the goodwill as the analysis above results in $137.5M of headroom (2024: $65.0M), and the carrying value of WEL Networks Limited is within the valuation range (less costs to sell) of $885.6M to $971.8M (2024: $753.8M to $839.4M). It would require unfavourable changes in the key variables (for example, a 1.74% increase in WACC to 8.24% or a reduction in the terminal value multiple by 0.16 to 0.84) to cause the 'carrying amount' to exceed the 'fair value less cost to sell'. The assumptions adopted reflect the risk and uncertainty associated with WEL Networks as at 31 March 2025.

Note 14. Loans advanced

	Consolidated		**Trust**	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Opening loan balance	3,114	3,229	3,114	3,229
Effective interest received	71	73	71	73
Repayments made	(196)	(188)	(196)	(188)
Carrying amount	2,989	3,114	2,989	3,114

Note 14. Loans advanced (continued)

Current	178	120	178	120
Non Current	2,811	2,994	2,811	2,994
	2,989	3,114	2,989	3,114

The nominal value of loans advanced at balance date was $13,650,000 (2024: $13,650,000).

On 28th August 2013 the Trust entered into a Funding Deed with the Momentum Foundation to advance $10,000,000 to the Foundation for a period of 60 years. The advance is interest free but is subject to early repayment if the conditions of the Deed are not met by the Foundation. The loan is initially recognised at fair value discounted to present value using the effective interest rate method which provides the net present value of the loan and is subsequently carried at amortised cost as it is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. The Trustees have utilised an interest rate of 7% in the calculation which is a risk free rate at the time of inception plus a premium due to the very long term nature of the loan.

Other loans advanced to community groups have terms ranging from three to ten years and are valued using a market based lending rate, typically 1-2% higher than the concession rate in the loan contract.

Note 15. Net investment in lease

	Consolidated		Trust	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Net investment in lease - current	1,213	610	-	-
Net investment in lease - non-current	29,156	26,095	-	-
	30,369	26,705	-	-

Consolidated	**31 March 2025 $'000**	**31 March 2024 $'000**
Undiscounted lease receivable:		
Current net investment in lease	3,030	2,220
Maturing between 1 and 2 years	2,547	2,199
Maturing between 2 and 3 years	2,511	2,175
Maturing between 3 and 4 years	2,472	2,150
Maturing between 4 and 5 years	2,432	2,121
Beyond 5 years	50,117	46,773
Less effect of discounting	(32,740)	(30,933)
Net investment in lease (discounted)	30,369	26,705

Accounting judgements, estimates and assumptions
In October 2010, WEL entered into a sale and lease back agreement for the purposes of WEL providing transmission services to the Te Uku wind farm. Transmission infrastructure was constructed for the agreement and an annual charge is levied by WEL for the services provided.

Variations to this agreement were subsequently entered into during the financial years ended 31 March 2021 and 31 March 2024 for additional infrastructure added to the wind farm which will allow it to operate more efficiently. These variations meet the definition of lease modifications under PBE IPSAS 13 and triggered reassessment of the original agreement, as the terms and conditions of the original agreement have been changed for additional assets and consideration.

Note 15. Net investment in lease (continued)

As at 1 April 2024 there was an update to the pricing of the Windfarm lease as per the contract which occurs every 5 years. This has resulted in a modification to the finance lease of $4.4M increasing the lease with the gain going through other gains/(losses) in the profit and loss.

This has been classified as a finance lease with consideration given to the following:

- The present value of the lease payments amount to substantially all of the fair value of the underlying assets;
- The lease term for 25 years with a renewable period of a further 25 years is for a significant portion of the estimated economic life of the underlying assets; and
- The underlying asset was specifically designed for the lessee's needs.

On initial recognition of the finance lease $27.7M was derecognised from property, plant and equipment and recorded as the opening net investment in the lease. The discount rate implicit in the lease of 6.09% was used to discount the lease payments back to present value and is based on the fair value of the assets. This was determined to be $27.7M based on the current value of the assets in RAB, and using a 1.00x RAB multiple to arrive at a fair value. Further modifications have been recognised in February 2021 and November 2023 resulting in a total of $1.1M being recognised as additions to the net investment in the finance lease at the same discount rate of 6.09%.

Note 16. Trade and other payables

	Consolidated		Trust	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Exchange transactions:				
Trade payables	15,693	15,962	36	38
Other payables	10,743	6,434	130	123
Interest payable	299	51	-	-
Non-exchange transactions:				
Grants payable	841	1,041	841	1,041
Total trade and other payables from exchange and non-exchange transactions	27,576	23,488	1,007	1,202

Note 17. Borrowings

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current liabilities:				
Maturing within 1 year	47,925	10,952	-	-

	Consolidated		Trust	
Non-current liabilities:	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Maturing between 1 and 2 years	34,921	-	-	-

The loans are secured by a negative undertaking of the Group. The Group was in compliance with all covenants during the year.

The carrying value of bank and bond debt is $82.8M (2024: $11.0M). The fair value of contractual cash flows is $85.7M (2024: $11.7M). Refer to note 25.

The Group entered into additional bank facilities totalling $110M during the year, and had facilities of $35M mature in August 2024. Facilities available to the Group as at 31 March 2025 total $160M, with $77M remaining available to be drawn. The facilities expire as follows:

	Facility available $'000	Total facility $'000
31 August 2025	3,000	15,000
31 August 2025	1,000	20,000
31 August 2025	3,000	20,000
31 August 2026	-	10,000
31 August 2026	20,000	20,000
31 August 2026	-	25,000
14 March 2028	30,000	30,000
14 March 2028	20,000	20,000
	77,000	160,000

Note 18. Current employee benefit obligations and provisions

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Employee benefit obligations:				
Annual leave	2,988	2,790	28	26
Employee benefits	1,829	1,534	-	-
	4,817	4,324	28	26

Note 19. Deferred income

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Deferred income - third party contributions - electricity	7,098	10,876	-	-
Deferred income - solar	134	397	-	-
Total current deferred income	7,232	11,273	-	-

Management expects that 77% (2024: 74%) of the electricity third party contributions and 100% (2024: 100%) of solar revenue relating to the unsatisfied contracts as at 31 March 2025 will be recognised as revenue in the next reporting period.

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Non-current deferred income	739	768	-	-

Income received from government organisations to fund the undergrounding of some areas of the electricity network is recognised over 45 years which is the life of the asset. Revenue recognised this year of $29,385 (2024: $29,385).

Note 20. Derivative financial instruments

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Current and non-current assets				
Foreign forward exchange contracts - cash flow hedges - current	244	-	-	-
Current and non-current liabilities				
Forward foreign exchange contracts - cash flow hedges - current	-	(40)	-	-
Total net derivative financial instruments	244	(40)	-	-

The Group had number of contracts to hedge wholesale electricity price risk which were closed out in May 2023. These electricity contracts were not designated as hedges for accounting purposes. The hedges were valued based on the volume traded and the difference between the contract price and the last trade price on the ASX futures market for the relevant contract period. A loss of $0.6M on these electricity price derivatives had been recorded in the statement of revenue and expense for both realised and unrealised losses for 31 March 2024.

The Group has entered in USD/NZD and EUR/NZD FX contracts to hedge the foreign currency risk related to highly probably purchase of solar farm equipment from overseas. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2025 are $4.1M (2024: $2.8M).

Note 21. Deferred tax liabilities

	Tax losses $'000	Accelerated tax depreciation / Revaluation of assets $'000	Provisions and other $'000	Derivative instruments $'000	Finance lease $'000	Right of use assets $'000	Lease liability $'000	Total $'000
Consolidated								
Balance as at 1 April 2023	(1,778)	112,695	(1,418)	394	679	965	(997)	110,540
Charged/(credited) to the statements of comprehensive revenue and expense	355	5,854	(500)	(370)	(16)	62	(70)	5,315
Charged directly to equity - derivatives	-	(198)	-	(35)	-	-	-	(233)
Balance as at 31 March 2024	(1,423)	118,351	(1,918)	(11)	663	1,027	(1,067)	115,622
Balance as at 1 April 2024	(1,423)	118,351	(1,918)	(11)	663	1,027	(1,067)	115,622
Charged/(credited) to the statements of comprehensive revenue and expense	27	6,769	97	-	467	540	(550)	7,350
Charged/(credited) directly to equity - derivatives and revaluations	-	-	-	79	-	-	-	79
Balance as at 31 March 2025	(1,396)	125,120	(1,821)	68	1,130	1,567	(1,617)	123,051

The trust had no deferred tax transactions for 31 March 2025 (2024: nil).

Note 22. Contributed equity

	Consolidated & Trust			
	2025 Shares	2024 Shares	2025 $'000	2024 $'000
Contributed equity	-	-	52,067	52,067

Note 23. Reserves

	Consolidated		Trust	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Revaluation reserve	147,808	150,326	-	-
Hedging reserve - cash flow hedges	175	(29)	-	-
Financial assets at fair value through other comprehensive revenue and expense reserve	5,549	11,455	5,549	11,455
	153,532	161,752	5,549	11,455

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	**Revaluation reserve $'000**	**Hedging reserve $'000**	**Financial assets at fair value through other comprehensive revenue and expense $'000**	**Total $'000**
Balance at 1 April 2023	153,064	60	(8,544)	144,580
Revaluation of land and buildings - gross	(1,319)	-	-	(1,319)
Deferred tax on revaluation of land and buildings	198	-	-	198
Disposal of distribution network assets	(1,617)	-	-	(1,617)
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	14,552	14,552
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	5,447	5,447
Forward foreign exchange contract - cash flow hedges	-	(124)	-	(124)
Deferred tax on forward foreign exchange contract - cash flow hedges	-	35	-	35
Balance at 31 March 2024	150,326	(29)	11,455	161,752
Disposal of distribution network assets	(2,518)	-	-	(2,518)
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	1,544	1,544
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	(7,450)	(7,450)
Forward foreign exchange contract - cash flow hedges	-	283	-	283
Deferred tax on forward foreign exchange contract - cash flow hedges	-	(79)	-	(79)
Balance at 31 March 2025	147,808	175	5,549	153,532

Note 23. Reserves (continued)

Trust	Revaluation reserve $'000	Hedging reserve $'000	Financial assets at fair value through other comprehensive revenue and expense $'000	Total $'000
Balance at 1 April 2023	-	-	(2,292)	(2,292)
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	13,747	13,747
Balance at 31 March 2024	-	-	11,455	11,455
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	1,544	1,544
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	(7,450)	(7,450)
Balance at 31 March 2025	-	-	5,549	5,549

Note 24. Accumulated comprehensive revenue and expense

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Accumulated comprehensive revenue and expense at the beginning of the financial year	670,783	660,682	98,616	98,008
Surplus after income tax expense for the year	11,225	13,931	407	608
Disposal of distribution network assets	2,518	1,617	-	-
Disposal of financial assets at fair value through other comprehensive revenue and expense	7,450	(5,447)	7,450	-
Accumulated comprehensive revenue and expense at the end of the financial year	691,976	670,783	106,473	98,616

Note 25. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial and regulatory risks. Financial risks include market risk (including foreign exchange, interest rate risk and price risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's overall financial risk management objectives are to ensure that the Group creates value and maximises returns to its beneficiaries as well as ensuring that adequate financial resources are available for the development of the Group's businesses whilst managing its financial risks. It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The major areas of the financial risks faced by the Group and the information on the management of the related exposures are detailed below:

Note 25. Financial instruments (continued)

Market risk

Foreign currency risk
Management has set up a policy to require the Group to manage their foreign exchange risk against their functional currency. The Group is required to hedge all transactions greater than $250,000. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

As at 31 March 2025, if the currency had weakened/strengthened by 10% against the US dollar with all other variables held constant, the impact on the post-tax surplus for the year would have been nil (2024: nil).

Price risk
The Group enters into electricity price derivatives that establish a fixed price at which future specified quantities of electricity are purchased. The electricity price derivatives are periodically settled with any difference between the contract price and the spot market price settled between the parties.

The Group also has exposure to equity securities price risk from investment funds classified in the statement of financial position as fair value through other comprehensive revenue and expense (FVORE). To manage the price risk arising on the investment funds, the Group diversifies the portfolio through managed funds.

Cash flow and fair value interest rate risk
The Group's interest rate risk arises from short term and long term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain minimum and maximum fixed interest rate cover of its borrowings in fixed rate instruments.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	Maturity date	Fair value $'000	Unamortised cost $'000	Adjustment on hedged risk $'000	Carrying value $'000
Consolidated 2024					
Bank facilities (variable rates)	Aug 24	11,000	(48)	-	10,952
Consolidated 2025					
Bank facilities (variable rates)	Various	83,000	(154)	-	82,846

	2024 $'000
Hedge ratio	1:1
Change in fair value of outstanding hedging instruments since 1 April	(932)
Change in value of hedge item used to determine hedge effectiveness	932

The interest rate swaps were terminated during the year ended 31 March 2024.

Note 25. Financial instruments (continued)

Sensitivity analysis

The tables below illustrate the potential surplus and deficit and equity (excluding accumulated funds) impact from possible market movements, with all other variables held constant, based on the Group's or Trust's financial instrument exposures at balance date. There are no other price risks.

Interest rate risk +/-1% **Consolidated** **31 March 2024**	**Carrying amount $'000**	**+/- 1% Surplus $'000**	**+/- 1% Equity $'000**
Financial assets:			
Cash and cash equivalents	18,657	187	-
Term deposits	9,500	95	-
Trade and other receivables (excluding prepayments)	17,664	-	-
Loans advanced	3,114	31	-
Financial assets at fair value through other comprehensive revenue and expense	67,908	-	679
Financial liabilities:			
Trade and other payables	23,488	-	-
Interest bearing liabilities	10,952	110	-
Discount payable	12,450	-	-
Derivative financial instruments	40	-	-
		423	679
31 March 2025	**Carrying amount $'000**	**+/-1% Surplus $'000**	**+/- 1% Equity $'000**
Financial assets:			
Cash and cash equivalents	23,865	239	-
Term deposits	3,000	30	-
Trade and other receivables (excluding prepayments)	16,590	-	-
Loans advanced	2,989	30	-
Derivative financial instruments	244	-	-
Financial assets at fair value through other comprehensive revenue and expense	67,222	-	672
Financial liabilities:			
Trade and other payables	27,576	-	-
Interest bearing liabilities	82,846	828	-
Discount payable	12,625	-	-
Derivative financial instruments	-	-	-
		1,127	672

Note 25. Financial instruments (continued)

Interest rate risk +/-1% Trust 31 March 2024	Carrying amount $'000	+/- 1% Surplus $'000	+/- 1% Equity $'000
Financial assets:			
Cash and cash equivalents	2,049	20	-
Term deposits	4,000	40	-
Trade and other receivables (excluding prepayments)	442	-	-
Loans advanced	3,114	31	-
Financial assets at fair value through other comprehensive revenue and expenses	67,908	-	679
Financial liabilities:			
Trade and other payables	1,202	-	-
		91	679

	Carrying amount $'000	+/- 1% Surplus $'000	+/- 1% Equity $'000
31 March 2025			
Financial assets:			
Cash and cash equivalents	5,888	59	-
Term deposits	3,000	30	-
Trade and other receivables (excluding prepayments)	118	-	-
Loans advanced	2,989	30	-
Financial assets at fair value through other comprehensive revenue and expenses	67,222	-	672
Financial liabilities:			
Trade and other payables	1,007	-	-
		119	672

Credit risk

Credit risk is the potential risk of financial loss arising from the failure of a customer or counter party to settle its financial and contractual obligations to the Group, as and when they fall due. The credit risk attributable to receivables is managed and monitored on an ongoing basis via Group's management reporting procedures and internal credit review procedures.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a credit policy which is used to manage this exposure to credit risk. As part of this policy, limits on exposures with counterparties have been set and are monitored on a regular basis.

The Group has in excess of 32% (2024: 32%) of its trade debtors owing from the incumbent retailer, Genesis Energy Limited. This debt is subject to a written agreement that requires an investment grade credit rating to be maintained. If the credit rating falls below investment grade then a bond will be required as collateral.

The Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, the Trustees believe that no additional credit risk beyond amounts provided for doubtful debts is inherent in the Group's trade receivables.

In respect of the fixed deposits, cash and bank balances and derivatives placed with major financial institutions, the Trustees believe that the possibility of non performance by these financial institutions is remote on the basis of their financial strength.

Note 25. Financial instruments (continued)

The Group is further exposed to credit risk on its loans advanced and financial assets at fair value through other comprehensive revenue and expense. The Group manages its exposure to the risk on its loans advanced by obtaining general and specific securities over the loans. The Group manages its exposure to the risk on its financial assets at fair value through other comprehensive revenue and expense through the selection of a reputable investment manager and regular monitoring.

Other than as mentioned above the Group has no significant concentration of credit risk on its financial assets. The maximum exposures to credit risk are represented by the carrying amounts of other financial assets in the statement of financial position. Except for the financial guarantees given by the Group, the Group does not provide any other financial guarantees which would expose the Group to credit risk.

The Group applies the PBE IPSAS 41 Financial Instruments approach to measuring expected credit losses on Loans Advanced. All the Loans Advanced which are recognised at amortised cost were considered to have low credit risk therefore the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider "low credit risk" when they have low risk of default and the borrower has a strong capacity to meet its contractual obligations as they are due. In assessing the risk of default management has reviewed the latest financial statements of each borrower and reviewed any communication or action by the borrower that indicates default is likely. The financial statements review assesses the ability of the borrower to meet interest payments as they fall due and that there are still sufficient assets to cover the Group's secured interests.

The Group has classified the Loans Advanced into Interest and Non Interest Bearing Loans and estimated the following potential cash shortfall and probability of default at the loan's discounted value.

	Loan Balance	Potential cash shortfall	Probability of default %	Loss allowance
Consolidated 2024				
Non interest bearing	353	106	2%	2
Interest bearing loans	429	22	5%	1
Interest bearing loans	2,341	275	2%	6
	3,123	403		9

	Loan balance	Potential cash shortfall	Probability of default %	Loss allowance
Consolidated 2025				
Non interest bearing	378	106	2%	2
Interest bearing loans	243	29	5%	1
Interest bearing loans	2,377	275	2%	6
	2,998	410		9

Liquidity risk
The Group’s policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group was in compliance with covenants during the year.

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at statement of financial position date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Note 25. Financial instruments (continued)

Consolidated 31 March 2024	Less than one year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 5 years $'000	5 + years $'000	Total fair value contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivative financial instruments							
Borrowings	11,268	(13)	(2)	-	-	11,253	10,952
Trade and other payables	23,488	-	-	-	-	23,488	23,488
Customer discount payable	12,450	-	-	-	-	12,450	12,450
Total non derivative financial instruments	47,206	(13)	(2)	-	-	47,191	46,890

Consolidated 31 March 2025	Less than one year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 5 years $'000	5 + years $'000	Total fair value contractual cash flows $'000	Carrying amounts (assets)/ liabilities $'000
Non derivative financial instruments							
Borrowings	49,258	36,495	(29)	-	-	85,724	82,846
Trade and other payables	27,576	-	-	-	-	27,576	27,576
Customer discount payable	12,625	-	-	-	-	12,625	12,625
Total non derivative financial instruments	89,459	36,495	(29)	-	-	125,925	123,047

Fair value of financial instruments

For those instruments recognised at fair value in the statements of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statements of financial position:

Consolidated 31 March 2024	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets:				
Financial assets at fair value through other comprehensive revenue and expenses	67,908	-	64,221	3,687
Financial liabilities:				
Foreign forward exchange contracts	(40)	-	(40)	-

Note 25. Financial instruments (continued)

Consolidated **31 March 2025**	**Total** **$'000**	**Level 1** **$'000**	**Level 2** **$'000**	**Level 3** **$'000**
Financial assets:				
Foreign forward exchange contracts	244	-	244	-
Financial assets at fair value through other comprehensive revenue and expense	67,222	-	62,483	4,739
Total financial assets	67,466	-	62,727	4,739

Financial assets and financial liabilities are shown for the Group only given that only accounts payable and loans receivable are relevant for the Trust and therefore not material for a full table to be disclosed.

Categories of financial assets and liabilities

Consolidated - 2024	**Financial assets/ liabilities at amortised cost $'000**	**Financial assets/ liabilities at fair value through P&L $'000**	**Financial assets (FVTOCRE) $'000**	**Total $'000**
Assets				
Cash and cash equivalents	18,657	-	-	18,657
Trade and other receivables (excluding prepayments)	17,664	-	-	17,664
Term deposits	9,500	-	-	9,500
Loans advanced	3,114	-	-	3,114
Financial assets at fair value through other comprehensive revenue and expense	-	-	67,908	67,908
Total financial assets	48,935	-	67,908	116,843
Liabilities				
Trade payables	23,488	-	-	23,488
Borrowings	10,952	-	-	10,952
Customer discount payable	12,450	-	-	12,450
Derivative financial instruments	-	40	-	40
Total financial liabilities	46,890	40	-	46,930

Note 25. Financial instruments (continued)

Consolidated - 2025	Financial assets/ liabilities at amortised cost $'000	Financial assets/ liabilities at fair value through P&L $'000	Financial assets (FVTOCRE) $'000	Total $'000
Assets				
Cash and cash equivalents	23,865	-	-	23,865
Trade and other receivables (excluding prepayments)	16,590	-	-	16,590
Term deposits	3,000	-	-	3,000
Loans advanced	2,989	-	-	2,989
Financial assets at fair value through other comprehensive revenue and expense	-	-	67,222	67,222
Derivative financial instruments	-	-	244	244
Total financial assets	46,444	-	67,466	113,910
Liabilities				
Trade payables	27,576	-	-	27,576
Borrowings	82,846	-	-	82,846
Customer discount payable	12,625	-	-	12,625
Total financial liabilities	123,047	-	-	123,047

Trust - 2024	Financial assets/ liabilities at amortised cost $'000	Financial assets (FVTOCRE) $'000	Total $'000
Assets			
Cash and cash equivalents	2,049	-	2,049
Trade and other receivables (excluding prepayments)	442	-	442
Term deposits	4,000	-	4,000
Loans advanced	3,114	-	3,114
Financial assets at fair value through other comprehensive revenue and expense	-	67,908	67,908
Total financial assets	9,605	67,908	77,513
Liabilities			
Trade payables	1,202	-	1,202
Total financial liabilities	1,202	-	1,202

Note 25. Financial instruments (continued)

Trust - 2025	**Financial assets/ liabilities at amortised cost $'000**	**Financial assets (FVTOCRE) $'000**	**Total $'000**
Assets			
Cash and cash equivalents	5,888	-	5,888
Trade and other receivables (excluding prepayments)	118	-	118
Term deposits	3,000	-	3,000
Loans advanced	2,989	-	2,989
Financial assets at fair value through other comprehensive revenue and expense	-	67,222	67,222
Total financial assets	11,995	67,222	79,217
Liabilities			
Trade payables	1,007	-	1,007
Total financial liabilities	1,007	-	1,007

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for beneficiaries and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of discount provided to consumers or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'net assets/equity' as shown in the consolidated statement of financial position plus net debt. In both years the Group is within its predefined limits.

The Group for the purposes of borrowings, being WEL Networks Group, is required to ensure that the following financial covenant ratios for unsecured borrowings are achieved during the financial year:

- the ratio of EBITDA to net interest expense will be greater than or equal to 2.75 times.
- the percentage of net debt to net debt plus equity will be less than or equal to 60%.
- the Group undertakes to ensure that the Guarantor Group will comprise no less than 85% of EBITDA and no less than 85% of total assets.

The unsecured borrowings become repayable on demand in the event these covenants are breached or if the Group fails to make interest and principal payments when they fall due. The Group has complied with all covenants and borrowing repayment obligations during the financial year.

Note 26. Contingent liabilities

The Trust has contingent liabilities of $650,000 for the year (2024: $600,000). The Trust approved a 5-year in principle commitment of $3M to seed fund a support/organisation for the Waikato Wellbeing Project (WWP) through the Waikato Regional Council (2021-2025). The Year 5 commitment of $300,000 was conditionally approved in March 2025 and will be recognised as a grant expense in the subsequent reporting period if the grantee meets the attached conditions. The Trust also has other conditionally approved grants totalling $350,000. Conditional grants are grants which have been approved but are conditional on certain conditions being met before the grant is paid. The Trust has no obligation to pay the grant if the specific grant conditions are not met.

Note 26. Contingent liabilities (continued)

Trust - Grants	31 March 2025 $'000	31 March 2024 $'000
Other grants	650	600

As at 31 March 2025 the Group had $6.16M contingent liabilities to support contracts entered into (2024: $4.23M).

A breakdown of the contingent liabilities are as follows:

Beneficiary	Supporting	Amount $'000
Energy Clearing House Limited	NewPower Electricity Retailing	1,000
Eastland Group	Infratec Performance Bond	400
Lodestone Energy Limited	Infratec Performance Bond - Kaitaia	270
Lodestone Solar Limited	Infratec Performance Bond - Edgecumbe	530
Lodestone Solar Limited	Infratec Performance Bond - Waiotahe	1,260
Lodestone Solar Limited	Infratec Performance Bond - Whitianga	1,080
Puketapu Limited	Infratec Performance Bond - New Plymouth Airport	1,620

These contingent liabilities may be called upon in the event of either non-performance or non-payment as defined by the terms of the underlying contract signed with the Beneficiary.

Arrangements in which no contingent liability is recorded

The Trust had multi-year grants which related to the Trust's support of the community through multi-year grants to a range of organisations in the area covered by the Trust. In addition to this is a 5-year in principle commitment of $3M to seed fund a support/organisation for the Waikato Wellbeing Project (2021-2025).

Multi-year and the 5yr Partnership Agreement grants are reviewed annually and the Trust has no obligation to continue the grant funding for each subsequent annual period therefore no contingent liability is recorded.

Trust	31 March 2025 $'000	31 March 2024 $'000
Waikato Wellbeing Project (2021-2025) in principle commitment	-	300

Note 27. Commitments

At balance date the Trust has commitments to fund impact investment in the Impact Enterprise Fund to the value of $5,000 (2024: $5,000) and the Purpose Capital Impact Fund of $525,000 (2024: $1.2M). The group has $1.8M committed capital expenditure relating to solar farm and electricity network equipment as at 31 March 2025 (2024: $0.7M relating to network equipment).

Operating lease commitments

The Trust leases the office premises and the Group leases land, premises and equipment.

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

Note 27. Commitments (continued)

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Not later than one year	824	774	31	-
Later than one year and not later than two years	584	587	31	-
Later than two years and not later than five years	1,127	703	8	-
Later than five years	9,092	4,163	-	-
Total non-cancellable operating leases	11,627	6,227	70	-

Note 28. Related party transactions

Trustees and Directors
The Trust has a policy of maintaining a conflict of interest register. Once a conflict of interest is registered by a trustee, the trustee will remove themselves from the decision making process relating to the associated entity. Trustees who have declared an interest in an organisation who has applied for funding shall not rank, vote or participate in the discussion about that organisation's application at the funding decision making meeting.

The following people have been trustees for the period to 31 March 2025: R Afeaki, A Chew, N Harvey, J Johnston, M Silverton, J Strange and M West.

The Trust has delegated operational running of the subsidiaries to the Directors of WEL Networks Limited. The names of persons who were directors at any time during the financial year are as follows: B Harris, P Connell, C Steele, G Lawrie, J Cook, J Colliar and J Quinn (appointed 21 June 2024).

Transactions with key management personnel
There is one key management personnel in the Trust, alongside 7 trustees for the year ended 31 March 2025 (31 March 2024: 7 trustees). The key management compensation is set out in the table below.

Key management personnel compensation for the Group includes that of the Trust, plus all the Directors and key executives of the companies with the greatest authority for the strategic direction and management of the Group for the year ended.

	2025 $'000	2024 $'000
Annual Trustee Remuneration:		
Chairperson	47	47
Sub-Committee Chairs	37	37
Trustees (each)	32	32

	Consolidated		Trust	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Trustees:				
Short term benefits	255	242	255	242
Directors:				
Short term benefits	544	567	-	-
Executives:				
Short term benefits	5,775	5,152	130	122
Termination benefits	100	-	-	-
	6,674	5,961	385	364

Note 28. Related party transactions (continued)

Related party transactions with WEL Networks Limited

Total dividends/discount distributions paid by WEL Networks Limited during the year were $9,300,000 (2024: $6,000,000). The amount of dividends per share was $1.1407 (2024: $0.7359). There were no outstanding balances between WEL Networks Limited and the Trust at year end (2024: nil).

Related party transactions with Smartco Limited

SmartCo Limited is a joint venture of WEL Networks Limited.

	Consolidated		Trust	
	2025	**2024**	**2025**	**2024**
	$'000	**$'000**	**$'000**	**$'000**
Transactions:				
Other income	1,852	1,810	-	-
Operating expenses (contract services expenditure)	(789)	(727)	-	-
Balances:				
Advances to related party	242	242	-	-

WEL Networks Limited owns 17% of SmartCo Limited. SmartCo Limited is a joint venture company which has been set up to contract with suppliers and electricity retailers to rollout advanced electronic meters across SmartCo shareholder networks.

Note 29. Interests in subsidiaries

Trust	**2025 $'000**	**2024 $'000**
Shares in WEL Networks Limited at cost	85,797	85,797

Shares in WEL Networks Limited
WEL Energy Trust owns 8,153,000 shares (100%) (2024: 8,153,000) of WEL Networks Limited. The shares are fully paid and have no par value.

Subsidiary companies of WEL Networks Limited which are consolidated to form the Group are as follows:

			Ownership interest	
Name	**Principal place of business / Country of incorporation**	**Principal activities**	**2025 %**	**2024 %**
OurPower Limited *	New Zealand	Energy and utility	-	100%
Smartco Limited (joint venture)	New Zealand	Energy and utility	17%	17%
NewPower Energy Services Limited	New Zealand	Energy and utility	100%	100%
Infratec New Zealand Limited **	New Zealand	Energy and utility	100%	100%
NewPower Energy Limited **	New Zealand	Energy and utility	100%	100%

* Amalgamated into NewPower Energy Limited on 4 April 2024

** Subsidiary of NewPower Energy Services Limited

Smartco Limited is accounted for using the equity method, however there is no material impact to the Group.

Note 30. Events after the reporting period

There were no events occurring subsequent to 31 March 2025 which require adjustments to or disclosure in the financial statements.

Note 31. Reconciliation of net surplus after tax to net cash flow from operating activities

	Consolidated		Trust	
	2025 $'000	**2024 $'000**	**2025 $'000**	**2024 $'000**
Surplus after tax	11,225	13,931	407	608
Depreciation and amortisation expense	31,328	26,827	10	5
Loss on sale of property, plant and equipment	4,924	4,293	-	-
Deferred tax asset	7,350	5,315	-	-
Investment income	(6)	(190)	-	-
Effective interest on loans advanced	(71)	(73)	(71)	(73)
Net investment reinvested	(2,328)	(901)	(2,328)	(901)
Other gains/(losses)	(4,401)	-	-	-
Finance costs	18	(1,735)	-	-
Gain/(loss) on foreign currency	(352)	(770)	(352)	(770)
Add/(less) movements in working capital items:				
(Increase)/Decrease in trade and other receivables	436	(2,189)	317	(119)
Increase/(decrease) in income tax payable	(1,485)	2,046	(2)	5
Increase/(decrease) in trade and other payables	902	5,924	(198)	697
Net cash inflow/(outflow) from operating activities	47,540	52,478	(2,217)	(548)

Independent auditor's report

To the Beneficiaries of WEL Energy Trust

Our opinion

In our opinion, the accompanying consolidated general purpose financial report of WEL Energy Trust (the "Trust") and the financial statements of the Group, comprising the Trust and its subsidiaries (together, the "Group"), presents fairly, in all material respects:

- the financial position of the Trust and Group as at 31 March 2025, their financial performance, and their cash flows for the year then ended; and
- the service performance of the Group for the year ended 31 March 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods

in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board (the applicable financial reporting framework).

What we have audited

The Trust's and Group's general purpose financial report which comprises:

- The financial statements (the financial statements), including:
  - the statements of financial position as at 31 March 2025;
  - the statements of comprehensive revenue and expenses for the year then ended;
  - the statements of changes in equity for the year then ended;
  - the statements of cash flows for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- The statement of service performance (the "service performance information") of the Group for the year ended 31 March 2025.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (NZ AS 1 (Revised)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the general purpose financial report* section of our report.

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

Our independence

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

In our capacity as auditor and assurance practitioner, our firm provides review and other assurance services. The firm has no other relationship with, or interests in, the Trust or Group.

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Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements, the service performance information and our auditor's report thereon.

Our opinion on the general purpose financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the general purpose financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and service performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the general purpose financial report

The Trustees are responsible, on behalf of the Trust and Group, for the preparation and fair presentation of the general purpose financial report in accordance with the applicable financial reporting framework, and for such internal control as the Trustees determine is necessary to enable the preparation of general purpose financial report that is free from material misstatement, whether due to fraud or error.

The Trustees are also responsible, on behalf of the Group, for the service performance information, including:

- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE FRS 48 *Service Performance Reporting*;
- the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework; and
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework.

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

Auditor's responsibilities for the audit of the general purpose financial report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of this general purpose financial report.

A further description of our responsibilities for the audit of the general purpose financial report is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-8/

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13-1/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Trust's beneficiaries, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Matthew White.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Hamilton
8 July 2025

'Here for the Community'

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