# ELECTRA TRUST

## ANNUAL REPORT

**FOR THE YEAR ENDED**

**31 March 2024**

# Profile

Electra Trust (formerly known as "Horowhenua Energy Trust") owns 100% of the shares in Electra Limited on behalf of 46,749 beneficiaries as defined in its Trust Deed dated 30th April 1993, amended December 1998, amended July 2012, amended March 2015, amended May 2018 and amended July 2020.

Electra Limited operates as an electricity line owner and operator in the Kapiti and Horowhenua region on the west coast of the lower North Island, New Zealand.

At 31 March 2024, the Group had total assets of $444 million and shareholders' funds of $188 million and employed 168 people.

Electra owns 100% of Electra Services Limited, a security and medical alarm monitoring and call centre services business, Quail Ridge Country Club Limited, a retirement village operator, and Kerikeri Falls Investments Limited, a retirement village construction and infrastructure development company.

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*All values in this report are in thousands of New Zealand*

*"This year" means the year ended 31 March 2024*
*"Last year" means the year ended 31 March 2023*
*"Next year" means the year ending 31 March 2025*

Deloitte.

# Independent Auditor's Report

**To the Beneficiaries of Electra Trust and Group**

**Opinion**

We have audited the financial statements of Electra Trust (the 'Trust') and its subsidiaries (the 'Group'), which comprise the consolidated and separate statement of financial position as at 31 March 2024, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies ('the financial statements').

In our opinion, the accompanying financial statements, on pages 8 to 36, present fairly, in all material respects, the consolidated and separate financial position of the Group as at 31 March 2024, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS').

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

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

Other than in our capacity as auditor, we have no relationship with or interests in the Group or any of its subsidiaries, except that partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

**Other information**

The trustees are responsible on behalf of the Trust and the Group for the other information. The other information comprises the information in the Annual Report that accompanies the financial statements and the audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, and consider whether it is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

**Trustees' responsibilities for the financial statements**

The Trustees are responsible on behalf of the Group for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Group 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 financial statements**

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

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

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Beneficiaries, as a body. Our audit has been undertaken so that we might state to the Beneficiaries those matters 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 Beneficiaries as a body, for our audit work, for this report, or for the opinions we have formed.

Silvio Bruinsma

**Silvio Bruinsma**
Auckland, New Zealand
28 June 2024

# Trustees' Report

The past year has been one of determined and positive progress for Electra as it prepares for a challenging future. In the past year it has invested some $15m in network assets, plant and equipment - all to keep the lights on and consumers happy! The board and management have exited non-core investments undertaken when a very different growth strategy seemed to be the way forward. Now its all about 'growing' electricity through increased electrification to meet New Zealand's 2050 carbon neutral target which has been costed at $30 billion. For your lines company that will mean new and different investments in our core business, to meet the demands of an all-electric future. For Kapiti-Horowhenua alone that's estimated to be over $300 million at a time when the region is also attracting new businesses and residents.

But this is not just about money, its also about Electra helping us all to adapt to change; it means having the best qualified staff to develop the infrastructure and get to grips with new sophisticated technologies.Therefore its good to report that the Trust has appointed new directors who know and understand the consumer trust ownership model, electricity distribution and the challenges ahead. We have a new Board Chair and a new Chief Executive and senior team who are undertaking in depth strategic planning for the future.

The trust model will benefit from all this and despite the challenges Electra still returned $5.9m to beneficiaries by way of an annual discount. Over the past 31 years of local ownership some $222m has been returned to us.

Electra's performance has once again been in the top quartile of the country's lines companies despite some challenging weather events. Thanks to our dedicated employees we experience better reliability than similar provincial networks and have made a point of improving health and safety in what is a potentially dangerous job. Your trustees appreciate the hard work and dedication shown by them always.

Governments come and go so we are always alert to any political change of attitude to electricity trusts but so far the emphasis for the current coalition is on security of supply, fair pricing and the continuation of the community ownership model. Electra is well placed to meet the future.

Sharon Crosbie CNZM OBE
Chair
Electra Trust

# Trustees' Statutory Report

The Trustees take pleasure in presenting their report and financial statements of Electra Limited and Group for the year ended 31 March 2024.

## Principal activities

The Group's principal activities relate to electricity distribution and the provision of contracting and monitoring services. It is also a retirement village developer and operator.

## Group results and distributions

| | | 2024 | 2023 |
|---|---|---|---|
| | | $000 | $000 |
| **Continuing operations** | | | |
| Operating revenue | | **64,028** | 53,197 |
| Other expenses | | **(62,823)** | (50,264) |
| Share of profit/(loss) from joint ventures and associates | | **(14)** | (273) |
| Revaluation of property, plant and equipment | | **(2,332)** | - |
| Impairment of property, plant and equipment | | **(2,833)** | - |
| Gain on acquisition related items | | **-** | 5,905 |
| Change in fair value of investment property | | **(4,979)** | (809) |
| Loss on sale of investments | | **(1,438)** | - |
| (Loss)/Profit before tax | | **(10,391)** | 7,756 |
| Income tax (expense)/benefit | | **(1,285)** | 180 |
| Net (loss)/profit after tax for the year from continuing operations | | **(11,676)** | 7,937 |
| **Discontinued operations** | | | |
| Profit/(loss) for the year from discontinued operations | Note 3 | **138** | (2,967) |
| **(Loss)/profit for the year after tax** | | **(11,538)** | 4,970 |
| Other movements through retained earnings | | **157** | 313 |
| Retained earnings brought forward | | **81,278** | 75,996 |
| **Retained earnings carried forward** | | **69,897** | 81,278 |

## Trustees' interests

Trustees have no direct interest in equity securities issued by the Company. Trustees may be beneficiaries of Electra Trust, which holds the shares in the Company for end-customers of the day.

## Auditor

Deloitte Limited was appointed as Auditor.
For and on behalf of the Trust

**S M Crosbie**
**Chair**

28 June 2024

**J L Yeoman**
**Trustee**

28 June 2024

# Index for the Audited Financial Statements

# THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
# FOR THE YEAR ENDED 31 MARCH 2024

| | Note | Group* 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|---|
| **Continuing Operations** | | | | | |
| **Revenue** | | | | | |
| Revenue | 1 | **63,201** | 51,740 | **-** | - |
| Interest income | | **296** | 584 | **7** | 1 |
| Dividends from Electra Limited | | **-** | - | **300** | 300 |
| Other Income | | **531** | 873 | **-** | - |
| **Total operating revenue and income** | | **64,028** | 53,197 | **307** | 301 |
| **Expenses** | | | | | |
| Interest expense | | **(6,225)** | (3,007) | **-** | - |
| Other expenses | 2 | **(56,598)** | (47,257) | **(307)** | (328) |
| **Total operating expenses** | | **(62,823)** | (50,264) | **(307)** | (328) |
| Share of loss from joint ventures and associates | 20 | **(14)** | (273) | **-** | - |
| Change in fair value of network assets | 5 | **(2,332)** | - | **-** | - |
| Revaluation of equity interest in joint ventures prior to acquisition | | **-** | 6,681 | **-** | - |
| Loss on fair value of financial assets | | **-** | (2,021) | **-** | - |
| Impairment of property, plant and equipment & intangible assets | 5 & 7 | **(2,833)** | (2,417) | **-** | - |
| Gain on bargain purchase | | **-** | 6,998 | **-** | - |
| Impairment of equity receivable | 22 | **-** | (3,336) | **-** | |
| Change in fair value of investment property | 6 | **(4,979)** | (809) | **-** | - |
| Loss on sale of investments | 19 & 20 | **(1,438)** | - | **-** | - |
| **(Loss)/Profit before tax from continuing operations** | | **(10,391)** | 7,756 | **0** | (27) |
| Income tax (expense)/benefit | 4 | **(1,285)** | 180 | **-** | - |
| **(Loss)/Profit for the year from continuing operations** | | **(11,676)** | 7,936 | **0** | (27) |
| **Discontinued operations** | | | | | |
| Profit/(Loss) for the year from discontinued operations | 3 | **138** | (2,967) | **-** | - |
| **(Loss)/Profit for the year** | | **(11,538)** | 4,969 | **0** | (27) |
| **Other comprehensive income** | | | | | |
| Change in fair value of network assets | 5 | **(31,259)** | 59,733 | **-** | - |
| Income tax benefit/(expense) relating to components of other comprehensive income | 4 | **8,797** | (16,638) | **-** | - |
| **Other comprehensive (loss)/profit for the year net of tax** | | (22,462) | 43,095 | - | - |
| **Total comprehensive (loss)/profit for the year net of tax** | | **(34,000)** | 48,064 | **0** | (27) |

* Discontinued operations have been separated out. Refer to note 3 & 27 for further detail.

*The notes on pages 12 to 36 form part of these financial statements.*

## THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2024

| | Note | Issued Capital | Asset Revaluation Reserve | Retained Earnings | Attributable to beneficiaries | Total |
|---|---|---|---|---|---|---|
| | | $000 | $000 | $000 | $000 | $000 |
| **Balance at 1 April 2022** | | 18,000 | 80,388 | 75,996 | 174,384 | 174,384 |
| Profit for the year | | - | - | 4,969 | 4,969 | 4,969 |
| Revaluation of assets movement | 5 | - | 59,733 | - | 59,733 | 59,733 |
| Tax (expense) relating to revalued assets | 4 | - | (16,638) | - | (16,638) | (16,638) |
| **Total comprehensive profit for the year** | | - | 43,095 | 4,969 | 48,064 | 48,064 |
| Transfer to retained earnings | | | (313) | 313 | - | - |
| **Balance at 31 March 2023** | | 18,000 | 123,170 | 81,278 | 222,448 | 222,448 |
| **Balance at 1 April 2023** | | 18,000 | 123,170 | 81,278 | 222,448 | 222,448 |
| (Loss) for the year | | - | - | (11,538) | (11,538) | (11,538) |
| Revaluation of assets movement | 5 | - | (31,259) | - | (31,259) | (31,259) |
| Tax benefit relating to revalued assets | 4 | - | 8,797 | - | 8,797 | 8,797 |
| **Total comprehensive (loss) for the year** | | - | (22,462) | (11,538) | (34,000) | (34,000) |
| Transfer to retained earnings | | | (157) | 157 | - | - |
| **Balance at 31 March 2024** | | 18,000 | 100,551 | 69,897 | 188,448 | 188,448 |

| **PARENT** | Note | Issued Capital | Asset Revaluation Reserve | Retained Earnings | Attributable to owners | Total |
|---|---|---|---|---|---|---|
| | | $000 | $000 | $000 | $000 | $000 |
| **Balance at 1 April 2022** | 13 | 18,000 | - | 37 | 18,037 | 18,037 |
| Profit and total comprehensive income | | - | - | (28) | (28) | (28) |
| **Balance at 31 March 2023** | | 18,000 | - | 9 | 18,009 | 18,009 |
| **Balance at 1 April 2023** | 13 | 18,000 | - | 9 | 18,009 | 18,009 |
| Profit and total comprehensive income | | - | - | 0 | 0 | 0 |
| **Balance at 31 March 2024** | | 18,000 | - | 9 | 18,009 | 18,009 |

*The notes on pages 12 to 36 form part of these financial statements.*

# THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 31 MARCH 2024

| | Note | Group 2024 | Group 2023 | Parent 2024 | Parent 2023 |
|---|---|---|---|---|---|
| **ASSETS** | | **$000** | $000 | **$000** | $000 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 5 | **287,135** | 318,735 | **1** | 2 |
| Investment property | 6 | **130,030** | 132,776 | **-** | - |
| Investment in Electra Limited | 19 | **-** | - | **18,000** | 18,000 |
| Goodwill and intangible assets | 7 | **1,803** | 1,771 | **-** | - |
| Finance receivables | | **484** | 289 | **-** | - |
| Right of use assets | 15 | **4,161** | 3,965 | **-** | - |
| Investments at fair value | 19 | **-** | 2,650 | **-** | - |
| Investment in joint ventures and associates | 20 | **-** | 1,452 | **-** | - |
| Non-current assets held for sale | 27 | **5,603** | 7,456 | **-** | - |
| **Total non-current assets** | | **429,216** | 469,094 | **18,001** | 18,002 |
| **Current assets** | | | | | |
| Cash and cash equivalents | | **9,638** | 7,038 | **54** | 53 |
| Receivables and prepayments | 8 | **4,952** | 5,685 | **6** | 4 |
| Finance receivables | | **-** | - | **-** | - |
| Inventories and work in progress | 9 | **653** | 822 | **-** | - |
| Current assets held for sale | 27 | **-** | 28 | **-** | - |
| **Total current assets** | | **15,243** | 13,573 | **60** | 57 |
| **Total assets** | | **444,459** | 482,667 | **18,061** | 18,059 |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Debt finance | 18 | **76,000** | 102,697 | **-** | - |
| Preference share liability | 18 | **2,399** | 2,080 | **-** | - |
| Lease liability | 15 | **3,923** | 3,813 | **-** | - |
| Deferred tax liability | 4 | **48,257** | 56,578 | **-** | - |
| **Total non-current liabilities** | | **130,579** | 165,168 | **-** | - |
| **Current liabilities** | | | | | |
| Trade and other payables | 10 | **7,693** | 7,621 | **50** | 50 |
| Deferred management fees | 11 | **10,712** | 9,989 | **-** | - |
| Debt finance | 18 | **25,693** | 153 | **-** | - |
| Lease liability | 15 | **736** | 633 | **-** | - |
| Refundable occupation right agreements | 11 | **80,598** | 76,655 | **-** | - |
| **Total current liabilities** | | **125,432** | 95,051 | **50** | 50 |
| **Total liabilities** | | **256,011** | 260,219 | **50** | 50 |
| | | | | | |
| **Net assets** | | **188,448** | 222,448 | **18,011** | 18,009 |
| | | | | | |
| **EQUITY** | | | | | |
| Trust capital | 13 | **18,000** | 18,000 | **18,000** | 18,000 |
| Reserves | | **100,551** | 123,170 | **-** | - |
| Retained earnings | | **69,897** | 81,278 | **9** | 9 |
| **Total equity** | | **188,448** | 222,448 | **18,009** | 18,009 |

The Trustees of Electra Trust authorised these financial statements for issue on 28 June 2024.

For and on behalf of the Trustees

**S M Crosbie**
**Chair**

**J L Yeoman**
**Trustee**

*The notes on pages 12 to 36 form part of these financial statements.*

# THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

| | Note | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash was provided from: | | | | | |
| Receipts from customers | | **61,599** | 54,598 | **-** | - |
| Sales of refundable occupation right agreements | | **9,999** | - | **-** | - |
| Dividends received | | **-** | - | **300** | 300 |
| Tax refunded | | **380** | - | **-** | - |
| Other interest received | | **303** | 141 | **7** | 1 |
| | | **72,281** | 54,739 | **307** | 301 |
| Cash was applied to: | | | | | |
| Payments to suppliers and employees | | **(42,766)** | (37,265) | **(306)** | (316) |
| Repayments of occupation right agreements | | **(2,749)** | - | **-** | - |
| Interest paid | | **(5,923)** | (2,850) | **-** | - |
| Tax paid | | **(209)** | (365) | **-** | - |
| | | **(51,647)** | (40,480) | **(306)** | (316) |
| **Net cash flows from operating activities** | 17 | **20,634** | 14,259 | **1** | (15) |
| **Cash flows from investing activities** | | | | | |
| Cash was provided from: | | | | | |
| Sale of property, plant and equipment and intangible assets | | **985** | 29 | **-** | - |
| Sales of investments | | **2,650** | - | **-** | - |
| | | **3,635** | 29 | **-** | - |
| Cash was applied to: | | | | | |
| Purchase of property, plant and equipment and intangible assets | | **(16,801)** | (16,868) | **-** | - |
| Additions to investment property | | **(3,063)** | (809) | **-** | - |
| Capitalised interest on construction of property, plant and equipment | 5 | **(90)** | (103) | **-** | - |
| Loans to related parties | 22 | **-** | (2,091) | **-** | - |
| | | **(19,954)** | (19,871) | **-** | - |
| **Net cash flows to investing activities** | | **(16,319)** | (19,842) | **-** | - |
| **Cash flows from financing activities** | | | | | |
| Cash was provided from: | | | | | |
| Loans raised | | **5,832** | 153 | **-** | - |
| | | **5,832** | 153 | **-** | - |
| Cash was applied to: | | | | | |
| Repayment of loans | | **(6,833)** | - | **-** | - |
| Principal reduction in lease liability | | **(714)** | (608) | **-** | - |
| | | **(7,547)** | (608) | **-** | - |
| **Net cash flows from financing activities** | | **(1,715)** | (455) | **-** | - |
| **Net increase / (decrease) in cash and cash equivalents held** | | **2,600** | (6,038) | **1** | (15) |
| **Add opening cash and cash equivalents brought forward** | | **7,038** | 13,076 | **53** | 68 |
| **Ending cash and cash equivalents carried forward** | | **9,638** | 7,038 | **54** | 53 |

*The notes on pages 12 to 36 form part of these financial statements.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

## Statement of Accounting Policies

**Reporting Entity**
The financial statements of the Parent, Electra Trust, formerly the Horowhenua Energy Trust (the 'Trust' or 'Parent'), are for a trust established in the terms of a trust deed dated 30 April 1993, amended December 1998, amended July 2012 and amended March 2015. The Trust is a for-profit entity.

The 'Group' for financial reporting purposes comprises of the Parent, Electra Limited (Electra) and its subsidiaries, associates and joint ventures. The ultimate parent of the Group is the Electra Trust.

**Basis of preparation**
The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements comply with New Zealand International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS). These financial statements have been prepared in accordance with the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992.

**Basis of measurement**
The financial statements have been prepared on the basis of historical cost except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Separate accounting policies are outlined below and in the notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared in New Zealand dollars (NZD), which is the Group's functional and presentation currency, rounded to the nearest thousand.

**Critical accounting estimates and judgements**
In applying the accounting policies, the Group is required to make judgements, estimates and assumptions that affect the amounts reported in the financial statements. They have been based on historical experience and other factors, as appropriate to the circumstances, and are reviewed on an ongoing basis. Changes in accounting estimates are recognised prospectively in the year in which the estimate is revised.

The table below lists the key areas of judgements and estimates in preparing these financial statements:

| Area of estimate or judgement | Note | |
|---|---|---|
| Estimation of electricity distribution revenue | Note 1 | Revenue |
| Recognition of deferred management fees | Note 1 | Revenue |
| Revaluation and impairment review | Note 5 | Property, plant and equipment |
| Fair value of investment property | Note 6 | Investment property |
| Determination of lease terms | Note 15 | Leases |

Estimates are designated by this symbol in the notes to the financial statements: E

**Material accounting policy information**
The material accounting policy information which is pervasive throughout the financial statements is set out below. Other material accounting policy information that is specific to certain transactions or balances are set out within the particular note to which they relate and are designated by the following symbol: P

**Basis of consolidation**
The consolidated financial statements incorporate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries) made up to 31 March each year. Control is achieved when the Trust:
- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Trust obtains control over the subsidiary and ceases when the Trust loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Trust gains control until the date when the Trust ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Comparatives may have deviated due to changes in classification. No material changes in classification occurred.

**Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with NZ IAS 12 Income Taxes and NZ IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with NZ IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

**Goods and services tax (GST)**

Revenues, expenses, cash flows, liabilities and assets are recognised net of the amount of GST, except for receivables and payables which are recognised inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expenses. Cash flows in respect of payments to and receipts from the Inland Revenue Department are shown net in the Consolidated Statement of Cash Flows.

**Foreign currency transactions**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**Investments in joint ventures and associate**

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of parties sharing control.

The results, assets and liabilities of joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting except when held for sale in which case it is accounted for in accordance NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture.

**Investment in subsidiary**

Under NZ IAS 27: Separate Financial Statements, the Trust has elected to value the investment in Electra Limited at cost. This investment is eliminated on consolidation.

**Changes in material accounting policy information**

There were no changes to the material accounting policy information for this financial year

**Construction contracts**

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Impairment of assets**

The Group reviews the carrying value of its assets at balance date to determine whether there is any indication that the assets may have suffered an impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. A cash-generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The Group considers that the electricity network represents a single cash generating unit for the purposes of impairment assessment, and the individual subsidiaries are cash generating units as they each derive their own independent cash flows.

The recoverable amount is the higher of fair value (less the costs to sell) and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Goodwill is tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, then the carrying amount is impaired to its recoverable amount.

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the revaluation reserve related to that asset, with any remaining impairment loss expensed in profit or loss. If the impairment loss is subsequently reversed, the reversal is firstly applied to profit or loss to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the revaluation reserve.

For assets which are not revalued, an impairment loss is expensed immediately in profit or loss. If an impairment loss is subsequently reversed, the carrying value of the asset is stated at not more than what its carrying value would have been had the earlier impairment not occurred.

**Assets held for sale**

Assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

## 1 Revenue

P

Revenue comprises the fair value for the sale of goods and services, excluding GST.

Specific accounting policies are as follows:

**Distribution and recoverable costs revenue**
Recognised at the fair value of services provided, these revenue streams relate to the provision of distribution services for electricity. Prices are regulated, and customers are charged through a mix of fixed charges which are recognised on a straight-line basis, and variable charges which are recognised based on the volume of distribution services provided. This revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption. Recoverable costs relate to transmission charges paid to Transpower and embedded generators providing transmission services to the Group.

E

The Company invoices its customers (predominantly electricity retailers) monthly for electricity distribution services on an estimation of usage based on certain metering data from electricity retailers. As final wash-up metering data is not available for periods in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

**Price Discount**
In February each year the Group credits the customers of the network an annual discount. This discount is based on the number of connected days and the volume of distribution services consumed over the previous 12 months at the ICP. Discounts are considered variable consideration, and therefore the amount of revenue recognised is reduced for an accrual for the expected discount to be applied based on the number of connected ICPs and usage (kWh).

**Contracting revenue**
The Group provides network contracting services to third parties. Such contracts are entered into before work commences. Revenue from contracting is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under NZ IFRS 15.

**Customer contributions**
Customer contribution income comprises revenue from assets acquired from customers where the consideration paid is below the fair value of those assets. The revenue recognised is the difference in the fair value and the consideration paid. Customer contributions are recognised as revenue at the point in time of livening of the asset on the network.

**Deferred management fees**
Residents of the Group's villas pay a management fee for the right to share in the use of the village's common facilities. The management fee is calculated as a percentage of the occupation-right agreement amount. The fee accrues monthly, for a set period, based on the terms of individual contracts.

E

Deferred management fees, are recognised on a straight-line basis over the period of service, being the expected period of tenure. This requires management to estimate the period of occupancy for units.

The expected periods of tenure, being based on historical results, experience and industry averages, are estimated at 9 years (2023: 9 years) for independent apartments and villas.

**Village Fees**
Village fees are detailed within each resident's Occupation Right Agreement (ORA) and relate to the operating costs of the village. Village fees are recognised over the period in which the service is rendered.

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024 $000** | * 2023 $000 | **2024 $000** | 2023 $000 |
| Distribution revenue | **43,856** | 36,409 | - | - |
| Price discount paid | **(5,161)** | (4,742) | - | - |
| Price discount accrued | **(754)** | - | - | - |
| Pass through and recoverable cost revenue | **9,949** | 10,024 | - | - |
| Customer contributions | **5,742** | 3,517 | - | - |
| Contracting revenue | **5,600** | 5,945 | - | - |
| Deferred Management Fees | **2,847** | 211 | - | - |
| Village fees | **547** | 44 | - | - |
| Other Revenue | **575** | 332 | - | - |
| | **63,201** | 51,740 | - | - |

*Discontinued operations in 2024 include the security & alarm monitoring portions of Electra Services (refer to note 3 & 27).

## 2 Other expenses

| | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| Transmission charges | **9,949** | 10,024 | **-** | - |
| Remuneration of auditors | **372** | 281 | **9** | 7 |
| Bad debts | **265** | 254 | **-** | - |
| Change in expected credit losses | **148** | 458 | **-** | - |
| Depreciation and amortisation expenses | **16,927** | 13,797 | **1** | 2 |
| Loss on disposal of property, plant & equipment | **755** | 721 | **-** | - |
| Employee benefits expense | **10,943** | 9,616 | **-** | - |
| Inventory expense | **3,042** | 1,970 | **-** | - |
| Contractors | **1,511** | 1,560 | **-** | - |
| Vehicle expenses | **1,006** | 1,030 | **-** | - |
| Repairs & maintenance expenses | **1,512** | 1,133 | **-** | - |
| Trustee fees | **96** | 91 | **96** | 91 |
| Other expenses | **10,072** | 6,322 | **201** | 228 |
| | **56,598** | 47,257 | **307** | 328 |

| **Remuneration of auditors** | Group 2024 $000 | Group 2023* $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| Audit of the financial statements | **276** | 197 | **9** | 7 |
| Audit related services | **96** | 84 | **-** | - |
| | **372** | 281 | **9** | 7 |

Audit related services comprise the audit of Electra Limited's regulatory disclosures in accordance with the Electricity (Information Disclosure) Requirements under Part 4 of the Commerce Act 1986 and amendment notices.

*Discontinued operations in 2024 include the security & alarm monitoring portions of Electra Services (refer to note 3 & 27).

## 3 Discontinued Operations

On 31 March 2023, the Group entered into a process to sell its alarm monitoring business, Electra Services Limited. The security alarm portion of the business was sold during the year (refer to note 26), while the medical alarm portion of the business is considered to be held for sale at year end (refer to note 27). The alarm monitoring business of Electra Services Limited is a discontinued operation in accordance with the requirements of NZ IFRS 5. Subsequent to year end, the Group sold the medical alarm portion of the business (refer to note 24).

**Analysis of profit for the year from discontinued operations**
The result of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current year.

| | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| **Profit / (loss) for the year from discontinued operations** | | | | |
| Revenue | **6,715** | 6,289 | **-** | - |
| Expenses* | **(5,453)** | (9,042) | **-** | - |
| **Profit/(loss) before tax** | **1,262** | (2,753) | **-** | - |
| Attributable income tax benefit/(expense) | **199** | (214) | **-** | - |
| **Profit/(loss) for the year from discontinued operations** | **1,461** | (2,967) | **-** | - |
| Loss on disposal of operations | **(1,323)** | - | **-** | - |
| **Profit/(loss) for the year from discontinued operations** | **138** | (2,967) | **-** | - |

| **Cash flows from discontinued operations** | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| Net cash inflows / (outflows) from operating activities | **1,874** | (473) | **-** | - |
| Net cash inflows / (outflows) from investing activities | **134** | (2,420) | **-** | - |
| Net cash inflows / (outflows) from financing activities | **(135)** | (258) | **-** | - |
| **Net cash inflows / (outflows) from discontinued operations** | **1,873** | (3,151) | **-** | - |

*Audit fees amounting to $10k are included in expenses for 2024 (2023: $10k).

## 4 Tax

Income tax expense comprises current tax and deferred tax.

Current tax is the income tax payable based on the taxable profit for the current year, plus adjustments to income tax payable for prior years. Current tax is calculated using rates enacted or substantively enacted by balance date. Current tax for the current and prior years is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

Deferred tax is recognised on temporary differences between the carrying values of assets and liabilities and the equivalent amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which the deductible temporary differences or tax losses can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the temporary differences will reverse.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or debited to other comprehensive income, in which case the current or deferred tax is also recognised to other comprehensive income, or where it arises from the initial accounting for a business combination in which case it is taken into account in the determination of goodwill or gain on purchase.

| Income Tax | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| (Loss)/Profit before tax from continuing operations | (10,391) | 7,756 | 0 | (27) |
| Tax (benefit)/expense @ 28% | (2,910) | 2,172 | - | (8) |
| Tax effect of | | | | |
| Permanent difference expense/(benefit) | 2,525 | (986) | - | 8 |
| Deferred tax expense on acquisition of assets | - | 22 | - | - |
| Effect (benefit) of including loss offsets from discontinued operations | (292) | (1,250) | - | - |
| Derecognition of deferred tax asset on partnership income | 277 | - | - | - |
| Removal of tax depreciation on commercial buildings | 1,666 | - | - | - |
| Prior year adjustments | | | | |
| Taxable allocation of partnership income (benefit) / expense | (36) | 0 | - | - |
| Other tax adjustments expense / (benefit) | 55 | (138) | - | - |
| **Tax expense/(benefit) from continuing operations** | 1,285 | (180) | - | - |
| **Tax expense/(benefit) comprised of:** | | | | |
| Current tax expense/(benefit) | 586 | (8) | - | - |
| Deferred tax expense/(benefit)* | 699 | (172) | - | - |
| **Total tax expense/(benefit) from continuing operations** | 1,285 | (180) | - | - |

*Excluding deferred tax expense from discontinued operations of $213k (2023: $214k).
Also included in 2024 in the $586k current tax expense (2023: ($8k)) and $700k deferred tax expense (2023: ($172k)) above, is $402k relating to a timing differences of partnership income (2023: $990k). The net effect on the tax benefit in the Statement of Comprehensive Income is $222k.

| Deferred Tax | Opening Balance | Charged to Income | Tax losses | Allocated Partnership Income | Charged to Other Comprehensive Income | Acquisitions / disposals | Closing Balance |
|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $001 | $000 | $000 | $000 |
| **Net deferred tax assets / (liabilities)** | | | | | | | |
| Provisions | 530 | 246 | - | - | - | - | 776 |
| Deferred tax on Partnership Income | 402 | - | - | (180) | - | (222) | - |
| Doubtful debts | 117 | 30 | - | - | - | - | 147 |
| Property, plant and equipment | (59,979) | 682 | - | - | 8,797 | (1,666) | (52,166) |
| Leases | 111 | 22 | - | - | - | - | 133 |
| Intangibles | (556) | 409 | - | - | - | - | (147) |
| Deferred Management Fees | 2,797 | 203 | - | - | - | - | 3,000 |
| **As at 31 March 2024** | (56,578) | 1,592 | - | (180) | 8,797 | (1,888) | (48,257) |
| Provisions | 386 | 120 | - | - | - | 24 | 530 |
| Deferred tax on Partnership Income | 1,392 | - | - | (990) | - | - | 402 |
| Doubtful debts | 52 | 999 | - | - | - | (934) | 117 |
| Property, plant and equipment | (42,966) | (375) | - | - | (16,638) | - | (59,979) |
| Leases | 89 | 44 | - | - | - | (22) | 111 |
| Intangibles | (757) | 201 | - | - | - | - | (556) |
| Deferred Management Fees | - | 31 | - | - | - | 2,766 | 2,797 |
| **As at 31 March 2023** | (41,804) | 1,020 | - | (990) | (16,638) | 1,834 | (56,578) |

**Parent - nil (2023: nil)**

| Imputation credit account | Group 2024 $000 | Group 2023 $000 | Parent 2024 $000 | Parent 2023 $000 |
|---|---|---|---|---|
| Closing balance | 17,365 | 17,539 | - | - |

## 5 Property, plant and equipment

**P**

The electricity distribution network is recorded at fair value. Fair value is determined based on a periodic independent valuation prepared by external valuers, using an income (present value) approach. The fair value of the electricity distribution network is reviewed at the end of each reporting period to ensure that the carrying value is not materially different from the fair value. Consideration is also given as to whether the assets are impaired.

All other land and buildings, property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. The cost includes expenditure that is directly attributable to the acquisition of the item. The cost of assets constructed by the Group consists of the cost of materials, direct labour and an allowance for overheads.

Any revaluation increase arising on the revaluation of land and buildings or the electricity distribution network is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Statement of Comprehensive Income to the extent of the decrease previously charged. A reduction in carrying amount arising on the revaluation of land and buildings and the electricity distribution network is charged as an expense in the Consolidated Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation is provided on plant, property and equipment, including freehold buildings but excluding land.

Depreciation on revalued buildings and the electricity distribution system is charged to the Consolidated Statement of Comprehensive Income. The attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings on the subsequent sale or retirement of a revalued asset.

Depreciation is calculated for buildings and electricity distribution assets to write off each asset's cost over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated to expense the assets' cost over their useful lives.

The following rates are used in the calculation of depreciation:

| Category | Rate of depreciation |
|---|---|
| Distribution plant and equipment | 1% - 50% straight line or<br>10% - 25% diminishing value |
| Other buildings at cost | 2% - 36% straight line |
| Other plant and equipment | 7.8% - 50% straight line or<br>10% - 39.6% diminishing value |
| Motor vehicles | 10% - 33.3% diminishing value |

| | Distribution plant & equipment (incl. land and buildings) at valuation | Other land and buildings at cost | Other plant and equipment at cost | Motor vehicles at cost | Alarms held to be leased at cost | Other capital work in progress at cost | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| Balance as at 1 April 2022 | 256,784 | 2,419 | 6,192 | 7,216 | 3,734 | 5,610 | 281,955 |
| Additions | 3,520 | 56 | 568 | 126 | 547 | 13,118 | 17,935 |
| Acquired in business combination | - | 236 | 330 | 98 | - | - | 664 |
| Disposals | (780) | (163) | (158) | (91) | (397) | - | (1,589) |
| Transfer to / (from) capital work in progress | 10,475 | - | - | - | - | (10,475) | - |
| Revaluation | 37,299 | - | - | - | - | - | 37,299 |
| Transfer to assets held for sale | - | - | (143) | - | (3,884) | - | (4,027) |
| **Balance as at 31 March 2023** | **307,298** | **2,548** | **6,789** | **7,349** | **0** | **8,253** | **332,237** |
| Balance as at 1 April 2023 | 307,298 | 2,548 | 6,789 | 7,349 | 0 | 8,253 | 332,237 |
| Additions | 5,805 | 100 | 489 | 65 | 175 | 15,630 | 22,264 |
| Acquired in business combination | - | - | - | - | - | - | - |
| Disposals | (1,655) | (8) | (545) | (257) | - | - | (2,465) |
| Transfer to / (from) capital work in progress | 15,352 | - | 333 | - | - | (15,685) | - |
| Revaluation | (47,373) | - | - | - | - | - | (47,373) |
| Transfer to assets held for sale | - | - | - | - | (175) | - | (175) |
| **Balance as at 31 March 2024** | **279,427** | **2,640** | **7,066** | **7,157** | **0** | **8,198** | **304,488** |

| Depreciation and impairment losses | Distribution plant & equipment (incl. land and buildings) at valuation | Other land and buildings at cost | Other plant and equipment at cost | Motor vehicles at cost | Alarms held to be leased at cost | Other capital work in progress at cost | Total |
|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| Balance as at 1 April 2022 | (14,448) | (723) | (4,251) | (3,487) | (1,788) | - | (24,697) |
| Depreciation charge | (12,036) | (78) | (767) | (424) | (365) | - | (13,670) |
| Assets acquired in business combination | - | (5) | (72) | (16) | - | - | (93) |
| Write back on disposals | 69 | 37 | 82 | 54 | 1 | - | 243 |
| Impairment | - | - | - | - | - | - | - |
| Revaluation | 22,434 | - | - | - | - | - | 22,434 |
| Transfer to assets held for sale | - | - | 129 | - | 2,152 | - | 2,281 |
| **Balance as at 31 March 2023** | **(3,981)** | **(769)** | **(4,879)** | **(3,873)** | **(0)** | **-** | **(13,502)** |
| | | | | | | | |
| Balance as at 1 April 2023 | (3,981) | (769) | (4,879) | (3,873) | (0) | - | (13,502) |
| Depreciation charge | (15,061) | (79) | (820) | (384) | - | - | (16,344) |
| Assets acquired in business combination | - | - | - | - | - | - | - |
| Write back on disposals | 74 | 8 | 459 | 184 | - | - | 725 |
| Impairment | - | - | - | - | - | (2,833) | (2,833) |
| Revaluation | 14,601 | - | - | - | - | - | 14,601 |
| Transfer to assets held for sale | | | | | | | |
| **Balance as at 31 March 2024** | **(4,367)** | **(840)** | **(5,240)** | **(4,073)** | **(0)** | **(2,833)** | **(17,353)** |
| | | | | | | | |
| **Carrying amounts** | | | | | | | |
| Balance as at 31 March 2023 | 303,317 | 1,779 | 1,910 | 3,476 | (0) | 8,253 | 318,735 |
| **Balance as at 31 March 2024** | **275,060** | **1,800** | **1,826** | **3,084** | **(0)** | **5,365** | **287,135** |

**Parent**

| Cost | Distribution plant & equipment (incl. land and buildings) at valuation | Other land and buildings at cost | Other plant and equipment at cost | Motor vehicles at cost | Alarms held to be leased at cost | Other capital work in progress at cost | Total |
|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| Balance as at 1 April 2022 | - | - | 8 | - | - | - | 8 |
| Additions | - | - | - | - | - | - | - |
| **Balance as at 31 March 2023** | **-** | **-** | **8** | **-** | **-** | **-** | **8** |
| | | | | | | | |
| Balance as at 1 April 2023 | - | - | 8 | - | - | - | 8 |
| Additions | - | - | - | - | - | - | - |
| **Balance as at 31 March 2024** | **-** | **-** | **8** | **-** | **-** | **-** | **8** |

| Depreciation and impairment losses | Distribution plant & equipment (incl. land and buildings) at valuation | Other land and buildings at cost | Other plant and equipment at cost | Motor vehicles at cost | Alarms held to be leased at cost | Other capital work in progress at cost | Total |
|---|---|---|---|---|---|---|---|
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| Balance as at 1 April 2022 | - | - | (4) | - | - | - | (4) |
| Depreciation charge | - | - | (2) | - | - | - | (2) |
| **Balance as at 31 March 2023** | **-** | **-** | **(6)** | **-** | **-** | **-** | **(6)** |
| | | | | | | | |
| Balance as at 1 April 2023 | - | - | (6) | - | - | - | (6) |
| Depreciation charge | - | - | (1) | - | - | - | (1) |
| **Balance as at 31 March 2024** | **-** | **-** | **(7)** | **-** | **-** | **-** | **(7)** |
| | | | | | | | |
| **Carrying amounts** | | | | | | | |
| Balance as at 31 March 2023 | - | - | 2 | - | - | - | 2 |
| **Balance as at 31 March 2024** | **-** | **-** | **1** | **-** | **-** | **-** | **1** |

E

**Revaluation and Impairment Review**

In carrying out the revaluation of the network distribution assets judgement was required to make assumptions and estimates used in the valuation model.

The Group's distribution assets (excluding land and buildings) and the electricity distribution network underwent a fair value assessment in the year ended 31 March 2024. The Group engaged PwC (2023: Energia Limited), an independent third party valuer, to perform the valuation of distribution assets (excluding land and buildings) and the electricity distribution network for the year ended 31 March 2024 which resulted in a valuation range of $253.9M to $277.7M (based on sensitivity to WACC low/high estimates). The valuation carried out is consistent with NZ IFRS 13: Fair Value Measurement, and, in the absence of specific market evidence of relevance to the Group's network assets, the valuation was undertaken by way of a discounted cash flow methodology in order to establish fair value. The Group adopted the mid-point of this valuation being $265.5m representing a revaluation loss of $32.8m, the effect on the Statement of Comprehensive Income and Asset Revaluation Reserve is $2.3m and $30.4m, respectively.

The discounted cash flow model was performed based on a 10 year valuation period (2023: 17 years) as this aligns with the Group's network planning period and uses a 1.0x terminal RAB multiple (2023:1.2x).

The key assumptions in the valuation are weighted-average cost of capital (WACC) discount rate (average of 6.67%, 2023: average of 6.39%), Distribution Revenue of $614.2m (2023: $1,006m) and Total Capital Expenditure (CAPEX) of $230.7m (2023: $425.7m) over the valuation period, which are key inputs in determining revenue over the forecast period. The impact of a change in the key assumptions in the March 2024 valuation are disclosed below.

| Assumption | Movement | Adjusted Network Valuation | Impact |
|---|---|---|---|
| Terminal RAB multiple | -0.1x | $242.1m | -$23.4m |
| | +0.1x | $289.0m | +$23.5m |
| Discount Rate (WACC) | -0.50% | $277.7m | +$12.2m |
| | +0.50% | $253.9m | -$11.6m |
| Distribution revenue | -5.00% | $249.9m | -$15.6m |
| | +5.00% | $281.2m | +$15.7m |
| CAPEX | -5.00% | $266.9m | +$1.4m |
| | +5.00% | $264.2m | -$1.3m |

All other Group property, plant and equipment is recorded at cost less accumulated depreciation.

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any items of other property, plant and equipment might be impaired. Based on an operational decision to not proceed with the completion of a material capital project, the Group has recognised a $2.83m impairment for the year ended 31 March 2024 (31 March 2023: $Nil).

P

**Borrowing costs**

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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

| | Group 2024 $000 | 2023 $000 | Parent 2024 $000 | 2023 $000 |
|---|---|---|---|---|
| Capitalised borrowing costs | **90** | 103 | **-** | - |
| Average interest rate | **3.2%** | 3.2% | **0.0%** | 0.0% |

All other Group property, plant and equipment are recorded at cost less accumulated depreciation.

In accordance with NZ IAS 36, the Group has undertaken a review to determine whether the carrying values of any items of other property, plant and equipment might be impaired. Based on evidence from asset disposals, the Group does not believe that any such carrying values are materially impaired at 31 March 2024 (31 March 2023: $Nil).

## 6 Investment property

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Investment property includes completed freehold land and buildings, freehold development land and buildings under development comprising independent living units and common facilities, provided for use by residents under the terms of the ORA. Investment properties are held for long-term yields.

Investment properties are initially recognised at cost. After initial recognition, investment properties are measured at fair value. Gains or losses arising from a change in the fair value of investment properties are recognised in profit or loss.

| | Note | 2024 $000 | 2023 $000 |
|---|---|---|---|
| **Investment Property** | | | |
| Balance at beginning of period | | **132,776** | - |
| Acquisition of business | 12 | **-** | 132,778 |
| Additions | | **2,233** | 807 |
| Disposals | | **-** | - |
| Change in fair value | | **(4,979)** | (809) |
| **Total investment property** | | **130,030** | 132,776 |

A reconciliation between the valuation and the amount recognised on the Consolidated Statement of Financial Position as investment properties is as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Valuation of operator's interest | | **38,720** | 46,132 |
| Refundable occupation right agreements | 11 | **80,598** | 76,655 |
| Deferred Management Fees | 11 | **10,712** | 9,989 |
| **Total investment property** | | **130,030** | 132,776 |

**Valuation process**

The Group's investment properties has been valued for the year ended 31 March 2024 by independent valuer Eyles McGough Limited, Roger Ganley, Registered Valuer, ANZIV, SPINZ (31 March 2023: Eyles McGough Limited, Roger Ganley, Registered Valuer, ANZIV, SPINZ), in accordance with the annual requirement. Eyles McGough are registered with the Property Institute of New Zealand, employ registered valuers and have appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

As required by NZ IAS 40 Investment Property, the fair value as determined by Eyles McGough Limited is adjusted for assets and liabilities already recognised in the Statement of Financial Position which are also reflected in the cash flow analysis.

Key assumptions used in determining the fair value and the sensitivity of the valuation to these assumptions are detailed below.

E

As the fair value of investment properties is determined using inputs that are significant and unobservable, the Group has categorised investment properties as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 Fair Value Measurement.

**Significant unobservable inputs**

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of completed investment property are the discount rate and the property growth rate.

The following assumptions have been used to determine fair value:

| Significant Input | Description | 2024 | 2023 |
|---|---|---|---|
| Discount rate | Pre-tax discount rate | 15.50% | 15.00% |
| Property price growth rate | Anticipated annual property price growth over year 1 of the cash flow period | 0.00% | 0.00% |
| Property price growth rate | Anticipated annual property price growth over the cash flow period 2+ years | 2.50% | 2.50% |
| Stabilised occupancy period | | 9.0 years | 9.0 years |

**Sensitivities**

| At 31 March 2024 | Adopted value of operator's interest | Discount Rate +0.50% | Discount Rate -0.50% | Property Growth Rates +0.50% | Property Growth Rates -0.50% |
|---|---|---|---|---|---|
| Valuation $NZ000's | 38,720 | | | | |
| Difference $NZ000's | | (1,500) | 1,700 | 3,100 | (2,800) |
| Difference % | | (4%) | 4% | 8% | (7%) |

| At 31 March 2023 | Adopted value of operator's interest | Discount Rate +0.50% | Discount Rate -0.50% | Property Growth Rates +0.50% | Property Growth Rates -0.50% |
|---|---|---|---|---|---|
| Valuation $NZ000's | 46,132 | | | | |
| Difference $NZ000's | | (1,700) | 1,900 | 3,300 | (3,000) |
| Difference % | | (4%) | 4% | 7% | (7%) |

The stabilised occupancy period is a key driver of the Eyles McGough Limited valuation. A significant increase / (decrease) in the occupancy period would result in a significantly lower/ (higher) fair value measurement.

## 7 Goodwill and intangible assets

P

**Software**

Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and is amortised over its expected economic useful life on a diminishing value basis. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

**Software-as-a-Service (SaaS) arrangements**

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

**Goodwill**

Goodwill representing the excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and is not amortised but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and not subsequently reversed.

**Easements**

Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

**Customer lists**

Customer lists acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their expected finite life of 6 years for medical customers lists. During the year the medical customers were reclassified as held for sale.

| Gross carrying amount | Software $000 | Goodwill $000 | Easements $000 | Customer lists $000 | Total $000 |
|---|---|---|---|---|---|
| Balance as at 1 April 2022 | 6,419 | 9,389 | 255 | 4,125 | 20,188 |
| Additions | 2,193 | 2,417 | - | - | 4,610 |
| Transfer to assets held for sale | (4,073) | - | - | (4,125) | (8,198) |
| Disposals | (10) | - | - | - | (10) |
| **Balance as at 31 March 2023** | **4,529** | **11,806** | **255** | **-** | **16,590** |
| Balance as at 1 April 2023 | 4,529 | 11,806 | 255 | - | 16,590 |
| Additions | 102 | - | - | 452 | 554 |
| Transfer to assets held for sale | - | - | - | (452) | (452) |
| Disposals | - | - | (5) | - | (5) |
| **Balance as at 31 March 2024** | **4,631** | **11,806** | **250** | **-** | **16,687** |

**Accumulated amortisation and impairment losses**

| | | | | | |
|---|---|---|---|---|---|
| Balance as at 1 April 2022 | (2,777) | (9,389) | (182) | (3,182) | (15,530) |
| Amortisation expenses | (747) | - | (18) | (717) | (1,482) |
| Impairment | - | (2,417) | - | - | (2,417) |
| Transfer to assets held for sale | 701 | - | - | 3,899 | 4,600 |
| Disposals | 10 | - | - | - | 10 |
| **Balance as at 31 March 2023** | **(2,813)** | **(11,806)** | **(200)** | **-** | **(14,819)** |
| Balance as at 1 April 2023 | (2,813) | (11,806) | (200) | - | (14,819) |
| Amortisation expenses | (60) | - | (5) | - | (65) |
| Impairment | - | - | - | - | - |
| Transfer to assets held for sale | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| **Balance as at 31 March 2024** | **(2,873)** | **(11,806)** | **(205)** | **-** | **(14,884)** |
| **Carrying amounts** | | | | | |
| As at 31 March 2023 | 1,716 | - | 55 | - | 1,771 |
| **As at 31 March 2024** | **1,758** | **-** | **45** | **-** | **1,803** |

**Parent - nil (2023: nil)**

**Impairment**

In the previous year, the Group acquired the remaining 50.1% share of Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited which resulted in Goodwill of $2.4m. The cash generating unit ("CGU") to which the goodwill was assigned was tested for impairment. The recoverable amount of a CGU is based on its value in use, which is an income (present value) approach. If the recoverable amount of the CGU is less its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Electra performed impairment testing on subsidiary business operations and recognised a $2.4m impairment loss in the previous year because the recoverable amount determined did not exceed the carrying value of the CGU.

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating units with which the goodwill is associated. This is undertaken by estimating the future cash flows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows.

**Assets held for sale**

In March 2023, the Board made the decision to sell the entire Electra Services Limited business. In the current year, the Group completed the sale of Electra Services security assets. However, the Electra Services medical assets remain held for sale at 31 March 2024. As such all assets owned by Electra Services are classified as held for sale including the purchased customer lists, plant & equipment and alarm inventory, refer to note 27 for further detail.

## 8 Receivables and prepayments

**Receivables**

Trade receivables are initially measured at fair value and are subsequently recognised at amortised cost less impairment using the effective interest method less any lifetime credit losses. All known bad debts are written off during the financial year.

The expected credit loss allowance reflects the non-performance of the counterparties to trade and other receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan. The historical loss experience is adjusted based on the current observable data and events and discounted future cash flow projections.

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$000** | $000 | **$000** | $000 |
| Trade receivables | **4,702** | 4,712 | **-** | - |
| Other receivables and accruals | **127** | 848 | **-** | - |
| Prepayments | **633** | 547 | **6** | 4 |
| | **5,462** | 6,107 | **6** | 4 |
| Less allowance for credit losses | **(510)** | (422) | **-** | - |
| | **4,952** | 5,685 | **6** | 4 |

The Group's exposure to credit risk and impairment losses related to trade receivables are disclosed in Note 18: Financial Risk Management

## 9 Inventories and work in progress

Inventories are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average purchase price. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$000** | $000 | **$000** | $000 |
| Inventory - Finished goods | **182** | 205 | **-** | - |
| Inventory - Work in progress | **471** | 617 | **-** | - |
| | **653** | 822 | **-** | - |

Judgement has been exercised in assessing the level of any unrecoverable work in progress.

## 10 Trade and other payables

**Trade payables**

P

Trade payables and other accounts payable are recognised at fair value when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are subsequently recognised at amortised cost.

**Liabilities in respect of employee entitlements**

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Employee entitlements expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Liabilities made in relation to employee entitlements, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to the reporting date. In relation to retirement gratuities, the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Liabilities include employee entitlements in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$000** | $000 | **$000** | $000 |
| Trade payables | **3,200** | 4,242 | **50** | 50 |
| Other payables | **2,131** | 1,542 | **-** | - |
| Accruals | **871** | 429 | **-** | - |
| Liabilities in respect of employee entitlements | **1,491** | 1,408 | **-** | - |
| | **7,693** | 7,621 | **50** | 50 |

Judgement has been exercised in calculating estimates for retiring gratuities.

## 11 Refundable occupation right agreements

P

Occupation Right Agreements (ORAs) confer the right to occupy an independent living unit and are considered leases under NZ IFRS 16 Leases.

A new resident is charged a refundable security deposit on being issued the right to occupy one of the Group's units, which is refunded to the resident subject to a new ORA for the unit being issued to an incoming resident, net of any amount owing to the Group. The Group has a legal right to offset any amounts owing to the Group by a resident against that resident's security deposit. Such amounts include management fees, service fees and village fees. As the refundable occupation right is repayable to the resident upon vacating the unit (subject to a new ORA for the unit being issued to an incoming resident), the fair value is equal to the face value, being the amount that can be refunded.

The ORAs issued in the initial stages of the village included the right to a proportion of the capital gain or loss arising on resale. The amount of the capital gain that is owing to residents in relation to these agreements is recognised within the refundable occupation right agreements liability. Subsequent to the initial stages of the village development, the ORAs no longer include capital gain sharing with residents.

A resident is charged a village contribution fee in consideration for the right to occupy one of the Group's units and to share and use common facilities. The village contribution is calculated as a percentage of the occupation right agreements amount and accrues daily at a rate of 10% per annum for a maximum of three years from the commencement date of the ORA based on the terms of the ORA.

The village contribution is payable by the resident on termination of the ORA. Village contributions are recognised as deferred management fees, note 1.

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy of 9 years (2023: 9 years).

The management fee recognised in the Consolidated Statement of Comprehensive Income represents income earned in line with the average expected occupancy.

| | **2024** | 2023 |
|---|---|---|
| | **$000** | $000 |
| **Refundable occupational rights agreements** | | |
| Refundable occupation licence payments | **89,925** | 81,688 |
| Resident's share of capital gains | **12,609** | 13,595 |
| Less: Management fee receivable (per contract) | **(21,936)** | (18,628) |
| | **80,598** | 76,655 |
| | | |
| **Reconciliation of Management Fees Recognised Under NZ IFRS and Per ORA** | | |
| Management fee receivable (per contract) | **(21,936)** | (18,628) |
| Deferred management fees | **10,712** | 9,989 |
| Management fee receivable (per NZ IFRS) | **(11,224)** | (8,639) |

**Parent - nil (2023: nil)**

## 12 Business combinations

On 24 February 2023, the Group acquired the remaining 50.1% share of Quail Ridge Country Club Limited ("QRCC") and Kerikeri Falls Investments Limited ("KKFI"). QRCC provides retirement village facilities and KKFI constructs dwellings and develops infrastructure for QRCC. The Group purchased the remaining shares in QRCC and KKFI for consideration of $1 each.

There have been no adjustments recognised in the current reporting period that relate to business combinations that occurred in the period or previous reporting periods.

## 13 Issued capital

The Trust capital was settled on the formation of the Parent and is subject to the terms of the Trust Deed. No changes to the amount of Trust capital or Trust Deed have been made during the year (2023: nil)

## 14 Commitments

**Capital commitments**

At balance date, there were $4.29m commitments contracted for and approved by the Group (2023:$3.50m)

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$000** | $000 | **$000** | $000 |
| Distribution network | **4,290** | 1,893 | **-** | - |
| Investment property | **-** | 1,511 | **-** | - |
| Other property, plant and equipment | **-** | 100 | **-** | - |
| | **4,290** | 3,504 | **-** | - |

All capital commitment expenditure will be incurred when the work is completed (estimated to be over the next 12 months).

## 15 Leases

**Operating leases**

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Lease liabilities are measured at the present value of their remaining lease payments, discounted at the rate implicit in the lease. Where this rate is not readily available the payments are discounted at the Group's incremental borrowing rate. The weighted average rate applied is 9.15% across all leases. Right of use assets are initially recognised at the amount of the lease liability. The assets are subsequently depreciated using the straight-line method over the lease term.

The Group accounts for both short term and low value leases by applying paragraph 6 of NZ IFRS 16, which requires the cost to be spread over the lease term on a systematic basis.

E

In determining the lease term, the Group applies judgement in deciding whether it is reasonably certain that an extension or termination option will be exercised.

| Right of use assets | Land buildings and Improvement $000 | Vehicles $000 | Other plant and equipment $000 | Total $000 |
|---|---|---|---|---|
| **Opening net book value 1 April 2022** | 3,512 | 914 | 50 | 4,476 |
| Additions/Remeasurements | 145 | - | - | 145 |
| Acquisition in Business Combination | - | - | 167 | 167 |
| Disposals | (141) | - | - | (141) |
| Depreciation for the period | (351) | (300) | (31) | (682) |
| **Carrying amount 31 March 2023** | **3,165** | **614** | **186** | **3,965** |
| Additions/Remeasurements | (430) | 1,306 | 81 | 957 |
| Acquisition in Business Combination | - | - | - | - |
| Disposals | (10) | - | (21) | (31) |
| Depreciation for the period | (273) | (339) | (118) | (730) |
| **Balance as at 31 March 2024** | **2,452** | **1,581** | **128** | **4,161** |
| Cost | 3,605 | 2,326 | 536 | 6,467 |
| Accumulated Depreciation | (1,153) | (745) | (408) | (2,306) |
| **Balance as at 31 March 2024** | **2,452** | **1,581** | **128** | **4,161** |

| Lease Liability Maturity Analysis | Minimum lease payments $000 | Interest $000 | Present value $000 |
|---|---|---|---|
| Within 1 year | 1,114 | 378 | 736 |
| 1 - 5 years | 2,940 | 841 | 2,099 |
| Beyond 5 years | 2,312 | 489 | 1,823 |
| | **6,366** | **1,707** | **4,659** |
| Current Portion | | | **736** |
| Non-current Portion | | | **3,923** |
| **Total** | | | **4,659** |

| Lease expense included in profit and loss | |
|---|---|
| Short term leases ( less than 12 months ) | 84 |
| Interest on leases included in interest expense | 351 |
| Total cash outflow in relation to leases | 1,148 |

**Parent - nil (2023: nil)**

The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of the Group.

## 16 Contingent liabilities

The Group undertakes contracting works in the ordinary course of business, some of which may be subject to customer disputes. There is no indication that any liability with regard to disputes will crystallise in the foreseeable future.

## 17 Statement of cash flows

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**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand, cash in banks (including bank overdrafts), demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts (if any at year end) are shown within debt finance in current liabilities in the Consolidated Statement of Financial Position.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

| | Group | | Parent | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| | **$000** | $000 | **$000** | $000 |
| Reported profit / (loss) after tax | **(11,538)** | 4,969 | **0** | (27) |
| **Adjustments for non- cash items:** | | | | |
| Depreciation and amortisation | **17,139** | 15,817 | **1** | 1 |
| Doubtful debt provision movement | **88** | 232 | **-** | - |
| Bad debts written off and bad debts provision | **313** | 542 | **-** | - |
| Gain/Loss on sale of investment | **1,438** | - | **-** | - |
| Revaluation of equity interest in joint ventures prior to acquisition | **-** | (6,681) | **-** | - |
| Change in fair value of investment property | **4,979** | 809 | **-** | - |
| Change in fair value of property, plant and equipment | **2,332** | - | **-** | - |
| Loss on fair value of financial liabilities | **-** | 2,021 | **-** | - |
| Impairment of property, plant and equipment and intangible assets | **2,833** | 2,417 | **-** | - |
| Gain on bargain purchase | **-** | (6,998) | **-** | - |
| Impairment of equity receivable | **-** | 3,336 | **-** | - |
| Non-cash revenue from assets transferred to the Group | **(5,742)** | (3,517) | **-** | - |
| Stock Obsolescence | **269** | 480 | **-** | - |
| Share of profit in Joint Ventures | **14** | 273 | **-** | - |
| Loss on disposal of operations | **1,323** | - | **-** | - |
| Fixed Assets write-off | **816** | 1,537 | **-** | - |
| Interest - others | **285** | (142) | **-** | - |
| Deferred Management Fees | **-** | (211) | **-** | - |
| Tax expense recognised in profit or loss (including from discontinued operations) | **1,086** | 34 | **-** | - |
| **Movements in working capital:** | | | | |
| Increase / (decrease) in accounts payable and other provisions | **602** | 631 | **0** | 11 |
| Increase / (decrease) in occupation right agreements and deferred management fee liabilities | **4,666** | - | **-** | - |
| (Increase) / decrease in trade receivables | **(442)** | (654) | **(2)** | - |
| (Increase) / decrease in finance receivables | **(195)** | 0 | **-** | - |
| (Increase) / decrease in inventory and work in progress | **197** | (259) | **-** | - |
| Income taxes paid | **171** | (379) | **-** | - |
| **Net cash inflow from operating activities** | **20,634** | 14,259 | **(0)** | (15) |

## 18 Financial risk management

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Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the Consolidated Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

**Credit risk**
Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing a loss.

Financial assets, which potentially subject the Group to credit risk principally consist of bank balances, accounts receivable, finance receivables, other receivables and which the Group consider is covered within general liquidity management. The Group has considered the credit quality of all its borrowers in relation to finance receivables outstanding at balance date. Management has assessed that the future financial prospects and associated security over its lending is adequate and therefore any credit losses are not expected to be material and no adjustments have been made.

The Group manages its principal credit risk by having Use of System Agreements with its major customers and performing credit evaluations on customers requiring advances.

| The status of trade receivables as at reporting date is as follows: | **Gross 2024 $000** | **Impairment** 2024 **$000** | Gross **2023** $000 | Impairment 2023 $000 |
|---|---|---|---|---|
| Not past due | 3,769 | - | 3,578 | - |
| Past due 0 - 30 days | 69 | - | 127 | - |
| Past due 31 - 60 days | 108 | - | 17 | - |
| Past due more than 60 days | 756 | (510) | 990 | (422) |
| Total trade receivables | 4,702 | (510) | 4,712 | (422) |

No interest is charged on trade receivables outstanding

**Parent - nil (2023: nil)**

| Movement in impairment allowance for expected credit losses | **Group 2024 $000** | 2023 $000 | **Parent 2024 $000** | 2023 $000 |
|---|---|---|---|---|
| Balance at beginning of year | (422) | (190) | - | - |
| Amount charged to the statement of comprehensive income | (88) | (232) | - | - |
| | (510) | (422) | - | - |

The above maximum exposures are gross of any recognised provision for losses on these financial assets. No collateral is held on the above amounts. The trade receivables are within their contractual terms and are considered to be collectible.

In accordance with the Group's Treasury policy Bank balances in short term deposits are made with registered banks. The registered banks currently have a Standard & Poor's credit rating of AA-.

**Concentrations of credit risk**
The Group has exposure to concentration of credit risk by having electricity retailer customers. This is managed as mentioned above through the Use of System Agreements.

**Foreign currency risk**
The Group had not entered into any Forward Exchange Contracts expressed in New Zealand dollars at balance date.

### Interest rate risk

**Liabilities**
The interest rate risk exposure is to bank borrowings. The Group has no interest hedge contracts.

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**Fair values**
The carrying amounts recorded in the Consolidated Statement of Financial Position are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings and amounts which are not able to be determined because there is no available market data.

**Borrowings**
Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated Statement of Comprehensive Income over the year of the borrowing using the effective interest method. Borrowings are classified as non current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting year at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest method, except for capitalised borrowing costs.

**Interest rate risk profile of financial assets and liabilities**
The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier. The Group's borrowing arrangements are with Pricoa Private Capital, Senior Trust Retirement Village Income Generator Limited and ANZ. Borrowings are in New Zealand dollars. The majority of borrowings are at fixed interest rates between 5 - 12 years terms, therefore the Group is less exposed to variable interest rates and has no outstanding interest related derivatives.

**Financial instrument carrying values by category**

**As at 31 March 2024**

| $000 | Int Rate % | Total | 0-12 mths | 1- 2 years | > 2 years |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Cash and cash equivalents | | 7,638 | 7,638 | - | - |
| Term deposits held as cash and cash equivalents | 5.83 | 2,000 | 2,000 | - | - |
| Trade and other receivables | | 4,319 | 4,319 | - | - |
| Finance receivables | | 484 | - | - | 484 |
| **Total financial assets measured at amortised cost** | | **14,441** | **13,957** | **-** | **484** |
| **Financial assets measured at fair value through profit or loss** | | | | | |
| Investments | | - | - | - | - |
| **Total financial assets measured at fair value through profit or loss** | | **-** | **-** | **-** | **-** |
| **Financial liabilities measured at amortised cost** | | | | | |
| Trade and other payables | | 7,693 | 7,693 | - | - |
| Debt finance | 2.84-10.75 | 101,693 | 25,693 | 12,000 | 64,000 |
| Refundable occupation right agreements | | 80,598 | 80,598 | - | - |
| Preference share liability* | | 2,399 | - | - | 2,399 |
| **Total financial liabilities at amortised cost** | | **192,383** | **113,984** | **12,000** | **66,399** |

| **Movement in interest rates.** | 1% Increase | 1% Decrease |
|---|---|---|
| Impact on profit and loss from a 1% increase/decrease in interest rates | (1,023) | 1,023 |

* Preference share liability relates to a liability in Quail Ridge Country Club Limited to former shareholders of the entity. These financial liabilities were measured at fair value plus or minus transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, these financial liabilities have been subsequently measured at amortised cost.

**As at 31 March 2023**

| $000 | Int Rate % | Total | 0-12 mths | 1- 2 years | > 2 years |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Cash and cash equivalents | | 5,038 | 5,038 | - | - |
| Term deposits held as cash and cash equivalents | 5.20 | 2,000 | 2,000 | - | - |
| Trade and other receivables | | 5,138 | 5,138 | - | - |
| Finance receivables | | 289 | - | - | 289 |
| **Total financial assets measured at amortised cost** | | **12,465** | **12,176** | **-** | **289** |
| **Financial assets measured at fair value through profit or loss** | | | | | |
| Investments | | 2,650 | - | - | 2,650 |
| **Total financial assets measured at fair value through profit or loss** | | **2,650** | **-** | **-** | **2,650** |
| **Financial liabilities measured at amortised cost** | | | | | |
| Trade and other payables | | 7,621 | 7,621 | - | - |
| Debt finance | 2.84-10.75 | 102,850 | 153 | 26,697 | 76,000 |
| Refundable occupation right agreements | | 76,655 | 76,655 | - | - |
| Preference share liability | | 2,080 | - | - | 2,080 |
| **Total financial liabilities at amortised cost** | | **189,206** | **84,429** | **26,697** | **78,080** |

**Financial instrument carrying values by category - Parent**

**As at 31 March 2024**

| $000 | Int Rate % | Total | 0-12 mths | 1- 2 years | > 2 years |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Cash and cash equivalents | - | 54 | 54 | - | - |
| Trade and other receivables | | - | - | | |
| **Total financial assets measured at amortised cost** | | **54** | **54** | **-** | **-** |
| **Financial liabilities** | | | | | |
| Trade and other payables | | 50 | 50 | - | - |
| **Total financial liabilities at amortised cost** | | **50** | **50** | **-** | **-** |

**As at 31 March 2023**

| $000 | Int Rate % | Total | 0-12 mths | 1- 2 years | > 2 years |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Cash and cash equivalents | - | 53 | 53 | - | - |
| Trade and other receivables | | - | - | | |
| **Total financial assets measured at amortised cost** | | **53** | **53** | **-** | **-** |
| **Financial liabilities** | | | | | |
| Trade and other payables | | 50 | 50 | - | - |
| **Total financial liabilities at amortised cost** | | **50** | **50** | **-** | **-** |

**Liquidity risk**

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis.

**Borrowings**

Facilities exist with Pricoa Private Capital for a private placement note of up to $125m (USD), a short-term working capital facility with ANZ of $6m (NZD) and a loan facility with Senior Trust Retirement Village Income Generator Limited of $27m (NZD). The Senior Trust facility security is limited to Quail Ridge's assets. Notes issued under the Pricoa Private Capital funding are denominated in NZD. At balance date, $76m (NZD) had been drawn down from the Pricoa facilities, $0m from ANZ and $25.7m from Senior Trust (2023: $76m from Pricoa, $0m from ANZ and $26.7m from Senior Trust).

**The Pricoa notes - Fixed interest**

| Date issued | Amount issues NZD | Interest rate | Date of maturity |
|---|---|---|---|
| 27/01/2021 | $12m | 2.84% | 27/01/2026 |
| 27/01/2021 | $30m | 3.03% | 27/01/2028 |
| 27/01/2021 | $13m | 3.39% | 28/01/2031 |
| 27/01/2021 | $12m | 3.58% | 27/01/2033 |
| 27/03/2021 | $9m | 3.54% | 27/03/2028 |

**Senior Trust loan - Fixed interest**

| Date issued | Facility Limit NZD | Interest rate | Date of maturity |
|---|---|---|---|
| 1/04/2021 | $27m | 10.75% | 26/01/2025 |

The Group uses its facilities based on forecast expectations of operating cash flows and proceeds of maturing financial assets.

The following table outlines undiscounted cash flows including any accrued interest based on contractual maturities however actual repayments may differ. While most finance receivables are showing in the table with contractual maturities of 0-12 months it is expected some of these will be rolled over at the discretion of the Board.

**Contractual maturity analysis**

**Financial instrument maturity values by category**

**As at 31 March 2024**

| $000 | Int Rate % | Total | On call | 0-12 months | 1-2 years | > 2 years |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | 7,638 | 7,638 | - | - | - |
| Term deposits held as cash and cash equivalents | 5.83 | 2,000 | - | 2,000 | | |
| Trade and other receivables | | 4,319 | - | 4,319 | - | - |
| Finance receivables | | 484 | - | - | - | 484 |
| **Total financial assets** | | 14,441 | 7,638 | 6,319 | - | 484 |
| **Financial liabilities** | | | | | | |
| Trade and other payables | | 7,693 | - | 7,693 | - | - |
| Debt finance | 2.84-10.75 | 101,693 | - | 25,693 | 12,000 | 64,000 |
| Refundable occupation right agreements | | 80,598 | - | 80,598 | - | - |
| Other financial liabilities | | 2,399 | - | - | - | 2,399 |
| **Total financial liabilities** | | 192,383 | - | 113,984 | 12,000 | 66,399 |

**As at 31 March 2023**

| $000 | Int Rate % | Total | On call | 0-12 months | 1-2 years | > 2 years |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | 5,038 | 5,038 | - | - | - |
| Term deposits held as cash and cash equivalents | 5.20 | 2,000 | - | 2,000 | | |
| Trade and other receivables | | 5,138 | - | 5,138 | - | - |
| Investments | | 2,650 | - | - | - | 2,650 |
| Finance receivables | | 289 | - | - | - | 289 |
| **Total financial assets** | | 15,115 | 5,038 | 7,138 | - | 2,939 |
| **Financial liabilities** | | | | | | |
| Trade and other payables | | 7,621 | - | 7,621 | - | - |
| Debt finance | 2.84-10.75 | 102,850 | - | 153 | 26,697 | 76,000 |
| Refundable occupation right agreements | | 76,655 | - | 76,655 | - | - |
| Other financial liabilities | | 2,080 | - | - | - | 2,080 |
| **Total financial liabilities** | | 189,206 | - | 84,429 | 26,697 | 78,080 |

**Financial instrument maturity values by category - Parent**

| As at 31 March 2024 $000 | Int Rate % | Total | On call | 0-12 months | 1-2years | > 2 years |
|---|---|---|---|---|---|---|
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | 54 | 54 | - | - | - |
| Trade and other receivables | | - | - | - | - | - |
| **Total financial assets** | | 54 | 54 | - | - | - |
| **Financial liabilities** | | | | | | |
| Trade and other payables | | 50 | - | 50 | - | - |
| **Total financial liabilities** | | 50 | - | 50 | - | - |
| **As at 31 March 2023** | | | | | | |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | - | 53 | 53 | - | - | - |
| Trade and other receivables | | - | - | - | - | - |
| **Total financial assets** | | 53 | 53 | - | - | - |
| **Financial liabilities** | | | | | | |
| Trade and other payables | | 50 | - | 50 | - | - |
| **Total financial liabilities** | | 50 | - | 50 | - | - |

**Capital management**

The Group's capital includes share capital, asset revaluation reserves and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to capital requirements and covenants:

The Statement of Corporate Intent imposes a restriction that the Group will maintain shareholder funds at not less than 46% (2023: 50%) of total assets.

The Group is subject to capital requirements imposed by lenders through covenants on the Pricoa private placement notes, ANZ working capital facility and Senior Trust loan agreement. All Covenants have been met for the year ended 31 March 2024 and 31 March 2023.

**Fair values**

Fair value hierarchy
Financial instruments carried at fair value are classified by valuation method based on the following hierarchy

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The investment of Pulse Energy Alliance Limited Partnership classified as a financial asset measured at fair value through profit and loss is the only financial instrument carried by the Group at fair value, with a Level 3 valuation method applied. The Group disposed of the investment in Pulse Energy Alliance Limited Partnership during the year (refer to note 19).

## 19 Investments

| **Investments measured at fair value through profit or loss** | Current 2024 $000 | 2023 $000 | Non-Current 2024 $000 | 2023 $000 |
|---|---|---|---|---|
| Investment in Pulse Energy Alliance Limited Partnership | - | - | - | 2,546 |
| Other Investments | - | - | | 104 |
| **Total Investments measured at fair value through profit or loss** | - | - | - | 2,650 |

The Group held a 4.02% ownership in the Pulse Energy Alliance Limited Partnership, a partnership which is involved in electricity retailing. The Group did not have significant influence over the Pulse Energy Alliance Limited Partnership. On 30 November 2023, Electra sold its share in Pulse Energy Alliance Limited Partnership for $1.7m. There were no distributions of profits received from this investment in the year (2023: nil). There was $0.9m loss on sale of the Group's investment in Pulse Energy Alliance Limited Partnership for the year ended 31 March 2024.

The Group also held a 6.8% investment in Linax Limited, a local sustainable footwear company. The Group did not have significant influence over Linax Limited. On 15 December 2023, Electra sold its share in Linax Limited. There were no distributions of profits received from this investment in the year (2023: nil).

**Parent - nil (2023: nil)**

| **Investments measured at Cost - Parent** | Current 2024 $000 | 2023 $000 | Non-Current 2024 $000 | 2023 $000 |
|---|---|---|---|---|
| Investment in Electra Limited | - | - | 18,000 | 18,000 |
| **Total Investments measured at Cost** | - | - | 18,000 | 18,000 |

**Group - nil (2023: nil)**

## 20 Investment in joint ventures and associates

The following table shows the summary of joint ventures and associate values as at 31 March 2024.

| Investment | Opening Equity | Group Share of Profit for the Year | Dividends and Sale Proceeds Received | Profit (Loss) on Sale of Investment | Year-end Equity |
|---|---|---|---|---|---|
| Horowhenua Developments Limited | 1,452 | (14) | (934) | (504) | - |
| **TOTAL** | **1,452** | **(14)** | **(934)** | **(504)** | **-** |

Summarised financial information for each of the Group's material joint ventures is set out below.

**Horowhenua Developments Limited**
The Group held a 25% shareholding in Horowhenua Developments Limited, a business that is involved in land development within the Horowhenua and the Kapiti Coast. On 16 January 2024, the Group sold its interest in Horowhenua Developments Limited for $934,000. There were no distributions of profits received from this investment in the year (2023: $nil).

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Opening carrying value of investment in Horowhenua Developments Limited | 1,452 | 1,518 |
| Share of losses from associate | (14) | (66) |
| Sale proceeds received | (934) | - |
| Loss on sale of investment | (504) | - |
| **Carrying value of investment in Horowhenua Developments Limited** | - | 1,452 |
| **Balance Sheet information for Horowhenua Developments Limited:** | | |
| Current assets | - | 736 |
| Non-current assets | - | 3,626 |
| **Total assets** | - | 4,362 |
| Current liabilities | - | (353) |
| Non-current liabilities | - | - |
| **Total liabilities** | - | (353) |
| **Equity** | - | 4,009 |
| **Equity accounted earnings comprise prior to disposal (refer note 21)** | | |
| Revenues - 100% | - | 20 |
| Profits/(losses) from continuing operations - 100% | (56) | (262) |
| Profits/(losses) from continuing operations - Group's share | (14) | (66) |

**Quail Ridge Country Club Limited**
The Group held a 49.9% shareholding in Quail Ridge Country Club Limited a business involved in the operation of Quail Ridge retirement village. On 24 February 2023, the Group acquired the remaining 50.1% of shares in Quail Ridge Country Club for consideration of $1, refer note 12. There were no distributions of profits received from this investment prior to acquisition. The original purchase price for Quail Ridge was made up of a cash payment of $4.5m, and further shareholder loans. A purchase price washup of $4.04m was due to Electra in accordance with the Sale and Purchase Agreement, upon acquisition this has been subsequently converted to ordinary shares in Quail Ridge Country Club.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Opening carrying value of investment in Quail Ridge Country Club Limited | - | 2,470 |
| Share of losses from associate | - | (340) |
| Revaluation of equity interest in joint ventures prior to acquisition | - | 7,521 |
| **Carrying value of investment in Quail Ridge Country Club Limited prior to acquisition (refer note 12)** | - | 9,651 |
| **Balance Sheet information for Quail Ridge Country Club Limited:** | - | |
| Current assets | - | 119 |
| Non-current assets | - | 137,771 |
| **Total assets** | | 137,890 |
| Current liabilities | - | (90,180) |
| Non-current liabilities | - | (35,274) |
| **Total liabilities** | - | (125,454) |
| **Equity** | | 12,436 |
| **Equity accounted earnings comprise** | | |
| Revenues - 100% | - | 3,710 |
| Profits/(losses) from continuing operations - 100% | - | (682) |
| Profits/(losses) from continuing operations - Group's share | - | (340) |

The summarised information for 2023 is up to the point of acquisition.

**Kerikeri Falls Investments Limited**

The Group held a 49.9% shareholding in Kerikeri Falls Investments Limited, a business involved in the construction of the retirement village operated by Quail Ridge Country Club Limited. On 24 February 2023, the Group acquired the remaining 50.1% of shares in Kerikeri Falls Investments Limited for consideration of $1, refer note 12. There were no distributions of profits received from this investment prior to acquisition. After the initial investment, interim shareholder loans were provided in the previous years which have been converted to preference shares as part of the acquisition of Kerikeri Falls Investments Ltd and Quail Ridge Country Club Limited, refer to note 22.

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Opening carrying value of investment in Kerikeri Falls Investments Limited | - | 707 |
| Share of profits from associate | - | 133 |
| Revaluation of equity interest in joint ventures prior to acquisition | - | (840) |
| **Carrying value of investment in Kerikeri Falls Investments Limited prior to acquisition (refer note 12)** | - | - |
| | | |
| **Balance Sheet information for Kerikeri Falls Investment Limited:** | | |
| Current assets | - | 5,460 |
| Non-current assets | - | 1,268 |
| **Total assets** | - | 6,728 |
| | | |
| Current liabilities | - | (8,397) |
| Non-current liabilities | - | (94) |
| **Total liabilities** | - | (8,491) |
| **Equity** | - | (1,763) |
| | | |
| **Equity accounted earnings comprise** | | |
| Revenues - 100% | - | 12,224 |
| Profits/(losses) from continuing operations - 100% | - | 265 |
| Profits/(losses) from continuing operations - Group's share | - | 133 |

The summarised information for 2023 is up to the point of acquisition.

**Parent - nil (2023: nil)**

## 21 Interests held by Group

P

**Subsidiaries**

Subsidiaries are all those entities over which the Group has control.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the excess is credited to profit or loss in the period of acquisition.

**Investments, Joint Ventures and Associates**

Investments, Joint Ventures and Associates are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

| Name of entity | Principal activities | Classification | 2024 | 2023 |
|---|---|---|---|---|
| Electra Limited | Electricity Distribution | Subsidiary | 100.0% | 100.0% |
| Electra Services Limited | Alarm Monitoring | Subsidiary | 100.0% | 100.0% |
| Quail Ridge Country Club Limited | Retirement Village Operations | Subsidiary | 100.0% | 100.0% |
| Kerikeri Falls Investments Limited | Building Company for Quail Ridge | Subsidiary | 100.0% | 100.0% |
| Electra Generation Limited | Non Trading | Subsidiary | 100.0% | 100.0% |
| Electra DNZ Limited | Non Trading | Subsidiary | 0.0% | 100.0% |
| Electra Finance Limited | Non Trading | Subsidiary | 0.0% | 100.0% |
| Horowhenua Wind Energy Limited | Non Trading | Subsidiary | 0.0% | 100.0% |
| Pulse Energy Alliance Limited Partnership | Electricity Retailing | Investment | 0.0% | 4.0% |
| Linax Limited | Consumer Goods | Investment | 0.0% | 6.8% |
| Horowhenua Developments Limited | Property Development | Associate | 0.0% | 25.0% |

The effective ownership and the voting interests in the above subsidiaries are the same.

The Group wound up Electra DNZ Limited, Electra Finance Limited and Horowhenua Wind Energy Limited during the financial year. In addition, the Group disposed of its investments in Pulse Energy Alliance Limited Partnership, Linax Limited and Horowhenua Developments Limited. In the year ended 31 March 2023, the Group acquired the remaining 50.1% share of Quail Ridge Country Club Limited ("QRCC") and Kerikeri Falls Investments Limited ("KKFI"). Refer to note 12 for more details.

All subsidiaries, investments and associates have a balance date of 31 March and are incorporated in New Zealand, with the exception of Horowhenua Developments Limited which has a balance date of 30 June.

## 22 Transactions with related parties

The following transactions occurred with related parties:

| | Note | 2024 $000 | 2023 $000 |
|---|---|---|---|
| **Trustees** | | | |
| **Transactions** | | | |
| Trustee fees | 2 | **96** | 91 |
| **Quail Ridge Country Club Limited (transactions & balances prior to acquisition)** | | | |
| **Transactions** | | | |
| Interest income | | - | 22 |
| Directors Fees | | - | 33 |
| Alarm monitoring revenue | | - | 77 |
| **Balances** | | | |
| Equity receivable* | | - | 700 |
| Loans | | - | 2,091 |
| **Kerikeri Falls Investments Limited (transactions & balances prior to acquisition)** | | | |
| **Transactions** | | | |
| Interest income | | - | 359 |
| **Balances** | | | |
| Loans | | - | 3,971 |
| **Horowhenua Developments Limited** | | | |
| **Transactions** | | | |
| Contracting Services | | **411** | - |
| Purchase of assets | | **20** | - |
| Customer contribution income received | | **140** | - |
| **Other related parties** | | | |
| **Transactions** | | | |
| Short-term employment arrangements with close family members of key management personnel | | **5** | 22 |
| Consulting expenses with Armstrong Business Services | | - | 40 |
| Contracting services with Stony Loam Trust | | **71** | - |
| Consulting expenses with Robin Skeggs Consulting | | **56** | - |

* During the year ended 31 March 2023, $4.0m of equity receivable was impaired by $3.3m based on the expected credit loss prior to acquisition of Quail Ridge Country Club Limited.

**Parent - $30k payable to Electra Limited at 31 March 2024 (2023: nil)**

## 23 Key management personnel

The compensation of the Directors and Executives, being the key management personnel of the entity, is set out below:

| | 2024 $000 | 2023 $000 |
|---|---|---|
| Short-term employee benefits | 2,523 | 1,831 |
| Defined contribution plans | 90 | 95 |
| Termination payments | 511 | - |
| | 3,124 | 1,926 |

Directors are appointed by our shareholder, Electra Trust. They are appointed as directors of Electra Limited, and all subsidiaries listed in Note 21 excluding Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited.

Directors' fees are paid by Electra Limited to the directors, as the directors of the Group. Total fees paid were $300,044 (2023: $310,806). There are no separate fees paid to these directors in respect of Electra Services Limited. Directors' fees paid to the directors of Quail Ridge Country Club Limited and Kerikeri Falls Investments Limited were $173,038 (2023: $21,160).

## 24 Subsequent events

A net dividend of $330,000 was paid to the Electra Trust on 12 May 2024 in respect of the financial year end 31 March 2024.

On 28 May 2024, the Group completed the sale of Electra Services Limited's medical customer lists and other assets to Hato Hone St John. These assets were classified as held for sale at year end (refer to note 28 for further details) and the results of Electra Services Limited's medical business are presented as a discontinued operation (refer to note 3 for further details). The sale consisted of consideration of $7.0m in exchange for medical customer lists and other property, plant and equipment valued at approximately $5.6m. The financial effect of this transaction will be reflected in the Group's financial statements for the year ending 31 March 2025 and is estimated to result in a gain on sale of approximately $1.4m.

At 31 March 2024 Electra held 100% of the ordinary shares of Quail Ridge Country Club Limited (a retirement village located in Kerikeri). The Group has reviewed its overall strategy and decided to dispose of Quail Ridge in order to focus on its core business. The retirement village sector is complex and faces a number of challenges, and management assessed that it is beneficial in the longer term for Electra to dispose of its interest in Quail Ridge. On 5 June 2024, the Group entered into a conditional agreement to sell the shares in Quail Ridge Country Club Limited to Kerikeri Falls Limited. The sale was conditional on the written approval from Covenant Trustee Services Limited as the appointed statutory supervisor of Quail Ridge and written approval from Senior Trust a significant lender to Quail Ridge. On 24 June 2024, the statutory supervisor completed their due diligence and declined consent for the transaction. Electra remains committed to its plan to sell its shareholding in Quail Ridge.

Quail Ridge Country Club Limited did not meet the criteria to be classified as a held for sale disposal group or discontinued operation at 31 March 2024, and therefore the assets and liabilities as well as the results from this subsidiary are presented as part of the continuing operations of the group.

On 27 June 2024, a Variation of Term Loan Agreement was executed with Senior Trust Retirement Village Income Generator Limited to amend the term and amount of the facility. Under the terms of the variation the facility amount has been increased from $27m to $33m and the maturity date has been extended from 26 January 2025 to 30 June 2027. Quail Ridge is reliant upon the availability of this facility to continue funding its operations.

There have been no other events subsequent to 31 March 2024 that materially impact on the results reported.

## 25 Operational targets

Four key value drivers have been identified linking the Group's strategy to the operational targets and measures that are critical to achieving the strategy. These drivers are Revenue, Profit, Assets and People and the performance against key targets set in the Statement of Corporate Intent are evaluated below:

**1) Asset Targets**

**Capital Ratio**
The Group aims to maintain consolidated shareholders' funds at not less than 46% of consolidated total assets. The target was not met in 2024 due to Quail Ridge Country Club Limited which has a 9% consolidated shareholders' funds to total assets percentage, as well as the devaluation of Electra's network valuation (refer to note 5).

| | Actual | Target |
|---|---|---|
| Consolidated shareholders' funds to total assets percentage | 42% | >=46% |

**Network Reliability**
The Group aims to uphold a level of electricity network reliability (as defined by the Electricity Distribution Information Disclosure Determination 2012). These include factors of SAIDI (average duration of supply interruptions per connected consumer) and SAIFI (average number of supply interruptions per connected consumer). Electra met the reliability expectation for the frequency of interruptions (SAIFI), however the duration of these (SAIDI) exceeded our target due to planned outages exceeding the planned target.

| | Actual | Target |
|---|---|---|
| Minutes per year (SAIDI) | 88.5 | 83 |
| Times per year (SAIFI) | 1.04 | 1.66 |

**2) Profit Targets**
The Group's results did not meet the profit targets for the year. The contributing factors for the Group not meeting profitability targets were:
- A $2.3m impact on profit resulting from a devaluation of Electra's electricity distribution assets (refer note 5)
- A $4.9m devaluation of Quail Ridge's investment property (refer to note 6).
- A $2.8m impairment of property plant and equipment for a large capital project that was discontinued (refer to note 5).
- A $1.4m loss on sale of investments recognised from the Group's sale of holdings in Horowhenua Developments Limited and Pulse Energy Alliance Limited Partnership (refer notes 19 & 20)

| | Actual | Target |
|---|---|---|
| Group Net Profit after Tax | ($11.5m) | $0.3m |
| Subsidiaries & Investment Net (Loss)/Profit after Tax | ($9.6m) | $1.2m |
| Group Return on Equity (post discount & tax) | -5.2% | 2.3% |
| Group Return on Equity (pre discount & tax) | -2.0% | 0.1% |

**3) Revenue Targets**
Electra committed one year in advance to providing Price Discounts to customers. The targeted amount of price discount paid was met.

| | Actual | Target |
|---|---|---|
| 2024 Price Discount Paid (excl GST) | $5.2m | $5.2m |
| Number of Customer Connection Points | 46,749 | 47,000 |
| Median price discount (excl GST) per customer connection point | $110 | $112 |

**4) People Targets**
The Group is committed to promoting a culture of health, safety and wellbeing where harm to our people and the public in the workplace, both physical and psychological, is unacceptable. For this policy, the Group has a goal that our people go home safe and well each night and has a target of zero Lost Time Injuries (LTIs). While we did not achieve our goal of zero harm with three lost time injuries recorded, all were of low severity and crucially did not arise from exposure to critical risks. Our continuous improvement journey is ongoing, learning from all incidents, and increasing our proactive and preventive activity to keep our people safe and well.

| | Actual | Target |
|---|---|---|
| Lost Time Injuries (LTI) | 3 | 0 |

## 26 Disposal of operations

On 31 January 2024, the Group disposed of the security monitoring assets from Electra Services Ltd.

| **Consideration received** | 2024 $000 | 2023 $000 |
|---|---|---|
| Consideration received in cash and cash equivalents | 858 | - |
| **Total consideration received** | 858 | - |
| **Analysis of assets and liabilities over which control was lost** | | |
| **Current assets** | | |
| Trade receivables | 50 | - |
| Inventories | 20 | - |
| **Non-current assets** | | |
| Intangible Assets | 1,462 | - |
| Goodwill | 649 | - |
| **Net assets disposed of** | 2,181 | - |
| **Loss on disposal of operations** | | |
| Consideration received | 858 | - |
| Less net assets disposed of | (2,181) | - |
| Loss on disposal of operations | (1,323) | - |

The loss on disposal is included in the profit for the year from discontinued operations (see note 3)

## 27 Assets Held for Sale

| | 2024 | 2023 |
|---|---|---|
| **Current and Non-current Assets Held for Sale** | **$000** | **$000** |
| Carrying value of medical customer lists | **4,051** | 3,599 |
| Other property, plant & equipment | **1,552** | 1,746 |
| Carrying value of security customer lists | **-** | 1,462 |
| Goodwill associated with the security customer lists | **-** | 649 |
| **Total Non-Current Assets Held for Sale** | **5,603** | 7,456 |
| Inventory | **-** | 28 |
| **Total Current Assets Held for Sale** | **-** | 28 |

In 2022, the Board decided to sell the security monitoring portion of Electra Services. Assets previously classified as held for sale include the purchased security customer lists, associated goodwill recognised on the purchase of security alarm monitoring businesses, and security alarm inventory. During the year ended 31 March 2023, the Board expanded the sale offering to include the entire Electra Services business which includes both security and medical customer lists. As such all purchased customer lists, associated goodwill recognised on the purchase of security alarm monitoring businesses and alarm monitoring inventory owned by Electra Services have been reclassified as held for sale. During the current year, the security monitoring portion of Electra Services were sold to ADT New Zealand. However, the medical alarm monitoring portion remained held for sale at year end and was sold subsequent to year end (refer to note 24).

The Group has determined that the fair value less cost to sell the investment exceeds the carrying amount of the disposal group. Therefore no gain or loss was recognised on reclassification.

## Directory

**Directors**
**Electra Limited**

| | | |
|---|---|---|
| S R Armstrong (Chair), BCA, CA, MBA | | |
| S A Houston | | |
| K A Sherry, QSM, BA, MA (Hons), LLB (Hons), C.FInstD | | |
| J A Carmichael, BE, FENZ, CMInstD | | |
| L E Elwood, LLB Hons, BSc, CMInstD | Appointed | 1/03/2024 |
| M I Bain | Appointed | 1/03/2024 |
| R A Sutton | Appointed | 1/03/2024 |

**Quail Ridge Country Club Limited**

| | | |
|---|---|---|
| N A Brereton | | |
| S A Houston | Appointed | 9/10/2023 |
| R C Skeggs | | |

**Executive**
G W A Douch (CE – Electra Group)
D M Selby (CFO - Electra Group)
R M Cranshaw (GM - People and Culture)
M K F Smith (Business Development Manager)
S Frame (GM – Electra Services)
J A Beale (General Counsel - Electra Group)
M R Fox (Health, Safety and Wellbeing Manager - Electra Group)
M D Grover (GM - Information Technology)
C J Bekker (GM Network Service Delivery)

**Electra Trust Trustees**
S M Crosbie (Chairperson), CNZM, OBE
L R Burnell, QSM
R G Longuet, BE (Elec)
B J Duffy, ONZM, JP
N F Mackay, BCA
J L Yeoman, BBS, ACA, FCG

**Registered office**
Electra Limited
Cnr Bristol & Exeter Sts
LEVIN

**Postal address**
P O Box 244
Levin
Telephone 0800 353 2872

**Auditor**
Silvio Bruinsma
Deloitte Limited
Wellington
On behalf of the Auditor-General

**Solicitors**

| | |
|---|---|
| Chapman Tripp | Wellington |
| Quigg Partners | Wellington |
| CS Law | Levin |
| Anthony Harper | Auckland |

**Bankers**
Bank of New Zealand
Australia and New Zealand Banking Group Limited
Pricoa Private Capital
Senior Trust Retirement Village Income Generator Limited