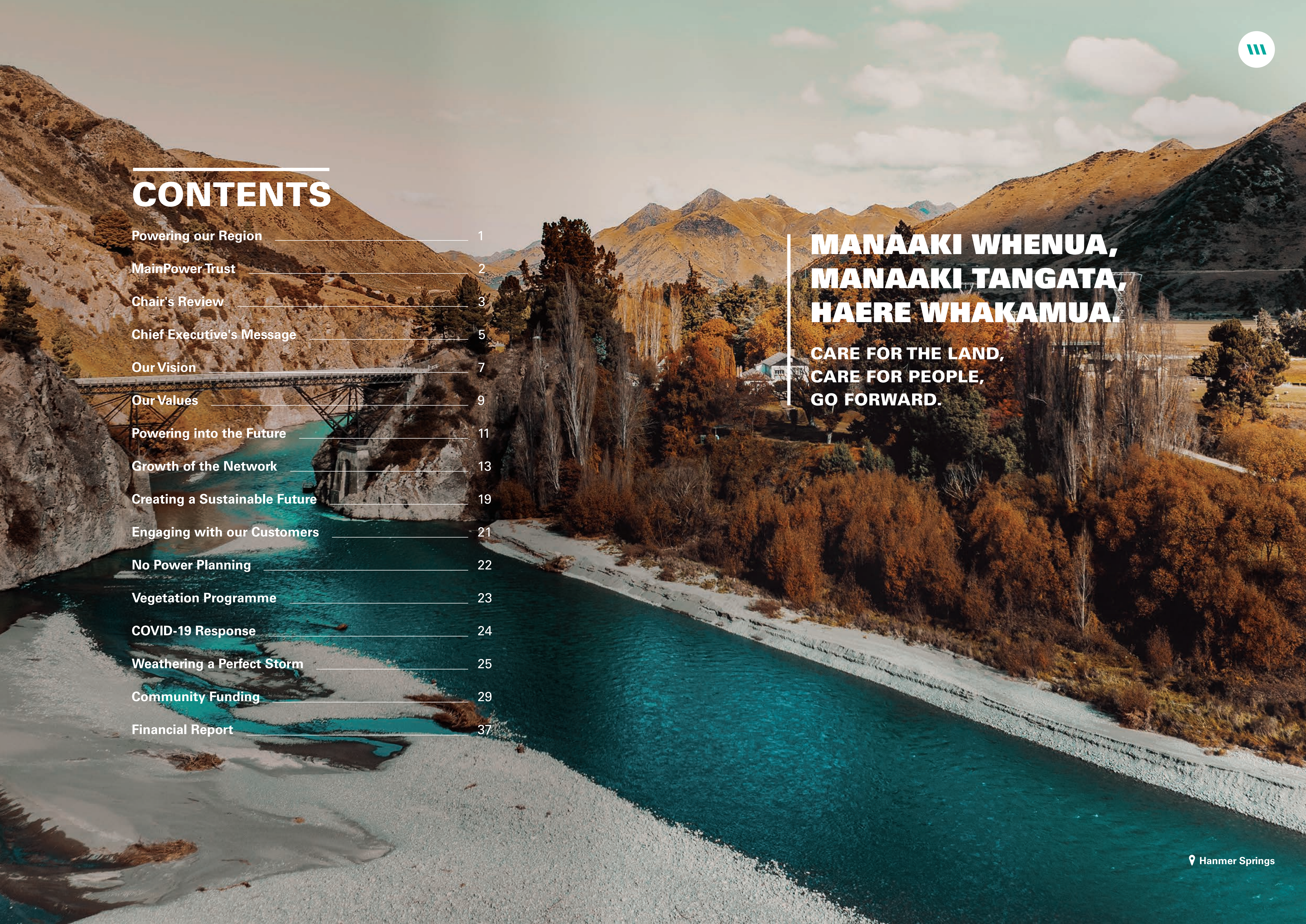
2022
ANNUAL REPORT
MAINPOWER NEW ZEALAND LIMITED



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MANAAKI WHENUA, MANAAKI TANGATA, HAERE WHAKAMUA.

CARE FOR THE LAND, CARE FOR PEOPLE, GO FORWARD.

Hanmer Springs

POWERING OUR REGION

Welcome to MainPower's Annual Report and Financial Statements for the 2021-22 financial year.

MainPower is the electricity lines company for the Waimakariri, Hurunui, and Kaikōura districts. We own, operate and maintain the poles, wires and underground cabling that supply homes and businesses across our network with electricity.

We provide a safe and secure electricity supply to over 43,000 connections, impacting the lives of the 80,000 people that call North Canterbury home. This includes urban centres like Rangiora and Kaiapoi, farmland around Hurunui, a renowned wine country in the Waipara Valley, and tourist hotspots like Hanmer Springs and Kaikōura.

MainPower has been a part of the region for almost 100 years. We take pride in championing our community with various sponsorships that enable community groups, schools, and not-for-profit organisations to improve the lives in our region.

MAINPOWER'S PLACE IN THE ELECTRICITY SECTOR

Generation

Generators produce electricity. Around 32% of your electricity bill goes towards the cost of generating the electricity you use.

Transmission

Transpower is the state-owned enterprise responsible for transmitting electricity produced by generators. Around 10.5% of your electricity bill goes to paying costs involved in the national grid.

Distribution

MainPower is one of 27 electricity distributors, or lines companies, in New Zealand, responsible for the power lines and distribution networks in local areas. Around 27% of your electricity bill goes to paying costs involved in the local distribution of electricity.

Retail

Retailers sell electricity to residential and business customers. Around 30.5% of your electricity bill goes to paying costs involved in the retail sector.

To find out more about MainPower, visit mainpower.co.nz

MAINPOWER TRUST

MainPower is a consumer trust-owned electricity distribution business. The MainPower Trust holds the Company's ownership on behalf of its beneficiaries (electricity customers in the Waimakariri, Hurunui, and Kaikōura regions).

The MainPower Trust has seven Trustees elected by beneficiaries in a public vote every three years. The next election will take place in 2023.

The Trustees are responsible for appointing and regularly meeting with the MainPower Board of Directors, monitoring the Company's performance, and liaising with MainPower to support the delivery of community sponsorship projects.

Who are the Trust's Beneficiaries?

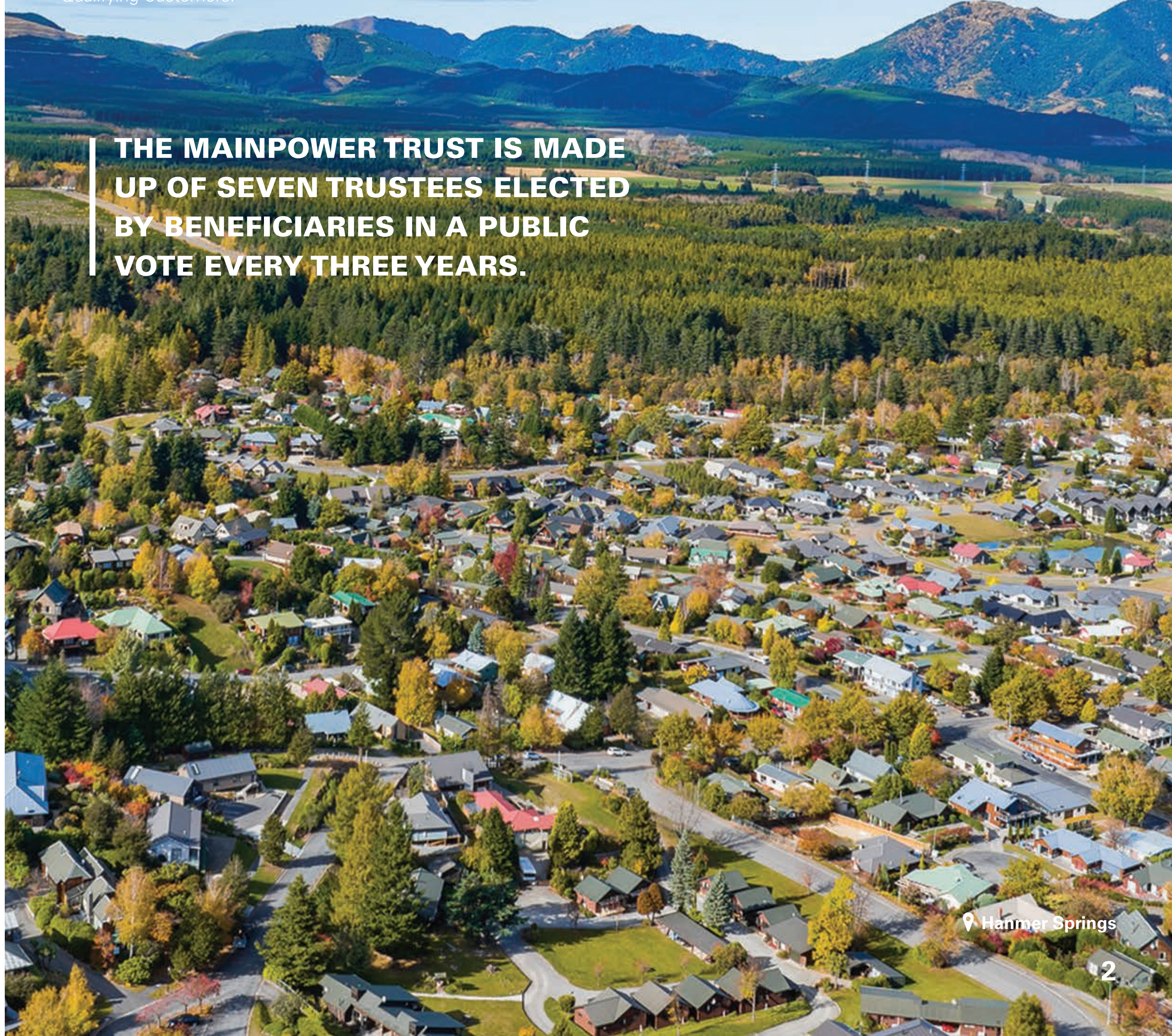
Except for those connected to the former Kaiapoi Electricity Network, Beneficiaries of the Trust are those who pay an electricity bill in the MainPower network. They are also known as Qualifying Customers.

Qualifying Customers receive a rebate on the cost of MainPower's electricity distribution services, known as network charges. This rebate is passed on via electricity retailers, though it is not always clearly shown on the bill.

Kaiapoi customers receive a discount on their electricity bills equivalent to the rebate. This is also passed on via electricity retailers.

Qualifying Customers can attend annual general meetings for The Trust and MainPower. They may speak at the meetings, but are not entitled to a vote.

Find out more about the MainPower Trust at mainpowertrust.co.nz



THE MAINPOWER TRUST IS MADE UP OF SEVEN TRUSTEES ELECTED BY BENEFICIARIES IN A PUBLIC VOTE EVERY THREE YEARS.

Hanmer Springs

CHAIR'S REVIEW

By any measure, it has been a challenging but successful year for MainPower. We have again achieved strong financial results and continued to operate critical regional infrastructure efficiently, profitably, safely and sustainably; thanks to the strong leadership and support from the wider MainPower team.

Financial results

The MainPower Group has achieved a profit before tax of $10.6m.

While this is a strong financial performance, it has been a mixed year in many ways for the underlying performance of the business with COVID-19 impacting supply chain costs and resource availability.

The weather also played a part this year with flooding and severe windstorms, and while the network generally held up well, there has been significant expenditure in restoring parts of the network due to the damage.

These factors were counterbalanced by revenue generated from the growth in the number of new customer connections as land development in North Canterbury continues.

The Asset Management Plan capital and maintenance expenditure on the network of $35m has been delivered to plan due to a focussed delivery team and the continued financial commitment in maintaining and improving critical assets on the distribution network.

Funding for this investment in the network has been carefully balanced between operating cash flows and increased term debt while still providing $6.6m in rebates to North Canterbury consumers. We acknowledge this amount is a reduction compared to last financial year, however we believe it is prudent to invest appropriately to ensure ongoing network resilience.

Asset management

Although the result has been positive, we recognise that COVID-19 has continued to impact the ability to complete scheduled projects due to resourcing and supply constraints, particularly in Q3 and Q4. Timelines for some significant projects have been extended as a result.

Despite the challenges of operating during the global pandemic, MainPower has continued our commitment to provide a safe, secure, reliable and sustainable network that delivers electricity and energy services to homes and businesses in the Waimakariri, Hurunui and Kaikōura regions, as detailed in our Asset Management Plan.

Our Asset Management Plan highlights the importance of the quality and resilience of electricity supply throughout our network. SAIDI, the average minutes a customer is without power during the financial year, is 272.6[1]. This is lower than forecast given the increased focus on efficient outage planning, generating where appropriate, and improved network design to allow for more options to back-feed resulting in a lower duration of outages overall.

MAINPOWER HAS CONTINUED OUR COMMITMENT TO PROVIDE A SAFE, SECURE, RELIABLE AND SUSTAINABLE NETWORK

SAIFI, the average supply interruptions per customer during the financial year, is 2.38[2]. This is higher than forecast due to an increase in the number of severe weather events we experienced, as well as the commissioning and cutover of the new Southbrook Zone Substation impacting all customers in the Rangiora area.

The communities in and around Rangiora are growing. Over the last few years, MainPower has been working on a major upgrade of our Southbrook Zone Substation, which supplies power to these areas and successfully moved all Rangiora customers to the new substation in February 2022. This will help provide a more resilient supply of power to our customers in the region, while allowing for the growth in the number of homes and businesses connecting to the network into the future.

Planning has started for a major substation rebuild in Amberley and a new zone substation in Tuahiwi. These are significant multi-year projects that will provide additional capacity and network resilience into these areas.

Strategic developments

MainPower is also continuing to build on our MPowered Future Strategic Plan. The energy industry is changing rapidly, with new technologies and innovations impacting the way consumers generate, buy and sell energy. In order to realise this potential, MainPower is partnering with our customers to understand their uptake and needs so that we can provide network services that fit their expectations.

MPowered Future is our plan to ensure we safeguard our current network assets and deliver value beyond them. The framework also sets out how we tackle exciting new innovations and smart technology developments like solar generation, peer-to-peer trading and new generation technology for the benefit of our business and the communities we operate in.

MainPower remains committed to bringing the Mount Cass Wind Farm to fruition, despite ongoing pressures from the global environment causing issues with the supply chain and significant cost increases. Although these factors are outside our control, we are continuing to make progress and believe it is important to contribute to the Country's decarbonisation goals.

The Board has worked closely with the MainPower Trust throughout the year to ensure continued alignment with the Letter of Expectations and to provide updates from a governance perspective. The MainPower Trust has actively supported a range of community initiatives undertaken by MainPower including the MainPower Stadium which officially opened in 2021, a significant asset for the community.

Finally, I would like to extend my gratitude to my colleagues on the MainPower Board, the Executive team, the MainPower Trust, and the wider team at MainPower for their commitment and hard work to overcome the challenges throughout the last year.

A C (Tony) King
Chair of Directors
MainPower New Zealand Limited

[1] Network SAIDI figures published on page 73
[2] Network SAIFI figures published on page 73

CHIEF EXECUTIVE'S MESSAGE

Each year in MainPower's annual report, we recap our successes and challenges, including the financial returns from our activities, the growth of our assets, and our contributions toward community initiatives in the region we serve.

Overall, we've had another positive year, albeit a challenging one. We exceeded our financial expectations and recorded a $10.6m profit before tax. Most importantly, we continued to operate essential regional infrastructure prudently, safely, and efficiently through global uncertainties and extreme weather events.

We're passionate about the place we call home and are always looking for new ways to make a positive impact throughout the Waimakariri, Hurunui and Kaikōura regions. As leaders in our community and energy specialists, MainPower has a responsibility to look at how our communities could and should be powered into the future. Within this report, you'll find information and stories from across the business demonstrating how we do just that.

Another financially successful year

For the 2021/22 financial year, our after-tax profit is $9.3m, up on the previous year's performance (2020/2021). A key factor to this pleasing result is the ongoing strong demand for connection services for land development in North Canterbury.

Interestingly, our positive results were still impacted by some unfamiliar factors this year. Specifically, during the last quarter, due to COVID-19. restrictions and illness, many departments were unable to operate at full capacity with many team members working from home or recovering from COVID-19.

Weather also played a part in our year-end results, with the windstorm in September costing more than $0.5m in repairs to the network. Additionally, the uncharacteristically wet summer affected irrigation revenue which has not reached its usual peak.

Keeping the lights on for our region

The business has had a demanding year with several emergency weather events covering the spectrum of snow, wind, and rain. Additionally, we handled further uncertainty from the ongoing COVID-19 pandemic, with many staff relocating to work from home during the latter part of the financial year.

Despite this, we have achieved another strong work programme, delivering $7.4m in network maintenance (up $1.6m on last year), and $28.8m in capital works.

Included in this capital works spend, MainPower completed a significant project that has been in the pipeline for many years – the upgrade and replacement of the Southbrook Substation to support the continued growth of the Rangiora area. The team worked hard to deliver the project, overcoming technical and logistical hurdles. By February, two new transformers were installed, and online, powering Rangiora. The completed project is one of the major upgrades detailed in our Asset Management Plan, delivering additional capacity that will safeguard Rangiora's supply through unprecedented regional growth.

The future is bright

The world is changing, and MainPower is changing with it.

MainPower has been delivering electricity to North Canterbury for almost 100 years. We've got a rich history of supporting our communities by delivering innovative solutions and opportunities that benefit the people that live in them. However, we're capable of being more than just a safe, reliable, and resilient network. We believe that we have the resource and know-how to make genuine progress in changing our region for the better and lead the way to the adoption of tomorrow's technology.

Last year, we launched MPowered Future - our framework to guide the people, homes, and businesses on our network into the future. Opening doors to make the adoption of new technology and life-changing innovations possible.

As well as preparing our network for the changing needs of energy consumers, we're actively looking for ways to trial, test, and report on our findings, including the feasibility of new innovations such as EVs, distributed generation, and smart technology.

Growing our people

Attracting, growing, and retaining quality people is vital to the success and longevity of MainPower's operations. Building on last year's win at the New Zealand Energy Excellence Awards in the Wellbeing Category, we launched several new initiatives to continue being an employer of choice in the region.

At MainPower we are committed to being a high performing business through enhancing and utilising every individual's full potential. We are excited to introduce the Accelerated Leadership Development Programme to support our MPowered Future strategy.

THE WORLD IS CHANGING, AND MAINPOWER IS CHANGING WITH IT.

2022 has seen our inaugural programme welcome participants from MainPower and Marlborough Lines. This programme has been designed to drive career development by providing individuals with support and a foundation for developing their leadership and management potential. It also helps to ensure we have a pipeline of prepared leaders across all areas of the business.

Reinforcing a long-standing relationship with the North Canterbury Sport and Recreation Trust (NCSRT), we launched a staff gym membership programme, offering employees a dicounted membership to one of five fitness facilities around the region, including MainPower Stadium. This has been well received with a large number of staff taking up the offer and getting involved with personal training and wellbeing competitions run by NCSRT.

Thank You

Finally, I would like to thank everyone in the MainPower team for their passion and ongoing dedication to MainPower and the communities we serve.

Our company values are Make it Happen, Work Together, Do What's Right and Make it Better and this year, I believe we have lived them more than ever. It has been humbling to see how everyone has pulled together, worked hard, stayed safe, and supported one another throughout another year that's been like no other.

Andy Lester
Chief Executive
MainPower New Zealand Limited

OUR VISION:

CREATE A SMARTER FUTURE TO DELIVER LOCAL VALUE

Culverden

OUR VALUES AT WORK

MAINPOWER'S VALUES UNDERPIN EVERYTHING WE DO. THEY DEFINE WHO WE ARE AND WHAT WE STRIVE TO ACHIEVE FOR THE COMMUNITIES WE SERVE EACH DAY.

POWERING INTO THE FUTURE

Our customers are already occupying an increasingly central role in the electricity industry, using new innovations such as Electric Vehicles (EVs) and solar to gain greater choice and autonomy than ever before.

Rather than just reacting to change, MainPower is actively seeking opportunities to lead change from within the industry, investigating new ways forward. To position our business to be ready to not only meet these changes but to thrive in the shifting landscape they create, we developed our MPowered Future strategy.

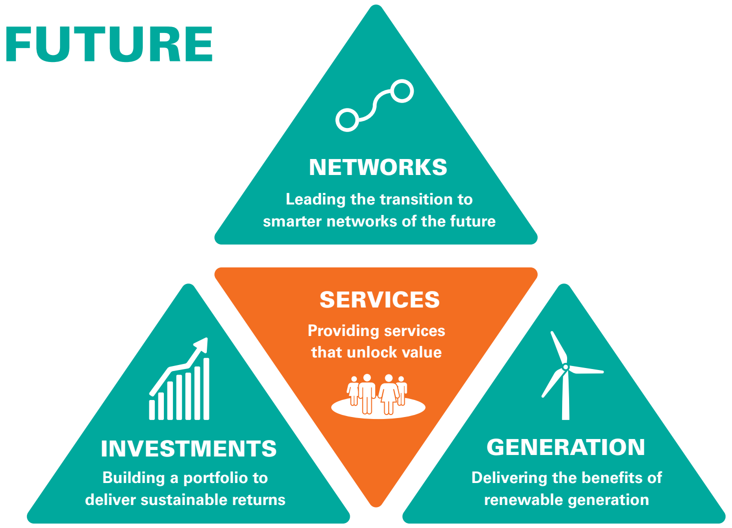
An MPowered Future will protect the value of our current assets and future-proof our organisation so that we may continue to provide a positive return for years to come.

CREATING AN MPOWERED FUTURE

MPowered Future is our long-term strategy to tackle the changing nature of the electricity sector. Part of this is making sure we have the right resources and skills to undertake new opportunities.

In addition to maintaining our core focus, the electricity distribution network of North Canterbury, the new strategic framework lays out how MainPower will assess and engage in new business opportunities systematically, ensuring value is delivered to our consumers and the region.

The MPowered Future strategy is focused on delivering meaningful opportunities across four key business segments, Networks, Investments, Services, and Generation.



Networks

MainPower's core activity is to provide safe, secure, and resilient network services to the people of Waimakariri, Hurunui, and Kaikōura. In addition to maintaining the electricity distribution network, MainPower's goal is to lead the transition to smarter networks of the future. In practice, this involves examining how our customers will use our network and network services as new technologies, behind-the-meter activities, and the decarbonisation of the economy continues to develop.

Investments

MainPower plans to build an investment portfolio to deliver sustainable returns. These investments will deliver value across each business segment and provide a mechanism for MainPower to take advantage of emerging technology and new business models.

Generation

MainPower will deliver the benefits of renewable generation. MainPower already owns and operates a 1 MW hydropower station at Cleardale in the Rakaia Gorge and currently holds resource consent for a wind farm at Mt Cass, near Waipara, in North Canterbury.

MainPower is also looking to develop a portfolio of renewable generation options, including utility-scale and customer-sited solar generation.

Services

MainPower aims to provide services that unlock value. There are opportunities to leverage the existing investment in our network and expand our operations to include other services in the changing industry environment.

An example of this is MainPower's continued investment in Kākāriki Power, which has enabled us to investigate and monitor evolving technology and changing customer behaviour in the retail electricity sector.

KĀKĀRIKI POWER

In early 2022, MainPower completed a transaction to purchase the majority share in an existing electricity retailer which operated on a modern, flexible, and internationally proven platform. The entity has been rebranded and renamed Kākāriki Power Ltd.

This acquisition will give Kākāriki Power the ability to operate as a 'Tier 1' retailer with increased control over our systems and a flexible platform which will facilitate future development of improved products and services for customers.

It will also support our MPowered Future framework and the longer-term commercial and industrial, retail objectives.

Kākāriki Power

WHAT'S NEXT?

In today's world, more and more appliances can be monitored and controlled remotely.

Connecting devices and appliances via the internet open up new possibilities for products and services, potentially saving consumers time and money.

MainPower has been monitoring new energy-related opportunities for a while now. One area of interest is 'Smart Energy Hub technology'- a site that uses advanced network and internet technology to connect and control various items.

To find out what is possible, we are developing a Smart Energy Hub at our head office on Fernside Road in Rangiora. This project will integrate established network tools, such as the Supervisory Control and Data Acquisition (SCADA) and smart meters, with newer technologies like EV charging, solar generation, battery storage etc., allowing us to gather valuable data and insights into the future of energy technology and how it could impact our business.

Waipara

GROWTH OF THE NETWORK

MainPower's purpose is to provide a safe, reliable, and secure network that delivers electricity to the Waimakariri, Hurunui, and Kaikōura regions. We do this by building and maintaining resilient assets that will serve our region now and into the future.

To inform our operations and ensure that we are working towards delivering on our purpose, our Asset Management Plan (AMP) describes our network, management practices, and the assumptions that support our strategy to operate and maintain the poles, wires, and assets that make up the distribution network. It also highlights our approach to supplying existing and new network services and details how we will invest in the network over a ten-year period.

You can download the full AMP document at mainpower.co.nz

Supporting regional growth

The areas we supply are all growing at a steady rate. The Waimakariri District Council estimates that 15,000 new homes will be built in its region over the next 30 years.

MainPower's network also spans the Hurunui District Council and Kaikōura District Council, both are experiencing a higher than anticipated rate of growth, which they expect will continue for several more years.

Another key driver for network infrastructure upgrades is changing consumer behaviours. The adoption of new technologies and the national transition to a low-carbon economy will influence how the electricity distribution network will be used in the future, and the services consumers will require.

Our teams are charged with identifying how our network will keep up with consumer demand and changes in the energy sector over the coming years. We need to be prepared to respond to this change with prudent and efficient upgrades that will benefit our communities now and in the future. This planning consists of ongoing maintenance programmes to preserve existing supply, and major infrastructure projects that increase capacity on a larger scale.

MAINTENANCE PROGRAMME HIGHLIGHTS

Regularly testing, servicing and, where necessary, replacing network assets is an essential part of providing a safe, secure supply of electricity to the region.

RING MAIN UNITS	LINK BOXES	POLES	SERVICE BOXES	POLE-MOUNTED TRANSFORMERS
Upgraded 9	Replaced 26	Replaced 988	Inspected 7,073	Inspected 711

AMBERLEY SUBSTATION

A planned upgrade of the Amberley Zone Substation is underway, Concept design is in process which will feed into the detailed design and early procurement of long-lead items. Delivery timelines allowing, project completion is expected throughout FY23–FY25.

CHEVIOT-OARO SUB-TRANSMISSION LINE

An upgrade to the Cheviot-Oaro sub-transmission line is scheduled to be complete in 2023. The 66 kV upgrade will increase the capacity of the leader substation to boost supply into the northern Cheviot area during peak summer loads.

TUAHIWI ZONE SUBSTATION

Residential and commercial growth in the Waimakariri area is driving the need for a new zone substation east of Rangiora. The Tuahiwi Zone Substation programme incorporates a series of sub-projects to construct a 66 kV sub-transmission network and a new Tuahiwi 66 kV Zone Substation.

HELICOPTER POLE INSPECTIONS

MainPower has been trialing new pole inspection technology using a specialist camera mounted to a helicopter. This year we surveyed around 6,000 poles, capturing footage of the insulators and equipment at the top of poles to give a fuller picture of the assets overall condition.

Photo: John Otten - MainPower Network Field Operator

POWERING UP RANGIORA

This year, MainPower completed one of its largest infrastructure projects, upgrading the zone substation at Southbrook in Rangiora.

The new substation is the largest on the MainPower network, capable of supplying over 12,000 consumer connections and works in conjunction with substations in Kaiapoi and Ashley to support growth in the Waimakariri region.

The communities in and around Rangiora are rapidly growing. MainPower is focused on preparing its network to support future consumer needs and facilitate the decarbonisation of the local economy.

Southbrook substation upgrade

MainPower initiated the Southbrook upgrade project in 2019, which would replace the existing 33kV substation with a new 66kV substation to increase distribution network capacity and improve network resilience in the region.

The new Southbrook 66kV substation consists of two 66kV transformers and a new 11kV switch room building that houses the local distribution switchgear, protection, control, and communications equipment.

The project was staged over three years, beginning with planning, design and geotechnical work, closely followed by procurement, earthworks and civil and electrical construction. The first of the large 40MVA transformers was livened in December 2021, allowing the new substation switchgear and control systems to be tested and commissioned.

The existing Southbrook substation continued to power the Rangiora region over the 2021 Christmas period while the final testing and commissioning of the new substation was completed. The second of the new transformers was livened by mid-February. The Rangiora distribution network was transitioned to the new substation, and the project was substantially completed in March 2022.

MT CASS WIND FARM PROJECT UPDATE

2021/22 has been another busy and challenging year for the Mt Cass Wind Farm project. Despite the widespread global disruption, development continues to progress and key milestones have been achieved.

2021/22 project update

Early works activities are largely concluded with developed design finalised, Environment Canterbury regional resource consents granted, laydown area secured, permanent met mast consents granted, system operator (Transpower) studies completed, connection agreements finalised, and long lead time items progressed. Agreements are in place with landowners and Hurunui District Council to upgrade sections of Mt Cass Rd, and the associated detailed design is complete for this main access road.

Progressing with long lead time items, the project continues where possible to mitigate the impacts of the global headwinds.

Erection of the permanent and temporary wind farm met masts is underway, and the wind farm main substation transformer is in design.

Grid connection activities are underway. Transpower has approved the wind farm's connection requirements, enabling MainPower to proceed with the procurement of the grid connection and 66kV transmission line long-lead time items.

Preferred suppliers have been identified, and we are currently working closely with our project partners to ensure appropriate resourcing is available to meet a revised construction programme.

Global headwinds

Widespread global disruption due to COVID-19, resulting in increased material costs, logistical delays and restricted movement of specialist labour, which has been compounded by uncertainty stemming from Russia's invasion of Ukraine, causing further supply chain disruptions and commodity price volatility.

These global headwinds have compelled the project team to review aspects of the project and re-forecast the construction programme to meet new delivery expectations on key components.

Ecology Update

In 2021, we relocated 107 Waitaha geckos and southern grass skinks from the construction area to a pest-controlled habitat at Mt Cass. We've exceeded our targets for pest control in the area, and the lizard habitat has improved significantly with increasing numbers of lizards found during the annual monitoring surveys.

This year has also seen a comprehensive weed management survey of the 127- hectare Conservation Management Area, removing pest plant species. To protect rare plants on site, the team continues to monitor the Limestone Wheatgrass to identify new locations and recently finalised a monitoring plan for MacCaskill's Hebe populations.

Looking ahead

Looking past the current global headwinds, there is an increasingly strong demand for electricity. The future price path for electricity has strengthened, and calls for electricity to be more renewable continue to increase.

MainPower continues to be committed to delivering the Mt Cass Wind Farm and remains focused on moving the project to where final approval will be sought from the MainPower Trust.

As we continue to revise and refine project timelines and milestones, we will keep interested parties updated via our website mtcasswindfarm.co.nz.

ABOUT THE PROJECT:

MainPower has been investigating options for renewable distributed generation in and around the North Canterbury region since 2004. We have built a mini-hydro station at Cleardale and gained resource consent for a wind farm on the Mt Cass ridge near Waipara in North Canterbury.

When completed, the Mt Cass Wind Farm will be the largest in the South Island with a maximum generation output of 93 MW, enough to power 40,000 homes.

The project will contribute positively to the government's goal of achieving net-zero carbon emissions by 2050.

OUTAGE MAP

MainPower is always looking for ways to improve our customer's experiences when interacting with us.

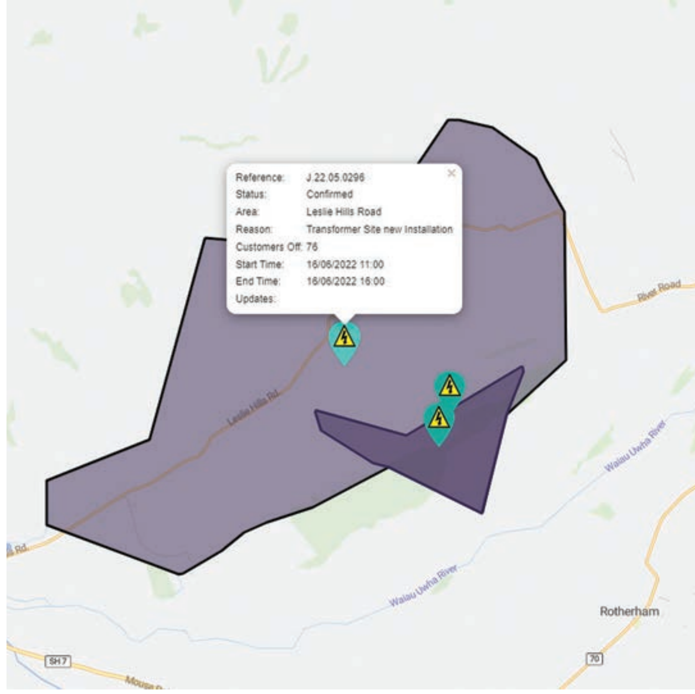
In August 2021, we launched a new tool to help our customers access information about current and planned power outages on our network.

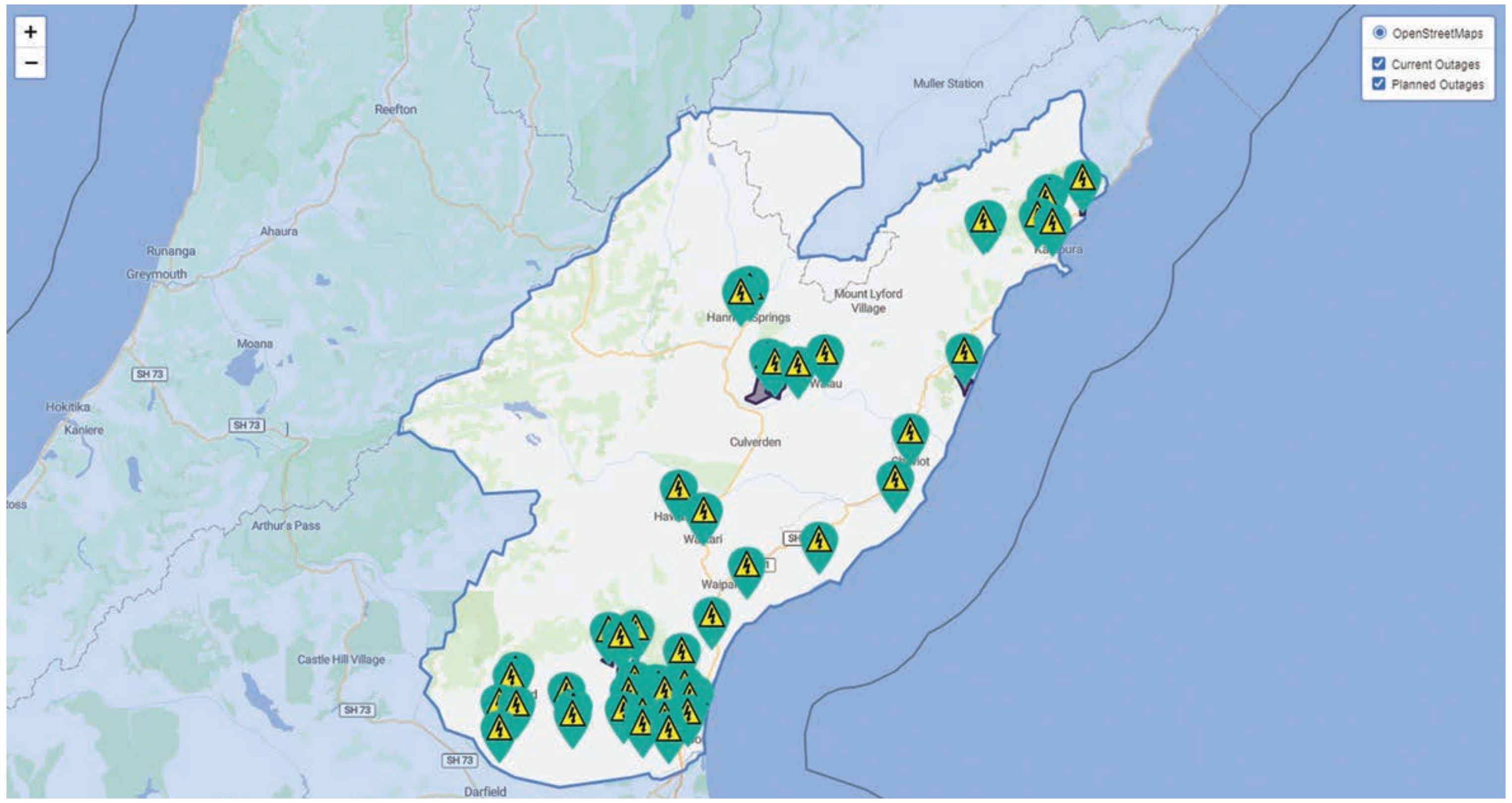
The real-time outage map is available via our website and allows customers to see if they are affected by a current or future outage.

The outage map pulls information from the Advanced Distribution Management System (ADMS) – A computer system that holds information about the current state of the network, enabling staff to monitor and manage the live situation of MainPower assets. Using information from ADMS, customers can search their address or job ID and find out more about a current or upcoming outage that will impact them.

Accessible online 24/7, the outage map provides live information in a quick, easy-to-understand format. The map is also easy to use on mobile devices, improving the customer experience during faults by providing updates on the situation and estimated restoration times.

The outage map is part of the ADMS roadmap and is the latest in a range of projects made possible by the ADMS technology.





CREATING A SUSTAINABLE FUTURE

Achieving a sustainable future for our company and our communities is a key strategic direction of MainPower.

The MainPower Executive Team leads – fully endorsed by our board – company-wide sustainability-focussed processes and initiatives. They inform all our significant projects, as well as how each one of us works every day.

SUSTAINABILITY AT MAINPOWER

The United Nations Brundtland Commission defined sustainability as, "meeting our own needs without compromising the ability of future generations to meet their needs." MainPower has aligned our sustainability efforts with this philosophy and considers a genuine approach to creating a sustainable future to go beyond just environmental aspects also to incorporate social, and economic resources.

Whilst environmental considerations are a factor, MainPower's concept of sustainability is much broader. To guide our journey toward a sustainable future, we've identified three Goals on which MainPower is best positioned to deliver significant progress. They are incorporated into our environmental strategy and overall strategic business plans.

The three key focus areas are- caring for our environment, delivering a safe and secure energy supply, and people focus.

BOOSTING OUR EV FLEET:

Earlier this year, MainPower took delivery of five new MG ZS electric vehicles. The 5-door, fully electric SUVs are powered by a 44.5kWh, water-cooled, lithium-ion battery, delivering 353Nm of instant torque. With 105kW of power, they have great acceleration and can travel up to 263 kilometers on a single charge.
The new vehicles are an important step in our journey toward supporting decarbonisation and delivering our EV Strategy under MPowered Future Framework. Operating EV's and gathering 'real world' data on their application will inform how MainPower can further support the uptake of EVs on our network.
MainPower has nine fully electric or hybrid vehicles in our fleet. As technology evolves and options broaden, we will continue to assess new electric and hybrid options to see what will best suit our needs in the future.

MainPower Offices, Rangiora

PEOPLE FOCUS

Creating sustainability amongst our people is critical to the future success of our network. We need to ensure that MainPower is resourced with the right people now and in the future. To achieve this, we continue to develop new ways to ensure our people feel valued for their contribution, including supporting their physical and mental wellbeing.

We pay the living wage and offer a comprehensive health and wellbeing package for all staff, including life insurance, mole maps, eye tests, health insurance, reduced gym membership, and a 9-day fortnight working option.

Our People Focus goal is also applied to the people living and working on our Network. Within our operations, we are always looking for ways to be more customer-centric, from new processes and systems that streamline and improve customer experiences to community sponsorships and funding. We support several regional-wide facilities, groups, and initiatives as well as our MainPower Community Fund, which provides $60,000 of funding every year to school and community groups benefitting the communities we operate in.

SAFE AND SECURE ENERGY SUPPLY

We've been around for 100 years and intend to continue providing a safe and secure network for many more. To do so, we need to ensure that we are maintaining the network and preparing it for the future to continue to serve the region.

Network maintenance and upgrades are driven by our Asset Management Plan (AMP), which outlines our commitment to providing a safe, secure, reliable and sustainable network that delivers electricity and energy services to homes and businesses in the North Canterbury region.

We also need to ensure that we are creating a sustainable network that will continue to meet the needs of our region in the future.

Unprecedented growth in the North Canterbury region is seeing more new connections than ever before. Additionally, the adoption of new technologies such as solar and EVs is changing the behaviors around energy consumption. To address these changes, we've developed our MPowered Future Framework, which guides our journey to meet the changing energy needs of the future.

Another key responsibility is to keep people safe around our network. As well as making sure our assets are safe, we also carry out regular public safety campaigns to remind people how to stay safe around electricity. This messaging is echoed in school education programmes that teach children about the dangers when playing near electricity and how to keep themselves safe.

CARING FOR OUR ENVIRONMENT

We strive to be kaitiaki (stewards/guardians) of the environments that we operate and work in. We take our environmental responsibilities seriously, from minimising the ecological impacts of our operations and assets, to encouraging our staff in the field and office to be conscientious environmental citizens and do their bit to benefit the environment.

We also sponsor several community-led environmental initiatives, including conservation groups, localised pest control efforts, beach and stream clean-ups, and an annual award in partnership with Hurunui District Council.

The MainPower Hurunui Natural Environment Award is a $10,000 fund that encourages and assists voluntary work that benefits the natural environment. The focus is on projects that protect, restore or reinstate indigenous biodiversity in the Hurunui. Since its inception, the award has contributed to over 60 projects.

ENVIRONMENTAL SUSTAINABILITY IN ACTION – ADOPTING THE 7 R'S

A key tool guiding our efforts to improve our environmental operations is the 7R's.
The 7R's are used in the office and the field to inform decision making and keep environmentally positive practices front of mind.

Refuse: Being smarter with our purchasing and refusing to buy wasteful and non-recyclable products.
Reduce: Reducing our dependence on wasteful and non-recyclable products.
Repair: Choosing to repair products to extend their life.
Repurpose: Finding alternative uses for items so they don't go to landfill.
Reuse: Reusing assets where possible, e.g. transformers may be repaired and reused.
Recycle: Ensuring our waste is disposed of correctly and recycling wherever possible.
Rot: Utilising suitable natural decomposition processes.

ENGAGING WITH OUR CUSTOMERS

As a consumer-owned company delivering energy to the communities that ultimately own us, we are passionate about continually reviewing and improving our services.

From day-to-day interactions with customers to long-term strategic planning, we utilise several feedback tools to help us ensure that we continue to meet the needs of our customers and deliver high-quality service in all of our daily interactions.

MainPower carries out regular customer engagement to ensure that our service levels are maintained and that our customers' feedback informs our business decisions.

Monthly "Voice of the Customer" survey

Any customer interacting with MainPower is invited to provide feedback on their experience via a monthly online survey. The 'Voice of the Customer' survey is a quick and timely method of collecting feedback that is used to monitor and improve our processes.

Customer Pulse survey

Since 2017, this annual benchmarking survey has provided year-on-year insights into the perception of MainPower within the community we serve. In 2021, more than 400 participants from across the region completed the survey online or over the phone.

Asset Management Plan (AMP) Customer Engagement survey

Previously undertaken as a series of in-person workshops, in 2022, we digitised this feedback opportunity into a survey, with 1,139 responses.

The AMP Customer Engagement survey gathers information from customers that is used to inform our future planning for the Network.

The specific objectives of the survey was:

- To understand customers' views on the reliability of supply and expectations around network resilience.
- To explore management of outages and communication with customers during this time.
- To explore new technology adoption among customers.

Key feedback received

89% of customers feel that it is very important for MainPower to be prepared for significant events.

35% of people expect power on in less than 48 hours after a significant earthquake e.g. Alpine fault magnitude 8

59% of people expect power on in less than 48 hours after a severe storm causing widespread damage and flooding

75% of people expect power back on in less than 48 hours after a day of heavy snow

About our customers

54% of customers have LED lighting in their homes or businesses

20% use gas for hot water or heating

17% of commercial urban customers have an EV

93% of customers are prepared for a planned outage

94% of customers are prepared for an unplanned outage

NO POWER PLANNING – MAINTAINING BUSINESS CONTINUITY WITH A BACKUP GENERATOR.

Hanmer Springs Thermal Pools & Spa

Hanmer Springs Thermal Pools and Spa is one of the biggest tourist attractions in North Canterbury, hosting half a million visitors every year.

It is also one of the largest electricity consumers on the MainPower network.

Electricity is critical to the pools remaining open, says Maintenance and Engineering Manager, Neil Wilson. "During a power outage, we cannot circulate water through the heat exchange process, causing the water temperature to drop by approximately two degrees every hour. It also means that we cannot filter and sanitise the water, which breaches our bathing standards.

"From a health and safety perspective, we can't function without electricity, especially in our changing rooms, café, and day spa."

On an average Saturday, around 2,500 people visit the thermal pools, increasing to 4,000 customers a day on a big weekend. "Closing the complex is a huge disappointment to our customers, many of which have travelled to Hanmer Springs specifically to visit us."

No Power Planning

"Over the last five years, we've noticed an increase in extreme weather events causing unplanned power outages," says Neil. "We see this as an ongoing trend that will continue as the effects of global warming become more apparent, and severe weather events become more frequent."

In 2017 Neil and his team began investigating a no power plan to identify a suitable alternative if the complex is without power.

"We did some top-line analysis of backup generation options, including the use of solar and battery storage. Ultimately, we determined that a diesel generator was the best fit as it is a simple solution that can power the complex instantly, for as long as we need it to."

In 2022, the complex installed a 550kVA generator capable of powering the entire complex during a power outage.

"The generator gives us the luxury of knowing that we can remain open if the electricity supply is disrupted. If the power goes out, the generator automatically kicks in to maintain business continuity and keep the doors open.

"The long-term plan is to make electricity available, through MainPower, to other users in Hanmer Springs when we do not require it. For example, if there was a power outage when we were closed, excess generation could be used elsewhere in Hammer Springs."

WHAT'S YOUR NO POWER PLAN?

Homes and businesses across the MainPower network are encouraged to have a no power plan in place to minimise disruption during planned or unplanned outages.

For more information about no power plans, visit mainpower.co.nz/no-power-plan

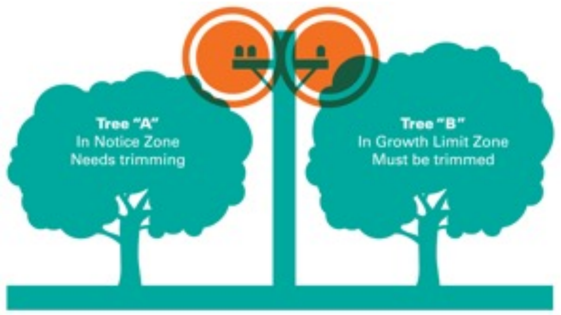
VEGETATION PROGRAMME

Trees too close to power lines are a hazard and a major cause of power outages during bad weather. They can create a fire hazard and cause serious injury or death if a child climbs a tree near a power line.

Tree owners are responsible for their trees; they are also responsible for any costs if their tree damages power lines.

MainPower operates a comprehensive vegetation programme to manage tree-related risks. If a tree is growing within the **Notice Zone** and in close proximity to a power line, the responsible owners will receive a legal notice from us saying that it must be trimmed.

If the tree continues to grow into the **Growth Limit Zone** the owner will receive a legal notice from MainPower advising that the tree must now be to be trimmed by a qualified contractor within a specified time frame.



In July 2021, the Vegetation team launched a new system for recording and tracking vegetation jobs and managing communications with customers.

The new system incorporates vegetation information with our existing Customer Relationship Management (CRM) software, keeping customer interactions and data from across the business in one place.

It streamlines our vegetation-related communications with customers by allowing users to view past interactions and send communications directly from the system. Staff can also quickly identify job tracking information and better collaborate across the business.

When a customer calls, customer service staff can quickly look up job details, find exactly where the job is in the process, and update any information as necessary. We can also send reminders and updates to customers via text message.

Overall, this new development is improving our customer's experience when interacting with MainPower and creating efficiencies throughout the business by combining customer and job information in one place.

Fernside, Rangiora

COVID–19 RESPONSE

The first ten months of the 2021/22 financial year were largely uneventful from a COVID-19 perspective. However, at the end of January 2022, as a new variant spread across New Zealand, MainPower took action to safeguard our people and network.

In early 2022, team bubbles were introduced to reduce the spread. Teams were split into two, working on a rotational roster system from the office and home, and critical areas of the business, such as the Control Room, were shut off from the wider office. It was also mandatory for staff to wear facemasks and maintain safe distances from each other when in the office.

By Mid-February, as daily case numbers continued to rise, all non-essential staff began working from home full time, with only essential team members allowed into the office under increased COVID-19 protocols.

A staged return for staff with mandatory mask-wearing and social distancing commenced at the beginning of April, with daily RAT testing for all staff. By mid-April, MainPower operations were back to normal, with staff working from the office once more.

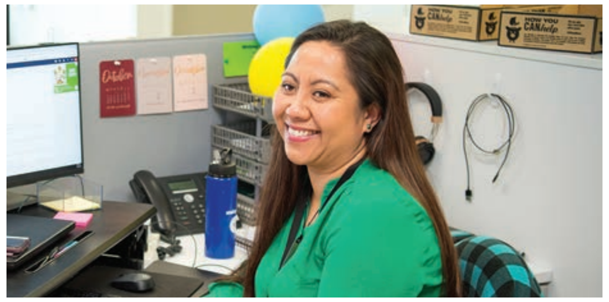
Once again, the team proved their dedication to the business, maintaining business as usual from home and office during another trying time.

TAKE TWO FOR THE TEAM

In September 2021, MainPower took a strong stance on getting our people fully vaccinated against COVID-19 with the 'take two for the team' challenge.

The challenge was for 90% of staff to get fully (double) vaccinated before 1 December. If successful, all vaccinated staff would receive a day of special leave to use in the next 12 months.

As an essential service provider and employer, we wanted to ensure that our people, their loved ones, and our community were as prepared as possible to face COVID-19 in our community. If an outbreak affected MainPower, it could potentially impact our network of more than 43,000 customers.



24 November 2021

90% of MainPower staff were double vaccinated

1 December 2021

94% of MainPower staff were double vaccinated

March 2022

99% of MainPower staff were double vaccinated

WEATHERING A PERFECT STORM

In September 2021, North Canterbury prepared for an extreme weather event. The powerful storm and gale-force winds cut power to around 7,000 connections on the MainPower network, isolating communities damaging buildings, and toppling trees.

As weather reports rolled in, MainPower formed an Emergency Operations Centre (EOC) to manage the developing situation.

The first storm hit the region on Thursday 9 September. After a short period of respite, a second, more powerful, windstorm was forecast to hit the region 24 hours later. This time, MetService issued a 'red' strong wind warning, with severe North-Westerly winds of up to 160km/h predicted to thrash the region and cause further widespread damage.

With the help of crews from around the South Island, the MainPower team worked tirelessly to restore power to connections across the network over six days.

IT'S TIMES LIKE THESE WE LEARN WHAT WE ARE MADE OF.

The team performed in the face of a challenging set of circumstances thanks to a huge effort from everyone across the entire business, not to mention the support of crews from Marlborough Lines, Delta, Buller Electricity Network and ElectroNet.

From the crews in the field to the team in the office coordinating our response, our team's adaptability and willingness to pull together in the tough times demonstrates the very best of MainPower's people.

Thursday 9 September

7,000
customers without power

With many parts of the network still hampered by strong winds, crews dispatch to jobs that are safe to complete. By 11 am, power has been restored to 3,000 affected customers.

Over 4,000 customers in remote areas, cut off by closed roads and fallen trees, are without power overnight.

Friday 10 September

4,000
customers without power

North Canterbury continues to suffer severe winds. A large number of trees across roads are limiting access to faults, and flying debris is an issue.

Hampered by road closures, MainPower crews continue to work safely and deliberately across the network. By 3:30 pm, we have identified around 1,200 customers who will continue to be without power overnight. Staff contact customers and advise them to activate their no power plans, and ensure critical customers are safe and prepared to be without power.

Saturday 11 September

1,200
customers without power

An additional crew from Marlborough Lines arrives to assist with repairs. Work commences at first light with the focus on three major jobs in the Culverden Basin. Once complete, power can be restored to over 800 customers.

Restoring power to remaining customers will be more challenging, with 124 other jobs outstanding.

Those affected are advised to prepare for several days without power due to the volume of work required and accessibility challenges.

Sunday 12 September

280
customers without power

The team continues working to their maximum allowable hours, recommencing restoration efforts at first light.

As access roads are cleared, a crew from Buller Electricity is able to join restoration efforts and arrive mid-morning.

Another storm is forecast to hit overnight, with worsening conditions expected. MainPower crews, supported by resources from Marlborough Lines, Buller Electricity and ElectroNet, work tirelessly to restore power to as many connections as possible before more winds arrive.

A regional communications campaign is launched, reminding customers to secure loose items on their properties and expect further power outages due to the storm.

Monday 13 September

313
customers without power

313 customers remain without power after a night of wild weather hammers the network.

34 of which have been without power since Friday.

Two additional crews from Delta arrive to support restoration efforts.

The highest priority is to restore power to the customers who have been without power since the first storm.

All planned outages on the MainPower networks are canceled, allowing teams to rest and recover from a demanding weekend.

Tuesday 14 September

23
customers without power

At the start of the day, 23 customers remained without power. Only five of these were residential homes.

By midday, we have successfully reduced the number of ICPs without power to 15.

In the afternoon, specialist crews prepare to tackle one of the last remaining faults- repairing the line feeding Hanmer Springs. A helicopter is brought in to assist the effort and keep a power outage to the town as short as possible while repairs are being carried out.

By the end of the day, power has been restored to all residential connections on the network, and the EOC is disbanded.

THE POWERFUL STORM AND GALE-FORCE WINDS CUT POWER TO AROUND 7,000 CONNECTIONS ON THE MAINPOWER NETWORK

Oxford

Photo: Neville Wade - MainPower Plant Operator

PEOPLE AND TRAINING

Behind every successful business is a team of dedicated and capable people, MainPower is no different. With over 170 team members, we know that looking after our people and developing a strong, healthy workforce is key to the ongoing growth of our organisation.

LET'S GET PHYSICAL - GYM MEMBERSHIPS FOR STAFF

The benefits of exercise for improving physical and mental health and wellbeing are well known, but sometimes the demands of everyday life makes it challenging to keep up a regular fitness routine.

To help our people maintain an active lifestyle and manage fatigue and stress- not to mention, have some fun. MainPower offers all permanent employees the opportunity to join North Canterbury Sport and Recreation Trust Fitness Centres at reduced membership rates.

Through this scheme, staff gain access to five top quality, local gym facilities, including the new state of the art fitness centre at the MainPower Stadium, which offers a full range of modern exercise equipment, group fitness classes, personal trainers, as well as physio and sports health providers.

Members also enjoy access to personal trainer sessions, discounted FIT 3D body scans, and court hire at the MainPower Stadium.

FAMILY FIRST AID TRAINING

MainPower annually offers free CPR and basic first aid courses to employees' direct family members, i.e. spouses, partners, and children 14 years and older.

The programme re-enforces our commitment to looking after our people, their loved ones and the wider community by equipping more people to deliver basic treatment until professional medical help arrives. This year, 17 people attended the two-hour course.

PERFORMANCE AND DEVELOPMENT

Led by our People and Culture team, MainPower has a comprehensive performance and development programme designed to support and grow our people. A key foundation of the programme includes performance and development conversations between staff and their managers.

All staff participate in two performance and development conversations each year, identifying opportunities for training and career development. We also support our people to maintain industry licenses and upskill with new qualifications and certifications.

EMPOWERING THE FUTURE OF ENERGY

As well as developing our people, we are passionate about supporting the next generation of the electricity industry workforce. We have a long-standing scholarship programme with the University of Canterbury and support MainPower families with our Bright Spark Scholarship to support tertiary students related to MainPower employees.

Recipients of MainPower Scholarships are also offered paid work experience opportunities to learn more about the electricity industry.

ACCELERATED LEADERSHIP DEVELOPMENT PROGRAMME (ALDP) LAUNCHED

This year we introduced an Accelerated Leadership Development Programme (ALDP) for staff.

The programme drives career development by equipping individuals with a foundation for developing their leadership and management potential. It also helps to ensure we have a pipeline of prepared leaders across all areas of the business.

The inaugural programme began in early 2022, welcoming 12 participants, nine team members from MainPower and three team members from Marlborough Lines. It will run throughout 2022, with the aim of being repeated every two years.

The 12-month programme includes a range of leadership and business modules including: Positive leadership, leading change, strategic thinking, project management, and human resources.

Participants are also supported by a mentor and work on a business improvement project to be presented at the end of the year.

COMMUNITY FUNDING

From local sport programmes to environmental sustainability efforts, MainPower provides support to dozens of community initiatives, events and activities each year. Many of these partnerships are long-term, providing ongoing support to the region across many years.

The MainPower Community Fund also provides much needed funding for individual projects. Across two funding rounds each year, $60,000 is made available to charitable groups and school projects. Members of the community are invited to nominate, and vote for, who they believe should receive a share of the funding, putting the power into the hands of North Cantabrians.

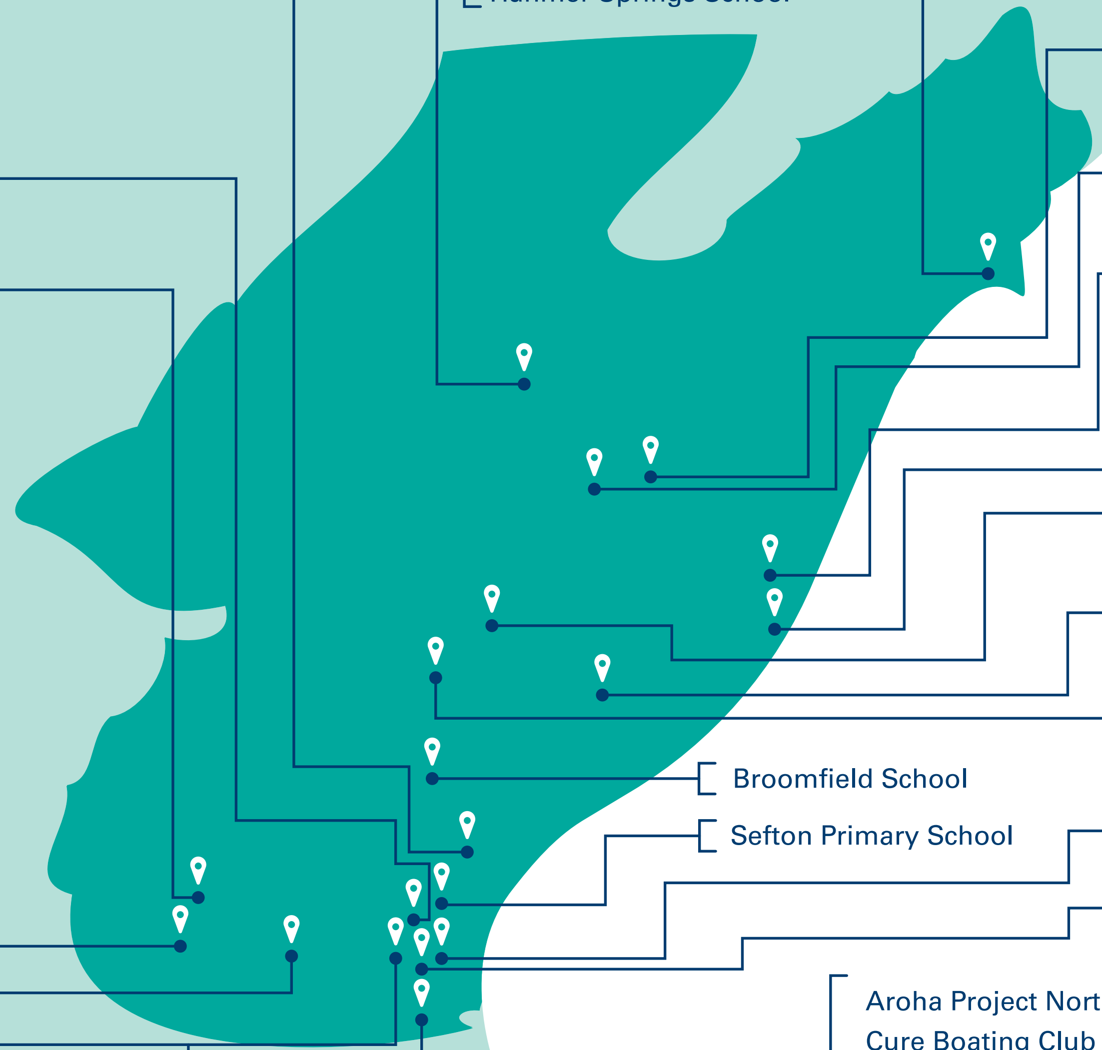
COMMUNITY SUPPORT PROGRAMME

A selection of organisations MainPower has supported in 2021-22 are highlighted on the map to the right.

In addition, all of the region's schools receive annual sponsorship for the MainPower Primary School Citizenship Award and the MainPower Secondary School Prize for Physics and Maths, as well as the opportunity to apply for funding grants through the MainPower Community Fund.

REGIONAL INITIATIVES

Community Energy Action
Dementia Canterbury
Enterprise North Canterbury
Flight Path (Orange Fronted Kākāriki Conservation)
Hurunui Natural Environment Award
Life Education Trust
MainPower Primary School Coaching Programme
MainPower Waiswim Programme
MainPower Youth Sport Scholarship
North Canterbury Radio Trust (Compass FM)
North Canterbury Sport and Recreational Trust
Pinc and Steel Cancer Rehabilitation Trust
Skool Loop
University of Canterbury Engineering Scholarship



Amberley A&P Show
Amberley Community Care
Amberley District Vehicle Trust
Amberley School
Meals on Wheels Amberley

Ashley Playcentre

Ashley Gorge Track and Tramping Group

Oxford A&P Show
View Hill School
Oxford Search and Rescue

Cust Community Pool
Cust School
Cust Toy Library

1st Rangiora Guides
88 Rangiora Squadron ATC
Ashgrove School
Fernside School
Keep Rangiora Beautiful
Kitty Kingdom
MainPower Hockey Turf
MainPower Oval
MainPower Stadium
North Canterbury Basketball Association
North Canterbury Rodders
North Canterbury Swim Club
Rangiora Borough School
Rangiora Community Patrol
Rangiora Dramatic Society
Rangiora High School Nursery
Rangiora High School U16 Rugby

Rangiora Just Brass Band
Rangiora New Life School
Rangiora Toy Library
Southbrook School
Te Matauru Primary School
The Salvation Army
Waimakariri FC
Waimakariri NZ Response Team 12

Kaikoura High School
Takahanga Bowling Club

Hanmer Springs Bowling Club
Hanmer Springs School

MainPower Waiau Community Pool
Waiau School

Rotherham Community Pools

Cheviot Area School
Cheviot Toy Library

Surfing for Farmers

Hurunui College
Hurunui Rangers FC

Greta Valley School

Hawarden Hall and Reserve
Hawarden A&P Show

Broomfield School

Sefton Primary School

Woodend Rugby Club
Woodend School

Tuahiwi School

Aroha Project North Canterbury
Cure Boating Club
Darnley Club Kaiapoi
Kaiapoi Borough School
Kaiapoi Community Support
Kaiapoi Pony Club
Kaiapoi Promotions Association
Kaiapoi Toy Library
Karanga Mai Early Learning Centre
Pegasus Dragons Dragon Boating Club
R13 Youth Development Trust
St Patricks School Kaiapoi

MAINPOWER STADIUM

In 2020, MainPower was announced as the name sponsor for Rangiora's newest community sporting facility – MainPower Stadium.

The multi-use facility was officially opened in August 2021 and is one of the largest community sports grounds in the South Island. The facility includes four full-size sports courts, a fitness centre, group fitness studios, sports health provider treatment rooms, a sports administration house and multi-function meeting rooms.

Built by the Waimakariri District Council and operated by the North Canterbury Sport and Recreation Trust, the $28m facility is located on Coldstream Road, Rangiora, next to a complex of neighbouring sporting facilities already bearing the MainPower name, including MainPower Oval and MainPower Hockey Turf.

The 6,000sqm building, with seating for up to 500 spectators, is already benefitting the region with around 25,000 visits every month.

Since opening, MainPower Stadium has become a drawcard to our region as the home of North Canterbury Basketball, Waimak United Football, and is also playing host to North Canterbury Netball's winter competition as well as a wide variety of other sports including Wheelchair Basketball and Korfball, social sports leagues and school holiday programmes.

The facility has also hosted a South Island Marching Championship, Alpine Classic National Cheerleading Competition, regional and national schools competitions and an ANZ Premiership Netball pre-season doubleheader between The Mainland Tactix and Te Wānanga o Raukawa Pulse.

MainPower Stadium is currently gearing up alongside the North Canterbury Basketball Association to host its first-ever national tournament in June 2022 - The Aon Under 19 Basketball Nationals. The event will bring together New Zealand's top junior basketball talent to represent their region and play for the men's and women's championship titles.

SUPPORTING REGIONAL SPORT AND WELLBEING

MainPower has a long-standing relationship with the North Canterbury Sport and Recreation Trust, already sponsoring several community facilities and sports programmes around the region, including:

MainPower Waiswim Primary Schools Programme

Delivered at over 40 primary schools in the Waimakariri, Hurunui and Kaikōura regions, WaiSwim seeks to ensure that primary school children learn to swim and comprehend lifesaving water safety skills. Each child in the programme receives up to ten 25-minute swimming lessons a year in small groups of six to seven children. During the 2021 school year, 4,600 children participated in the programme.

MainPower Primary School Coaching Programme

Covering 42 schools in the MainPower network, over 7,000 children benefit from this sports coaching programme, providing an opportunity for relationship building, teamwork and personal development in a physical setting.

MainPower North Canterbury Sports Awards

This is an annual celebration of sporting achievements in the Waimakariri, Hurunui and Kaikōura regions. Over 300 guests attend the gala dinner with winners announced in 16 categories, covering all aspects of sport from players to administrators and long-term service awards at all levels, from grassroots to success on an international level.

MainPower Youth Sports Scholarships

Ten Youth Sports Scholarships, each worth $2,000, are announced at the MainPower Sports Awards. The scholarships go towards developing an individual's sporting talent and qualifying successful applicants for wrap-around support services provided by the North Canterbury Sports and Recreation Trust.

A winner and two runners up are selected from the ten finalists to receive an additional $5,000 and $2,500, respectively.

MainPower Stadium

MAINPOWER IN THE COMMUNITY

Every year, MainPower sponsors all sorts of activities around the region, from supporting the day-to-day operations of local organisations to big community events.

The Aroha Project

Founded in 2020, The Aroha Project is a free, no judgement, op-shop run from the garage of Rangiora local Bex Jones.

Set up to help people in need of assistance, The Aroha Project provides anything and everything for free or in exchange for a small koha.

All sorts of donations are received, from food and toys to clothing and furniture, many of which aren't in the garage long before they are gratefully received by community members who need them.

Supported by community volunteers and her family, Bex and The Aroha Project were nominated to receive a donation from the MainPower Community Fund, awarded in early 2022.

The cause had overwhelming support from the community, receiving 75% of all nominations.

The funding is being used to support the day-to-day operations of The Aroha Project, including skip hire to dispose of any unsuitable donations.

To find out more, search The Aroha Project Canterbury on Facebook.

The Cust Toy Library

The MainPower Community Fund supported the setup and implementation of a digital toy library database for the Cust Toy Library.

For over 30 years, the toy library kept all of its records on index cards. Thanks to a grant from MainPower, the well-deserving community group modernised its systems to provide a faster, more accessible and more reliable service to the community.

Children, parents and grandparents are benefitting from the new easy to use, online, toy database, allowing members to reserve the toys they want, view their return dates and sign up for volunteer shifts online.

You can find out more about the Cust Toy Library at cust-toy-library.mibase.co.nz

Life Education Trust

Life Education Trust is a charity that educates and inspires young people across New Zealand.

It offers a unique programme of learning that supports schools and teachers in delivering key education messages to assist students in learning about their health and wellbeing.

The programme has been developed with teachers to complement a school's health curriculum and create a safe space for students to learn and ask questions.

MainPower has worked with Life Education Trust Canterbury for five years, sponsoring a dedicated mobile classroom for North Canterbury (pictured). The team of educators travel around the region in their mobile classroom to deliver interactive learning opportunities to school children.

In 2021, Life Education Trust Canterbury delivered their programmes to 3,154 children across the region. MainPower has an ongoing sponsorship agreement with the programme to continue supporting teachers and children in our network to engage in positive learning experiences and develop life-long skills that create healthier habits.

For more information about the Life Education Trust, visit lifeeducation.org.nz

Garden to Table at Tihiraki North Loburn School

Since 2014, Tihiraki North Loburn School's Garden to Table programme has become an integral part of the school's curriculum, with year 1-8 students participating in regular sessions to learn healthy habits and gardening know-how.

Parents, grandparents and community members join the classroom each week to teach students about gardening in the school's established garden, including a vegetable patch, fruit trees, and herbs. After harvesting, the children head to the school kitchen to learn how to prepare them.

The school has recently added a complimentary 'Paddock to Plate' programme where meat is also on the menu. Alongside Garden to Table, students also explore a range of animal protein, its preparation and the importance of good animal husbandry reflecting the schools rural location.

In 2021, MainPower supported the programme with a $500 grant from the MainPower Community Fund. Over the year, the programme delivered 26 gardening and cooking sessions, covering 76 different recipes, filling 734 hungry tummies with 2,142 plates of food.

Waimakariri

2022
FINANCIAL REPORT
MAINPOWER NEW ZEALAND LIMITED

CONTENTS

DIRECTORS' REPORT

The Directors are pleased to present the Audited Consolidated Financial Statements for MainPower New Zealand Limited and its Subsidiaries ("the Group") for the financial year ended 31 March 2022.

The Companies Act 1993 requires Directors to prepare financial statements for the Group for each financial year so as to present fairly, in all material respects, the financial performance and the state of affairs of the Group for that financial year.

The Directors consider that in preparing the Group Consolidated Financial Statements, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used and all relevant financial reporting standards have been followed.

The Directors have responsibility for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the consolidated financial position of the Group, and which enable them to ensure that the Consolidated Financial Statements comply with the Financial Reporting Act 2013.

The Directors have general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group, to ensure compliance with all statutory and regulatory requirements and to prevent and detect fraud and other irregularities.

The Directors are satisfied that the Company and its Subsidiaries have adequate resources to continue in business for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

Deloitte Limited is the auditor of the Group.

The Group has adopted a policy to ensure that audit independence and integrity is maintained. The provision of non-audit services by the auditor of the Group requires the prior approval of the Audit and Risk Committee to ensure that the auditor's independence is not compromised.

During the financial year New Zealand experienced continued restrictions due to COVID-19. This had the most notable impact in the third and fourth quarters with restrictions on work undertaken together with the delays and increased cost of materials. Considering this, and the ongoing uncertainty around the COVID-19 pandemic, due consideration has been given in the estimates and assumptions applied to the Consolidated Financial Statements. The impact however does not affect the going concern assumption.

CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the Audited Consolidated Financial Statements of MainPower New Zealand Limited and its Subsidiaries for the Year Ended 31 March 2022.

Authorised for issue on 29 June 2022 for and on behalf of the Board of Directors.

For and on behalf of the Board

A C King
Chair of Directors
MainPower New Zealand Limited

J E Fredric
Director and Chair of Audit & Risk Committee
MainPower New Zealand Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2022

	Notes	Group 2022 $000	Group 2021 $000
Operating Revenue	2	61,629	59,569
Operating Expenses	3	(35,662)	(31,795)
Depreciation and Amortisation	4	(15,344)	(16,054)
Net Finance Expenses	5	7	(804)
		(50,999)	(48,653)
Profit Before Income Tax Expense		**10,630**	**10,916**
Income Tax Expense	6	(1,342)	(3,198)
Profit After Income Tax Expense		**9,288**	**7,718**
Attributable to:			
Equity holders of the parent		9,291	7,718
Non-controlling interests		(3)	-
		9,288	**7,718**
Net Gain/(Loss) on cash flow hedges for interest rate swaps		283	-
Gain on Revaluation, Net of Deferred Tax	12	3,006	-
Total Comprehensive Income		**12,577**	**7,718**
Attributable to:			
Equity holders of the parent		12,580	7,718
Non-controlling interests		(3)	-
		12,577	**7,718**

The accompanying notes form part of, and should be read in conjunction with, these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2022

	Share Capital $000	Retained Earnings $000	Asset Revaluation Reserve	Non-Contolling Interests $000	Cash Flow Hedge Reserve $000	Total Equity $000
Balance at 31 March 2020	56,774	142,661	39,755	-	-	239,190
Profit After Income Tax Expense	-	7,718	-	-	-	7,718
Gain on Revaluation, Net of Deferred Tax	-	-	-	-	-	-
	-	7,718	-	-	-	7,718
Balance at 31 March 2021	**56,774**	**150,379**	**39,755**	**-**	**-**	**246,908**
Profit After Income Tax Expense	-	9,291	-	(3)	-	9,288
Non-controlling interests arising on a business combination		18	-	80	-	98
Gain on Revaluation, Net of Deferred Tax	-	-	3,006	-	-	3,006
Net Gain/(Loss) on Cash Flow Hedges	-	-	-	-	283	283
	-	9,309	3,006	77	283	12,675
Balance at 31 March 2022	**56,774**	**159,688**	**42,761**	**77**	**283**	**259,583**

The accompanying notes form part of, and should be read in conjunction with, these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

ASSETS	Notes	Group 2022 $000	Group 2021 $000
Current Assets			
Cash and Cash Equivalents	8	1,107	1,222
Trade and Other Receivables	9	5,689	6,650
Inventories	10	4,888	3,422
Prepayments		1,392	983
Current Tax Asset		3,487	-
Other Current Financial Assets	11	3,048	3,035
Total Current Assets		19,611	15,312
Non-Current Assets			
Property, Plant and Equipment	12	308,856	290,892
Capital Works Under Construction	13	21,128	16,393
Intangible Assets	14	2,990	3,076
Right-of-Use Assets	15	12,826	14,494
Non-Current Interest Rate Swaps	28	283	-
Total Non-Current Assets		346,083	324,855
Total Assets		**365,694**	**340,167**
EQUITY AND LIABILITIES			
Current Liabilities			
Trade and Other Payables	16	8,627	7,304
Current Tax Liability		-	2,347
Current Interest Rate Swaps	28	59	231
Other Current Financial Liabilities	17	1,960	1,985
Total Current Liabilities		10,646	11,867
Non-Current Liabilities			
Deferred Tax Liabilities	18	47,448	43,671
Non-Current Borrowings	19	35,600	22,000
Non-Current Interest Rate Swaps	28	391	2,085
Non-Current Provisions	20	801	918
Other Non-Current Liabilities	21	11,225	12,718
Total Non-Current Liabilities		95,465	81,392
Total Liabilities		**106,111**	**93,259**
Equity			
Share Capital	7	56,774	56,774
Reserves		43,044	39,755
Retained Earnings		159,688	150,379
Total Equity attributable to equity holders of the parent		**259,506**	**246,908**
Non-Controlling Interest		77	-
Total Equity and Liabilities		**365,694**	**340,167**

The accompanying notes form part of, and should be read in conjunction with, these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2022

	Group 2022 $000	Group 2021 $000
Cash Flows from Operating Activities		
Receipts from Customers	62,411	59,969
Interest Received	13	56
Payments to Suppliers and Employees	(35,912)	(32,557)
Interest and Other Finance Expenses Paid	(1,498)	(1,347)
Income Tax Paid	(4,459)	(2,181)
Net Cash Provided from Operating Activities	20,555	23,940
Cash Flows from Investing Activities		
Acquisition of a Subsidiary	(247)	-
Payments for Investments	(13)	(48)
Payments for the Purchase of Property, Plant, Equipment and Capital Works Under Construction	(31,621)	(25,998)
Proceeds from the Sale of Property, Plant and Equipment	400	295
Payments for the Purchase of Intangible Assets	(714)	(952)
Net Cash Used in Investing Activities	(32,195)	(26,703)
Cash Flows from Financing Activities		
Repayment of Lease Liabilities	(2,075)	(2,049)
Drawdown of Borrowings	13,600	-
Net Cash From / (Used) in Financing Activities	11,525	(2,049)
Net Decrease in Cash and Cash Equivalents	(115)	(4,812)
Summary		
Cash and Cash Equivalents at Beginning of Year	1,222	6,034
Net Decrease in Cash and Cash Equivalents	(115)	(4,812)
Cash and Cash Equivalents at End of Year	**1,107**	**1,222**

The accompanying notes form part of, and should be read in conjunction with, these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended 31 March 2022

1. Statement of Accounting Policies

Reporting Entity

MainPower New Zealand Limited (the Company) is a profit-oriented company incorporated in New Zealand under the Companies Act 1993 and the Energy Companies Act 1992. The Group consists of the Company and its Subsidiaries (refer also to Note 23).

The Group primarily operates in one segment, owning and managing the electricity distribution network throughout North Canterbury.

Statement of Compliance

MainPower New Zealand Limited's parent and ultimate controlling party is the MainPower Trust. These Consolidated Financial Statements comply with the Companies Act 1993 and section 44 of the Energy Companies Act 1992.

The Group has adopted External Reporting Board Standard A1 'Accounting Standards Framework (For-Profit Entities Update)' ('XRB A1'). For the purposes of complying with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), the Group is eligible to apply Tier 2 For-Profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards – Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and it is not a large for-profit public sector entity.

Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with NZ GAAP and NZ IFRS RDR.

These Consolidated Financial Statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments as outlined in Note 1(m) and property, plant and equipment as outlined in Note 1(e). Cost is based on the fair value of the consideration given in exchange for assets.

These Consolidated Financial Statements are presented in New Zealand dollars, rounded to the nearest thousand.

Use of Estimates and Judgements

Preparing financial statements to conform with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. The Group regularly reviews these estimates and assumptions. Actual results may differ from these estimates.

Specific Accounting Policies

The following significant accounting policies have been applied in the preparation and presentation of these Consolidated Financial Statements:

(a) Revenue Recognition

The Group is in the business of providing electricity distribution and generation services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

i. Electricity Line Revenue

Electricity line revenue is recognised at the fair value of services provided. These revenue streams relate to the provision of electricity distribution services; revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption.

Pass-through and recoverable cost revenue charged to customers includes transmission costs, statutory levies and utility rates.

ii. Generation Revenue

Generation revenue is at the fair value of electricity generation services provided.

iii. Customer Contribution Revenue

Customer contribution revenue is recognised at the fair value of the works completed at a point in time.

iv. Contracting Revenue

Contracting revenue is recognised at the fair value of the works completed or goods provided. For contracts with multiple performance obligations, revenue is recognised at a point in time when the performance obligation is satisfied.

v. Revenue from Sale of Assets

Revenue from the sale of an asset is recognised when control of the asset is transferred.

vi. Interest Revenue

Interest revenue is recognised in the Consolidated Statement of Comprehensive Income as it accrues, using the effective interest rate method.

(b) Finance Expenses

Finance Expenses are expensed using the effective interest rate method to the Consolidated Statement of Comprehensive

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2022

Income, unless they directly relate to the construction of qualifying assets, in which case they are capitalised.

(c) Distinction between Capital and Revenue Expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that has been incurred in the maintenance and operation of the property, plant and equipment of the Group.

(d) Inventories

Inventories are valued at the lower of cost at weighted average cost price or net realisable value.

(e) Property, Plant and Equipment

All property, plant and equipment are initially recognised at cost less accumulated depreciation and impairment losses. The cost of purchased property, plant and equipment is the fair value of the consideration given to acquire the assets and the value of other attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and an allowance for overheads.

Land and buildings are valued at fair value as determined on the basis of a periodic independent valuation prepared by external valuers, based on discounted cash flows or capitalisation of net income (as appropriate). The fair values are recognised in these Consolidated Financial Statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not significantly different from fair value.

The electricity distribution network is valued at fair value as determined on the basis of a periodic independent valuation prepared by external valuers, based on a discounted cash flow methodology. The fair values are recognised in the Consolidated Financial Statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of the distribution network is not materially different from fair value. Consideration is given as to whether the distribution network is impaired as detailed in Note 1(h).

Any revaluation increase arising on the revaluation of land and buildings and the 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 decrease in carrying amount arising on the revaluation of land and buildings and the distribution network is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve to a previous revaluation of that asset.

Capital Works Programme

The Group operates an extensive integrated electricity distribution network comprising large numbers of relatively minor individual network asset components. These components are replaced over time as part of an ongoing maintenance/refurbishment programme, consistent with the Group's approved Asset Management Plan. Losses on contracts are taken to the Consolidated Statement of Comprehensive Income in the period in which they are identified. Refer also to Note 12 Property, Plant and Equipment regarding revaluations.

(f) Depreciation

Depreciation is charged to the Consolidated Statement of Comprehensive Income on a combination of straight line and diminishing value basis on all tangible assets, with the exception of land, at rates calculated to allocate the assets' fair value, less any residual value, over their useful lives.

Depreciation on revalued buildings and the distribution network is charged to the Consolidated Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued item, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to Retained Earnings.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The main bases for the calculation of depreciation are as follows:
The carrying amount for an item of property, plant and equipment is written down immediately to its recoverable amount

	Years		
Buildings	1	to	100
Electricity Distribution Network	1	to	102
Plant, Equipment, Vehicles, Furniture and Fittings	2	to	25
Generation Assets	1	to	50

if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These gains and losses are included in the Consolidated Statement of Comprehensive Income. When revalued assets are sold, the amounts included in the Asset Revaluation Reserve in respect of those assets are transferred to Retained Earnings.

(g) Intangible Assets

i. Computer Software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. Usually, this period does not exceed five years.

ii. Research and Development Costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised if future benefits are expected to exceed these costs. Otherwise, development expenditure is recognised as an expense in the period in which it is incurred.

(h) Impairment of Non-Financial Assets

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists for an asset, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Goodwill is tested for impairment annually and whenever there is an indication that it may be impaired; any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed.

If a revalued asset is determined to be impaired, then the impairment is firstly applied against the related component of the Asset Revaluation Reserve, with any remaining impairment loss expensed in the Consolidated Statement of Comprehensive Income. If the impairment loss is subsequently reversed, the reversal is firstly applied to the Consolidated Statement of Comprehensive Income to the extent of previously expensed impairment losses relating to that asset, with any further increase taken to the Asset Revaluation Reserve. For assets which are not revalued, an impairment loss is expensed immediately in the Consolidated Statement of Comprehensive Income. Any impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Equity instruments, being shares in subsidiaries, are deemed to be impaired whenever there is a significant or prolonged decline in fair value below the original purchase price. Any subsequent recovery of an impairment loss in respect of an investment in an equity instrument classified as available-for-sale is not reversed through the Consolidated Statement of Comprehensive Income.

(i) Leased Assets

The Group leases certain motor vehicles, plant and equipment, sites, accessways, concessions and electricity distribution equipment. At contract inception all contracts are assessed as to whether they contain a lease. That is, if the contract conveys the right to control the use of the identified asset(s) for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset, as follows:
If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise

		Years	
Sites, Accessways and Concessions	3	to	50
Plant, Equipment and Vehicles	3	to	10
Electricity Distribution Equipment	20	to	21

of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right of use asset is also subject to impairment in accordance with Note 1(h).

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred

to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate (IBR) at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Financial Liabilities apportioned into Current and Non-Current terms. (refer Note 22).

iii. Short-Term and Lease of Low-Value Assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the Consolidated Statement of Comprehensive Income due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.

(j) Goods and Services Tax

Revenues, expenses, cash flows and assets are recognised net of the amount of Goods and Service Tax (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 expense. Cash flows in respect of payments to and receipts from Inland Revenue are shown net in the Consolidated Statement of Cash Flows.

(k) Income Tax

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit. Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date. Current tax and deferred tax are charged or credited to the Consolidated Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in the Consolidated Statement of Changes in Equity.

(l) Employee Benefits

Provisions made in respect of employee benefits expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within twelve months, such as long service leave, sickness and retiring leave, 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 up to reporting date, taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

(m) Financial Instruments

The Group classifies its financial assets and liabilities into one of the categories below depending on the purpose for which the asset was acquired, or the liability was incurred. The Group's accounting policy for each category is as follows:

i. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, investments in money market instruments and bank overdrafts.

ii. Foreign Currency

The functional and presentation currency is New Zealand Dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date. Exchange differences are recognised in the Consolidated Statement of Comprehensive Income in the period in which they arise.

iii. Financial Assets at Amortised Cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. Cash and cash equivalents consist of cash on hand, deposits held at call with banks and other short term highly liquid investments.

Accounts receivable are stated at amortised cost less impairment losses. Impairment provisions for trade receivables are based on the simplified approach within NZ IFRS 9 whereby the probability of the non-payment of the trade receivables is assessed based on an expected credit loss (ECL) approach. Trade receivables are reported net of impairment, provisions for impairment are recorded in a separate provision account with the loss being recognised within cost of sales in the Consolidated Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value is written off against this provision. Intergroup balances due from subsidiaries and associates are stated at cost less impairment losses.

iv. Fair Value through Consolidated Statement of Comprehensive Income

The Group has certain derivatives which are stated at fair value and the movements are recognised in the Consolidated Statement of Comprehensive Income (refer to Note 1(m)viii.).

v. Payables

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

vi. Borrowings

Borrowings are recorded initially at fair value, plus transaction costs. Subsequent to initial recognition, borrowings are measured 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 period of the borrowing using the effective interest rate method.

vii. Financial Instruments Issued by the Group

Debt and equity instruments are classified as either liabilities or as 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.

viii. Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and currency swaps. Further details of derivative financial instruments are disclosed in Note 28. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Comprehensive Income.

(n) Basis of Consolidation

Subsidiaries are entities controlled by the Company.

The Consolidated Financial Statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being MainPower New Zealand Limited and its subsidiaries. Consistent accounting policies are employed in the preparation and presentation of the Consolidated Financial Statements.

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 exceeds the cost of acquisition, the difference is credited to the Consolidated Statement of Comprehensive Income in the period of acquisition. The Consolidated Financial Statements include the information and results of each subsidiary from the date on which the Group obtains control and until such time as the Group ceases to control the subsidiary. In preparing the Consolidated Financial Statements, all intergroup balances and transactions, and unrealised profits arising within the Group are eliminated in full.

In dealing with acquisitions from entities under common control the assets and liabilities of the entity acquired are included at their pre-acquisition carrying amount. Equity of subsidiaries are shown separately in the Consolidated

Statement of Financial Position.

(o) Adoption of New and Revised Standards and Interpretations

In the current year, the Group has adopted all new mandatory and amended standards and interpretations as issued by the External Reporting Board.

i. IFRIC Agenda Decision on configuration and customisation costs associated with SaaS arrangements

In April 2021, the International Financial Reporting Interpretations Committee ("IFRIC") issued an agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38). This Interpretation clarifies the accounting treatment in respect of costs of configuring or customising a supplier's application software in a Software as a Service ("SaaS") arrangement. Whilst such costs may be able to continue to be capitalised in limited circumstances, in many cases the costs will now need to be recognised as an operating expense.

The Group has reviewed its capitalised software costs in the light of the IFRIC decision and has concluded there is no material impact.

ii. Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued;
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(p) Adoption of New and Revised Standards and Interpretations – Standards and interpretations in Issue not yet Effective

No new accounting standards or interpretations have been adopted during the year that have had a material impact on these Consolidated Financial Statements.

For the Year Ended 31 March 2022

2. Operating Revenue	Group 2022 $000	Group 2021 $000
Distribution Revenue	46,179	46,153
Pass-through and Recoverable Cost Revenue	12,154	12,208
Customer Rebates	(6,619)	(8,224)
Net Electricity Delivery Services Revenue	51,714	50,137
Capital Contributions Revenue	5,460	5,746
Contracting Revenue	2,622	2,613
Generation Revenue	1,293	825
Interest Revenue	15	40
Gain on Sale of Property, Plant and Equipment	145	44
Gain on Purchase of Subsidiary	53	-
Sundry Revenue	327	164
	61,629	59,569
Timing of Revenue Recognition		
Over Time	53,349	51,166
At a Point in Time	8,280	8,403
	61,629	59,569

3. Operating Expenses	Group 2022 $000	Group 2021 $000
Transmission Rental Charges	11,140	10,624
Employee Remuneration and Benefits	6,670	7,661
Network Maintenance	7,367	5,706
Network Operations	3,276	1,869
Generation Production and Operations	1,164	683
Operating Lease Costs	141	66
Community Relationship Expenses	730	531
Audit of the Consolidated Financial Statements	66	64
Other Audit Services	25	28
Director Fees and Expenses	391	393
Sundry Expenses	4,217	3,569
Bad Debts Written Off	59	1
Loss on Disposal of Property, Plant and Equipment	974	553
Loss on Disposal of Investment	-	47
Impairment charge/(reversal) on revaluation	(558)	-
	35,662	31,795

Transmission Rental Charges and Operating Lease Costs presented above are net of payments relating to lease liabilities and associated right-of-use assets accounted for under NZ IFRS 16. Such payments are presented within Depreciation and Finance Expenses as appropriate.

For the Year Ended 31 March 2022

4. Depreciation and Amortisation	Group 2022 $000	Group 2021 $000
Depreciation Expense on Property, Plant and Equipment	12,788	13,474
Amortisation Expense on Intangible Assets	666	832
Depreciation Expense on Right-of-Use Assets	1,890	1,748
	15,344	16,054

5. Finance Expenses	Group 2022 $000	Group 2021 $000
Interest Expense on Loans	1,483	1,347
Interest Rate Swaps and Foreign Exchange Contracts Fair Value Movement	(1,865)	(890)
Interest Expense on Lease Liabilities	334	336
Sundry Finance Expenses	41	11
	(7)	804

6. Income Tax Expense	Group 2022 $000	Group 2021 $000
Income Tax Expense comprises:		
Current Income Tax Expense	34	3,275
Adjustments to Prior Years	(1,409)	143
Temporary Differences	2,717	(220)
	1,342	3,198
Reconciliation of Profit Before Income Tax with Income Tax Expense:		
Profit Before Income Tax	10,630	10,916
Prima facie Income Tax Expense calculated at 28%	2,976	3,056
Other Permanent Differences	(225)	(1)
Income Tax Expense	2,751	3,055
(Over) / Under Provision in Previous Year	(1,409)	143
	1,342	3,198

For the Year Ended 31 March 2022

7. Share Capital		Group 2022 $000	Group 2021 $000
56,773,555	Ordinary Shares	56,774	56,774
40,018	Redeemable Preference Shares	-	-
56,813,573		56,774	56,774

The ordinary shares rank equally in respect of voting rights, entitlements to dividends and distribution on winding up.

The redeemable preference shares confer special rights to participate in a customer rebate scheme, receive notices, attend and speak, but not vote, at any general meetings of MainPower New Zealand Limited.

Redeemable preference shares held by customers were 40,018 (39,230 at 31 March 2021).

8. Cash and Cash Equivalents	Group 2022 $000	Group 2021 $000
Current Account	1,107	1,222
	1,107	1,222

9. Trade and Other Receivables	Group 2022 $000	Group 2021 $000
Trade Receivables	5,817	6,721
Provision for Doubtful Debts	(131)	(72)
Interest Receivable	3	1
	5,689	6,650

10. Inventories	Group 2022 $000	Group 2021 $000
Inventory on Hand	4,888	3,422
	4,888	3,422

11. Other Current Financial Assets	Group 2022 $000	Group 2021 $000
Distribution Network Self-Insurance Fund Investment	3,048	3,035
	3,048	3,035

For the Year Ended 31 March 2022

12. Property, Plant and Equipment	Freehold Land $000	Buildings $000	Electricity Distribution Network $000	Plant, Equipment, Vehicles, Furniture and Fittings $000	Generation Assets $000	Total $000
Gross Carrying Amount						
Balance at 31 March 2020	4,195	17,890	296,738	13,812	15,740	348,375
Additions	-	32	16,997	902	252	18,183
Disposals	-	-	(614)	(1,878)	-	(2,492)
Revaluations	-	-	-	-	-	-
Balance at 31 March 2021	4,195	17,922	313,121	12,836	15,992	364,066
Additions	-	136	25,963	787	-	26,886
Acquisition of a subsidiary	-	-	-	10	-	10
Disposals	(54)	(207)	(1,816)	(395)	(38)	(2,510)
Revaluations	1,829	(1,420)	-	-	-	409
Balance at 31 March 2022	5,970	16,431	337,268	13,238	15,954	388,861
Accumulated Depreciation and Impairment						
Balance at 31 March 2020	-	3,576	43,430	10,722	3,664	61,392
Depreciation Expense	-	513	11,978	733	250	13,474
Disposals	-	-	(167)	(1,525)	-	(1,692)
Revaluations	-	-	-	-	-	-
Balance at 31 March 2021	-	4,089	55,241	9,930	3,914	73,174
Depreciation Expense	-	496	11,332	721	239	12,788
Disposals	-	(44)	(1,015)	(357)	-	(1,416)
Revaluations	-	(4,541)	-	-	-	(4,541)
Balance at 31 March 2022	-	-	65,558	10,294	4,153	80,005
Net Book Value at 31 March 2021	4,195	13,833	257,880	2,906	12,078	290,892
Net Book Value at 31 March 2022	**5,970**	**16,431**	**271,710**	**2,944**	**11,801**	**308,856**

12. Property, Plant and Equipment (continued)

a) Generation Assets

Included in the Generation Assets is $9.7m for costs incurred to date in relation to the Mt Cass Wind Farm project. The remainder largely relates to the Cleardale Hydro Station.

b) Revaluations and Impairment Review

i. Electricity distribution network

A valuation of the Group's electricity distribution network assets was undertaken by Ernst & Young as at 31 March 2020 using the discounted cash flow basis in accordance with NZ IFRS 13 Fair Value Measurement. The Group's electricity network assets were revalued to a fair value of $253.36m.

The major assumptions in the valuation were reviewed at the reporting date with no changes identified that would have a material impact on the fair value of the assets.

ii. Cleardale Hydro Station

The Cleardale Hydro Station assets were reviewed for impairment at 31 March 2022. The review concluded that assets were not impaired.

The major assumptions within the impairment review included:
- Weighted average cost of capital 6.79%;
- Risk-free rate based on the ten-year Government Stock Yield of 2.29%;
- Forecast cash flow, including operating costs and capital expenditure required to maintain the asset at current operating levels.

iii. Mt Cass Wind Farm project

The Group's Mt Cass assets were reviewed for impairment as at 31 March 2022. The review concluded that these assets were not impaired.

The major assumptions within the impairment review included:
- Weighted average cost of capital 7.35%;
- Risk-free rate based on the ten-year Government Stock Yield of 2.29%;
- Forecast cash flow, including operating costs and capital expenditure. Construction costs have been updated to take into account the worldwide supply chain issues

iv. Land and non-substation buildings

The Group's Land and Building assets were revalued to fair value of $22.4m as at 31 March 2022 in accordance with the independent valuation conducted by FordBaker Limited.

The major assumptions within the valuation included:
- Yield and rental value, drawing from sales and market rents for similar properties in the greater Christchurch area;
- Rental growth rate model using CPI rates over a ten-year term;
- Discount rate of 6.75% based on sales evidence;
- Terminal yield of 6%

The valuation represents a total increase of $4.95m which has first been applied to reverse the impairment charge in 2019 of $0.6m with the remainder booked to the asset revaluation reserve, less deferred tax.

v. Other

The Group's Plant, Equipment, Vehicles, Furniture and Fittings are carried at cost less accumulated depreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2022

13. Capital Works Under Construction	Freehold Land $000	Buildings $000	Electricity Distribution Network $000	Plant, Equipment, Vehicles, Furniture and Fittings $000	Generation Assets $000	Total $000
Balance at 31 March 2020	-	-	6,438	154	1,986	8,578
Additions	-	32	22,934	874	2,158	25,998
Transfers	-	(32)	(16,997)	(902)	(252)	(18,183)
	-	-	5,937	(28)	1,906	7,815
Balance at 31 March 2021	-	-	12,375	126	3,892	16,393
Additions	-	136	28,802	855	1,828	31,621
Transfers	-	(136)	(25,963)	(787)	-	(26,886)
	-	-	2,839	68	1,828	4,735
Balance at 31 March 2022	**-**	**-**	**15,214**	**194**	**5,720**	**21,128**

14. Intangible Assets	Computer Software $'000	Development Costs $'000	Total $'000
Gross Carrying Amount			
Balance at 31 March 2020	7,248	-	7,248
Additions	952	-	952
Disposals	(797)	-	(797)
Balance at 31 March 2021	7,403	-	7,403
Additions	3	711	714
Transfers	204	(204)	-
Disposals	(1,554)		(1,554)
Balance at 31 March 2022	6,056	507	6,563
Accumulated Amortisation and Impairment			
Balance at 31 March 2020	4,285	-	4,285
Amortisation Expense	832	-	832
Disposals	(790)	-	(790)
Balance at 31 March 2021	4,327	-	4,327
Amortisation Expense	666	-	666
Disposals	(1,420)	-	(1,420)
Balance at 31 March 2022	3,573	-	3,573
Net Book Value at 31 March 2021	3,076	-	3,076
Net Book Value at 31 March 2022	**2,483**	**507**	**2,990**

For the Year Ended 31 March 2022

15. Right-of-Use Assets at Present Value	Sites, Accessways and Concessions $000	Plant, Equipment and Vehicles $000	Electricity Distribution Equipment $000	Total $000
Gross Carrying Amount				
Balance at 1 April 2020	236	5,330	13,594	19,160
Additions	742	49	-	791
Modifications	-	(16)	(1,790)	(1,806)
Disposals	-	-	-	-
Balance at 31 March 2021	978	5,363	11,804	18,145
Additions	101	269	-	370
Modifications	-	(3)	(54)	(57)
Disposals	-	(171)	-	(171)
Balance at 31 March 2022	1,079	5,458	11,750	18,287
Accumulated Depreciation				
Balance at 1 April 2020	52	886	965	1,903
Depreciation Expense	46	965	737	1,748
Disposals	-	-	-	-
Balance at 31 March 2021	98	1,851	1,702	3,651
Depreciation Expense	101	955	834	1,890
Disposals	-	(80)	-	(80)
Balance at 31 March 2022	199	2,726	2,536	5,461
Net Book Value at 31 March 2021	880	3,512	10,102	14,494
Net Book Balance at 31 March 2022	**880**	**2,732**	**9,214**	**12,826**

16. Trade and Other Payables	Group 2022 $000	Group 2021 $000
Trade Payables	4,342	3,828
Other Accruals	1,569	1,037
Employee Entitlements	2,531	1,995
GST Payable	185	444
	8,627	7,304

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2022

17. Other Current Financial Liabilities	Group 2022 $000	Group 2021 $000
Lease Liabilities (refer Note 22)	1,960	1,985

18. Deferred Tax Liabilities	Group 2022 $000	Group 2021 $000
Opening Balance	43,671	43,891
Charged to Profit and Loss:		
- Property, Plant and Equipment	2,604	(246)
- Intangible Assets	163	76
- Other Temporary Differences	(50)	(50)
	2,717	(220)
Charged to Statement of Comprehensive Income:		
- Property, Plant and Equipment	1,386	-
	1,386	-
Deferred taxes acquired during business combinations		
- Tax losses	(326)	-
	(326)	-
Closing Balance	47,448	43,671

	Group 2022 $000	Group 2021 $000
Represented as:		
Deferred Tax on Property, Plant and Equipment	48,208	44,218
Deferred Tax on Intangible Assets	281	118
Deferred Tax on Other Temporary Differences	(715)	(665)
Deferred Tax on Tax Losses	(326)	-
Closing Balance	47,448	43,671

For the Year Ended 31 March 2022

19. Non-Current Borrowings	**Group 2022 $000**	**Group 2021 $000**
Westpac Term Loan	35,600	22,000

MainPower has a multi option credit facility with Westpac New Zealand Limited of $65m which is unsecured and subject to a negative pledge arrangement. Tranche A of $30m will expire on 31 December 2022 and tranche B of $15m on 30 June 2024. A new tranche, tranche C, for $20m, will expire on 30 June 2024. At 31 March 2022 MainPower had drawn down $35.6m from tranches A and B (2021: $22m).

During the year no interest was capitalised to MainPower's Generation or Electricity Distribution Network Assets (2021: Nil).

20. Non-Current Provisions	**Employee Entitlements $000**
Balance at 31 March 2021	918
Amounts utilised	(758)
Other movements	641
	(117)
Balance at 31 March 2022	**801**

The provision is an actuarial assessment of entitlements to long service, sick and retirement leave that may become due to employees in the future.

The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken.

The movements in the year comprise of the amounts paid out to employees during the year, a reclassification of vested long service leave to current liabilities, movements caused by reassessment of the actuarial assumptions at the reporting date and increases for estimates in sick leave payable to employees due to continued service.

21. Other Non-Current Liabilities	**Group 2022 $000**	**Group 2021 $000**
Rebate Shares at Cost	6	6
Lease Liabilities (refer Note 22)	11,219	12,712
	11,225	12,718

Rebate Shares have a nominal value of 10 cents per share. MainPower Trust holds 16,356 rebate shares with the remainder (40,018) relating to unclaimed redemptions from Qualifying Customers who have left the MainPower Network.

657 rebate shares were redeemed during the year at 10 cents each (2021: 561).

For the Year Ended 31 March 2022

22. Lease Liabilities	**Group 2022 $000**	**Group 2021 $000**
Opening Balance at 1 April	14,697	17,438
Additions	370	779
Modifications	(57)	(1,807)
Disposals	(90)	-
Accretion of Interest	334	336
Payments	(2,075)	(2,049)
Closing Balance at 31 March	13,179	14,697
Represented as:		
Current (refer Note 17)	1,960	1,985
Non-Current (refer Note 21)	11,219	12,712
	13,179	14,697

The following amounts are represented in the Statement of Comprehensive Income:	**Group 2022 $000**	**Group 2021 $000**
Depreciation Expense on Right-of-Use Assets	1,890	1,748
Interest Expense on Lease Liabilities	334	336
Expenses relating to Short-Term Leases	80	16
Expenses relating to Low-Value Leases	61	50
	2,365	2,150

23. Subsidiaries

Details of the Group's material subsidiaries for the year ended 31 March 2022 are as follows:

Name	**Principal Activity**	**Place of Operation**	**Ownership Interest and Voting Power**	
			2022	**2021**
MPNZ Investments Limited	Provision of growth initiatives outside electricity distribution network.	New Zealand	100%	100%
GreenPower New Zealand Limited	Non-trading 100% owner of Mt Cass Wind Farm Limited	New Zealand	100%	100%
Mt Cass Wind Farm Limited	Construction and operation of wind turbine farm.	New Zealand	100% (as 100% owned by GreenPower New Zealand Limited)	100% (as 100% owned by GreenPower New Zealand Limited)
Kākāriki Power Limited	Electricity energy sales operations	New Zealand	80%	-

For the Year Ended 31 March 2022

23. Subsidiaries (continued)

Acquisition of subsidiary

On 24 February 2022 the Group acquired 64% of the voting shares of Yes Power Limited, an electricity retailer operating in New Zealand. A further 16% was acquired on 16 March 2022. Yes Power Limited was renamed Kakariki Power Limited during the acquisition period.

The Group has elected to measure non-controlling interest at the proportionate share of net assets.

The acquisition resulted in a gain on bargain purchase of $53k which is included in the Operating Revenue of the Group.

24. Commitments

The Group was committed to capital expenditure amounting to $1.1m at the reporting date (2021: $3.6m).

The Group is contractually committed to cash outflows relating to several service agreements over the next four years from the reporting date. The total committed operating expenditure for these contracts is $3.7m (2021: $3.5m), including $0.6m in the twelve months from 31 March 2022. The largest commitment is for the provision of cloud-based software services. Such services are not considered SaaS and therefore are not affected by the IFRIC decision described above.

25. Contingent Assets and Liabilities

The Group had no significant contingent assets or liabilities as at 31 March 2022 (2021: Nil).

26. Significant Events after Balance Date

In April 2022 the IRD published a tax policy consultation document on the tax treatment of distribution networks. Submissions on the proposed legislative change were delivered to the IRD on 25 May 2022. MainPower is assessing the potential financial impact of the proposed changes.

The Group is not aware of any other significant events between the preparation and authorisation of these Consolidated Financial Statements.

27. Related Party Transactions

Group Structure

The Parent is MainPower New Zealand Limited, which is 99.9% owned by the MainPower Trust. There were no related party transactions with the MainPower Trust during the year (2021: Nil).

No provisions were made for doubtful debts relating to the outstanding balances nor any doubtful debts expense was recognised in relation to related parties during the period.

	Group 2022 $000	Group 2021 $000
Key Management Personnel Compensation		
Employee Remuneration and Benefits	2,472	2,230

Executive staff remuneration comprises salary and other short-term benefits. MainPower executives appointed to the Boards of related companies do not receive directors' fees personally.

For the Year Ended 31 March 2022

27. Related Party Transactions (continued)

Other Transactions Involving Related Parties

During the period, no transactions were entered into with any of the Company Directors other than the payment of Director Fees and emoluments disclosed separately, and the reimbursement of valid company related expenses such as travel costs to Board meetings.

The Group may transact on an arm's length basis with companies in which Directors have a disclosed interest. During the period the total did not exceed $1,000 for any individual transaction.

The Group paid Director Fees totaling $376,000 (2021: $376,000).

Key Management Personnel of the Group purchased sundry goods and services from the Group during the period. The Group offers all employees and directors the option of joining its electricity retailer, Kākāriki Power, and some Key Management Personnel have taken this up. Excluding Kākāriki Power all other purchases by Key Management Personnel did not exceed $1,000 for any individual (2021: all less than $1,000). There were no significant outstanding balances with Key Management Personnel at the end of the period (2021: Nil). All transactions were conducted on standard commercial terms.

28. Financial Instruments

The Group has exposure to the following risks in the normal course of the Group's business:
- Liquidity risk
- Interest rate risk
- Credit risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The significant accounting policies and methods adopted, including the criteria for recognition and the basis of measurement applied in respect of each class of financial asset, financial liability, and equity instrument are disclosed in Note 1.

Liquidity risk management

Liquidity risk represents the risk that the Group may not be able to meet its contractual obligations.

The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its contractual obligations and it has sufficient funding arrangements in place to cover potential shortfalls.

Unsecured multi option credit facility with Westpac New Limited as at 31 March 2021 maturing as follows:

$30m on 31 December 2022
$15m on 30 June 2024
$20m on 30 June 2024

	Group 2022 $000	Group 2021 $000
Amount used at Reporting Date	35,600	22,000
Amount unused at Reporting Date	29,400	23,000
	65,000	45,000

Interest rate risk management

Interest rate risk is the risk that the value of the Group's assets and liabilities will fluctuate due to changes in market interest rates. The Group has interest bearing debt which is subject to interest rate variations in the market.

28. Financial Instruments (continued)

In accordance with the Group's treasury policy, interest rate swaps are used to manage the Group's interest rate exposure on long term floating rate borrowings within the range of 30% and 70% of borrowings. The Group has entered into interest rate swaps with Westpac New Zealand Limited and annually undertakes a valuation to establish the fair value of those swaps.

Swaps entered into after December 2021 are hedge accounted, meaning that any fair value gain or loss is recognised in the Cash Flow Hedge Reserve through Other Comprehensive Income. Fair value gains or losses on hedges entered into prior to December are recognised through Profit or Loss.

The following table details outstanding interest rate swaps as at the reporting date.

	Average contracted fixed interest rates	Notional principal swap amounts		Carrying value (liability)/asset	
Swap maturity dates	**%**	**2022 $000**	**2021 $000**	**2022 $000**	**2021 $000**
31 March 2022	-	-	5,000	-	(231)
29 September 2022	4.50	5,000	5,000	(59)	(306)
30 June 2023	4.72	5,000	5,000	(110)	(467)
31 March 2024	4.76	5,000	5,000	(145)	(609)
31 March 2026	3.91	7,000	7,000	(136)	(703)
30 June 2025 (future start date)	2.77	5,000	-	106	-
30 December 2025 (future start date)	2.84	5,000	-	107	-
30 June 2025 (future start date)	2.91	5,000	-	70	-
		37,000	**27,000**	**(167)**	**(2,316)**
Disclosed as:					
Non-Current Assets				283	-
Current Liabilities				(59)	(231)
Non-Current Liabilities				(391)	(2,085)
				(167)	**(2,316)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2022

28. Financial Instruments (continued)

Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

The Group manages its exposure to credit risk by:
- Placing cash, short term investments and derivative instruments with registered New Zealand banks with a minimum rating in line with the Group's treasury policy;
- Performing credit evaluations on customers requiring credit wherever practical and monitoring credit exposures to individual customers.

	Group 2022 $000	Group 2021 $000
Cash and Cash Equivalents (refer Note 8)	1,107	1,222
Trade and Other Receivables (refer Note 9)	5,689	6,650
Other Current Financial Assets (refer Note 11)	3,048	3,035
Trade and Other Payables (refer Note 16)	5,911	4,865

Deloitte.

Independent Auditor's Report

To the Shareholders of MainPower New Zealand Limited

Opinion

We have audited the financial statements of MainPower New Zealand Limited and its subsidiaries (the 'Group'), which comprise the consolidated Statement of Financial Position as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 39 to 62, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

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 Consolidated 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 Company 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 and the other assurance engagement in relation to the Commerce Commission disclosure audit, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

Other information

The directors are responsible on behalf of 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 consolidated 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.

Deloitte.

Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders 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 Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Christchurch, New Zealand
29 June 2022

This audit report relates to the consolidated financial statements of MainPower New Zealand Limited (the 'Company') for the year ended 31 March 2022 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 29 June 2022 to confirm the information included in the audited consolidated financial statements presented on this website.

For the Year Ended 31 March 2022

Parent Shareholder
The parent company ownership is made up as follows:

Name	Ownership	Share Type
MainPower Trust	99.93%	Ordinary Shares
Various qualifying customers	0.07%	Redeemable Preference Shares
	100.00%	

The Role of Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Each year, the Ordinary Shareholder (MainPower Trust) provides a letter of expectations to the Company and in response a Statement of Corporate Intent is developed between the Board and the MainPower Trust. This statement details the Company's intent with respect to:

- Strategic Objectives
- Trust Statement of Expectations
- Business Activities
- Non-core Activities
- Performance
- Distribution to Shareholders
- Rebates
- Corporate Governance

Information is also communicated to shareholders in accordance with an agreed engagement plan and includes the Annual Report, the Interim Report, the Company's website, and at regular formal and informal meetings with the MainPower Trust. The Board encourages full participation of all shareholders at the Annual General Meeting. The Statement of Corporate Intent is subject to consultation between the Board and the Trust, prior to its adoption.

Company Constitution

The Company's Constitution sets out policies and procedures on the operations of the Board, including the appointment and removal of Directors. The Constitution specifies that the number of Directors will not at any time be more than eight nor less than four, and that one-third of the Directors will retire by rotation each year. Non-Executive Directors of MainPower are elected by the Ordinary Shareholder. The board currently comprises six Non-Executive Directors. The Directors of the Company currently in office are Anthony Charles King (Chair), Graeme David Abbot (Director), Janice Evelyn Fredric (Director), Brian John Wood (Director), Jan Fraser Jonker (Director) and Stephen Paul Lewis (Director).

The Role of the Board

The Board is responsible for the overall corporate governance of MainPower. The Board guides and monitors the business and affairs of MainPower on behalf of the Ordinary Shareholder, the MainPower Trust to whom it is primarily accountable and the Preference Shareholders of the Company. The Board's primary objective is to satisfy the shareholders' wish of enhancing shareholder value through a commitment to customer service and regional prosperity.

Customer service is measured in terms of:
- financial return;
- ability to deliver excellence in electricity distribution network security and reliability;
- responsiveness to customers;
- quality of service; and
- price competitiveness.

Regional prosperity is measured in terms of MainPower's role in leading and/or supporting regional initiatives for economic development.

The Board also aims to ensure that MainPower is a good employer and corporate citizen.

Board Responsibilities

The Board acts on behalf of and is accountable to the shareholders. The Board seeks to identify the expectations of shareholders, as well as other legislative and ethical expectations and obligations. In addition, the Board ensures areas of significant business risk are identified by management and that arrangements are in place to adequately manage these risks. To this end the Board will:

- Provide leadership in health and safety and will ensure that employee and public safety remains an integral part of MainPower's culture, its values and performance standards;
- Continue to monitor all legislation and regulatory changes impacting on Health and Safety requirements and compliance and will ensure that they are complied with;
- Set the strategic direction of the Company in consultation with management, having regard to rate of return expectations, financial policy and the review of financial performance against strategic objectives;
- Maintain an understanding of the electricity industry, and continue to monitor industry reform, security of supply, industry governance and Government regulations in order to identify the impact on MainPower's business;
- Monitor and understand the expectations and needs of the growing North Canterbury community;
- Remain informed about the Group's affairs in order to exercise judgement about management and its procedures;
- Identify risks and manage those risks by ensuring that the Group has implemented comprehensive systems of internal control together with appropriate monitoring of compliance activities;
- Approve and foster corporate culture which requires all directors, executive and staff to demonstrate the highest level of ethical behavior;
- Appoint, review the performance of, and set the remuneration of the Chief Executive;
- Approve transactions relating to acquisitions and divestment, and capital expenditure above delegated authorities;
- Approve operating and development budgets, review performance against these budgets, and monitor corrective actions by management;

For the Year Ended 31 March 2022

- Ensure the preparation of the Statement of Corporate Intent, Interim and Annual reports;
- Enhance the relationship with all stakeholders.

Board Meetings

The Board generally meets monthly to review, monitor and initiate action in respect of the health and safety, strategic direction, financial and operational performance, risk management and compliance of the Company and subsidiaries. In addition to the scheduled meetings, the Board meets several times each year to consider specific opportunities and other matters of importance to the Company. Annually, the Board takes the opportunity to debate and review its long-term strategic direction. Senior managers and independent experts are regularly involved in Board discussions. Directors may also obtain further information and independent expert advice.

Board Committees

The Board has three standing committees. They provide guidance and assistance to the Board with overseeing certain aspects of the Board's corporate governance. Each committee is empowered to seek any information it requires and to obtain independent legal or other professional advice if it is considered necessary.

i. Audit and Risk Committee (ARC)

The ARC operates under a comprehensive Charter, which outlines the ARC's authority, membership, responsibilities, and activities and which is approved by the Board. The Charter is reviewed annually against best practice and emerging trends.

Three Non-Executive Directors are appointed to the ARC on an annual basis. Current membership of the ARC is Janice Fredric (Chair), Brian Wood and Tony King. The ARC invites the Chief Executive, General Manager Finance with support from other senior management and the external advisors to attend meetings of the Committee from time to time in accordance with the Charter. Following meetings of the Committee, the Chair reports all findings and recommendations to the Board. The activities of the ARC are reported annually.

The ARC's primary role is to review MainPower's financial statements and related announcements, and to liaise with the external auditor on behalf of the Board. The ARC also monitors the independence of the auditor and approves and reviews those services provided by the auditor other than in its statutory audit role.

"Risk Management and Compliance" is considered critical to the successful operation of the Group and accordingly is a permanent item on the Board Agenda. The ARC's role in this regard includes monitoring the adequacy and effectiveness of MainPower's internal control framework and structure, and provide risk management oversight by reviewing the Risk Management Framework and Policy.

ii. Remuneration Committee

The Remuneration Committee's primary role is to advise the Board on performance reviews, remuneration policies and practices and to make recommendations on remuneration packages and other terms of employment for Non-Executive Directors, the Chief Executive and senior executives which fairly reward individual performance in relation to their contribution to the Company's overall performance. Three Non-Executive Directors are appointed to the Remuneration Committee on an annual basis.

To retain and attract directors and executives of sufficient calibre to facilitate the efficient and effective governance and management, the Committee seeks advice of external advisors on remuneration practices.

Current membership of the Remuneration Committee is Graeme Abbot (Chair), Stephen Lewis and Tony King. Following meetings of the committee, the Chair reports all findings and recommendations to the Board.

iii. Safety, Health, Wellbeing and Environment Committee (SHWE)

The Board takes an integrated approach to managing health and safety. This is incorporated within the risk management framework. The Board SHWE was historically governed by the Board as a whole but has now moved to a sub–committee to provide a more concentrated focus on safety, health, wellbeing and environment.

Current membership of the SHWE is Stephen Lewis (Chair), Tony King and Graeme Abbot. Meetings are attended by the Chief Executive, General Manager Safety and Business Risk and General Manager People and Culture, with support from other executive and senior managers.

Delegation

The Board delegates the day-to-day responsibility for the operation and administration of MainPower to the Chief Executive. The Chief Executive is responsible for ensuring MainPower achieves its business objectives and values. The Board ensures that the Chief Executive, and through him, the senior management are appropriately qualified, experienced, and remunerated to discharge their responsibilities.

Codes and Standards

All Directors, executives, and staff of MainPower New Zealand Limited are expected to act with integrity and promote and enhance the Company's reputation with its various stakeholders. Behavioural standards and accountabilities, the use of confidential information, trade practices, health, safety, and environmental management are set out in a range of formal codes, policies, and procedures. These are subject to regular independent review to ensure they remain current and appropriate.

For the Year Ended 31 March 2022

Conflicts of Interest

All Directors and executives are required to disclose any specific or general interests which could be in conflict with their obligations to MainPower New Zealand Limited and its subsidiaries.

Board Review

The Board will undertake a self-assessment of its performance and the performance of individual Directors at least bi-ennially. A summary of this review will be made available to the MainPower Trust.

Subsidiaries

MainPower's subsidiary companies each have a formally constituted Board of Directors.

The MainPower New Zealand Limited Board receives regular updates on the performance of each active subsidiary company.

Director Remuneration

The Company's remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature and the amount of each major element of the emoluments of each Director of the Company and subsidiaries are:

	31 March 2022 $000	31 March 2021 $000
MainPower New Zealand Ltd		
A C King	91	91
G D Abbot	61	61
J E Fredric	56	56
J F Jonker	46	46
S P Lewis	69	69
B J Wood	53	53
	376	**376**

	31 March 2022 $000	31 March 2021 $000
MPNZ Investments Ltd		
A P Lester	-	-
T A Voice	-	-
	-	**-**

	31 March 2022 $000	31 March 2021 $000
Greenpower New Zealand Ltd		
A C King	-	-
G D Abbot	-	-
J E Fredric	-	-
J F Jonker	-	-
S P Lewis	-	-
B J Wood	-	-
	-	**-**

For the Year Ended 31 March 2022

Mt Cass Wind Farm Ltd	31 March 2022 $000	31 March 2021 $000
A C King	-	-
G D Abbot	-	-
J E Fredric	-	-
J F Jonker	-	-
S P Lewis	-	-
B J Wood	2	2
	2	**2**

During the year B J Wood received a total of $2.3k (2021: $1.8k)for services to the Mt Cass Wind Farm project.

Kākāriki Power Ltd	31 March 2022 $000	31 March 2021 $000
A P Lester	-	-
T A Voice	-	-
	-	**-**

MainPower executives appointed to the boards of related companies do not receive director fees.

Director Insurance

During the year MainPower paid insurance premiums for all Directors of the MainPower Group in respect of liability and costs. In accordance with Clause 31, MainPower has agreed to indemnify the Directors against all costs and expenses incurred in defending any action falling within the scope of the indemnity.

Loans to Directors

There were no loans made to Directors.

Director Use of Company Information

During the year the Company received no notices from Directors of MainPower requesting to use Company information received in their capacity as Directors which would not otherwise have been available to them.

Group Employee Remuneration

$000	31 March 2022	31 March 2021
100 – 110	22	21
110 – 120	13	9
120 – 130	2	5
130 – 140	8	7
140 – 150	4	5
150 – 160	6	5
160 – 170	3	4
170 – 180	2	-
180 – 190	2	2
190 – 200	2	3
200 – 210	2	-
210 – 220	-	-
220 – 230	-	1
230 – 240	2	1
240 – 250	-	2
250 – 260	1	1
260 – 270	1	-
290 – 300	1	1
440 – 450	-	1
450 – 460	1	-

A number of employees also receive the use of a Company motor vehicle.

For the Year Ended 31 March 2022

Interests Register

The Group maintains an interests register in which particulars of certain transactions and matters involving the Directors are recorded. These are requirements under the Companies Act 1993. The following entries were recorded in the interests register.

Directors' Interests
(MainPower New Zealand Ltd, GreenPower New Zealand Ltd and Mt Cass Wind Farm Ltd)

Director	Entity	Position	Appointment / Resignation
A C King	Option One Ltd	Director & Shareholder	
	RBL Property Ltd (formerly Red Bus Ltd)	Director	
	Barhill Chertsey Irrigation Ltd	Director	Appointment Mar 22
B J Wood	Buller Holdings Ltd	Chair	Resigned Dec 21
	Buller Recreation Ltd	Chair	Resigned Dec 21
	Canterbury Linen Services Ltd	Chair	
	Delta Utility Services Ltd	Chair	
	E-Spatial Ltd	Director	
	Harrison Grierson Consultants Ltd	Director	
	Harrison Grierson Holdings Ltd	Director	
	Harrison Grierson International Ltd	Director	
	HWCP Management Ltd	Director	
	Invercargill Central Ltd	Director	
	Invercargill City Forests Ltd	Director	Resigned July 21
	Invercargill City Holdings Ltd	Chair	
	Ministry of Transport NZ Upgrade Programme Oversight Group	Chair	Resigned Sept 21
	Westreef Services Ltd	Chair	Resigned Dec 21
G D Abbot	Hanmer Springs Thermal Pools & Spa	General Manager	
J E Fredric	Aviation Security Service	Chair	
	Civil Aviation Authority	Chair	
	Unity Credit Union	Director	
	Tregynon Charitable Trust	Trustee	Appointed Jul 21
	Lincoln University Council	Member	
	NZ Shipwreck Welfare Trust	Trustee	
	Timaru District Council, Audit and Risk Committee	Member	
	NIWA	Director	Appointed Feb 22
	NIWA Vessel Management Limited	Director	Appointed Feb 22

For the Year Ended 31 March 2022

Directors' Interests (continued)
(MainPower New Zealand Ltd, GreenPower New Zealand Ltd and Mt Cass Wind Farm Ltd)

Director	Entity	Position	Appointment / Resignation
J F Jonker	Christchurch District Energy Company Ltd	Director	Ceased Nov 21
	Dairy Creek GP Ltd	Director	
	Ecogas GP Ltd	Director	
	Energy for Industry Ltd	Director	
	Engie Services Investments New Zealand Ltd	Director	Ceased Sep 21
	F & L Investments Ltd	Director & Shareholder	
	Jonker Estate Ltd	Director & Shareholder	
	Pioneer Energy Ltd	CEO	
	Pioneer Generation Investment Ltd	Director	
	Pulse Energy Ltd	CEO	Resigned Sep 21
	Pulse GP Ltd	Director	Appointed Sep 21
	Southern Generation GP Ltd	Director	
S P Lewis	Electricity Invercargill Limited	Director	
	Pylon Limited	Director	
	Aurora Energy Limited	Director	Appointed Jul 21

Management Interests
(MPNZ Investments Ltd, MainPower Holdings Ltd, and Kākāriki Power Ltd)

Director	Entity	Position	Appointment / Resignation
A P Lester	Crestwood Partnership	Partner	
	Fuel Cell New Zealand Ltd	Director	
	Kākāriki Power Ltd	Director	Appointed Feb 22
	MainPower New Zealand Ltd	Chief Executive	
	Ruralnet Ltd	Director	
	Solar New Zealand Ltd	Director	
T A Voice	Fuel Cell New Zealand Ltd	Director	
	Kākāriki Power Ltd	Director	Appointed Feb 22
	L.Y.L.T Enterprises Ltd	Director & Shareholder	
	MainPower New Zealand Ltd	General Manger, Commercial	
	Ruralnet Ltd	Director	
	Solar New Zealand Ltd	Director	
	VF NZ Holdings Ltd	Director & Shareholder	
	Voice Family Trust	Trustee & Beneficiary	

FIVE YEAR TRENDS

For the Year Ended 31 March 2022

Group Consolidated Financials

	31 March 2022 $000	31 March 2021 $000	31 March 2020 $000	31 March 2019 $000	31 March 2018 $000
Statement of Comprehensive Income					
Gross Operating Revenue	68,248	67,793	69,945	65,891	70,924
Customer Rebates	(6,619)	(8,224)	(10,546)	(9,677)	(9,833)
Net Operating Revenue	61,629	59,569	59,399	56,214	61,091
Total Expenses	(50,999)	(48,653)	(52,693)	(53,844)	(52,207)
Profit Before Income Tax Expense	10,630	10,916	6,706	2,370	8,884
Income Tax Expense	(1,342)	(3,198)	(1,760)	(809)	(2,455)
	9,288	7,718	4,946	1,561	6,429
Loss from Discontinued Operations	-	-	-	(913)	(399)
Profit After Income Tax Expense	9,288	7,718	4,946	648	6,030
Network Maintenance Expenditure	7,367	5,706	5,429	5,526	4,316
Statement of Financial Position					
Net Working Capital	8,965	3,445	8,920	(5,944)	5,605
Non-Current Assets	346,083	324,855	315,781	271,729	291,855
Total Assets	365,694	340,167	336,551	303,981	305,449
Non-Current Liabilities	(95,465)	(81,392)	(85,511)	(47,327)	(70,030)
Total Equity	259,583	246,908	239,190	228,458	227,430
Network Capital Development Expenditure	28,802	22,934	25,169	10,239	9,786
Statement of Cash Flows					
Net Cash Provided from Operating Activities	20,759	23,940	24,348	12,062	21,180
Net Cash Used in Investing Activities	(32,399)	(26,703)	(24,986)	(3,522)	(8,889)
Net Cash Used in Financing Activities	11,525	(2,049)	(2,121)	(900)	(11,800)
Financial Measures	%	%	%	%	%
Profit Before Income Tax Expense / Total Equity	4.10	4.42	2.80	1.04	3.91
Profit Before Income Tax Expense and Customer Rebates / Total Equity	6.64	7.75	7.21	5.27	8.23
Profit After Income Tax Expense / Total Assets	2.54	2.27	1.47	0.51	2.11
Profit After Income Tax Expense / Total Equity	3.58	3.13	2.07	0.68	2.83
Total Equity / Total Assets	70.98	72.58	71.07	75.16	74.46

FIVE YEAR TRENDS (CONTINUED)

For the Year Ended 31 March 2022

Parent Financials

	31 March 2022 $000	31 March 2021 $000	31 March 2020 $000	31 March 2019 $000	31 March 2018 $000
Statement of Comprehensive Income					
Gross Operating Revenue	68,357	67,860	69,944	65,891	71,187
Customer Rebates	(6,619)	(8,224)	(10,546)	(9,677)	(9,833)
Net Operating Revenue	61,738	59,636	59,398	56,214	61,354
Total Expenses	(50,944)	(48,651)	(52,811)	(53,892)	(52,284)
Net Profit Before Income Tax Expense	10,794	10,985	6,587	2,322	9,070
Taxation	(1,401)	(3,205)	(1,643)	(809)	(2,456)
Dividends Received	-	-	-	-	-
Net Profit	9,393	7,780	4,944	1,513	6,614
Network Maintenance Expenditure	7,367	5,706	5,564	5,526	4,316
Statement of Financial Position					
Net Working Capital	8,745	3,210	5,041	(6,803)	1,793
Non-Current Assets	344,807	327,983	318,750	288,795	295,046
Total Assets	368,127	342,751	339,708	310,305	305,345
Non-Current Liabilities	(94,823)	(85,147)	(85,526)	(51,177)	(67,918)
Total Equity	258,730	246,047	238,265	230,815	228,921
Network Capital Development Expenditure	28,802	22,921	24,350	10,239	9,786
Statement of Cash Flows					
Net Cash Provided from Operating Activities	21,955	23,940	23,307	11,970	20,657
Net Cash Used in Investing Activities	(37,067)	(26,703)	(23,837)	(6,722)	(8,593)
Net Cash Used in Financing Activities	11,481	(2,049)	(2,121)	2,950	(11,800)
Financial Measures	%	%	%	%	%
Profit Before Income Tax Expense / Total Equity	4.17	4.46	2.76	1.01	3.99
Profit Before Income Tax Expense and Customer Rebates / Total Equity	6.73	7.81	7.19	5.20	8.26
Profit After Income Tax Expense / Total Assets	2.55	2.27	1.46	0.66	2.20
Profit After Income Tax Expense / Total Equity	3.63	3.16	2.07	0.66	2.91
Total Equity / Total Assets	70.28	71.79	70.14	74.38	77.12

For information on the Parent's future forecasted results please refer to the Statement of Corporate Intent published on the MainPower Trust's website.

FIVE YEAR TRENDS (CONTINUED)

For the Year Ended 31 March 2022

Other Measurements	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Quality of Supply					
SAIDI[1]	272.6	297.35	343.30	204.00	174.20
SAIFI[2]	2.38	2.17	2.26	1.58	1.60
Unplanned Faults[3]	21.70	14.20	11.70	6.63	3.50
Other Network Measures					
Number of Customer[4] Connections	42,482	41,882	41,112	40,224	39,700
Electricity Entering the System (GWh)	662.55	666.02	670.90	633.30	630.00
Electricity Delivered to Customers (GWh)	623.88	622.72	634.40	594.00	604.00
Electricity Losses (GWh)	38.67	43.30	36.50	39.30	26.00
Electricity Loss Ratio (%)	5.84	6.50	5.44	6.21	4.13
Maximum Coincidental Demand (MW)	123.50	125.70	116.20	116.40	113.70
Load Factor (%)	61.24	60.49	65.90	62.13	64.20
Total Transformer Capacity (MW)	588.33	574.26	564.99	562.16	556.60
Transformer Capacity Utilisation Factor (%)	20.99	21.70	20.40	20.50	19.90
Circuit Length Lines (km)	5,170	5,166	5,121	5,071	5,052
Health, Safety and Risk Measures	**#**	**#**	**#**	**#**	**#**
Staff Employed	177	173	170	162	166
Major Non-Conformances from External Certification Audit	-	-	-	-	-
Enforceable Regulatory Notifications	-	-	-	-	-
Leadership Interactions with Employees	65	109	119	108	98
Work Related Accidents Resulting in Lost Time	6	4	3	2	3

1 SAIDI = Average minutes a customer is without power during the year.
2 SAIFI = Average supply interruptions per customer during the year.
3 Unplanned Faults = annual number of faults per 100kms of line.
4 Customer means a person named in the records of the company as a person whose premises are connected to the company's distribution network and who is liable to the company for the payment of an amount in respect of the use of and connection to the company's distribution network.

DIRECTORY

For the Year Ended 31 March 2022

Directors

Anthony Charles King	Chair
Graeme David Abbot	Director
Janice Evelyn Fredric	Director
Jan Fraser Jonker	Director
Stephen Paul Lewis	Director
Brian John Wood	Director

Executive Team

Andy Lester	Chief Executive
Mark Appleman	General Manager Network Planning and Strategy
Sarah Barnes	General Manager Finance
Peter Cairney	General Manager Service Delivery
Karen Cameron	General Manager Safety and Business Risk
Geoff Gale	General Manager Network Operations
Penny Kibblewhite	General Manager Customer and Corporate Relations
Sandra O'Donohue	General Manager People and Culture
Doug Parker	General Manager Field Services
Todd Voice	General Manager Commercial

Registered Office

172 Fernside Road, P O Box 346, Rangiora 7440

Principal Banker

Westpac New Zealand Limited, Rangiora

Principal Solicitor

Duncan Cotterill, Christchurch

Auditor

Deloitte Limited, Christchurch

MainPower New Zealand Limited
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