WEL ENERGY TRUST

Annual Report

For the year ended
31 March 2026

Apart from the images in the individual community stories, photos throughout this report have been supplied by the following organisations,and the Trust offers heartfelt thanks to them: Parafed Waikato, Hamilton Gardens Arts Festival (Mark Hamilton), Te Awa River Ride Charitable Trust

Schedule of Contents

About the Trust

Our Core Purpose

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

Our Vision

EmPowering Waikato - thriving, connected and equitable.

Our Stakeholders

The persons and communities of the WEL Networks Ltd region.

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

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

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

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

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

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

Our Values

TE TIRITI O WAITANGI

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

CONNECTED

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

PURPOSE DRIVEN

Our actions seek to deliver clear and positive outcomes.

INTEGRITY

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

Ngaa Uara

Our Aims

Ngaa Whainga

Thriving Community
Hapori Taurikura

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

Healthy Environment
He Taiao Hauora

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

Equitable Outcomes
Ngaa Hua Matatika

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

Maaori Aspirations
Ngaa Wawata o te Maaori

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

& Pillars

Ngaa Pou

TE TIRITI O WAITANGI

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

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

WORKING COLLABORATIVELY

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

EQUITY & EQUALITY

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

Organisational Directory

Our Trustees

As at 31 March 2026*

An Election of Trustees was held after the reporting period, in June 2026.


Rachel Afeaki


Mike West


Alan Chew


Jan Johnston


Matt Silverton


Natasha Harvey


Jamie Strange*

*Jamie Strange resigned as Trustee on 19 October 2025.

Our Staff


Marcel Manders
Chief Executive Officer


Dave Cowley
Grants Manager


Stacey Ward
Grants Advisor


Vanessa Keith
Finance Administrator


Shelley Halpin
Trust Administrator


Hannah Davies**
Grants Administrator

**Hannah started at the Trust on Monday 4 August 2025.

Trust Committees

Finance Audit & Risk

- Michael West (Chair)
- Rachel Afeaki
- Natasha Harvey

Grants Committee

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

Chair Report

Malo e lelei, Talofa Lava, Ni Hao, Namaste, Bula Vinaka, Fakaalofa lahi atu, Kia ‘orana, Mauri, Goeiedag, Nau mai, haere mai, Warm Pacific Greetings

On behalf of the Trust and Management, I am pleased to present our Annual Report for the year ended 31 March 2026.

June this year marks the final year of the current Trustees' elected triennial term. The past three years has been a period of significant activity across the WEL Energy Trust. Our Vision remains clear: EmPowering Waikato – thriving, connected and equitable. Amid growth and electrification, we remain committed to supporting the long-term wellbeing and prosperity of our WEL communities and customers alongside the WEL Group.

The Trust continued to fulfil its stewardship responsibilities under the Trust Deed through the delivery of an Annual Plan approved by our WEL communities. Whilst the Trust continues to remain operationally stable during the year, we are all mindful of significant changes across the energy sector and the implications for our region. Trustees recognise the importance of maintaining a strong and effective relationship with WEL Networks Ltd to support sustainable outcomes and ensure enduring value for our WEL communities.

As electricity demand in the Waikato rises due to population growth, economic development, and electrification of transport, industry, and homes there is a shift for the region to transition to cleaner energy to support communities and businesses. This makes the case for our region to ensure a resilient, reliable, and future-focused electricity network.

Trustees recognise and have responded to the significance of these changes and the opportunities they present for WEL communities. We are committed to working collaboratively with WEL Networks Ltd, to support long-term planning, encourage innovation and renewable solutions, ie, installation of solar panels on community organisations like Waikato Cancer Society, or the opening of the Cambridge and Rangiriri Taiohi Solar farms to name a few – intent to return socio-economic investment to local communities and iwi through workforce development and education of rangatahi/young people towards energy prosperity.

WEL Communities

Our principal contribution to the region continues to be through our 100% ownership of WEL Networks and its subsidiaries (the Company). This ownership position enables the Trust to support the continued provision of a safe, reliable, and resilient electricity distribution network that underpins the economic and social wellbeing of our region. In doing so, the Trust remains focused on balancing the interests of both Capital and Income Beneficiaries, safeguarding inter-generational value while delivering tangible benefits to our communities today.

Capital Beneficiaries

Our Capital Beneficiaries—Hamilton City Council (63%), Waikato District Council (35%), and Waipā District Council (2%)—benefit from the Trust's long-term stewardship of the WEL Group. Through the leadership of a skilled and forward-looking Board, supported by a high-performing Executive team, the Company has successfully navigated a changing energy landscape.

Investments in generation and storage infrastructure have strengthened the Company's strategic position while supporting ongoing network expansion and ensuring the region is well placed to meet future electricity demand. In parallel, the Trust's own diversified investment portfolio, currently valued at approximately $82.8 million and comprising term deposits, impact investments, community loans, and equities, has contributed to growing the total Trust Fund.

Income Beneficiaries

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

The Discount

The most direct and tangible benefit delivered to our Beneficiaries continues to be the 'Discount' — a longstanding arrangement between the Trust and the Company.

Importantly, the Trust has an 18-month lead in period to determine an agreed discount amount. The Discount is funded from the regulated earnings of the Electricity Distribution Business. The Discount provides an additional benefit to consumers beyond the protections already afforded through the regulatory framework.

In 2026, a total of $14.7 million (including GST) was credited directly to the power accounts of customers connected to the WEL Networks, with payments made during April and May. This initiative provides meaningful financial support to over 103,000 households and businesses, ie., customers across the network area, reinforcing the Trust's commitment to ensuring that the benefits of community ownership are shared widely throughout the region.

Good news! The Trust and the Company in agreement for 2027 have approved an increase in the Proposed Discount from this current year to $18.7 million (including GST) to further help ease rising economic and household costs. This will be of great relief for all WEL communities.

Grant Funding

Grant funding continued at approximately $10.5 million, reflecting the Trust's strengthened commitment to our WEL communities. This was distributed across our funding programmes: Quick Response, Community Support, Vital Impact Collaborative Energy Fund, Convening and Organisational Development Fund, Capital Beneficiaries Project Fund, and most notably Whare Ora (formerly Affordable Energy for All).

All grants were assessed in line with the current Community Investment Strategy: He Rautaki Haumi mo te Hapori, ensuring transparency, consistency, and alignment with our long-term outcomes.

Company Performance

The role of WEL Networks is not only to create a return for its shareholders, WEL Energy Trust, it is also about delivering efficient and reliable energy services and solutions to meet the needs of our growing footprint across the WEL region.

The Company delivered a strong financial result for the year, generating revenue of $180 million and Earnings Before Interest, Taxes, Depreciation and Amortisation expense (EBITDA) of $71 million. A dividend of $9.5 million was returned to the Trust, directly supporting the delivery of our 2025-2026 Annual Plan and enabling continued investment in initiatives that benefit our WEL communities.

"The Trust and the Company in agreement for 2027 have approved an increase in the Proposed Discount from this current year to further help ease rising economic and household costs. This will be of great relief for all WEL communities."

The Trust recognises the significant change occurring across the electricity sector as demand for reliable, affordable, and sustainable energy continues to grow. As the region's energy needs evolve, so too must the infrastructure, capability, and leadership required to support them.

We welcome the Company's continued commitment to this challenge through its strategic direction, Leading Waikato's Energy Future. This reflects a clear focus on balancing the energy trilemma of security, affordability, and sustainability, while ensuring the network remains resilient and capable of supporting future growth across our region.

"The Trust values its strong working relationship with the Company and remains committed to supporting a long-term approach that delivers enduring benefits for WEL consumers, beneficiaries, and the wider Waikato communities."

We extend our sincere thank you and farewell to outgoing Company Chair, Barry Harris who was appointed to the WEL Networks Board in 2014 and has been Chair since June 2022. Thank you and farewell to Carolyn Steele who was appointed in 2017. We truly appreciate your leadership to the WEL Group. Congratulations to current Director Julian Cook as incoming Chair and newly appointed Directors, Mike Marr and Jo Avenell. Thank you company CEO Garth Dibley and your Senior Executive team for your continued commitment to helping to strengthen the network's resilience and capability, while supporting the region's transition to a more sustainable energy future.

The Year Ahead

Looking ahead, the Trust remains in an excellent position to explore investment opportunities in energy-related initiatives and partnerships with projects to reduce the cost of energy, support community, and where appropriate, utilise the Trust's balance sheet to enhance long-term, inter-generational returns.

On behalf of the Trustees, I extend our sincere thanks to the Trust Management team, led by CEO Marcel Manders, for their continued professionalism, commitment, and dedication to the Trust and our WEL Communities.

This year's triennial election is underway at the time of writing, and I wish to acknowledge my fellow Trustees elected three years ago to serve and lead, for delivering exceptional outcomes for our WEL Energy Trust communities through increased grants and discounts for positive WEL communities' impact.

It has been a true privilege to be elected in 2023 and subsequently re-elected annually as Chairperson for the next three years. To Mike West (Chair of the Finance, Audit and Risk Committee), Natasha Harvey, Alan Chew, Jan Johnston, Matt Silverton and Jamie Strange (resigned in October 2025), we have governed and delivered collaborative leadership, which has been integral to the Trust's stability and ability to deliver on its long-term strategic objectives.

Overall, as Chair, I am very proud of the upward progress achieved to-date from the Trust, as we remain firmly focused on the opportunities ahead. I wish the newly elected Trustees all the best for the next triennial period. It's inevitable that as our region continues to grow and evolve, reliable, affordable, and sustainable electricity remains fundamental to the prosperity, resilience, and connectivity of our WEL communities, and the wider region.

Nāku iti noa nā, warm regards
Rachel Afeaki

"I am very proud of the upward progress achieved to-date from the Trust, as we remain firmly focused on the opportunities ahead."

Community stories

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

Te Awa River Ride

$22,500

The grant was used towards trail management, trail enhancement and event costs in the WEL Energy Trust region.

Te Awa continues to strongly deliver with significant positive impacts experienced across the Waikato community.

Promoting Health and Wellbeing:

Te Awa provides a safe, accessible and free facility that encourages regular physical activity through walking or cycling. People of all ages and abilities use the trail for recreation, commuting and social connection, supporting both physical and mental wellbeing and contributing to a healthier and more active community.

Enhancing Connectivity:

The trail continues to connect communities, schools, workplaces and recreational destinations, improving accessibility and providing an alternative transport option. Te Awa has strengthened social connections by creating shared spaces where families, friends and community groups can spend time together.

Supporting Sustainable Transportation:

Te Awa encourages active travel and provides a practical alternative to vehicle use for local journeys – particularly in and out of Hamilton. Increasing use of the trail for commuting and short trips supports reduced emissions and promotes environmentally sustainable transport choices.

Boosting the Local Economy:

Te Awa remains an important regional attraction, bringing visitors into the Waikato and supporting local businesses including hospitality, accommodation and tourism operators. The free Light Night event in Ngaaruawaahia attracted over 1,600 participants and generated strong community engagement. Local food trucks reported selling out on the night, highlighting the positive economic benefit and increased visitation to the area.

Creating a Sense of Place:

Te Awa continues to showcase unique parts of the Waikato and create memorable community experiences.

"The grant allowed the Light Night event in Ngaaruawaahia to happen! And provide the Ngaaruawaahia community with an amazing, free opportunity to come together in a unique and active way."

> "The Trust has strategic goals of creating outstanding user experiences and becoming the most popular trail of its kind in NZ. Achieving these goals and having more and more users on Te Awa brings multiple benefits to our Waikato communities."

Events such as the Light Night encourage community participation and pride, while the trail itself enhances the region's identity and sense of connection. Overall, Te Awa is a valued community asset that contributes to a more vibrant, connected and resilient Waikato.

Thriving Community

Te Awa supports a Thriving Community by providing a free and accessible space that brings people together through recreation, events and shared experiences. Activities such as the Light Night event in Ngaaruawaahia encouraged participation from a wide cross-section of the community, creating opportunities for social connection, wellbeing and community pride.

Healthy Environment:

Te Awa also contributes to a Healthy Environment by encouraging walking and cycling as sustainable transport options, helping reduce reliance on vehicles and promoting environmentally responsible travel choices. The trail also increases appreciation and awareness of the Waikato River environment and surrounding natural areas.

Equitable Outcomes:

The project contributes to Equitable Outcomes by ensuring the trail and associated events remain free and accessible to people of all ages and backgrounds, removing barriers to participation in recreation and community activities.

Maaori Aspirations:

Te Awa also supports Maaori Aspirations through ongoing recognition of the cultural significance of the Waikato River and by creating opportunities for communities and visitors to connect with the history, stories and identity of the region

SARAH ULMER
Trail Manager

This project aligned with the Trust Aims

- A Thriving Community *(Hapori Taurikura)*
- Equitable Outcomes *(Ngaa Hua Matatika)*

Davies Park Heritage Trust

$10,000

The grant was put towards the enhancement of the Davies Park entrance.

The grant helped transform Davies Park by creating a lively and inspiring entrance that honours the legends of our sport.

This artwork was crafted by local artists, Bruce and Natasha.
The entrance now reflects the rich sporting heritage of our rohe inspiring both players and manuwhiri.


BEFORE

The enhancement has improved the visual appeal of the park and strengthened community pride.

The park now provides a welcoming and memorable first impression for everyone who visits. The artwork encourages engagement with the history and stories of our sport.

The project enhances a sense of connection between our haapori and the park.
The entrance acts as a landmark, making the park more recognisable and inviting.
It supports cultural and sporting tourism by highlighting unique local achievements.

NORMAN HILL
Project Advisor

"The Davies Park Heritage Trust sincerely thanks the WEL Energy Trust for their generous support."

This project aligned with the Trust Aim

- A Thriving Community *(Hapori Taurikura)*

This project aligned with the Trust Ngaa Pou

- Working Collaboratively

Kukutaaruhe Education Trust Board

$12,500

This grant was used towards the infrastructure and operational support for the Fairfield Project.

Use of the funds for critical infrastructure has led to better communication and engagement with our community. Facilities and resources are in good repair for use by community groups and schools for a range of hui, waananga, and events.

The impact of funding has allowed us to continue functioning and facilitated an improvement in infrastructure and systems which gives us greater capacity to support our community and build wider community engagement.

This funding requirement is ongoing annually and vital to the survival of The Fairfield Project. It has allowed us to keep providing the services used by a large and diverse community.

The community is accessing more opportunities for learning and involvement with The Fairfield Project. We are bringing people together to participate in locally-led education initiatives, waananga and events which celebrate the diversity of our community.

Impact of the grant:
Greater equitable outcomes, in terms of meeting the diverse needs of the community through effective communication, leading to increased connection with, and participation in te taiao o Kukutaaruhe. Increased ability and capacity to share maatauranga Maaori and tikanga through our educational programmes

ANNIE BARRY
Kukutaaruhe Education Trust Secretary

This project aligned with the Trust Aims
- A Thriving Community *(Hapori Taurikura)*
- Healthy Environment *(He Taiao Hauora)*

"Our relationship with WEL Energy Trust is important for us and very much appreciated."

Hamilton Gardens Summer Festival Foundation

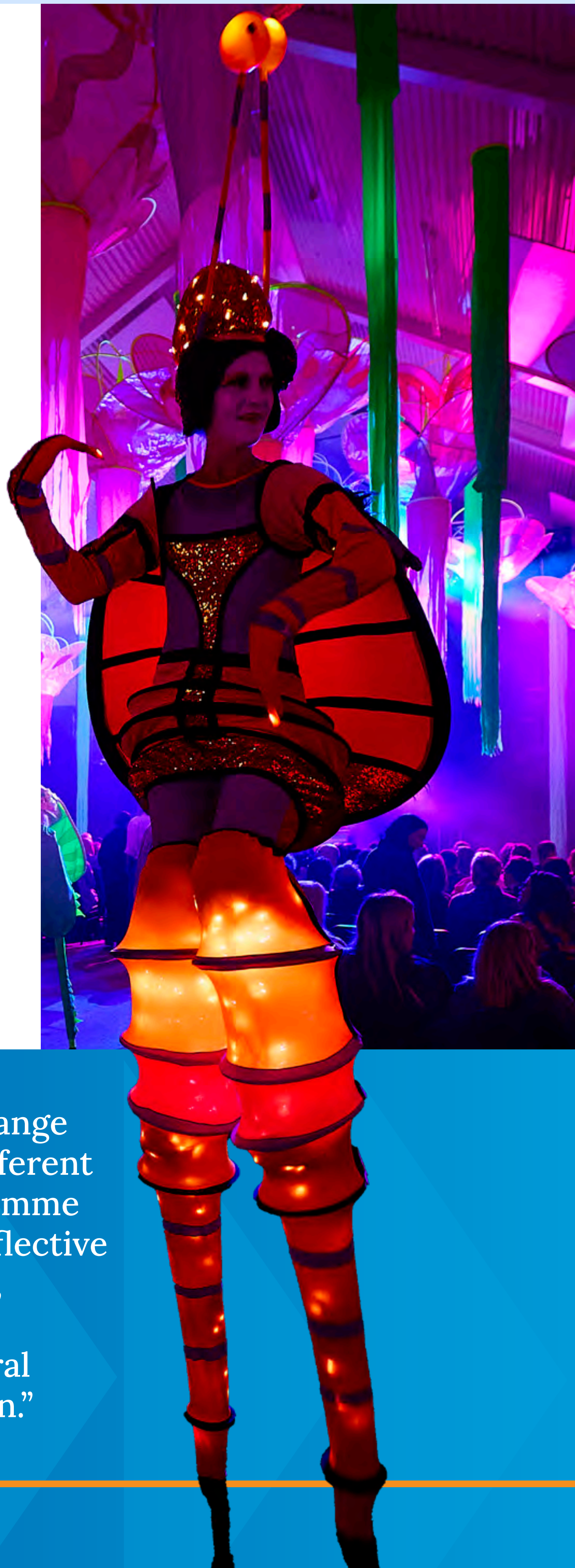
$120,000

The grant was used towards the delivery of the 2026 Hamilton Arts Festival | Toi Ora ki Kirikiriroa, supporting a range of core programme and operational costs.

The 2026 Hamilton Arts Festival | Toi Ora ki Kirikiriroa successfully delivered strong cultural, social and economic benefits for the Waikato community.

With attendance exceeding 42,700, the Festival brought people together through a highly accessible programme of free, koha and low-cost events. Shared experiences such as Sunset Symphony created inclusive spaces for connection, contributing to a strong sense of belonging and wellbeing among audiences.

In 2026, the Festival was guided by the theme of "Joy" - a deliberate response to ongoing social and economic pressures. This framing positioned the Festival not just as an arts event, but as a platform for connection, uplift and shared experience. In doing so, it made a meaningful contribution to a Thriving Community, creating inclusive spaces where people could come together, reconnect and experience a sense of belonging - regardless of race, age or economic standing.



"The Festival presents a wide range of work that resonates with different audiences, ensuring the programme feels relevant, engaging and reflective of the community. Importantly, both the programme and the audience reflect the rich cultural diversity of Kirikiriroa Hamilton."

“We are deeply grateful for the support of WEL Energy Trust, which has made a critical difference to both the delivery of the 2026 Festival and the ongoing sustainability of our organisation.”

The Festival also advances Equitable Outcomes through its commitment to accessibility. A strong programme of free, koha and low-cost events helps reduce financial barriers, enabling broad participation across the community. This approach supports wellbeing while also contributing to the sustainability of the regional creative sector through ongoing opportunities for artists and practitioners.

Importantly, WEL Energy Trust’s support underpinned the Festival’s commitment to accessibility, enabling both a strong programme of free and koha events, and helping to keep ticketed events at accessible price points for the community.

In relation to Māori Aspirations, the Festival acknowledges the importance of Te Tiriti o Waitangi and continues to build relationships with Māori artists and communities. Māori perspectives are reflected within the programme, alongside broader cultural storytelling that contributes to the diversity and richness of the festival experience.

In the current funding environment, WEL’s investment is not simply beneficial - it is fundamental. Without this level of support, the Festival would not be viable in its current form, and its ability to continue at all would be significantly challenged. This contribution provides essential financial underpinning and a strong sense of confidence and partnership.

GEOFF TURKINGTON
Festival Director

This project aligned with the Trust Aims

- A Thriving Community *(Hapori Taurikura)*
- Equitable Outcomes *(Ngaa Hua Matatika)*

Hamilton Harriers Club

$6,000

This grant was used to help cover associated costs for the 2025 Round the Bridges event.

Sunday 16th November was an incredible day, celebrating 80 years of this iconic event.

7,000 participants joined us to make this milestone year truly special, and we once again SOLD OUT prior to race day.

This event appeals to everyone, all ages and all abilities with 500 children from 7-13 years competing in the Grassroots Trust Kids Challenge, and a further 6,500 individuals signed up for the Hamilton City Council 12km or the Hawks 6km distances.

Our largest age group in adult racing was 30-39 and in kids 9-10 years. Incredibly we had 26 athletes participating who were over 80, with our most senior; 90 year old Jeanette Cavanagh in the Hawks 6km.

We had large growth in team entry this year, with 313 teams created (up from 270 in 2024), showing 47% of our online entries were from individuals who were part of a corporate/casual/club or school team.

Quite simply without the support of Funders such as WEL Energy Trust, we could not run this event the way we do. Our priority is to ensure all members of the community can benefit and afford to enter, which is why we are committed to keep entry prices low - there would be very few races with entry prices as low as ours.

JENNI MUHLMANN
PR & Funding Manager

This project aligned with the Trust Aims

- A Thriving Community *(Hapori Taurikura)*
- Healthy Environment *(He Taiao Hauora)*

"Thanks to our partners and funders, this event can continue to be about community and we will remain committed to this mantra moving into the next 80 years!"

Waikato Paraplegic & Physically Disabled Association

$37,500

This grant was used towards the Youth Programme.

The WEL Energy Trust grant is so fantastic for our youth members, it provides them with opportunities that are literally life changing for them and their families.

The grant helped improve the physical and mental wellbeing of our members at the Watersports day – the joy on their faces says it all and they're all participating.

WEL Energy (as well as many others) finances the Watersports day. If there was a cost to participate in these events, most would be unable to attend.

The grant also improved the wellbeing of our community. Disabled youth were able to participate without feeling judged or different.

SUE FOOKES
Treasurer

This project aligned with the Trust Aims

- A Thriving Community *(Hapori Taurikura)*
- Healthy Environment *(He Taiao Hauora)*

Waikato Hockey Association

$10,000

The grant was used to appoint and support a Waikato Hockey Association Hockey Development Officer in the Waikato region.

The appointment of the Hockey Development Officer was a key component of a new, region-wide approach to strengthen the delivery of grassroots hockey across the Waikato.

Although the role is still in its early stages, it is already generating strong initial outcomes in participation and community engagement. There has been a noticeable increase in planning and support, for both existing and emerging participation programmes, helping to broaden access and inclusion throughout the region.

While these early results are encouraging, significant planning is still underway to ensure Waikato Hockey's programmes are thoroughly reviewed, refined and tailored to meet the evolving needs of our diverse communities, laying the foundation for long-term impact and sustainability.

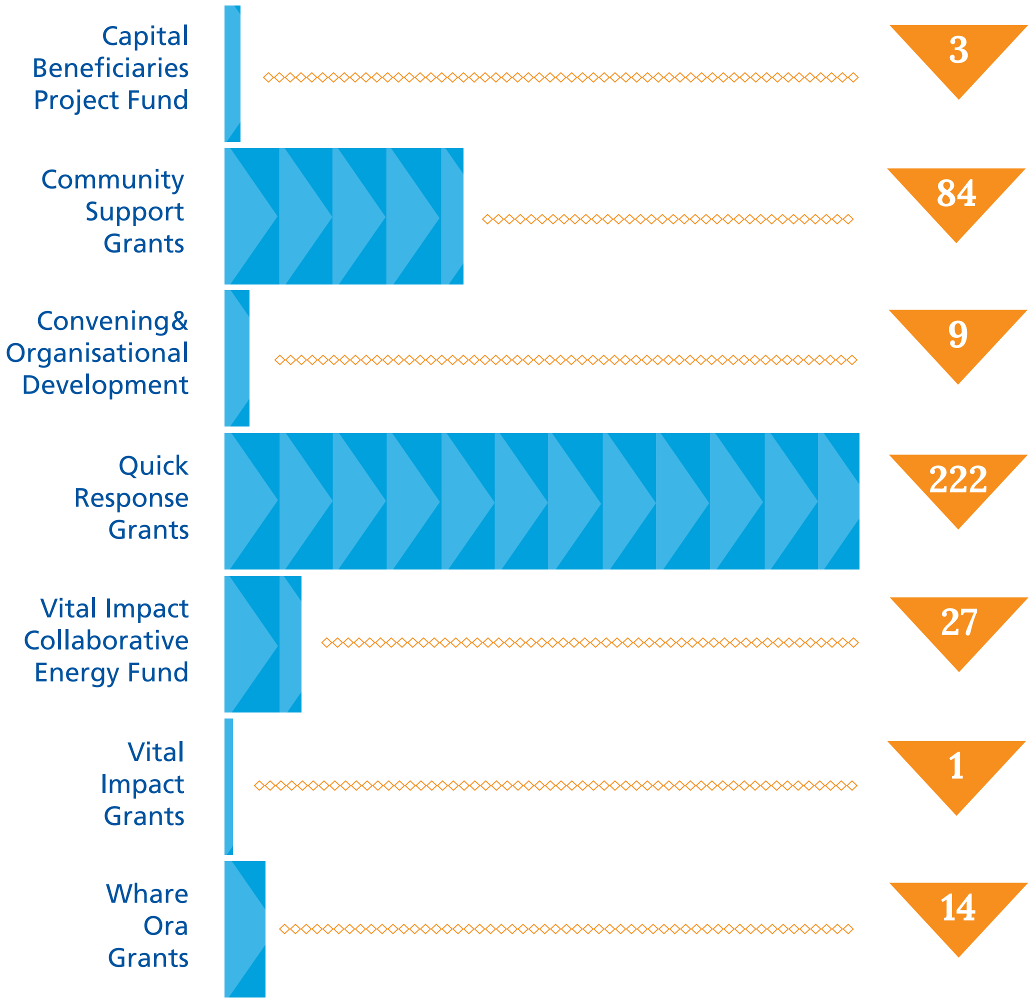
The Hockey Development Officer has also played an active role in collaborating with Sport Waikato and local community leaders to co-design participation initiatives that are responsive to community needs and reflect what works best in each local context of our community.

ELAINE FOX
Funding Administrator

"We would like to thank WEL Energy for the ongoing support – without it we would not be able to make this happen."

This project aligned with the Trust Aims
- A Thriving Community *(Hapori Taurikura)*

Our Grants At a Glance



Total Grants Approved $10,285,742

Total No. of Grants 360

Average Capital Beneficiaries Project Fund Grant	Average Community Support Grant	Average Convening & Organisational Development Grant	Average Quick Response Grant
$500,000	$49,434	$13,991	$9,123

Average Vital Impact Collaborative Energy Fund Grant	Average Vital Impact Grant	Average Whare Ora Grant
$43,931	$300,000	$71,141

Recipient Organisations

Organisation Name	Funding Allocation
A Rocha Aotearoa New Zealand	$10,000
Abbeyfield Waikato Inc	$5,000
AfroConnect Aotearoa New Zealand	$5,000
Al Rasool Foundation of Waikato	$10,000
Angel Casts Charitable Trust	$2,000
Anglesea Clinic Charitable Trust	$20,000
Aotearoa Diabetes Collective	$10,000
Aphasia New Zealand (AphasiaNZ) Charitable Trust	$7,500
Arab Social Club	$8,000
Art in Nature Arboretum Trust	$25,000
Arts for Health Community Trust	$20,000
Arum Aikido Club	$2,000
Asthma & Respiratory Services (Waikato) Inc	$10,000
Balloons Over Waikato Trust	$110,000
Barnardos Aotearoa	$10,000
Big Buddy Mentoring Trust	$10,000
Blood Cancer NZ	$4,000
Bowel Cancer New Zealand Inc	$5,000
Bowls Waikato Inc	$4,000
Brain Injury Waikato Inc (2)	$27,500
Brain Tumour Support Trust New Zealand	$2,000
Brainwave Trust Aotearoa	$10,000
Bridge Housing Charitable Trust	$40,000
Cancer Rehabilitation Foundation (Pinc & Steel)	$5,000

Organisation Name	Funding Allocation
Cancer Rehabilitation Foundation (Pinc & Steel)	$5,000
Chamber Music New Zealand Inc	$2,000
Chartwell Co-operating Parish	$1,500
Child Cancer Foundation Inc	$7,500
Christians Against Poverty - Hamilton Central Baptist Church	$6,000
Citizens Advice Bureau Hamilton Inc (2)	$36,412
Clarence Street Theatre Trust	$50,000
Claudelands Croquet Club Inc (2)	$13,185
Community Energy Whāingaroa Ltd (3)	$166,100
Community Link Trust	$47,500
Community Wellness Charitable Trust (2)	$20,000
Complex Chronic Illness Support Inc	$5,000
Creative Waikato Trust	$50,000
Dance Therapy NZ	$9,000
Davies Park Heritage Trust	$10,000
Dementia Waikato Charitable Trust	$15,000
Desert Spring Ministries Trust (3)	$131,100
Diversity Counselling New Zealand	$57,500
Dress For Success Hamilton Trust	$23,000
Eastlink Community Hub Inc	$12,500
Eastlink Cricket Club Inc	$3,000
EcoMatters Environment Trust	$75,000
Efalata Trust	$10,000
English Language Partners New Zealand Trust	$10,088

Organisation Name	Funding Allocation
Epilepsy Association of New Zealand Inc	$4,000
Epilepsy Waikato Charitable Trust	$15,000
EquiPotential NZ Inc	$22,500
ETC... Expression Through Creativity Charitable Trust	$5,000
EVolocity Charitable Trust	$8,000
Families Autism and Behavioural Support Trust	$30,000
Fast Track Inclusion Trust	$12,500
Flyers Junior Basketball Club	$7,500
Fraser Technical Cricket Club Inc	$6,000
Fraser-Tech Rugby Football Club Inc	$19,000
Friends of Hamilton Public Libraries Association Inc	$5,000
Galaxy Waikato Touch Club Inc	$3,500
Get Kids Active Charitable Trust	$9,000
Girls Rock Aotearoa Inc	$13,000
Glen Massey School	$16,064
Glenview Community Centre (2)	$55,000
Gorkhali Football Club Waikato Inc	$4,000
Graeme Dingle Foundation	$55,000
Grandparents Raising Grandchildren Trust	$10,000
Habitat for Humanity Central Region Ltd	$85,000
Hamilton Aquatics Inc	$7,271
Hamilton Bengali Association Inc	$4,000
Hamilton Blues Society New Zealand Inc	$3,000
Hamilton Budgeting Advisory Trust	$37,000
Hamilton Caledonian Society's Pipe Band Inc	$3,051
Hamilton Chinese Golden Age Society Inc	$3,000
Hamilton Christian Nightshelter Trust	$80,000
Hamilton Christmas Charitable Trust	$15,000
Hamilton Citizens Band Inc	$5,000
Hamilton City Council	$835,000
Hamilton City Gymnastics Inc	$18,290
Hamilton City Tigers Junior Rugby League Sports Club Inc	$6,000
Hamilton Civic Choir	$4,000
Hamilton Combined Christian Foodbank Trust	$45,000
Hamilton Competitions Society Inc	$2,000
Hamilton Contract Bridge Club Inc	$12,500
Hamilton Disability Arts Festival Trust	$2,500
Hamilton Gardens Summer Festival Foundation	$120,000
Hamilton Harriers Club Inc	$6,000
Hamilton Hawks Olympic Wrestling Club Inc	$10,000
Hamilton Methodist Social Services Trust	$25,000
Hamilton Multicultural Services Trust (2)	$100,000
Hamilton New Life Community Trust	$3,000

Organisation Name	Funding Allocation
Hamilton Old Boys Cricket Club Inc	$8,000
Hamilton Old Boys Rugby and Sports Club Inc	$85,000
Hamilton Operatic Society Inc	$15,000
Hamilton Pony Club Inc	$4,000
Hamilton Pride Inc	$2,000
Hamilton Raiders Baseball Club Inc	$70,000
Hamilton Rowing Club Inc	$90,000
Hamilton South Community Centre Association Inc	$45,000
Hamilton Toybox Toy Library	$2,180
Heart Kids New Zealand Charitable Trust	$10,000
Hellmilton Roller Ghouls Inc	$3,500
Himalayan Football Club Inc	$2,215
Hohou te Rongo Kahukura | Outing Violence	$6,000
Hope Rising Farm Trust	$32,000
Hospice Waikato Trust (2)	$99,000
House of Science Central Waikato	$17,500
Huntly Community Advice Trust and Social Services	$8,000
Huntly Gymnastics Club Inc	$9,300
Huntly Mining and Cultural Museum Society Inc	$17,000
Huntly Swimming Club Inc	$14,000
Indian Cultural Society (Waikato) Inc	$5,000
Insight Endometriosis Charitable Trust	$50,000
Junior Community Sports Foundation	$3,000
Kaitiakitanga Charitable Trust	$55,000
Kake Oranga Hāhi Katorika | Catholic Family Support Services	$10,000
K'aute Pasifika Trust (3)	$221,100
KidsCan Charitable Trust	$15,000
Kimihia Lakes Community Charitable Trust	$70,000
Kirikiriroa & St Peter's Scout Group	$15,000
Koru Educational Support Hub Charitable Trust (2)	$20,000
Lakeside Christian Life Centre	$2,500
Life Education Trust Hamilton	$15,000
Lifestyle Trust	$3,239
Link House Birthright Waikato Trust	$50,000
Little Masters Cultural Collective Inc	$5,000
Louise Perkins Foundation	$7,000
Loving Arms Charitable Trust	$6,000
Lugton Park Rackets Club Inc	$50,000
M S Waikato Trust	$10,000
Manaaki Rangatahi	$20,000
Marching Waikato Association Inc	$5,000
Matahuru Papakainga Marae Reservation Trust	$12,500
Matangi Hillcrest Sports Club Inc	$15,000

Organisation Name	Funding Allocation
Matawhaanui Trust	$35,000
Maungatautari Ecological Island Trust	$65,000
McKenzie Centre Trust (2)	$48,990
Meat the Need	$10,000
Meremere Community Development Committee Inc	$10,000
Momentum Charitable Trust	$6,000
Mo'ui Lelei Health and Wellness Charitable Trust Inc	$4,990
National Youth Theatre Trust	$13,500
Neurotones Waikato Collective	$3,000
New Zealand Sikh Society	$8,000
New Zealand Speech Board (2)	$10,150
Nga Tai Whakarongo Whānau Hoe Waka Inc	$10,000
Ngaa Taiohi o Te Rangitaupi Charitable Trust	$10,000
Ngaruawahia Community House (2)	$115,000
Ngaruawahia Community Youth Holiday Programme Inc	$12,500
Ngaruawahia Rugby Sports Club Inc	$20,000
Ngaruawahia United Association Football Club Inc	$5,000
Ngaruawahia Volunteer Fire Brigade	$25,000
North Hamilton Community Patrol Inc	$10,000
North Waikato Transport Trust	$20,000
Ohaupo Karate Trust	$4,000
Oho Mauri Solutions Charitable Trust (2)	$65,000
Opus Orchestra Trust	$8,900
Orange Sky New Zealand Ltd	$30,000
Orchestras Central Trust	$55,000
Outward Bound Trust of New Zealand	$15,000
Pacific Rose Festival Trust	$3,000
Para Kore Marae Inc	$15,000
Pasifika Fiafia Kirikiriroa Inc	$5,000
Performing Arts Community Trust	$4,739
Perry Outdoor Education Trust Ltd	$50,000
Phoenix House Charitable Trust	$50,000
Pivot Bail Charitable Trust	$40,000
Positive Change Programmes Charitable Trust	$10,000
Presbyterian Support (Northern)	$10,000
Prison Care Ministries	$30,000
Prisoners Aid and Rehabilitation Society of the Waikato District Inc	$5,000
Puketaha School	$5,000
Pukete Neighbourhood Association Inc (2)	$103,650
Raahui Pookeka Community Centres Trust (3)	$113,590
Raahui Pookeka Maaori Wardens Sub Association Inc	$4,000

Organisation Name	Funding Allocation
Raglan & District Museum Society Inc | Te Whare Taonga o Whāingaroa	$7,000
Raglan Community Arts Council Inc	$10,000
Raglan Community House Charitable Trust	$35,000
Raglan Community Media Inc	$20,000
Raglan Community Patrol Charitable Trust	$2,000
Raglan Football Club Inc (2)	$22,500
Raglan Mountain Biking Club Inc	$8,000
Raglan Volunteer Coastguard Inc	$20,000
Rainbow Chinese Community Centre Charitable Trust	$12,000
Rainbow Hub Waikato	$30,000
Rauawaawa Kaumatua Charitable Trust	$130,000
Recreate NZ	$10,000
Re-Creators Charitable Trust	$10,000
Resthills Sports Centre Inc (2)	$118,500
Riverlea Theatre Trust	$45,000
Road Safety Education Ltd	$7,500
Rock Quest Charitable Trust	$10,000
Ronald McDonald House Charities New Zealand Trust	$10,000
Rototuna Indoor Recreation Centre Trust	$66,768
Royal New Zealand Plunket Trust	$10,000
Sailability Waikato Trust	$1,853
Shakti Woman's Refuge Trust	$7,500
Shama, Ethnic Women's Trust	$60,000
Smart Waikato Trust	$45,000
South East Kirikiriroa Community Association Inc	$25,000
SPELD New Zealand Inc	$6,000
Squash Waikato Inc	$10,000
St John's College	$20,000
St Joseph's Catholic School Board	$8,000
St Paul's Swimming Club Inc	$15,000
St Peter's Tennis Club Inc	$44,000
St Vincent de Paul Hamilton (2)	$100,000
Storytime Foundation Trust Board	$10,000
Student Volunteer Army Foundation	$10,000
Surf Life Saving Northern Region Inc	$15,000
Swim Waikato Inc	$75,000
Tainui Regional Council Māori Womens Welfare League (2)	$17,000
Tamil Society Waikato Inc	$7,500
Tāngaro Tuia te Ora | Endangered Species Foundation (2)	$40,000
Tangata Tiriti - Treaty People Inc	$8,000
Taniwharau Rugby League Sports and Cultural Club Inc	$140,000
Tautoko Tāne Waikato | Male Support Services Waikato	$17,500

Organisation Name	Funding Allocation
Te Akau Waingaro Community Complex Inc	$7,250
Te Araroa Waikato Trust	$10,000
Te Ataarangi Ki Roto O Tainui Inc	$7,500
Te Awa River Ride Charitable Trust	$22,500
Te Kauwhata Health Awareness Society Inc (2)	$75,000
Te Kauwhata Rugby Sports Club Inc	$22,000
Te Kauwhata Squash Inc	$12,500
Te Kura O Ngati Haua	$10,900
Te Ohu Whakaita Charitable Trust	$60,000
Te Papanui Enderley Community Trust	$25,000
Te Po ki te Ao Marama Tihei Mauriora	$5,000
Te Rapa Rugby Sports Club Inc	$16,112
Te Rauhii	$45,000
Te Rongopai Community Trust (2)	$73,500
Te Runanga o Kirikiriroa (2)	$195,650
Te Tamawai Trust	$25,000
Te Toki Waka Ama	$12,000
Te Whanau Putahi Trust (2)	$51,100
Te Whare o Te Ata Fairfield Chartwell Community Centre (2)	$52,500
Te Whare Toi O Ngaaruawaahia Inc (2)	$68,469
The Anglican Action Mission Trust	$5,000
The Asian Network Inc	$10,000
The Cake Detective Charitable Trust	$4,000
The Community Waikato Trust	$70,000
The Flagstaff Club Inc	$95,000
The Hearing Association Hamilton & Districts Branch Inc	$4,000
The Kids for Kids Charitable Trust	$5,000
The Kids in Need Waikato Charitable Trust	$15,000
The Kukutaruhe Education Trust	$12,500
The Life Flight Trust	$40,000
The North Waikato Care of the Aged Trust Board	$55,000
The One Victoria Trust Board (2)	$100,000
The Place Charitable Trust Board	$10,000
The Raglan District Community Vehicle Trust	$2,000
The Refugee Orientation Centre Trust (2)	$42,500
The Royal New Zealand Society for the Prevention of Cruelty to Animals Inc	$13,500
The Salvation Army Hamilton Community Ministries	$32,500
The Serve Trust	$20,000
The Stroke Foundation of New Zealand Trust	$5,000
The Te Kauwhata & Districts Information & Support Centre Inc	$45,000

Organisation Name	Funding Allocation
The Waikato Chapter of Barbershop Harmony New Zealand Inc	$3,500
Tiaki Whānau Ltd	$4,000
TimeOut Charitable Trust	$5,000
True Colours Children's Health Trust	$15,000
Turn and Gymnastic Circle Inc	$95,000
United Nations Association of New Zealand Waikato	$1,500
United Youth Orchestra Trust	$3,500
UpsideDowns Education Trust	$5,000
Vardon School	$10,000
Victim Support New Zealand Inc | Manaaki Tangata Aotearoa Manatopu	$7,500
Volunteering Waikato | Te Ohu Tuuao o Waikato	$30,000
Waahi Paa Marae	$20,000
Waahi Whaanui Trust (2)	$33,000
Waerenga Recreational Centre Inc	$10,000
Waikare Golf Club Te Kauwhata Inc	$5,480
Waikato Badminton Association Inc	$10,000
Waikato Basketball Council Inc	$47,500
Waikato/Bay of Plenty Cancer Society of NZ Inc (2)	$65,000
Waikato Bay of Plenty Football Federation Inc	$5,000
Waikato Community Broadcasting Charitable Trust	$17,500
Waikato Community Lands Trust	$15,000
Waikato Contemporary Dance Projects Trust	$4,000
Waikato District Council	$625,000
Waikato Environment Centre (Go Eco) (2)	$181,974
Waikato Equitherapy Inc	$18,000
Waikato Family Centre Trust (2)	$37,705
Waikato Hockey Association Inc	$10,000
Waikato Housing Initiative	$10,000
Waikato Indoor Bowling Centre of New Zealand Inc	$7,500
Waikato Institute for Leisure and Sport Studies Trust Board	$7,500
Waikato Japanese Community Trust	$4,000
Waikato Korean School	$10,000
Waikato Multicultural Council Inc	$3,500
Waikato Pacific Business Network Inc	$20,000
Waikato Paraplegic and Physically Disabled Association Inc	$37,500
Waikato Refugee Forum Inc	$30,000
Waikato Regional Council (2)	$319,990
Waikato Regional Volleyball Association Inc (2)	$70,000

Organisation Name	Funding Allocation
Waikato Rocks Trust (2)	$50,000
Waikato Screen NZ Ltd	$50,000
Waikato Seeds for Change Charitable Trust	$42,500
Waikato Tennis Trust	$28,000
Waikato Touch Association Inc	$8,000
Waikato Ultimate Inc	$10,287
Waikato Water Polo Club Inc	$5,000
Waikato Women's Refuge | Te Whakaruruhau	$75,000
Waikato Young Women's Christian Association Inc	$18,000
Waimakariri Marae Trust	$5,000
Waipā District Council	$40,000

Organisation Name	Funding Allocation
Waru Rua Rima Charitable Trust	$12,500
West Hamilton United Football Club Inc	$35,000
Western Community Association Inc (2)	$156,100
Whaingaroa Raglan Destination Management Organisation Inc	$5,000
Whitiora School Board of Trustees	$20,000
Wintec, School of Media Arts | Te Kura Papaho (2)	$6,000
Xtreme Zero Waste Ltd	$25,000
Yasmina Community Trust	$8,000
YMCA North Inc	$15,000
Youthline Auckland Charitable Trust	$10,000
Youthtown Inc	$7,500
Zeal Youth Trust Aotearoa	$70,000

Total Grants Approved

$10,285,742

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

Annual Plan

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

The Annual Plan for 2025-26 was approved at the Trust meeting held 25 March 2025 after a draft was issued for public consultation in late-February 2025 (26 written submissions received).

The 2025-26 Annual Plan was underpinned by the 2025-28 Community Investment Strategy | He Rautaki Haumi mo te Hapori, which came into effect in April 2025.

The Strategy includes

Aims | Ngaa Whainga for:

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

&

Pillars | Ngaa Pou for:

- Te Tiriti O Waitangi
- Working Collaboratively
- Equity and Equality

Action Areas

For 2025-26, the Annual Plan highlighted key areas to be addressed and proposed actions for:

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

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

Strategic Intent

- Provide a balanced benefit for the Trust's income and Capital Beneficiaries
- Ensure income streams are sufficient to meet strategic intent
- Support Community Investment Strategy focus areas and work with other funders to deliver the greatest benefit to our community

Investments & Finance

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

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

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

Working with our Capital Beneficiaries

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

Effective Community Investment

- Maintain core granting activities in Quick Response and Community Support grants
- WEL Networks Ltd/Trust Vital Impact Collaborative Energy grants
- Partner to achieve regional environmental and social equity priorities
- Provide Convening and Organisational Development support
- Further develop the Whare Ora Programme and monitor results
- Capital Beneficiaries Project Fund
- Discount Programme

The Annual Plan for 2026-27 was approved at the Trust meeting held 24 March 2026 after a draft was issued for public consultation in late-February 2026 *(13 written submissions received).*

Annual Report

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

The 2024-25 Annual Report was adopted on 8 July 2025 and presented at the Annual General Meeting held 29 July 2025, where PricewaterhouseCoopers was appointed Auditors of the Trust for the year ended 31 March 2026.

Changes to the Trust Deed

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

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

There were no changes made to the Trust Deed between 1 April 2025 and 31 March 2026.

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

Review of Investment

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

A summary of the key findings from the 2025 review is provided below.

Information Used and Matters Covered

The Company's Annual Report for the 12 months ended 31 March 2025 was received 10 June 2025 and a full review of the Trust's investment in WEL Networks Ltd was undertaken by KPMG, dated September 2025.

This review prepared by KPMG was comprehensive and the results/findings are as follows:

Group Financial Performance

- WEL Networks Ltd group financial performance includes the results for both the electricity lines business and non-regulated businesses. Operating earnings (EBIT) increased by ~$300K to $28M in FY25 compared to FY24. The net profit before tax for FY25 included net interest cost of ~$199K.
- WEL Networks Ltd paid a dividend to the Trust of $9.3M in FY25. In addition, WEL Networks Ltd paid out $12.6M in consumer discounts.
- The Company borrowed an additional $72M to fund investment in network and generation assets. WEL Networks Ltd had net debt of $70.6M at year end (FY25).

Performance for the Electricity Distribution Businesses

- WEL Networks Ltd's regulatory return on investment for FY24 of 6.99% was above the average of 6.07% for the peer electricity distribution businesses.

Generation and EPC Businesses

- The investment into the EPC (Engineering, Procurement and Construction) and generation businesses reflect WEL Networks Ltd's move to grow its non-regulated businesses. The EPC business provides design, construction and procurement services. These also have the potential to strengthen WEL Networks Ltd's relationships with customers through a wider service availability.
- The NauMai solar farm and Rotohiko Battery Energy Storage System assets became operational during FY25. In addition, several other solar farm projects are currently under development by the EPC business for the Generation business. Upon completion, these assets are transferred to Generation for ongoing operations and maintenance.

Asset Management Plan and Capital Expenditure

- WEL Networks Ltd's 2025 Asset Management Plan (AMP) is forecast to increase to $998M (nominal dollars) over the ten-year forecast period, compared to $946M (nominal dollars) in the 2024 AMP. The increase is primarily driven by expected growth in residential intensification in Hamilton, investment in industrial decarbonisation, and greater EV uptake in outer years.

Strategic Direction, Targets & Measures

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

The document is prepared and agreed to ensure that the Directors and Management of WEL Networks Ltd are directing the Company in a manner that is aligned with the goals of the Trust as owner.

It incorporates both longer-term strategic direction and shorter-term annual objectives.

The Trust has reviewed WEL Networks Ltd's performance against its Strategic Direction, Targets and Measures and is satisfied that the targets are being satisfactorily met. The Strategic Directions Document/Statement of Corporate Intent dated March 2025 for FY26 to FY30 was received by the Trust on 7 March 2025 and a Letter of Expectation dated 11 August 2025 sent to WEL Networks Ltd for the 2026/27 Financial Year.

Access to information by Beneficiaries

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

The Trust received and responded to four requests for various information during the 2025/26 year, pertaining to the following general topics:

- Trust Meeting Reports
- Trustee Elections

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

Advisors

Accountants

- Baker Tilly Staples Rodway, Waikato LP, Hamilton

Energy Industry

- KPMG

Investment Management

- Makao Investments Ltd

Solicitors

- Tompkins Wake, Hamilton

Bankers

- ASB Hamilton Commercial Banking
- Bank of New Zealand, Hamilton

Auditors

- PricewaterhouseCoopers

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

(Prepared in accordance with PBE FRS 48)

1. Management of its investment in WEL Networks Ltd		2026	2025
To ensure the Company operates as a successful business	**Revenue Growth** Revenue actual FY26 vs previous FY25	$180.3M	$195.6M
	Positive Profitability EBITDA actual	$71.4M	$59.9M
	Positive Shareholder Return Return on Investment (The ratio is calculated by dividing the Profit after income tax expense for the year by Total equity from WEL Networks Limited's 2025 financial statements)	3.07%	2.47%
	Positive Shareholder Return Return on Invested Capital (The ratio is calculated by dividing net operating profit after tax* by average invested capital** from WEL Networks Limited's 2025 financial statements *Net operating profit after tax is calculated as EBITDA minus Investment income, minus Depreciation and amortisation expense, minus Finance expense on leases, plus Finance interest on leases, minus the impact of tax at 28%. **Average invested capital is calculated as the average of Total equity, plus borrowings, minus cash and cash equivalents, minus financial assets at fair value through other comprehensive income, less term deposits, for the current and previous financial year.)	3.13%	2.18%
Consistent Network Reliability	**System Average Interruption Duration Index (SAIDI)** Actuals to be within 10% of previous year (WEL calculates SAIDI in accordance with Electricity Distribution Information Disclosure (amendments related to IM Review 2023) Amendment Determination 2024 - November 2024 which is required for all EDBs. This measure includes Class B and Class C interruptions only.)	Actual 185.5 mins	Actual 266.1 mins

2. Provided sustainable Financial Investment Portfolio

		2026	2025
Trust Financial Investment Portfolio (exclusive to the WEL Networks ownership)	**Investment Return % vs. Trust Statement of Investment Policy Objectives target 4.5%** (The ratio is calculated by dividing the Trust's total finance income and change in fair value of equity investments at fair value through other comprehensive income excluding WEL Network investment income by the Trust's total assets excluding investment in WEL Networks)	Actual return 6.89%	Actual return 5.31%

3. Invest Surplus Funds into the Community

		2026	2025
Payment of Company Discounts	Electricity discounts provided to all households connected to the WEL Networks distribution network	$12.8M in discounts issued to ICPs	$12.6M in discounts issued to ICPs
85% of Annual Plan funding distributed via grants:		(Budget vs Actual)	
Approval of Community Grants	Community Support	$4,000,000 vs $4,152,490	$3,850,000 vs $3,524,060
	Quick Response	$2.000,000 vs $2,025,234	$2.000,000 vs $1,983,514
	Convening and Organisational Development	$250,000 vs $125,917	$250,000 vs $307,652
	Whare Ora (Affordable Energy for All)	$1,000,000 vs $995,974	$1,000,000 vs $999,680
	Vital Impact	$300,000 vs $300,000	$400,000 vs $660,000
	Vital Impact Collaborative Energy Fund	$1,450,000 vs $1,186,127	$1,500,000* vs $1,687,478 *New fund established for 2025
	Capital Beneficiaries Fund	$1,500,000 vs $1,500,000	$1,500,000* vs $1,530,000 *New fund established for 2025

Financial Statements

For the year ended 31 March 2026

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

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

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

MICHAEL WEST	MATTHEW SILVERTON
Chair	*FAR Chair/Trustee*
14 July 2026	14 July 2026

Financial Statements Contents

Statements of Comprehensive Revenue and Expense

For the year ended 31 March 2026

		Consolidated		Trust	
	Note	**2026**	**2025**	**2026**	**2025**
		$'000	**$'000**	**$'000**	**$'000**
Revenue	4	180,292	195,561	9,500	9,300
Expenses	5	(148,063)	(173,721)	(1,466)	(1,247)
Expenses, excluding finance costs		(10,100)	(10,642)	(10,100)	(10,642)
Grants	6	4,229	5,259	1,880	2,669
Finance income	6	(4,818)	(2,607)	(1)	-
Finance expenses					
Other gains/(losses)		6,112	5,116	1,833	352
Surplus before income tax expense		27,652	18,966	1,646	432
Income tax expense	7	(10,043)	(7,741)	(52)	(25)
Surplus after income tax expense for the year	23	17,609	11,225	1,594	407
Other comprehensive revenue and expense					
Items that will not be reclassified subsequently to revenue and expenses					
Change in the fair value of equity investments at fair value through other comprehensive revenue and expense		3,916	1,544	3,916	1,544
Items that may be reclassified subsequently to revenue and expenses					
Net change in the fair value of cash flow hedges taken to equity, net of tax		1,220	204	-	-
Other comprehensive revenue and expense for the year, net of tax		5,136	1,748	3,916	1,544
Total comprehensive revenue and expense for the year		22,745	12,973	5,510	1,951

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

Statements of Financial Position

For the year ended 31 March 2026

	Note	Consolidated		Trust	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Assets					
Current assets					
Cash and cash equivalents	8	15,194	23,865	727	5,888
Trade and other receivables	9	22,966	20,867	489	170
Contract assets		50	-	-	-
Derivative financial instruments	19	1,025	244	-	-
Income tax receivable		750	369	7	2
Loans advanced	13	-	178	-	178
Term deposits		1,000	3,000	1,000	3,000
Net investment in lease	14	792	1,213	-	-
Total current assets		41,777	49,736	2,223	9,238
Non-current assets					
Financial assets at fair value through other comprehensive revenue and expenses	10	81,424	67,222	81,424	67,222
Investments in subsidiary	28	-	-	85,797	85,797
Derivative financial instruments	19	3,805	-	-	-
Property, plant and equipment	11	1,053,849	972,677	63	56
Intangibles	12	33,977	34,859	3	-
Loans advanced	13	402	2,811	402	2,811
Net investment in lease	14	28,363	29,156	-	-
Total non-current assets		1,201,820	1,106,725	167,689	155,886
Total assets		1,243,597	1,156,461	169,912	165,124
Liabilities					
Current liabilities					
Trade and other payables	15	25,179	27,576	285	1,007
Borrowings	16	24,871	47,925	-	-
Employee benefit obligations and provisions	17	5,247	4,817	28	28
Customer discount payable		12,814	12,625	-	-
Deferred income	18	8,836	7,232	-	-
Total current liabilities		76,947	100,175	313	1,035
Non-current liabilities					
Borrowings	16	113,848	34,921	-	-
Deferred tax liabilities	20	131,772	123,051	-	-
Deferred income	18	710	739	-	-
Total non-current liabilities		246,330	158,711	-	-
Total liabilities		323,277	258,886	313	1,035
Net assets		920,320	897,575	169,599	164,089

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

Statements of Financial Position

For the year ended 31 March 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000	Trust 2026 $'000	Trust 2025 $'000
Equity					
Contributed equity	21	52,067	52,067	52,067	52,067
Reserves	22	156,377	153,532	9,441	5,549
Retained Earnings	23	711,876	691,976	108,091	106,473
Total Equity		920,320	897,575	169,599	164,089

Chair

Trustee

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

Statements of Changes in Equity

For the year ended 31 March 2026

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

Consolidated	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total Equity $'000
Balance at 1 April 2025	52,067	153,532	691,976	897,575
Surplus after income tax expense for the year	-	-	17,609	17,609
Other comprehensive revenue and expense for the year, net of tax				
Movement in revaluation reserve from disposal of distribution network assets	-	(2,267)	2,267	-
Cash flow hedges	-	1,220	-	1,220
Movement in equity investments at fair value through other comprehensive revenue and expense	-	3,916	-	3,916
Movement in revaluation reserve from disposal of financial assets at fair value through other comprehensive revenue and expense	-	(24)	24	-
Total comprehensive revenue and expense for the year, net of tax	-	2,845	19,900	22,745
Balance at 31 March 2026	52,067	156,377	711,876	920,320

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

Statements of Changes in Equity

For the year ended 31 March 2026

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

Trust	Contributed equity $'000	Reserves $'000	Accumulated comprehensive revenue and expense $'000	Total Equity $'000
Balance at 1 April 2025	52,067	5,549	106,473	164,089
Surplus after income tax expense for the year	-	-	1,594	1,594
Other comprehensive revenue and expense for the year, net of tax				
Movement in equity investments at fair value through other comprehensive revenue and expense	-	3,916	-	3,916
Movement in revaluation reserve from disposal of financial assets at fair value through other comprehensive revenue and expense	-	(24)	24	-
Total comprehensive revenue and expense for the year, net of tax	-	3,892	1,618	5,510
Balance at 31 March 2026	52,067	9,441	108,091	169,599

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

Statement of Cash Flows

For the year ended 31 March 2026

		Consolidated		Trust	
	Note	2026	2025	2026	2025
		$'000	$'000	$'000	$'000
Cash flows from operating activities					
Receipts from customers		183,769	191,999	-	-
Payments to suppliers and employees		(112,833)	(132,321)	(1,438)	(1,216)
Dividends received		-	-	9,500	9,300
Interest received		236	548	236	548
Grants paid		(10,934)	(10,849)	(10,934)	(10,849)
Income taxes paid		(2,118)	(1,837)	3	-
Net cash from operating activities	30	58,120	47,540	(2,633)	(2,217)
Cash flows from investing activities					
Payments for/proceeds from term deposits		2,000	6,500	2,000	1,000
Payments for financial assets at fair value through other comprehensive revenue and expenses		(10,250)	(28,475)	(10,250)	(28,475)
Payments for property, plant and equipment		(116,089)	(121,405)	(19)	(57)
Payments for intangibles		(3,484)	(6,304)	(4)	-
Interest received on finance lease		1,812	1,875	-	-
Payments received for finance lease		1,164	737	-	-
Proceeds from disposal of financial assets at fair value through other comprehensive revenue and expenses		3,000	33,398	3,000	33,392
Proceeds from disposal of property, plant and equipment		570	897	-	-
Interest received		536	715	-	-
Loan principal payments received		2,745	196	2,745	196
Net cash from investing activities		(117,996)	(111,866)	(2,528)	6,056
Cash flows from financing activities					
Proceeds from borrowings		114,000	83,000	-	-
Interest paid		(4,795)	(2,466)	-	-
Repayment of borrowings		(58,000)	(11,000)	-	-
Net cash from financing activities		51,205	69,534	-	-
Net increase/(decrease) in cash and cash equivalents		(8,671)	5,208	(5,161)	3,839
Cash and cash equivalents at the beginning of the financial year		23,865	18,657	5,888	2,049
Cash and cash equivalents at the end of the financial year	8	15,194	23,865	727	5,888

The above statement of Cash Flow should be read in conjunction with the accompanying notes

Notes to the Financial Statements

For the year ended 31 March 2026

Note 1. General information

Reporting entity

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

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

The financial statements of the Trust and Group are for the year ended 31 March 2026. The financial statements were authorised for issue by the Trustees on 14 July 2026.

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

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

Note 2. Basis of preparation and significant accounting policies

Basis of preparation

Statement of compliance

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

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

Measurement base

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

Consolidation

Subsidiaries

The Group financial statements incorporate the assets and liabilities of the WEL Energy Trust (Trust or Parent) including WEL Networks Limited (Company) and all subsidiaries of WEL Networks Limited as at 31 March 2026 and the results of WEL Energy Trust and WEL Networks Limited and its subsidiaries for the year then ended. The Trust's subsidiary WEL Networks Limited and its other subsidiaries are all those entities (including structured entities) over which the Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Notes to the Financial Statements

For the year ended 31 March 2026

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

Joint Venture

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

Foreign currency transactions

Functional and presentation currency

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

Transactions and balances

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

Summary of significant accounting policies

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

Exchange revenue

Electricity line revenue

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

Third party contributions

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

Infratec EPC (Engineering, Procurement and Construction) Revenue

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

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

Smartco metering revenue

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

Electricity generation, trading and reserves revenue

NewPower generates electricity, some of which is purchased by customers, with any excess sold to the wholesale market. There is a single performance obligation being the sale of electricity. Generation revenue is recognised over time when control has transferred to the customer, this takes place when electricity is delivered to the individual customer or the national grid.

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

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

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

Interest income

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

Dividend income

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

Income on financial assets at fair value through other comprehensive revenue and expense

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

Income tax

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

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

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

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

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

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

Loans advanced

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

Cash and cash equivalents

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

Trade and other receivables

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

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

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

Property, plant and equipment

Land and buildings are recorded at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The electricity distribution network is also measured at fair value on the basis of an independent valuation prepared by expert valuers using a discounted cash flow method. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

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

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the revenue and expense component of the statement of comprehensive revenue and expense during the financial period in which they are incurred.

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

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

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

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

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

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

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

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

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to revenue or expense. Any revaluation surplus reserve relating to the item disposed of is transferred directly to accumulated comprehensive revenue and expense.

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

The amount of interest capitalised for the year ended 31 March 2026 was $969,000 (2025: $453,000).

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

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

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

Intangible assets

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

Goodwill

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

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured, this includes direct labour costs and relevant overhead costs.

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

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

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

Easements

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

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

Financial assets

Classification

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

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

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

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

Recognition

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

Measurement

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

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

Amortised cost

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

Financial assets at fair value through other comprehensive revenue and expense

Equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive revenue and expense on the basis that they are not held for trading. These are classified as equity investments as they are not puttable instruments and represent a pro rata residual interest in the net assets of the funds. These comprise the Group's individual equity investments in note 10. On disposal of these equity investments, any related balance within the FVOCRE reserve is reclassified to accumulated comprehensive revenue and expense.

Financial assets at fair value through revenue and expense

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

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

Impairment of financial assets

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

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

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

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

Financial liabilities

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

Trade and other payables

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

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

Borrowings

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

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

Employee benefits

Wages, salaries, annual leave and sick leave

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

Termination benefits

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

Defined contribution plan

Obligations for contributions to KiwiSaver are accounted for as a defined contribution plan and are recognised as an expense in revenue and expense as incurred. The expense recognised in the current period in relation to these contributions was $1,400,000 (2025: $1,371,000).

Grant expenditure

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

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

Government grants

Government grants relating to the purchase of property, plant and equipment are either:

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

Derivatives

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

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

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

Movements in the hedging reserve in net assets/equity are shown in note 22. The full fair value of a hedging derivative is classified as a non-current asset or liability when the maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

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

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

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

Equity

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

- Contributed equity
- Accumulated comprehensive revenue and expense
- Reserves

Contributed equity

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

Reserves

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

Revaluation reserve

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

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

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

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

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

Goods and Services Tax ('GST')
The Trust is not registered for GST because the income that the Trust receives falls within the definition of exempt supplies contained in the Goods and Services Tax Act 1985 and also because the Trust does not undertake a taxable activity. The Trust's financial statements have been prepared inclusive of GST. The financial statements of WEL Networks Limited and its subsidiaries in the consolidated financial statements have been prepared exclusive of GST. The surplus or deficit component of the statements of comprehensive revenue and expense has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

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

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

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

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

Changes in accounting policies
There have been no significant changes in accounting policies during the current year, all accounting policies have been applied on a basis consistent with the prior year.

Note 23. Critical accounting judgements, estimates and assumptions
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Estimated fair value of land and buildings and electricity network
Fair value assessments have been undertaken on the Maui Street and the McKee Street land and buildings, included in the land and buildings asset category, by independent valuers SGHU Valuations LP Registered Valuers (SGHU) on 31 March 2026 using a market approach. This is a Level 3 valuation. Refer to note 11 for the key assumptions and inputs. The trustees consider that the current carrying value can be retained, as the carrying value materially reflects estimated fair value.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

It is the Group's policy to revalue the Electricity Network with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. As such the Group engaged Deloitte, an independent third party valuer, to perform the electricity network assets valuation for the year ended 31 March 2025. This is a Level 3 valuation. For the purposes of assessing the fair value of the electricity network as at 31 March 2026, management have updated the key inputs to develop an estimated valuation range and consider the carrying value relative to the respective valuation range. Refer to note 11 for the key assumptions and inputs.

Impairment testing of goodwill
The Group is required to test goodwill and other non-amortising intangible assets at least annually for impairment. Determining the recoverable amount for impairment testing purposes requires the use of judgement and estimation in relation to future forecast performance of the underlying cash generating unit (CGU). Refer to note 12 for the key assumptions and inputs.

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

Note 4. Revenue

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Rendering of services				
Electricity lines revenue	153,304	132,467	-	-
Discount	(12,786)	(12,557)	-	-
Net lines revenue	140,518	119,910	-	-
Electricity third party contributions	13,290	14,989	-	-
Electricity generation, trading and reserves revenue	5,563	6,665	-	-
Infratec EPC revenue	13,939	46,846	-	-
Smartco metering revenue	1,870	1,852	-	-
	175,180	190,262	-	-
Other income				
Dividends	-	-	9,500	9,300
Other income	5,112	5,299	-	-
	5,112	5,299	9,500	9,300
Revenue	180,292	195,561	9,500	9,300

Infratec EPC revenue has decreased from $46.8M as at 31 March 2025 to $13.9M as at 31 March 2026. This reduction reflects the inclusion of two major external projects in the prior year, both of which were completed during the current financial year. This is consistent with the reduction in Materials and services expenses in note 5.

Note 5. Expenses, excluding finance costs

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Transmission costs	26,792	24,165	-	-
Employee benefits	56,753	55,721	504	434
Capitalised labour	(19,590)	(20,108)	-	-
Materials and services	12,024	41,891	-	-
Rates	1,451	1,268	-	-
Contracting services	11,914	11,540	-	-
Consultancy	5,774	8,089	57	-
Electricity costs	2,055	2,384	-	-
Net loss on disposal of assets	4,906	4,926	-	2
Vehicle expenditure	1,877	1,956	-	-
Operating leases	778	990	44	49
Directors' and Trustees' fees	775	796	231	246
Bad debts written off	239	238	-	-
Change in provision for impaired receivables	171	17	-	-
Other expenses	8,249	8,543	616	506
Impairment loss	977	-	-	-
Depreciation and amortisation	32,832	31,328	14	10
Foreign exchange movement	86	(23)	-	-
	148,063	173,721	1,466	1,247

Materials and services expenses has decreased from $41.9M as at 31 March 2025 to $12.0M as at 31 March 2026. This reduction reflects the inclusion of two major external projects in the prior year, both of which were completed during the current financial year. This is consistent with the reduction in Infratec EPC revenue in note 4.

During the year ended 31 March 2025, the Group undertook an upgrade to SAP S4 HANA. Data migration and integration was undertaken by external consultants, which increased consultancy expenses

Notes to the Financial Statements

For the year ended 31 March 2026

Note 5. Expenses, excluding finance costs (continued)

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Surplus before income tax includes the following specific expenses:				
Depreciation by asset class:				
Distribution network	20,253	18,754	-	-
Generation assets	1,694	1,418	-	-
Plant and equipment	3,544	3,812	13	10
Motor vehicles	1,467	1,312	-	-
Computer hardware	939	1,042	-	-
Buildings	568	396	-	-
	28,465	26,734	13	10
Amortisation of intangible assets:				
Easements and consents	1	2	-	-
Computer software	2,985	3,689	1	-
Computer software - internally generated	1,381	903	-	-
	4,367	4,594	1	1
Total depreciation and amortisation	32,832	31,328	14	10

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Amounts paid or payable to the auditors of WEL Energy Trust and Group:				
Audit services - (PwC)				
Audit financial statements - current year	462	475	109	114
Half year review	67	87	-	-
	529	562	109	114
Assurance and audit related services* - PwC				
Assurance procedures on disclosure information - current year	75	71	-	-
Total auditors remuneration	604	633	109	114

Auditors' fees are recognised within 'other expenses'

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

Notes to the Financial Statements

For the year ended 31 March 2026

Note 6. Finance income and Finance expenses

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Surplus before income tax includes the following specific expenses:				
Finance income				
Financial assets income	1,490	2,190	1,490	2,190
Interest income	927	1,194	390	479
Finance income on lease	1,812	1,875	-	-
Finance income	4,229	5,259	1,880	2,669
Finance expenses				
Interest and finance charges paid/payable on borrowings	(4,818)	(2,607)	(1)	-
Finance expenses	(4,818)	(2,607)	(1)	-

Note 7. Income tax expense

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Income tax expense/(credit)				
Current tax	1,796	391	52	25
Deferred tax (note 20)	8,247	7,350	-	-
Aggregate income tax expense	10,043	7,741	52	25
Numerical reconciliation of income tax expense and tax at the statutory rate				
Surplus before income tax expense	27,652	18,966	1,646	432
Tax at the statutory tax rates of 28% and 33%	7,334	4,849	543	143
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-taxable income	-	-	(1,148)	(644)
Foreign investment fund income	627	1,035	627	1,035
Portfolio investment entity income	232	-	232	-
Non-deductible expenditure	6,613	7,182	4,583	4,746
Grants distributed	(4,046)	(4,202)	(4,046)	(4,202)
Prior period adjustment	(177)	(1,612)	-	-
Prior period deferred tax adjustment	199	1,528	-	-
Current year deferred tax movement related to buildings	-	14	-	-
Imputation credits utilised	(790)	(1,078)	(790)	(1,078)
Overseas tax paid	51	25	51	25
Income tax expense	10,043	7,741	52	25

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

Notes to the Financial Statements

For the year ended 31 March 2026

Note 7. Income tax expense (continued)

The tax losses incurred by the Trust are not recognised as a deferred tax asset in the statement of financial position as it is not probable that they will be utilised given the surplus of imputation credits received from WEL Networks Limited that are converted to losses. Tax losses that are unrecognised by the Trust total $6.5M (tax effect $2.2M) (31 March 2025: $5.0M (tax effect $1.7M)).

The Trust's income tax rate is 33% and its subsidiaries are at the company tax rate of 28% (2025: 33% and 28%).

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Imputation credits				
Imputation credits available for subsequent reporting periods based on a tax rate of 28% (2025: 28%)	43,148	1,194	-	-

The above amounts represent the balance of the imputation credit account as at the end of the financial year, adjusted for:

- Imputation credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- Imputation debits that will arise from the payment of dividends recognised as a liability at balance date
- Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Cash at bank	13,960	17,349	727	888
Cash on deposit	-	5,000	-	5,000
Contract retention bank balances	1,234	1,516	-	-
	15,194	23,865	727	5,888

Note 9. Trade and other receivables

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Trade receivables	17,057	13,740	30	26
Amounts due from customers for contract work	571	3,027	-	-
Less: Allowance for expected credit losses	(685)	(514)	-	-
	16,943	16,253	30	26
Related party receivable	242	242	-	-
Prepayments	5,296	3,089	154	52
Other receivable	5	3	-	-
Other receivables - distributions receivable	305	92	305	92
Goods and services tax	175	1,188	-	-
	6,023	4,614	459	144
Total net trade and other receivables	22,966	20,867	489	170

Note 9. Trade and other receivables (continued)

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 24.

Allowance for expected credit losses
As of 31 March 2026, trade receivables for the Group of $3.1M (2025: $1.8M) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group has recognised a loss of $171,000 (2025: loss of $17,000) in revenue and expenses in respect of the expected credit losses for the year ended 31 March 2026.

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

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current	13,829	14,451	30	26
One to three months	658	190	-	-
Over three months	2,456	1,612	-	-
	16,943	16,253	30	26

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Aging of expected credit losses				
Current 0.6%	84	23	-	-
One to three months 7.5%	49	3	-	-
Over three months 22.5%	552	488	-	-
	685	514	-	-

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

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Opening balance	514	497	-	-
Increase/(decrease) in provision	171	17	-	-
	685	514	-	-

Note 10. Financial assets at fair value through other comprehensive revenue and expenses

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Harbour Asset Management Fund	7,617	7,927	7,617	7,927
First Sentier Investors (NZ) Scheme	13,961	12,338	13,961	12,338
Colchester Investment Funds	8,785	4,239	8,785	4,239
Impact Investment Enterprise Fund	326	213	326	213
Purpose Capital Impact Fund	4,101	4,526	4,101	4,526
Vanguard (NZD Hedged)	21,388	18,446	21,388	18,446
Vanguard (Unhedged)	22,719	19,533	22,719	19,533
BNZ Wholesale Cash Fund	2,527	-	2,527	-
	81,424	67,222	81,424	67,222

Impact investment enterprise fund includes a $5,000 uncalled commitment (2025: $5,000) relating to the partnership units acquired in the Impact Investment Enterprise Fund. The Purpose Capital Impact Fund includes a $275,000 uncalled commitment (2025: $525,000).

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

5. Operating segments (continued)

	Electricity network $'000	Generation assets $'000	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Computer hardware $'000	Assets under construction* $'000	Total $'000
Consolidated 2025								
Opening net book amount as at 1 April 2024	784,421	33,255	18,419	29,268	6,655	2,183	9,619	883,829
Additions	79,302	26,079	5,753	2,637	2,604	193	3,825	120,393
Transfers	23	(350)	2,003	3,265	1,399	1,028	(7,334)	34
Disposals	(3,341)	-	-	(667)	(837)	-	-	(4,845)
Depreciation charge	(18,754)	(1,418)	(396)	(3,812)	(1,312)	(1,042)	-	(26,734)
Closing net book amount as at 31 March 2025	841,651	57,566	25,779	30,700	8,509	2,362	6,110	972,677
Cost/valuation	901,699	59,713	28,872	72,936	15,074	8,350	6,110	1,092,754
Accumulated depreciation	(60,048)	(2,147)	(3,093)	(42,236)	(6,565)	(5,988)	-	(120,077)
Closing net book amount as at 31 March 2025	841,651	57,566	25,779	30,700	8,509	2,362	6,110	972,677

2026	Electricity network $'000	Generation assets $'000	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Computer hardware $'000	Assets under construction* $'000	Total $'000
Consolidated 2026								
Opening net book amount as at 1 April 2025	841,651	57,566	25,779	30,700	8,509	2,362	6,110	972,677
Additions	73,399	33,359	460	2,386	2,456	584	2,174	114,818
Transfers	-	-	1	3,023	242	44	(3,310)	-
Disposals	(3,641)	-	-	(34)	(527)	(2)	-	(4,204)
Depreciation charge	(20,253)	(1,694)	(568)	(3,544)	(1,467)	(939)	-	(28,465)
Impairment loss	-	(977)	-	-	-	-	-	(977)
Closing net book amount as at 31 March 2026	891,156	88,254	25,672	32,531	9,213	2,049	4,974	1,053,849
Cost/valuation	970,462	92,095	29,333	78,132	15,606	8,753	4,974	1,199,355
Accumulated depreciation	(79,306)	(3,841)	(3,661)	(45,601)	(6,393)	(6,704)	-	(145,506)
Closing net book amount as at 31 March 2026	891,156	88,254	25,672	32,531	9,213	2,049	4,974	1,053,849

Note 11. Property, plant and equipment (continued)

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

The net book value of the Electricity network includes an estimated $37.2M of work in progress as at 31 March 2026 (2025: $64.9M). The net book value of the Generation assets includes an estimated $25.1M of work in progress at 31 March 2026 (2025: $26.7M).

The impairment loss of $0.98M relates to the gas-fired generators. The current gas contract expired on 31 March 2026 and has not been renewed. Sale opportunities are being pursued for the generators, and an impairment loss has been recognised to reflect the current market value.

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

	Plant and equipment $'000	Total $'000
Trust 2026		
Opening net book amount as at 1 April 2025	56	56
Additions	20	20
Depreciation charge	(13)	(13)
Closing net book amount as at 31 March 2026	63	63
Cost/valuation	126	126
Accumulated depreciation	(63)	(63)
Closing net book amount as at 31 March 2026	63	63

Land and buildings revaluations and impairment review

Fair value assessments have been undertaken on the Maui Street and the McKee Street land and buildings, included in the land and buildings asset category, by independent valuers SGHU Valuations LP Registered Valuers (SGHU) on 31 March 2026 using a market approach. This is a Level 3 valuation.

Updated key inputs for the Maui Street land and buildings include market rent at $1,060,000 (2025: $1,060,000) and a capitalisation rate of between 5.37% and 5.87% (2025: 5.32% and 5.82%), resulting in a valuation range of $18.1M to $19.7M (2025: $18.2M to $19.9M). Key inputs for the McKee Street land and buildings include market rent at $250,000 and a capitalisation rate of between 4.75% and 5.25%, resulting in a valuation range of $4.8M to $5.3M.

The Directors consider that the current aggregate carrying value of Maui Street and the McKee Street land and buildings of $24.5M can be retained. The carrying value materially reflects estimated fair value being within the aggregate valuation range of $22.8M to $25.0M (2025 carrying value: $24.7M).

Note 11. Property, plant and equipment (continued)

Network revaluations and impairment review

The updated key inputs have resulted in a valuation range for the Electricity Network of $855.0M to $923.1M, with a mid-point of $888.3M (based on sensitivity to WACC low/high estimates). The Directors consider that the current carrying value of the network fixed assets of $891.2M can be retained, as the carrying value materially reflects estimated fair value (31 March 2025 carrying value: $841.7M).

The primary valuation method is the discounted cash flow (DCF) methodology, with a terminal value based on the estimated regulatory asset base (RAB) using a multiple of 1.0x. While isolated changes to revenue and expenditure assumptions used in the discounted cash flow model can have a significant impact on the valuation range, as the valuation is prepared under a regulatory framework to earn a regulated return on investment, these assumptions are inter-related and therefore any reasonable changes to these assumptions would not result in a significant change to the valuation range. The valuation is however sensitive to the Weighted Average Cost of Capital (WACC) and the Regulated Asset Base (RAB) multiple used in the valuation as outlined in the table below.

We have considered the potential impact of climate change in the preparation of the electricity network valuation. We are forecasting reduced capital spend compared to last year. This spend continues to enable the network to cope with future increased load expected from electrification, growth, and decarbonisation. Reductions are increasingly enabled by non-network and other innovative approaches, optimising between network needs, customer needs, available solutions, cost, timing, and risk. The resulting updated spend plans have been included in the latest Asset Management Plan, which forms the basis of the assumptions used in the DCF for the network valuation.

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

2026

Electricity Network:	Mid-point for valuation	Sensitivity Range	Valuation Impact of Sensitivity Range from Mid Point
WACC (Weighted Average Cost of Capital)	6.4%	6.0% - 7.0%	+ $39.3M / - $37.4M
RAB (Regulatory Asset Base) Multiple for Terminal Value (TV)	1.00x	0.98x - 1.02x	+/- $14.0M

2025

Electricity Network:	Mid-point for valuation	Sensitivity Range	Valuation Impact of Sensitivity Range from Mid Point
WACC (Weighted Average Cost of Capital)	6.4%	5.9% - 6.9%	+ $34.8M / - $33.3M
RAB (Regulatory Asset Base) Multiple for Terminal Value (TV)	1.00x	0.98x - 1.02x	+/- $13.4M

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

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

Note 11. Property, plant and equipment (continued)

2026	Land and buildings $'000	Electricity network $'000
Consolidated		
Cost	18,895	973,409
Accumulated depreciation	(3,829)	(254,714)
Net book amount as at 31 March 2026	15,066	718,695

Note 12. Intangibles

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

Note 12. Intangibles (continued)

	Goodwill $'000	Assets under construction $'000	Computer software - internally generated $'000	Computer software $'000	Easements and consents $'000	Leasehold interest $'000	Total $'000
Consolidated 2026							
Opening net book amount as at 1 April 2025	8,303	7,159	7,327	8,843	3,120	107	34,859
Additions	-	2,599	94	779	49	-	3,521
Disposals	-	-	-	(36)	-	-	(36)
Transfers	-	(1,529)	244	979	306	-	-
Amortisation charges	-	-	(1,381)	(2,985)	(1)	-	(4,367)
Closing net book amount as at 31 March 2026	8,303	8,229	6,284	7,580	3,474	107	33,977
Cost	8,303	8,229	9,902	28,092	6,076	107	60,709
Accumulated amortisation and impairment	-	-	(3,618)	(20,512)	(2,602)	-	(26,732)
Closing net book amount 31 March 2026	8,303	8,229	6,284	7,580	3,474	107	33,977

	Computer software $'000	Total $'000
Trust 2025		
Cost	8	8
Accumulated amortisation and impairment	(8)	(8)
Closing net book amount as at 31 March 2025	-	-
Trust 2026		
Opening net book amount 1 April 2025	-	-
Additions	4	4
Amortisation charge	(1)	(1)
Closing net book amount as at 31 March 2026	3	3
Cost	4	4
Accumulated amortisation and impairment	(1)	(1)
Closing net book amount as at 31 March 2025	3	3

Goodwill

Of the $8.3 million of goodwill, $5.2 million arose on the original acquisition of the WEL Networks Group by the Trust, and $3.1 million on the acquisition of Infratec New Zealand Limited.

Note 12. Intangibles (continued)

The carrying value of goodwill of $3.1M relates to Infratec New Zealand Limited as a single cash generating unit (2025 carrying value: $3.1M). The recoverable amount was determined using a 5 year discounted cash flow value in use model with key inputs including a discount rate of 27.7% pre-tax (11.6% post-tax) (2025: 24.2% pre-tax and 11.6% post-tax) and a terminal growth rate of -2% (2025: -2%) (accounting for potential competition and the eventual decline in demand for new solar and battery installations). The cash flows are based on the current five-year management forecast (FY27 to FY31), followed by a terminal value. The most sensitive components of the cash flows driving the valuation are the assumptions in the terminal value. These include annual revenue of $49.6M (2025: $71.4M), gross margin at 12.0% (2025: 12.0%), and fixed costs of $4.2M p.a. (2025: $6.8M p.a.). This results in approximately $0.9M (2025: $0.8M) of pre-tax annual cash flows (before discounting) in the terminal value calculation.

The carrying amount of the CGU is $6.4M (2025: $5.1M), and the midpoint of the recoverable amount is $7.0M (2025: $6.0M).

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

2026	From	To
Gross Revenue Terminal Value	$49.6M	$48.0M
Gross Margin Terminal Value	12.0%	11.6%
Fixed Costs Terminal Value	$4.2M	$4.4M
WACC (pre-tax)	27.7%	33.0%

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

The Trustees have completed an impairment assessment as at 31 March 2026 and noted that the recoverable amount for Infratec is greater than the carrying amount by $0.6M at the midpoint (2025: $0.9M). Based on this the Trustees consider that there are no indicators of impairment and the current carrying value of goodwill can be retained.

The recoverable amount of WEL Networks Limited was determined using a 'fair value less cost to sell' method, using Discounted Cash Flow (DCF) methodology over a 9 year period. A 9 year analysis period has been used, rather than the standard five year period, to more accurately capture ongoing and future connections growth, along with cost and scale efficiencies.
Key inputs include:

- a post tax Weighted Average Cost of Capital (WACC) of 6.40% (2025: 6.50%) which is in line with the Electricity Network valuation;
- revenue averaging $176.5M p.a. (2025: $180.8M p.a) (excluding transmission), which reflects an expected regulatory ROI of 7.10% during the FY26 to FY30 period (2025: 7.10%), then increasing to 7.25% for the FY31 to FY35 period (2025: 7.32%);
- capital expenditure, including network expansion growth, averaging $76.3M p.a. (2025: $99.8M p.a.) sourced from the Asset Management Plan;
- terminal value based on estimated RAB (Regulatory Asset Base on which a regulated Electricity Distributor can earn a regulatory profit) at the end of FY35 of $1,367.8M (2025: $1,648.7M), at a 1.0x multiple; and
- costs to sell of $10M, at 1.1% (2025: $10M at 1.1%).

The conclusion is that there is no impairment to the goodwill as the analysis above results in $108.1M of headroom (2025: $137.5M), and the carrying value of WEL Networks Limited is within the valuation range (less costs to sell) of $903.9M to $978.2M (2025: $885.6M to $971.8M). It would require unfavourable changes in the key variables (for example, a 1.56% increase in WACC to 7.96% or a reduction in the terminal value multiple by 0.14 to 0.86) to cause the 'carrying amount' to exceed the 'fair value less cost to sell'. The assumptions adopted reflect the risk and uncertainty associated with WEL Networks as at 31 March 2026.

Note 13. Loans advanced

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Opening loan balance	2,989	3,114	2,989	3,114
Effective interest received	151	71	151	71
Repayments made	(2,745)	(196)	(2,745)	(196)
Expected credit losses	7	-	7	-
Carrying amount	402	2,989	402	2,989
Current	-	178	-	178
Non-current	402	2,811	402	2,811
	402	2,989	402	2,989

The nominal value of loans advanced at balance date was $10,000,000 (2025: $13,650,000).

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

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

Note 14. Net investment in lease

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Net investment in lease - current	792	1,213	-	-
Net investment in lease - non-current	28,363	29,156	-	-
	29,155	30,369	-	-

Consolidated	31 March 2026 $'000	31 March 2025 $'000
Undiscounted lease receivable;		
Current net investment in lease	2,547	3,030
Maturing between 1 and 2 years	2,511	2,547
Maturing between 2 and 3 years	2,472	2,511
Maturing between 3 and 4 years	2,432	2,472
Maturing between 4 and 5 years	2,390	2,432
Beyond 5 years	47,727	50,117
Less effect of discounting	(30,924)	(32,740)
Net investment in lease (discounted)	29,155	30,369

Note 14. Net investment in lease (continued)

Accounting judgements, estimates and assumptions

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

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

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

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

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

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

Note 15. Trade and other payables

	Consolidated		Trust	
	2026 $’000	2025 $’000	2026 $’000	2025 $’000
Exchange transactions:				
Trade payables	15,976	15,693	147	36
Other payables	8,755	10,743	138	130
Interest payable	448	299	-	-
Non-exchange transactions:				
Grants payable	-	841	-	841
Total trade and other payables from exchange and non-exchange transactions	25,179	27,576	285	1,007

Note 16. Borrowings

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current liabilities				
Maturing within 1 year	24,871	47,925	-	-
Total current borrowings	24,871	47,925	-	-

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Non-current liabilities				
Maturing between 1 and 2 years	103,858	34,921	-	-
Maturing between 4 and 5 years	9,990	-	-	-
Total non-current borrowings	113,848	34,921	-	-

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

The carrying value of bank and bond debt is $138.7M (2025: $82.8M). The fair value of contractual cash flows is $141.7M (2025: $85.7M). Refer to note 24.

The carrying value of interest bearing bank debt includes $0.28M of unamortised costs (2025: $0.15M).

The Group entered into additional bank facilities totalling $105M during the year, and had facilities of $55M mature in August 2025. Facilities available to the Group as at 31 March 2026 total $210M, with $71M remaining available to be drawn. The facilities expire as follows:

	Facility available	Total facility
	$'000	$'000
31 August 2026	30,000	55,000
31 August 2027	-	55,000
14 March 2028	1,000	50,000
31 August 2030	40,000	50,000
	71,000	210,000

Note 17. Employee benefit obligations and provisions

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Employee benefit obligations:				
Annual leave	3,095	2,988	28	28
Employee benefits	2,152	1,829	-	-
	5,247	4,817	28	28

Note 18. Deferred income

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Deferred income - third party contributions - electricity	8,836	7,098	-	-
Deferred income - solar	-	134	-	-
Total current deferred income	8,836	7,232	-	-

Management expects that 71% (2025: 77%) of the electricity third party contributions and 100% (2025: 100%) of solar revenue relating to the unsatisfied contracts as at 31 March 2026 will be recognised as revenue in the next reporting period.

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Non-current deferred income	710	739	-	-

Income received from government organisations to fund the undergrounding of some areas of the electricity network is recognised over 45 years which is the life of the asset. Revenue recognised this year of $29,385 (2025: $29,385).

Note 19. Derivative financial instrument

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Current and non-current assets				
Foreign forward exchange contracts - cash flow hedges - current	175	244	-	-
Electricity price derivatives - current	850	-	-	-
Electricity price derivatives - non-current	2,042	-	-	-
Interest rate swap contracts - cash flow hedges - non-current	1,763	-	-	-
Total net derivative financial instruments	4,830	244	-	-

Interest rate swap contracts - cash flow hedges
The Group has entered into interest rate swap contracts to hedge the interest rate risk on borrowings. The contracts are designated as hedges for accounting purposes. The notional principal amounts of the outstanding interest rate contracts as at 31 March 2026 are $125.0M (2025: $nil) and the fixed interest rates vary from 3.33% to 3.61% (2025: $nil). Refer to note 24 for further information.

Changes in the fair value of cash flow hedges (net of tax) in other comprehensive revenue as at 31 March 2026 includes a $1.3M gain on the fair value of the interest rate swaps (2025: nil). There is no hedge ineffectiveness recognised in profit or loss as at 31 March 2026 (2025: nil).

Forward foreign exchange contracts - cash flow hedges
The Group has entered into USD/NZD FX contracts to hedge the foreign currency risk related to highly probable purchases of solar farm equipment from overseas. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2026 are $11.1M (2025: USD/NZD and EUR/NZD of $4.1M).

Changes in the fair value of cash flow hedges (net of tax) in other comprehensive revenue as at 31 March 2026 includes a $0.05M loss on the fair value of the foreign forward exchange contracts (2025: $0.2M gain). There is no hedge ineffectiveness recognised in profit or loss as at 31 March 2026 (2025: nil).

Note 19. Derivative financial instruments (continued)

Electricity price derivatives

The Group has also entered into electricity swaps to manage exposure to electricity price risk. The contracts are not designated as a hedges for accounting purposes due to their variable volume structures. The contracts are valued based on the contracted volumes, and the difference between the contractual strike price and the relevant forward market price, primarily derived from ASX futures prices. Where market data is not available, fair values are based on management's best estimate of forward pricing for the applicable contract period. A gain on these electricity price derivatives has been recorded in the statement of comprehensive revenue and expense of $4.3M for 31 March 2026 (2025: $0.4M). The table below provides an analysis of the total gain/(loss) on electricity price derivatives.

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Realised net change in fair value of energy price derivatives	1,437	358	-	-
Unrealised net change in fair value of energy price derivatives	2,892	-	-	-
Total gain/(loss) on electricity price derivatives	4,329	358	-	-

Note 20. Deferred tax liabilities

	Tax losses $'000	Accelerated tax depreciation / revaluation of assets $'000	Provisions and other $'000	Derivative instruments $'000	Finance lease $'000	Right of use assets $'000	Lease liability $'000	Total $'000
As at 1 April 2024	(1,423)	118,351	(1,918)	(11)	663	1,027	(1,067)	115,622
Charged/(credited) to the statement of comprehensive income	27	6,769	97	-	467	540	(550)	7,350
Charged/(credited) directly to equity - derivatives and revaluations	-	-	-	79	-	-	-	79
As at 31 March 2025	(1,396)	125,120	(1,821)	68	1,130	1,567	(1,617)	123,051

Note 20. Deferred tax liabilities (continued)

	Tax losses $'000	Accelerated tax depreciation / revaluation of assets $'000	Provisions and other $'000	Derivative instruments $'000	Finance lease $'000	Right of use assets $'000	Lease liability $'000	Total $'000
As at 1 April 2025	(1,396)	125,120	(1,821)	68	1,130	1,567	(1,617)	123,051
Charged/(credited) to the statement of comprehensive income	(3,119)	11,406	35	-	(83)	169	(161)	8,247
Charged/(credited) directly to equity - derivatives and revaluations	-	-	-	474	-	-	-	474
As at 31 March 2026	(4,515)	136,526	(1,786)	542	1,047	1,736	(1,778)	131,772

Investment Boost

The Group intends to claim the Government's Investment Boost incentive in respect of eligible capital asset additions for the year ended 31 March 2026. The tax effect of this incentive has been reflected in the current and deferred tax calculations, based on the Group's assessment of eligibility under the relevant tax legislation.

Trust

The trust had no deferred tax transactions for 31 March 2026 (2025: nil).

Note 21. Contributed equity

	Consolidated & Trust			
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Total gain/(loss) on electricity price derivatives	-	-	52,067	52,067

Note 22. Reserves

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Revaluation reserve	145,541	147,808	-	-
Hedging reserve - cash flow hedges	1,395	175	-	-
Financial assets at fair value through other comprehensive revenue and expense reserve	9,441	5,549	9,441	5,549
Total net derivative financial instruments	156,377	153,532	9,441	5,549

Note 22. Reserves (continued)

Consolidated	Revaluation reserve $'000	Hedging reserve $'000	Financial assets at fair value through other comprehensive revenue and expense $'000	Total $'000
Balance at 1 April 2024	150,326	(29)	11,455	161,752
Disposal of distribution network assets	(2,518)	-	-	(2,518)
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	1,544	1,544
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	(7,450)	(7,450)
Forward foreign exchange contract - cash flow hedges	-	283	-	283
Deferred tax on forward foreign exchange contract - cash flow hedges	-	(79)	-	(79)
Balance at 31 March 2025	147,808	175	5,549	153,532
Disposal of distribution network assets	(2,267)	-	-	(2,267)
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	3,916	3,916
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	(24)	(24)
Fair value movement on interest rate swap contracts - cash flow hedges	-	1,396	-	1,396
Amount recycled to P&L relating to interest rate swap contracts - cash flow hedges	-	367	-	367
Deferred tax on interest rate swap contracts - cash flow hedges	-	(493)	-	(493)
Forward foreign exchange contract - cash flow hedges	-	(69)	-	(69)
Deferred tax on forward foreign exchange contract - cash flow hedges	-	19	-	19
Balance at 31 March 2026	145,541	1,395	9,441	156,377

Note 22. Reserves (continued)

Consolidated	Revaluation reserve $'000	Hedging reserve $'000	Financial assets at fair value through other comprehensive revenue and expense $'000	Total $'000
Balance at 1 April 2024	-	-	11,455	11,455
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	1,544	1,544
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	(7,450)	(7,450)
Balance at 31 March 2025	-	-	5,549	5,549
Gain/(loss) on financial assets at fair value through other comprehensive revenue and expense	-	-	3,916	3,916
Movement on disposal of financial assets at fair value through other comprehensive revenue and expense	-	-	-	-
Balance at 31 March 2026	-	-	9,441	9,441

Note 23. Accumulated comprehensive revenue and expense

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Accumulated comprehensive revenue and expense at the beginning of the financial year	691,976	670,783	106,473	98,616
Surplus after income tax expense for the year	17,609	11,225	1,594	407
Disposal of distribution network assets	2,267	2,518	-	-
Disposal of financial assets at fair value through other comprehensive revenue and expense	24	7,450	24	7,450
Accumulated comprehensive revenue and expense at the end of the financial year	711,876	691,976	108,091	106,473

Note 24. Financial instruments

Financial risk management objectives

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

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

Note 24. Financial instruments (continued)

Market risk

Foreign currency risk

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

As at 31 March 2026, if the currency had weakened/strengthened by 10%against the US dollar with all other variables held constant, the impact on the post-tax surplus for the year would have been nil (2025: nil).

Price risk

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

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

The electricity price derivative valuations are sensitive to changes in electricity forward prices, and the investment funds are sensitive to changes in the equity securities price. The table below sets out the sensitivity of profit and equity to changes in prices in respect of these contracts.

Price risk +/- 10%	**Impact on profit**		**Impact on equity**	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Equity security price increased by 10%	-	-	8,142	6,722
Equity security price decreased by 10%	-	-	(8,142)	(6,722)
Electricity forward price increased by 10%	(2,802)	-	-	-
Electricity forward price decreased by 10%	2,787	-	-	-

Price risk sensitivities are shown for the Group only given that equity security price risk is only relevant for the Trust.

Cash flow and fair value interest rate risk

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

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and the prevailing market floating reference rate based on the agreed notional amounts.

As at 31 March 2026, the Group had borrowings with a face value of $139.0M, of which $125.0M was hedged through interest rate swaps. The swaps mature between May 2027 and May 2031, and have a weighted average interest rate of 3.41%. The swaps are for the duration of the borrowing term.

The balance of the borrowings subject to variable interest rate risk is $14.0M. The table below sets out the sensitivity of profit to changes in interest rates in respect of these variable rate borrowings, as well as the impact on equity arising from changes in the fair value of the related derivatives.

Note 24. Financial instruments (continued)

Interest rate risk +/- 1%	Impact on profit		Impact on equity	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Interest rates higher by 1%	(180)	-	3,727	-
Interest rates lower by 1%	180	-	(3,885)	-

Interest rate risk +/- 1%	Consolidated	Consolidated
	2026	2025
	$'000	$'000
Hedge ratio	1:1	-
Change in fair value of outstanding hedging instruments since 1 April	1,763	-
Change in value of hedge item used to determine hedge effectiveness	(1,763)	-

Credit risk

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

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

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

The Group has in excess of 32% (2025: 32%) of its trade debtors owing from the incumbent retailer, Genesis Energy Limited. This debt is subject to a written agreement that requires an investment grade credit rating to be maintained. If the credit rating falls below investment grade, then a bond will be required as collateral.

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

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

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

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

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

Note 24. Financial instruments (continued)

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

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

	Loan Balance	Potential cash shortfall	Probability of default %	Loss allowance
Consolidated 2026				
Non-interest bearing	404	121	2%	2

Liquidity risk

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

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

Consolidated 31 March 2025	Less than one year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 5 years $'000	5 + years $'000	Total fair value contractual cash flows $'000	Carrying amount liabilities $'000
Non-derivative financial instruments							
Borrowings	49,258	36,495	(29)	-	-	85,724	82,846
Trade and other payables	26,569	-	-	-	-	26,569	26,569
Customer discount payable	12,625	-	-	-	-	12,625	12,625
Total non-derivative financial instruments	89,245	37,048	363	727	9,092	136,475	127,811

Note 24. Financial instruments (continued)

Consolidated 31 March 2026	Less than one year $'000	Between 1 and 2 years $'000	Between 2 and 3 years $'000	Between 3 and 5 years $'000	5 + years $'000	Total fair value contractual cash flows $'000	Carrying amount liabilities $'000
Non-derivative financial instruments							
Borrowings	25,380	106,732	(31)	9,617	-	141,698	138,719
Trade and other payables	24,894	-	-	-	-	24,894	24,894
Customer discount payable	12,814	-	-	-	-	12,814	12,814
Total non-derivative financial instruments	63,579	107,538	689	11,032	18,715	201,553	186,946
Derivative financial instruments							
Interest rate swaps							
- inflow	3,446	4,213	3,505	5,570	286	17,020	1,763
- outflow	(4,030)	(3,674)	(2,783)	(4,307)	(225)	(15,019)	-
Total derivative financial instruments	(584)	539	722	1,263	61	2,001	1,763

Fair value of financial instruments

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

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

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

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

Note 24. Financial instruments (continued)

Consolidated 31 March 2026	Total balance $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets:				
Interest rate contracts	1,763	-	1,763	-
Electricity price derivative	2,892	-	-	2,892
Foreign forward exchange contracts	175	-	175	-
Financial assets at fair value through other comprehensive revenue and expenses	81,424	-	76,997	4,427
Total financial assets	86,254	-	78,935	7,319

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

Categories of financial assets and liabilities

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

Note 24. Financial instruments (continued)

Consolidated 2026	Financial assets/ liabilities at amortised cost $'000	Financial assets/ liabilities at fair value through P&L $'000	Financial assets (FVTOCRE) $'000	Total $'000
Assets				
Cash and cash equivalents	15,194	-	-	15,194
Trade receivables (excluding goods and services tax and prepayments)	17,495	-	-	17,495
Term deposits	1,000	-	-	1,000
Loans advanced	402	-	-	402
Financial assets at fair value through other comprehensive revenue and expense	-	-	81,424	81,424
Derivative financial instruments	-	4,830	-	4,830
Total financial assets	34,091	4,830	81,424	120,345
Liabilities				
Trade payables	25,179	-	-	25,179
Borrowings	138,719	-	-	138,719
Customer discount payable	12,814	-	-	12,814
Total financial liabilities	176,712	-	-	176,712

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

Note 24. Financial instruments (continued)

Trust 2026	Financial assets/ liabilities at amortised cost $'000	Financial assets (FVTOCRE) $'000	Total $'000
Assets			
Cash and cash equivalents	727	-	727
Trade receivables (excluding goods and services tax and prepayments)	335	-	335
Term deposits	1,000	-	1,000
Loans advanced	402	-	402
Financial assets at fair value through other comprehensive revenue and expense	-	81,424	81,424
Total financial assets	2,464	81,424	83,888
Liabilities			
Trade payables	285	-	285
Total financial liabilities	285	-	285

Capital risk management

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

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

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

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

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

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

Note 25. Contingent liabilities

The Trust has contingent liabilities of $535,000 of conditional grants for the year (2025: $650,000 comprising $300,000 for the Year 5 commitment of seed funding for the Waikato Wellbeing project, and $350,000 of conditional grants). Conditional grants are grants which have been approved but are conditional on certain conditions being met before the grant is paid. The Trust has no obligation to pay the grant if the specific grant conditions are not met.

Note 25. Contingent liabilities (continued)

	31 March 2026 $'000	31 March 2025 $'000
Trust - Grants		
Other grants	535	650

As at 31 March 2026 the Group had $3.45M contingent liabilities to support contracts entered into (2025: $6.16M).

A breakdown of the contingent liabilities are as follows:

Beneficiary	Supporting	Amount $'000
Energy Clearing House Limited	NewPower Electricity Retailing	1,000
Eastland Group	Infratec Performance Bond	198
Lodestone Energy Limited	Infratec Performance Bond - Kaitaia	275
Lodestone Solar Limited	Infratec Performance Bond - Edgecumbe	395
Lodestone Solar Limited	Infratec Performance Bond - Waiotahe	632
Lodestone Solar Limited	Infratec Performance Bond - Whitianga	542
Puketapu Limited	Infratec Performance Bond - New Plymouth Airport	405

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

Note 26. Commitments

At balance date the Trust has commitments to fund impact investment in the Impact Enterprise Fund to the value of $5,000 (2025: $5,000) and the Purpose Capital Impact Fund of $275,000 (2025: $525,000). As at 31 March 2026, the Group had contracted capital expenditure commitments of $20.5M (2025: $1.8M). These commitments primarily relate to the acquisition of major equipment for a solar farm currently in the early stages of construction, as well as electricity network equipment. The majority of these commitments are expected to be settled within the next 12 months.

Operating lease commitments

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

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

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Not later than one year	956	824	31	31
Later than one year and not later than two years	739	584	8	31
Later than two years and not later than five years	2,128	1,127	-	8
Later than five years	18,362	9,092	-	-
Total non-cancellable operating leases	22,185	11,627	39	70

Note 27. Related party transactions

Trustees and Directors

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

The following people have been trustees during the period to 31 March 2026: R Afeaki, A Chew, N Harvey, J Johnston, M Silverton, M West and J Strange (resigned October 2025).

The Trust has delegated operational running of the subsidiaries to the Directors of WEL Networks Limited. The names of persons who were directors at any time during the financial year are as follows: B Harris, J Cook, C Steele, G Lawrie, J Colliar, J Quinn, P Connell (resigned July 2025) and D Hunt (appointed November 2025).

Transactions with key management personnel

There is one key management personnel in the Trust, alongside 6 trustees as at 31 March 2026 (31 March 2025: 7 trustees). The key management compensation is set out in the table below.

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

	2026 $'000	2025 $'000
Annual Trustee Remuneration:		
Chairperson	47	47
Sub-Committee Chairs	37	37
Trustees (each)	32	32

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Trustees:				
Short term benefits	231	255	231	255
Directors:				
Short term benefits	536	544	-	-
Executives:				
Short term benefits	5,734	5,775	132	130
Termination benefits	-	100	-	-
	6,501	6,674	363	385

Related party transactions with WEL Networks Limited

Total dividends/discount distributions paid by WEL Networks Limited during the year were $9,500,000 (2025: $9,300,000). The amount of dividends per share was $1.1652 (2025: $1.1407). There were no outstanding balances between WEL Networks Limited and the Trust at year end (2025: nil).

Note 27. Related party transactions (continued)

Related party transactions with Smartco Limited
Smartco Limited is a joint venture of WEL Networks Limited.

	Consolidated		Trust	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Transactions between WEL & Smartco Limited included in the financial statements:				
Other income	1,870	1,852	-	-
Operating expense (contract services expenditure)	(916)	(789)	-	-
Balances:				
Advance to related party	242	242	-	-

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

Note 28. Interests in subsidiaries

	2026	2025
	$'000	$'000
Shares in WEL Networks Limited at cost	85,797	85,797

Shares in WEL Networks Limited
WEL Energy Trust owns 8,153,000 shares (100%) (2025: 8,153,000) of WEL Networks Limited. The shares are fully paid and have no par value.

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

			Ownership Interest	
Name	Principal place of business/ Country of incorporation	Principal activities	2026 %	2025 %
Smartco Limited (joint venture)	New Zealand	Energy and utility	17%	17%
NewPower Energy Services Limited	New Zealand	Energy and utility	100%	100%
NewPower Energy Limited *	New Zealand	Energy and utility	100%	100%
Infratec New Zealand Limited *	New Zealand	Energy and utility	100%	100%

* Subsidiaries of NewPower Energy Services Limited

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

Note 29. Events after the reporting period

There were no events occurring subsequent to 31 March 2026 which require adjustments to or disclosure in the financial statements.

Note 30. Reconciliation of net surplus after tax to net cash flow from operating activities

	Consolidated		Trust	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Surplus after tax	17,609	11,225	1,594	407
Depreciation and amortisation expense	32,832	31,328	14	10
Loss on sale of property, plant and equipment	5,879	4,924	-	-
Deferred tax asset	8,247	7,350	-	-
Investment income	-	(6)	-	-
Effective interest on loans advanced	(151)	(71)	(151)	(71)
Net investment reinvested	(1,210)	(2,328)	(1,210)	(2,328)
Change in the unrealised fair value of electricity price derivatives	(2,892)	-	-	-
Finance costs	2,469	18	-	-
Gain/(loss) on foreign currency	(1,833)	(352)	(1,833)	(352)
Other gains/(losses)	50	(4,401)	-	-
Add/(less) movements in working capital items:				
(Increase)/Decrease in trade and other receivables	(2,096)	436	(319)	317
Increase/(decrease) in income tax payable	(382)	(1,485)	(5)	(2)
Increase/(decrease) in trade and other payables	(402)	902	(723)	(198)
Net cash inflow/(outflow) from operating activities	58,120	47,540	(2,633)	(2,217)

Independent auditor's report

To the Beneficiaries of WEL Energy Trust

Our opinion

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

- the financial position of the Trust and Group as at 31 March 2026, their financial performance, and their cash flows for the year then ended; and
- the service performance of the Group for the year ended 31 March 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases or evaluation methods

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

What we have audited

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

- The financial statements (the financial statements), including:
  - the statements of financial position as at 31 March 2026;
  - the statements of comprehensive revenue and expenses for the year then ended;
  - the statements of changes in equity for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- The statement of service performance (the "service performance information") of the Group for the year ended 31 March 2026.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (NZ AS 1 (Revised)).

PricewaterhouseCoopers, PwC Centre, 109 Ward Street,
PO Box 191, Hamilton 3240, New Zealand
T: +64 7 838 3838

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the general purpose financial report* section of our report.

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

Our Independence

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

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

Other information

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

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

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

Responsibilities of the Trustees for the Group's general purpose financial report and the Trust's financial statements

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

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

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

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

Auditor’s responsibilities for the audit of the general purpose financial report and the Trust’s financial statements

Our objectives are to obtain reasonable assurance about whether the general purpose financial report, and the Trust’s 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 (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the general purpose financial report or the Trust’s financial statements.

A further description of our responsibilities for the audit of the general purpose financial report and the Trust’s financial statements are located at the External Reporting Board’s website at:

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

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

This description forms part of our auditor’s report.

Who we report to

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

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

For and on behalf of:

PricewaterhouseCoopers | Hamilton
14 July 2026

Mezzanine Floor
127 Alexandra Street, Hamilton
PO Box 1336, Hamilton 3240
Ph 07 838 0093 | **E** admin@welenergytrust.co.nz

welenergytrust.co.nz