Buller

ELECTRIC POWER TRUST

OUR COMMUNITY OUR FUTURE

FINANCIAL STATEMENTS

31 MARCH 2026

POWERING A STRONGER BULLER







PEOPLE | PLACE | POWER

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Independent Auditor's Report

To the Trustees of Buller Electric Power Trust

Report on the audit of the Trust and Group financial report

Opinion

We have audited the accompanying Trust and Group financial report which comprises of:

- The Trust and Group's statement of financial position as at 31 March 2026;
- The Trust and Group's statements of comprehensive revenue and expense, changes in net assets / equity and cash flows for the year then ended;
- Notes, including a summary of significant accounting policies and other explanatory information; and
- The Trust and Group's statement of service performance on page 21 to 22.

In our opinion, the accompanying financial report of Buller Electric Power Trust (the Trust) and its subsidiaries (the Group) on pages 3 to 22 presents fairly in all material respects:

- The Trust and Group's financial position as at 31 March 2026, changes in net assets / equity, its financial performance and cash flows for the year ended on that date; and
- The service performance for year ended 31 March 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the Trust and Group's measurement bases or evaluation methods.
- In accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**) and the audit of the statement of service performance in accordance with the New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (**NZ AS 1 (Revised)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) and NZ AS 1 (Revised) are further described in the *Auditor's responsibilities for the audit of the Trust and Group financial report* section of our report.

Our firm has provided other services to the Trust and Group in relation to regulatory audit services. Subject to certain restrictions, partners and employees of our firm may also deal with the Trust and Group on normal terms within the ordinary course of trading activities of the business of the Trust and Group. These matters have not impaired our independence as auditor of the Trust and Group. The firm has no other relationship with, or interest in, the Trust and Group.

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Use of this independent auditor's report

This independent auditor's report is made solely to the Trustees. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Trustees for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of Trustees for the Trust and Group financial report

The Trustees, on behalf of the Trust and Group, are responsible for:

- the preparation and fair presentation of the Trust and Group financial report in accordance with PBE Standards RDR issued by the New Zealand Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a Trust and Group financial report that is free from material misstatement, whether due to fraud or error;
- 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 Standards RDR;
- the preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with PBE Standards RDR;
- assessing the ability of the Trust and Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Trust and Group financial report

Our objective is:

- to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it 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. They are considered material if, individually or in the aggregate and collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Trust and Group financial report.

A further description of our responsibilities for the audit of the Trust and Group financial report is located at the External Reporting Board (XRB) website at:

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

This description forms part of our independent auditor's report.

KPMG

KPMG
Christchurch
22 September 2026

Buller Electric Power Trust Group
Statement of Comprehensive Revenue and Expenses
For the Year Ended 31 March 2026

		Group	
In thousands of New Zealand dollars	**Note**	**2026**	**2025**
Continuing operations			
Revenue from exchange transactions	4	15,274	14,858
Revenue from non-exchange transactions	4	372	385
Other income		283	240
Operating expenses	5	(10,076)	(9,379)
Administrative expenses	5	(3,960)	(4,216)
Share of profit of associates - gain before fair value movements	16	9,506	7,422
Profit from operating activities before net fair value changes		11,399	9,310
Share of (loss)/profit of associates - net fair value changes	16	(15,907)	5,279
(Loss)/Profit from operating activities after net fair value changes		(4,508)	14,589
Finance income		163	272
Finance expenses		(1,075)	(1,555)
Net finance costs		(912)	(1,283)
(Loss)/Profit before income tax expense		(5,420)	13,306
Income tax (expense)/benefit	6	1,493	(2,818)
(Loss)/Profit from continuing operations		(3,927)	10,488
Other comprehensive income			
Revaluation of land and buildings (net of tax)		-	460
Equity accounted investees - share of OCI		(129)	(700)
Income tax on items of other comprehensive income	6	(337)	196
Other comprehensive income, net of tax, that may be reclassified subsequently to profit and loss		(466)	(44)
Total comprehensive (loss)/income for the year		(4,393)	10,443

The accompanying notes form an integral part of these financial statements.

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Buller Electric Power Trust Group
Statement of Financial Position
As at 31 March 2026

In thousands of New Zealand dollars	Note	Group 2026	Group 2025
Assets			
Property, Plant and Equipment	7	33,574	32,108
Goodwill	8	240	240
Intangible assets	8	2,431	1,048
Investments accounted for using the equity method	16	57,146	70,965
Deferred Tax Assets	6	-	-
Non-current assets		93,391	104,361
Cash and cash equivalents		979	729
Term Deposit		677	9,676
Trade and other receivables due from exchange transactions	9	2,151	1,838
Trade and other receivables due from non-exchange transactions	9	-	-
Inventories		218	247
Current assets		4,025	12,490
Total assets		97,416	116,851
Liabilities			
Loans and borrowings	10	16,250	28,125
Deferred tax liabilities	6	8,078	11,395
Non-current liabilities		24,328	39,520
Trade and other payables from exchange transactions	11	3,635	3,510
Trade and other payables from non-exchange transactions		-	
Derivatives interest swaps		19	-
Current liabilities		3,654	3,510
Total liabilities		27,982	43,030
Equity			
Share capital	12	7,550	7,550
Reserves	12	724	1,191
Retained earnings		61,156	65,081
Total Equity		69,430	73,821

The accompanying notes form an integral part of these financial statements.

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Buller Electric Power Trust Group
Statement of Changes in Net Assets / Equity
For the Year Ended 31 March 2026

Attributable to owners of Buller Electricity Limited

Group

In thousands of New Zealand dollars	Note	Reserves				
		Share capital	Revaluation reserve	Hedging reserve	Retained earnings	Total Equity
Balance at 1 April 2024		7,550	1,234	-	54,594	63,378
Profit / (Loss) for the year		-	-		10,488	10,488
Revaluation of land and buildings (net of tax)	7	-	460	-	-	460
Other Comprehensive Income						
Effective portion of changes in fair value of cash flow hedges		-	-	(700)	-	(700)
Income tax on items of other comprehensive income		-	-	196	-	196
Total other comprehensive income for the year		-	-	(504)	-	(504)
Balance at 31 March 2025		7,550	1,694	(504)	65,082	73,822
Balance at 1 April 2025		7,550	1,694	(504)	65,082	73,822
Profit / (Loss) for the year		-	-	-	(3,927)	(3,927)
Other Comprehensive Income						
Effective portion of changes in fair value of cash flow hedges		-	-	(129)	-	(129)
Income tax on items of other comprehensive income		-	-	(337)	-	(337)
Total other comprehensive income for the year		-	-	(466)	-	(466)
Balance at 31 March 2026		7,550	1,694	(970)	61,156	69,430

The accompanying notes form an integral part of these financial statements.

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Buller Electric Power Trust Group
Statement of Cash Flows
For the Year Ended 31 March 2026

In thousands of New Zealand dollars	Note	Group 2026	Group 2025
Cash flows from operating activities			
Cash receipts from customers		15,562	15,070
Cash paid to suppliers and employees		(12,165)	(11,512)
Interest received		163	272
Interest paid		(1,075)	(1,555)
Income tax paid		(2,162)	(2,124)
Net cash from operating activities		323	151
Cash flows from investing activities			
Dividend received from equity accounted investee		7,306	6,171
(Purchase)/Proceeds from term deposits		9,000	(6,011)
(Purchase)/Proceeds from equity accounted investee		-	(27,330)
(Purchase)/Proceeds from property, plant and equipment		(3,008)	(2,120)
(Purchase)/Proceeds from intangible assets		(1,501)	(1)
Net cash from (used in) investing activities		11,797	(29,291)
Cash flows from financing activities			
Net proceeds and repayments of borrowings		(11,875)	28,125
Net cash from (used in) financing activities		(11,875)	28,125
Net increase/(decrease) in cash and cash equivalents		245	(1,016)
Cash and cash equivalents at beginning of year		729	1,744
Cash and cash equivalents at end of year		974	729

The accompanying notes form an integral part of these financial statements.

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Buller Electric Power Trust Group

Notes to the consolidated financial reports for the year ended 31 March 2026.

1. Reporting entity

Buller Electric Power Trust (the "Trust") is a trust established by the Trust Deed dated 18 May 1992. The Buller Electric Power Trust is an Electricity Consumer Trust domiciled in New Zealand

The Trustees hold shares in Buller Electricity Limited ("BEL") in accordance with clause 6 of the Trust Deed. The Trustees hold income arising from the Trust Fund to be dealt with in accordance with clause 5 of the Trust Deed

Consolidated financial reports of the group are presented as at and for the year ended 31 March 2026. They comprise the Trust and its subsidiary, Buller Electricity Limited and it's related subsidiaries and associates (together referred to as the 'Group').

Buller Electricity Limited and its subsidiaries are primarily involved in the reticulation of electricity, electricity retail and electrical contracting services.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial reports have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). As the primary objective of the Trust is to provide goods and services for social benefit, the Trust and Group are public benefit entities for the purpose of financial reporting.

Tier 2 Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standard RDR) and disclosure concessions have been applied. The group is eligible to report in accordance with PBE standards RDR because it does not have public accountability and it is not large.

The consolidated financial statements are prepared on a going concern basis.

The consolidated financial statements were approved by the Trustees on 14 September 2026.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets measured at fair value through profit and loss or other comprehensive income and non-system land and buildings which are measured at fair value.

The methods used to measure fair value of non-system land and buildings are discussed further in Note 7.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets measured at fair value through profit and loss or other comprehensive income and non-system land and buildings which are measured at fair value.

The methods used to measure fair value of non-system land and buildings are discussed further in Note 7.

(c) Functional and presentation currency

These consolidated financial statements are presented in New Zealand dollars ($), which is the Group's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

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(d) Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in Note 7.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

(e) Changes in accounting policies

No new standards, amendments to standards and/or interpretations were effective during period that had a material impact on the Group's accounting policies or disclosures.

(f) New accounting standards and interpretations

IFRS 18 - Presentation and Disclosure in Financial Statements is effective for periods beginning on or after 1 January 2027 and applies retrospectively. The new standard aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. While this will not have a material impact on the Group, it may result in changes to how the Group presents the income statement and what information will need to be disclosed on management defined performance measures. There are no other new or amended accounting standards and interpretations that are issued but not yet adopted that are expected to have a material impact on the Group.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(g) Goods and Services Tax (GST)

All amounts are shown exclusive of Goods and Services (GST), except for receivables and payables, which are stated inclusive of GST. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables/payables in the Consolidated Statement of Financial Position.

3. Material accounting policies

(a) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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(b) Financial assets

i) Classification

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

• those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and

• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, 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 assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii) 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 profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of the financial asset depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest 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 profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as separate line items in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The change results in the earlier recognition of credit losses.

The collectability of trade receivables is reviewed on an ongoing basis. The amount of the provision is the difference in the timing of payments from those contractually expected and those the Group actually expects. Any credit losses or changes in credit losses since initial recognition of the asset are reflected at each reporting date. The amount is recognised in the profit and loss statement.

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(c) Financial liabilities and equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

(d) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(e) Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest method is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(f) Finance expenses

Finance expenses comprise interest expense on borrowings that are recognised in the profit or loss. Interest expense is accrued on a time basis using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis cost. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. Operating revenue

(a) Contracting revenue

Contracting revenue is recognised as the fair value of the services being provided for electrical capital work, repairs and maintenance. Revenue is recognised over time based on an input method as the service is delivered with the time spent on the contract. For contracts with multiple performance obligations revenue is recognised at a point in time when the performance obligation is satisfied. Customers are invoiced monthly and payment is due within 30 days of invoice date.

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(b) Lines revenue

Line charges are recognised at the fair value of services provided for the provision of electricity distribution services. Prices are regulated and customers are charged through a mix of fixed charges and variable charges. Revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption. Customers are invoiced monthly and payment is due within 30 days of invoice date. Lines charges are recognised with reference to the quantity of electricity delivered to the customer.

(c) Exchange vs Non-Exchange

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange. Examples of exchange transactions are the purchase or sales of goods or services or the lease of equipment at market rates.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange. Two main types of transactions applicable to the Government reporting group are: Transfers (e.g. grants, donations, gifts and pledges) and taxes (including levies).

(d) Assets and capital contributions

Vested assets and capital contributions are recognised as revenue at the fair value of the assets at the point that assets are connected to the network. These revenue streams are considered to be non-exchange transactions.

	Group	
In thousands of New Zealand dollars	**2026**	**2025**
Exchange transactions		
Contracting revenue	3,750	3,731
Line Charges	11,524	11,127
Operating revenue	**15,274**	**14,858**
Non-Exchange transactions		
Capital Contributions	318	350
Vested assets	53	34
	372	**385**
	15,646	**15,242**

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5. Operating expenses & Administrative expenses

In thousands of New Zealand dollars	Note	Group 2026	2025
Operating expenses include:			
Depreciation	7	1,363	1,365
Amortisation	8	117	122
Transmission costs		2,609	2,113
Administrative expenses include:			
Net Loss/(Profit) from Sale of Property, Plant and Equipment		189	112
Write-off to Business Development		-	330
Change in Provision for Impairment of Trade Receivables	9	-	-
Directors' Fees		230	227
Auditor's remuneration to KPMG comprises:			
Audit fees		101	91
Other audit-related services		35	37
Total auditor's remuneration		**137**	**127**

For the current year, other audit-related services include the audits of Lines Business Information Disclosures prepared by the Group pursuant the provisions of Part 4 of the Commerce Act 1986.

Included in operating and administrative expenses are personnel expenses as follows:

Kiwisaver employer contribution	166	159
Wages and salaries	5,173	4,963
	5,340	**5,122**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

6. Income tax and Deferred tax

(a) Income tax expense in the income statement

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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In thousands of New Zealand dollars	Group 2026	2025
Current tax		
Current tax expense for the year	2,203	2,158
Adjustment for current tax of prior periods	(41)	(34)
Total current tax	**2,162**	**2,124**
Deferred tax		
Origination and reversal of temporary differences	(3,696)	661
Adjustment for current tax of prior periods	41	33
Total deferred tax	**(3,655)**	**694**
Total tax expense	**(1,493)**	**2,818**
Numerical reconciliation of income tax expense to *prima facie* tax payable		
Profit before tax	(5,420)	13,306
Income tax using domestic tax rate 28% (2025: 28%)	(1,518)	3,726
Adjustments:	-	-
Losses utilised within Group	-	-
Non-deductible expenses	103	2,869
Deferred tax impact of removal of tax depreciation on commercial buildings	-	-
Deferred tax impact of change in share of Pulse Energy LP (PEA LP)	-	(5,117)
Deferred tax impact of acquisition of share of Pioneer Renewables LP (PER LP)	-	1,345
Movement in deferred tax balance not recognised in respect of IRE buildings	-	0
Other	(82)	0
Under/(over) provided in prior periods	5	(5)
	(1,493)	**2,818**

Imputation credits available for use in subsequent reporting periods

The imputation credit available to the Group for use in subsequent reporting periods is $6.561m

(b) Deferred tax in the balance sheet

	Property, plant and equipment	Available Losses	Other	Total
Balance at 1 April 2024	**(5,099)**	**-**	**(5,744)**	**(10,842)**
Amount recognised in profit or loss	(2,806)	-	2,111	(694)
Amount recognised in other comprehensive income	(55)	-	196	141
Balance at 31 March 2025	**(7,959)**	**-**	**(3,437)**	**(11,395)**
Amount recognised in profit or loss	(122)	-	3,776	3,655
Amount recognised in other comprehensive income	-	-	(337)	(337)
Balance at 31 March 2026	**(8,081)**	**-**	**2**	**(8,078)**

7. Property, Plant and Equipment

(a) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are measured at cost, except for non-system land and buildings which are carried at fair value less accumulated depreciation and impairment losses in the case of land and buildings.

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Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- electricity distribution system	3 - 60 years straight line
- freehold buildings	20 - 50 years straight line
- motor vehicles	3 - 16 years straight line
- plant and equipment	2 - 30 years straight line

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

(iv) Subsequent Measurement

Non-system land and buildings are subsequently measured at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers. The fair values are recognised in the financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of non-system land and buildings is not materially different from fair value.

Any revaluation increase arising on the revaluation of land and buildings is recognised in other comprehensive income, net of tax, and presented in the asset revaluation reserve in equity. To the extent that a revaluation reverses a revaluation decrease for the same asset previously recognised as an expense in the profit or loss, the increase is credited to the profit or loss up to the amount of the decrease previously charged. A decrease in carrying amount arising on the revaluation of non-system land and buildings is charged as an expense in the profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to the profit or loss. On the subsequent sale or retirement of a revalued item, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

(v) Valuation techniques used to determine fair values

The group obtains independent valuations for its non-system land and buildings at least every three years. At the end of each reporting period, the directors update their assessment of the fair value taking into account the most recent independent valuations. The fair value of non-system land and buildings is recognised based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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The fair value of financial and non-financial assets follows a hierarchy based on the source of inputs used in the valuation.

The valuation approach for non-system land and buildings is a combination of depreciated replacement cost and market comparables where this information is available. Key valuation inputs include the value per square metre of land and the cost of the industrial buildings in the valuation. When valuation reports are required, management obtain valuations from independent valuers.

In thousands of New Zealand dollars	WIP	Electricity distribution system	Land (at fair value)	Buildings (at fair value)	Motor vehicles	Plant and equipment	Total
Group							
Carrying amounts							
At 31 March 2025	**443**	**27,293**	**1,074**	**1,621**	**632**	**1,045**	**32,108**
Cost / revalued amount							
Balance at 1 April 2025	443	51,540	1,074	2,083	1,567	2,930	59,637
Additions	731	2,097	-	17	207	-	3,052
Disposals	-	(562)	-	-	(59)	-	(621)
Balance at 31 March 2026	1,174	53,075	1,074	2,100	1,714	2,930	62,067
Depreciation and impairment losses							
Balance at 1 April 2025	-	24,247	-	462	935	1,885	27,529
Depreciation for the year	-	1,010	-	38	150	165	1,363
Disposals	-	(360)	-	-	(37)	-	(397)
Balance at 31 March 2026	-	24,897	-	500	1,048	2,050	28,494
Carrying amounts							
At 31 March 2026	**1,174**	**28,178**	**1,074**	**1,601**	**666**	**880**	**33,574**

The Group engages external, independent and qualified valuers to determine the fair value of the Group's non-system land and buildings at least every three years. As at 31 March 2025, the fair values of the non system land and buildings have been determined by Coast Valuations Ltd, an independent registered valuer, in accordance with the International Valuation Standards effective date 31 January 2025 as well as Guidance Papers for Valuers and Property Professionals. The fair value of non-system land and buildings was determined to be $1,075,000 and $1,700,000 respectively (based on Level 3 valuation inputs) at 31 March 2025. The fair value increase of $515,000 has been recorded in the financial statements in the year ended 31 March 2025.

The fair value of financial and non-financial assets follows a hierarchy based on the source of inputs used in the valuation.

The valuation approach for non-system land and buildings is a combination of depreciated replacement cost and market comparables where this information is available. Key valuation inputs include the value per square metre of land and the cost of the industrial buildings in the valuation. When valuation reports are required, management obtain valuations from independent valuers.

No borrowing costs have been capitalised in the current or comparative periods.

Security

The assets are subject to a first ranking general security over the assets (refer Note 10).

The Group has assessed that there has been no material change in the fair value of each asset class since the last revaluation.

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8. Intangible assets

(a) Development cost

Development activities involve a plan or design for the production of new or substantially improved products, processes and software integration. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the profit or loss when incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of development activities over the estimated useful life of between five and ten years from the date that the development asset is available for use.

(b) Computer Software

Computer software has a finite useful life and is measured at cost less accumulated amortisation and accumulated impairment losses. Cost is amortised on a straight-line basis over the estimated useful life of the software of between three and five years.

(c) Goodwill

Goodwill arose on the acquisitions of the operations of Emerge Electrical and Instrumentation Limited on 1 February 2017 and Coast Doors Services Limited on 26 November 2021. Goodwill represents the excess of the cost of the business acquisition over the fair value of net identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill is assessed as having an indefinite useful life and is not amortised but is subject to impairment testing.

For the purposes of impairment testing goodwill is allocated to Electro Services Limited (the cash generating unit). Goodwill is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

As at balance date, the recoverable amount of Electro Services Limited was higher than its carrying amount, and as such no impairment of goodwill has been recognised.

In thousands of New Zealand dollars	**Goodwill**	**Development cost (internally generated)**	**Total**
Group			
Balance at 1 April 2025	240	1,048	1,288
Additions	-	1,500	1,500
Amortisation	-	(117)	(117)
Carrying amount at 31 March 2026	**240**	**2,431**	**2,671**

The $1.5m addition represents newly acquired hydro/water rights and related IP acquired.

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9. Trade and other receivables

Trade receivables and accrued revenue are initially recognised at the amount of consideration that is unconditional, and are subsequently measured at amortised cost using the effective interest method, less loss allowance.

The collectability of trade receivables is reviewed on an ongoing basis. The impairment of trade receivables is based on an expected credit loss model. If a credit risk changes or arises and is no longer deemed as low risk the Group recognises the full lifetime expected credit loss on the carrying amount of the asset. The amount of the provision is the difference in the timing of payments from those contractually expected and those the Group actually expects. Any credit losses or changes in credit losses since initial recognition of the asset are reflected at each reporting date. The amount is recognised in the profit or loss.

	Group	
In thousands of New Zealand dollars	**2026**	**2025**
Trade receivables	1,820	1,443
Less: Provision for impairment of trade receivables	-	-
Trade receivables - net	1,820	1,443
Prepayments	112	143
Other receivables	219	253
	2,151	1,838
Trade and other receivables due from exchange transactions	2,151	1,838
Trade and other receivables due from non-exchange transactions	-	-
	2,151	1,838

10. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Group uses interest rate swaps / derivatives to manage interest rate risks on its core debt funding. The remaining external financial assets and liabilities of the Group are subject to interest rate risk but are re-priced within 12 months of the balance sheet date. In the absence of hedging, the Group is exposed to interest rate risk on its related party loan, external loan and on short term deposits.

		Group	
In thousands of New Zealand dollars	**Note**	**2026**	**2025**
Secured loans - Westpac		16,250	28,125
		16,250	28,125

The two loans from Westpac are secured by a first ranking general security over the assets ($116m) of Buller Electricity Limited. Of the two loans (total balance FY26 $16,250,000) the Wholesale Call Advance Loan, or Credit Facility, requires no principal repayments but does require monthly interest payments calculated at a floating rate + a Margin of 1.95% + Line of Credit Fee of 0.7%. The other loan requires principal payments of $625,000 every quarter and monthly interest payments calculated at a fixed rate (expiring 24 June 2026), including a margin, of 4.55%

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The Group's secured bank loans are subject to various covenants, including specific conditions that must be met within 12 months of the reporting date. Among these, the Group holds a secured bank loan with a carrying amount of NZD 16.25 million as of 31 March 2026 (2025: nil). This loan is subject to a covenant requiring the Group's interest cover ratio (defined in the covenant as the ratio of adjusted funding cost to adjusted EBITDA) to remain no less than 2.5:1.0 at the end of each quarter. Failure to meet this covenant would render the loan repayable on demand.

Additionally, the loan includes an equity ratio covenant, which requires the Group's equity ratio (defined in the covenant as shareholder funds to adjusted tangible assets) to be no less than 50% as of the financial year-end. Non-compliance with this requirement would also result in the loan becoming repayable on demand.

As at 31 March 2026, the Group had not breached these thresholds and remained in compliance with the covenants. The Group anticipates continued compliance with its quarterly covenants during the 12 months following the reporting date.

The term deposits at the end of March 2025 were $9.676m. Subsequently $9m of these deposits were used to establish the MOCL loan facility mentioned above.

11. Trade and other payables

These represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

	Group	
In thousands of New Zealand dollars	**2026**	**2025**
Current		
Trade payables and accruals	3,129	2,996
Employee entitlements	506	514
	3,635	3,510
Trade and other payables due from exchange transactions	3,635	3,510
Trade and other payables due from non-exchange transactions	-	-
	3,635	3,510

12. Capital and reserves

The Group has 7,550,000 (2025: 7,550,000) ordinary shares on issue. There have been no changes in the number of shares on issue in the current or prior financial year.

All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet affected profit or loss.

Revaluation reserve

The revaluation reserve relates to the revaluation of non-system land and buildings.

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Dividends

No dividends ($nil) were declared or paid by the Group for the year ended 31 March 2026 (2025: $nil).

13. Capital and other commitments

The equity accounted investment has an agreement with the Buller District Council/Buller Recreation Ltd/Buller Holdings Ltd for naming rights for the Pulse Energy Recreation Centre ($70,000 per year expiring 30 September 2027, subject to all the KPI's being met). Another sponsorship commitment includes the Friends of Karamea Area School (FoKAS), where BEL has agreed to provide sponsorship in exchange for the naming rights to the new Karamea Area School Hall, or associated community components, and the school has agreed to having Pulse Energy as their energy retailer ($30,000 ex GST per year for five years, ending 31 March 2027). Lastly, BEL entered into an agreement with the West Coast Regional Council to contribute financial support toward the Westport Structural Flood Protection Scheme. Under the terms of this agreement, BEL will pay $100,000 per financial year for a period of five years, commencing 1 July 2025.

14. Related parties

Parent and ultimate controlling party

The immediate and ultimate parent and controlling party of the Group is Buller Electric Power Trust.

Transactions with key management and Directors of Buller Electricity Limited

Key management personnel and directors' compensation comprised:

	Group	
In thousands of New Zealand dollars	**2026**	**2025**
Short-term employees benefits (salaries & Directors' fees)***	1,458	1,443
*** Includes redundancy payments totalling $54k for employees (2025: $21k for 2 employees)*	1,458	1,443

A number of key management personnel, or their related parties, hold positions in other entities that result in them having influence over the financial or operating policies of these entities, this includes the senior management and Directors.

The Group also provides non-cash benefits to executive officers.

Related party transactions with subsidiaries and the ultimate parent

In thousands of New Zealand dollars	**Transaction value for the year ended 31 March**		**Balance outstanding as at 31 March**	
Group	**2026**	**2025**	**2026**	**2025**
ESL work on O'Conor Memorial Rest Home (Frank Dooley, outgoing CEO, is on Management Committee) - deceased Dec24	-	23	1	3
Lines revenue from PEA LP	3,069	2,999	-	233
Interest revenue from PEA LP	-	20	-	-
Pioneer Renewables Distribution	7,306	6,171	-	-
Sponsorship contributions from PEA LP	41	41	3	3

During the year management has purchased contracting services from the Group. The total value of these transactions was less than $35,000 incl. GST.

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15. Group Entities

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are exercisable are taken into account. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Details of the Group's material subsidiaries are as follows:

	Country of Incorporation	Ownership Interest	
		2026	2025
Electro Services Limited	New Zealand	100%	100%
BEL Investment NZ Limited	New Zealand	100%	100%

16. Investments accounted for using the equity method

Investment in associates (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group has appointed a director to the board of its associates. This entitlement is considered "significant influence": and allows the accounting of the investments as an equity accounted investee.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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	Country of	Ownership interest		Nature of	Measurement	Carrying amount	
	incorporation	2026	2025	relationship	method	2026	2025
Pulse Energy Alliance LP	New Zealand	-	0%	Associate	Equity method	-	-
Pioneer Energy Renewables	New Zealand	24%	24%	Associate	Equity method	57,146	70,965

The Purchase and Sale of Pioneer Energy Renewables LP (PER LP) and Pulse Energy Alliance LP (PEA LP) respectively took place on 27 June 2024, with BEL Investment NZ Limited divesting its 49% equity stake in PEA LP to PER LP. The country of incorporation is also the principal place of business for PER LP and the proportion of directors voting interests held is 16% (2025: 16%). PER generates, distributes and supplies electricity across New Zealand and reflects a diverse portfolio of energy assets, products and investments. PER is a limited liability partnership and consequently does not have published price quotations. The reporting date of PER is 31 March. There are no contingent liabilities relating to the Group's interest in the associates.

The Group's share of associate profits includes the impact of unrealised fair value movements on electricity derivative contracts held by PER LP. During the year, adverse movements in wholesale electricity and forward market prices resulted in a reduction of $65.7 million in the PER LP performance impacting the Groups share of associate profits. These fair value adjustments are non-cash and may fluctuate significantly between reporting periods. To the extent contracts are held to maturity, cumulative fair value gains and losses are expected to reverse over the life of the contracts

ROLL FORWARD	
	Pioneer Energy Renewables LP
Opening balance 1 April 2025	70,965
Dividends received	(7,306)
Share of profit/(loss) from associate - 31 March 2026	(6,401)
Fair value profit/(loss) Renewables interest rate swaps	(112)
Carrying value as at 31 March 2026	**57,146**

17. Subsequent Events

In February 2026, the Group commenced the liquidation process for BInzL. The decision to wind up the entity was approved by the Board 25 March 2026 following the completion of the sales of Pulse and Pioneer Renewables. As these transactions resulted in BInzL no longer serving an operational purpose, liquidation was considered the appropriate course of action.
Accordingly BInzL was liquidated on 2nd June 2026.

18. Statement of Service Performance

Commercial performance targets - Group	**Actual 2026**	**Target 2026**	**Actual 2025**	**Target 2025**
After tax return on shareholders funds (%)	-5.7%	3.6%	14.7%	3.6%
Return on total assets (%)	-4.6%	0.3%	12.7%	0.3%
Equity ratio (%)	71.3%	57.0%	61.4%	57.0%

The actual vs target 2026 KPI's reflect a poor result due to the share of associate result/fair value loss.

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Network operational performance targets	Actual 2026	Target 2026	Actual 2025	Target 2025
SAIDI Planned Interruptions	115.63	200.00	144.59	202.00
SAIDI Unplanned Interruptions	327.25	588.00	43.26	588.00
SAIFI Planned Interruptions	0.42	0.70	0.99	0.70
SAIFI Unplanned Interruptions	2.93	3.85	0.36	3.85
CAIDI Planned Interruptions	276.01	285.71	146.05	288.57
CAIDI Unplanned Interruptions	111.73	152.73	120.17	152.73

SAIDI: Is the total number of minutes the power is off divided by the total number of consumers connected to the network
SAIFI: Is the total number of consumers affected by an outage divided by the total number of consumers connected
CAIDI: Is the average length of time of each outage of an outage for each consumer affected

The network reliability during the disclosure year was influenced by a small number of significant unplanned events together with Buller Electricity's ongoing programme of planned maintenance and asset renewal. Planned interruptions were primarily associated with reconductoring, conductor replacement, crossarm replacement and routine network maintenance to support network reliability.

Unplanned reliability performance was significantly influenced by the failure of a current transformer at the Robertson Substation on 29 December 2025. This was the largest interruption recorded during the year and accounted for a significant proportion of annual SAIDI. Consequently, defective equipment was the largest contributor to unplanned interruption duration during the disclosure year. Adverse weather also contributed to reliability outcomes, while vegetation, wildlife and third-party vehicle damage had comparatively smaller impacts.

Buller Electricity will continue to focus on targeted asset renewal, preventative maintenance and vegetation management to reduce the likelihood of equipment failures and improve the long-term resilience of the network.

Occupational health and safety	Actual 2026	Target 2026	Actual 2025	Target 2025
LTI's	1	0	3	0

We had 1 Lost Time Injury (LTI) during this period, which was the result of a strain injury. The employee returned to work following one full day of absence. As of March 31st 2026 we are 124 days LTI free.

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