Top Energy Consumer Trust

Separate and Consolidated Annual Financial Statements

for the year ended 31 March 2025

Directory

Top Energy Consumer Trust

Trustees

Mrs Yvonne Sharp	Kerikeri - Chair
Mr Hugh Ammundsen	Doubtless Bay - Deputy Chair
Mr Steven James	Kerikeri
Mrs Adrienne Tari	Kaikohe
Mr Paul White	Rawene

Secretary

Paul Doherty	BBS CA MInstD

Top Energy Limited

Directors

Mr David Sullivan	BCom CA MInstD - Chair
Ms Nicole Anderson	PGDPH DipAcc DipBus DipMgt CMInstD
Mr Jon Nichols	FCA CMInstD
Mr Steven Sanderson	MBA
Mr Simon Young	BBS MSc Dip Hort Sc M Phil (Econ)

Auditor	BDO Northland Northland
Bankers	Australia and New Zealand Banking Group Limited, Auckland Bank of China Limited, Auckland Branch Bank of New Zealand, Auckland China Construction Bank (New Zealand) Limited, Auckland Industrial and Commercial Bank of China Limited, Auckland Branch Westpac New Zealand Limited, Auckland
Website address	www.topenergy.co.nz

Trustees' report

The Trustees present the annual report of the Top Energy Consumer Trust, incorporating the financial statements and the auditor's report, for the year ended 31 March 2025.

The Board of Trustees of the Top Energy Consumer Trust authorised the financial statements presented on pages 7 to 54 for issue on 24 June 2025.

For and on behalf of the Board.

Yvonne Sharp
Trustee

Paul Doherty
Secretary

24 June 2025

TRUSTEES' REVIEW

FOR THE YEAR ENDED 31 MARCH 2025

Reflecting on the comments mentioned in the Annual Report by the Chair of the Board of Directors and Chief Executive of Top Energy Limited, Trustees recognise the achievements of the last year. Having local generation through our investment at Ngāwhā ensured that the impact of a transmission grid failure was minimised for most of our consumers. It was therefore unfortunate that unfavourable economic conditions meant that the future expansion at Ngāwhā was placed on hold, at a time when more baseload generation is urgently required in the market as the country electrifies. While a difficult decision, any investment we make needs to add value to Far North consumers.

Trustees were pleased to receive notification from directors that they had declared and paid another dividend to the Trust to be distributed to consumers. This will enable $10m to be distributed to consumers through the discount and dividend for the second year, which is a significant achievement.

Financial performance of the Trust
The Trust reported a profit of $3.5m due to receiving a $3.4m dividend from the Company. During the year, the Trust distributed $3.3m to consumers. Looking past this dividend, the operating performance was a profit of $31k, up from $11k last year. The intent is to operate as close to breakeven as possible.

Operating costs increased by $45k, or 21%, due to the undertaking of an external assessment of director performance and the completion of the cyclical trustee nomination process.

Financial Performance of the Top Energy Group
The reporting year to 31 March 2025 produced a very strong financial result for the Top Energy Group. The Network continued to see strong residential consumption growth, although overall consumption remained steady. The electricity market was stressed during the year with a lack of fuel, which allowed the generation business to increase revenue with the higher average electricity wholesale prices. The success of 100% reinjection across all stations also improved profitability from last year.

We assess the Group's operational performance by looking at the earnings before interest, tax, depreciation, amortisation, and fair value movements of financial assets (EBITDAF). Performance was $5.0m higher than last year, with strong performance across the Group as mentioned earlier.

Below the EBITDAF line, depreciation increased slightly with the continued investment in our core assets. Interest costs have reduced due to lower interest rates and the transition of our funding into green loans. Actual debt levels increased slightly with the commitment to invest in building resilience and being mindful of the level of line charge increases being passed onto our consumers. Non-cash losses occurred this year, reflecting reduced interest rates and very volatile electricity prices in the wholesale market.

Statement of Corporate Intent (SCI)
The above financial performance resulted in the financial targets agreed in the Statement of Corporate Intent (SCI) being achieved across all areas.

The network quality standards contained in the SCI, focusing on the network's resilience and reliability in terms of the frequency and duration of outages, also improved from last year across all metrics. These remain an important focus for trustees, ensuring the network meets our consumers' needs as electricity continues to grow as an important service in our daily lives. The improvement, particularly in unplanned outages, which have a greater consumer impact, was pleasing to see, supported by a year with relatively benign weather and no significant weather events.

The SCI is negotiated with the company's directors each year. At the Company's Annual General Meeting in June 2024, trustees agreed to performance targets for the year ending 31 March 2025. The following summarises the actual performance achieved by the Group, measured against those targets.

	Actual 2025	Target 2025	Actual 2024
Net Profit After Tax, as a percentage of average shareholders' funds for:			
*The Group	7.2%	5.9%	6.0%
*The Network Business	1.5%	1.0%	2.5%
*The Generation Business	17.3%	16.0%	13.0%
The average length of high voltage outages per customer (minutes/pa)			
*Planned	125	125	131
*Unplanned	258	302	292

The SCI for the year ended 31 March 2026 has been negotiated with the directors, and a copy of this updated Statement is available on the Company's website.

Governance
Trustees met 10 times during the financial year to manage the business of the Trust.

The Annual Public Meeting was held on 30 July 2024, where 23 power consumers were in attendance.

In addition, we met with the company's directors, in our role as shareholder, for the Company's Annual General Meeting and on three further occasions to consider matters of strategy and direction of the Top Energy Group. The Chair of Directors and/or the Chief Executive also regularly updates trustees on general Group and industry issues.

The Chairs of the Trust and the Company communicate as necessary to discuss issues that arise.

The Trust board operates a subcommittee, the Director Nominations Committee, which is made up of the Chair and the Deputy Chair of the Trust, and the Chair of the Board of Directors. This committee met twice during the year and considered directors' performance and any scheduled retirements. Recommendations from this Committee are presented to the full Trust Board for final determination.

Trust Guidelines
The Trust has adopted guidelines to govern the right of beneficiaries to have access to certain information. Those guidelines also set out the procedure to be adopted if a request for information is declined by the Trust. During the year ended 31 March 2025, no requests were made to the Trust for information to which the provisions apply. Therefore, no costs have been incurred in meeting such requests, nor has there been any requirement for the Trust to have any decision reviewed and consequently, no costs have been incurred in relation to this possibility either.

Retirement and Appointment of Directors
At the Company's AGM in June 2024, David Sullivan, Simon Young, and Nicole Anderson retired by rotation, as per the Company's constitution, and were all reappointed.

Appointment of Trustees
Two trustees were required to retire at the end of this period. Ms Yvonne Sharp was reappointed by the Selection Panel. Ms Ann Court, one of the original trustees appointed when the Trust was first formed on 23 April 1993, filled the second position.

Hugh Ammundsen was not re-appointed. Trustees would like to acknowledge Hugh's contribution to the Trust's business, on behalf of the power consumers of the Far North, over his 12 years as a trustee, of which ten years were as Deputy Chair.

The next call for nominations by public notification is expected to occur in November 2026. The nominations will be for three trustee positions. Any resident of the Far North can be nominated for the position, and any retiring trustee can also be nominated.

The future
Across the energy sector, there is an acknowledgment that significant investment is required to build additional generation to allow the country to electrify and prevent excessive fuel shortages that drive excessive electricity prices that impact key industries.

The Government's review into the energy sector, which will be released mid-2025, will be closely watched to understand what implications that may have for our consumers.

Trustees remain concerned about increasing prices. After due deliberation about the actual percentage increase permitted and recognising the effect this would have on our consumers, the actual increase in line charges was minimised for our consumers.

As Chair of the Top Energy Consumer Trust, I extend my appreciation to the directors, staff, and my fellow trustees for their support and dedication to delivering value to the people of the Far North.

Yvonne Sharp
Chair

Statements of comprehensive income

For the year ended 31 March 2025

	Notes	Consolidated 2025 $'000	Consolidated 2024 $'000	Parent 2025 $'000	Parent 2024 $'000
Operating revenue	4	**108,133**	96,466	**3,714**	3,585
Expenses, excluding finance costs	5	**(51,172)**	(44,552)	**(258)**	(213)
Earnings (loss) before interest, tax, depreciation, amortisation and fair value movements of financial assets (EBITDAF)		**56,961**	51,914	**3,456**	3,372
Depreciation and amortisation	5	**(25,519)**	(24,920)	**-**	-
Finance costs		**(15,425)**	(16,415)	**-**	-
Earnings (loss) before tax and fair value movements of financial assets (EBTF)		**16,017**	10,579	**3,456**	3,372
Fair value gains (losses) on financial assets	6	**(26,692)**	773	**-**	-
Profit (loss) before income tax		**(10,675)**	11,352	**3,456**	3,372
Income tax benefit (expense)	7	**4,047**	(1,803)	**-**	-
Profit (loss) from continuing operations		**(6,628)**	9,549	**3,456**	3,372
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Gain (loss) on revaluation of generation plant	24	**67,185**	-	**-**	-
Cash flow hedges	14	**91**	-	**-**	-
Income tax relating to revaluation of non-current assets	7	**(18,812)**	-	**-**	-
		48,464	-	**-**	-
Other comprehensive income for the year, net of tax		**48,464**	-	**-**	-
Total comprehensive income for the year		**41,836**	9,549	**3,456**	3,372
Profit (Loss) is attributable to:					
Beneficiaries of the Top Energy Consumer Trust		**(6,628)**	9,549		
		(6,628)	9,549		
Total comprehensive income (loss) for the year is attributable to:					
Beneficiaries of the Top Energy Consumer Trust		**41,836**	9,549		
		41,836	9,549		

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The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of financial position

As at 31 March 2025

	Notes	Consolidated 2025 $'000	Consolidated 2024 $'000	Parent 2025 $'000	Parent 2024 $'000
ASSETS					
Current assets					
Cash and cash equivalents	8	**257**	276	**-**	-
Receivables	9	**19,401**	16,314	**5,065**	4,968
Inventories	10	**4,398**	4,199	**-**	-
Current tax benefit	11	**-**	1,933	**-**	-
Intangible assets	12	**-**	893	**-**	-
Derivative financial instruments	13	**222**	3,474	**-**	-
Total current assets		**24,278**	27,089	**5,065**	4,968
Non-current assets					
Property, plant and equipment	14	**761,168**	685,028	**-**	-
Intangible assets	15	**42,654**	37,150	**-**	-
Shares in subsidiaries	30	**-**	-	**25,267**	25,267
Derivative financial instruments	13	**905**	3,574	**-**	-
Right-of-use lease assets	16	**7,171**	6,456	**-**	-
Total non-current assets		**811,898**	732,208	**25,267**	25,267
Total assets		**836,176**	759,297	**30,332**	30,235
LIABILITIES					
Current liabilities					
Trade and other payables	17	**29,712**	27,151	**960**	973
Interest bearing liabilities	18	**71,710**	-	**-**	-
Current tax liabilities		**24**	-	**-**	-
Provisions	19	**374**	349	**-**	-
Derivative financial instruments	13	**42,673**	39,124	**-**	-
Right-of-use lease liabilities	16	**1,247**	1,210	**-**	-
Total current liabilities		**145,740**	67,834	**960**	973
Non-current liabilities					
Interest bearing liabilities	20	**225,000**	295,600	**-**	-
Derivative financial instruments	13	**51,377**	34,246	**-**	-
Deferred tax liabilities	21	**83,269**	70,727	**-**	-
Right-of-use lease liabilities	16	**6,703**	5,920	**-**	-
Total non-current liabilities		**366,349**	406,493	**-**	-
Total liabilities		**512,089**	474,327	**960**	973
Net assets		**324,087**	284,970	**29,372**	29,262
BENEFICIARIES' EQUITY					
Reserves	24	**149,910**	105,486	**-**	-
Retained earnings	24	**174,177**	179,484	**29,372**	29,262
Total beneficiaries' equity		**324,087**	284,970	**29,372**	29,262

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

Statements of changes in equity

For the year ended 31 March 2025

Consolidated	Notes	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 April 2024		105,486	179,484	284,970
Comprehensive income				
Profit for the year		-	(6,628)	(6,628)
Revaluation of generation plant	1415	67,185	-	67,185
Reversal of revaluation surplus on disposal of revalued assets	14	(119)	119	-
Deferred tax released on disposal of revalued assets		33	(33)	-
Cash flow hedges		91	-	91
Income tax relating to components of other comprehensive income	7	(18,812)	-	(18,812)
Amortisation of revaluation reserve	24	(5,492)	5,492	-
Deferred tax released on amortisation of reserve	24	1,538	(1,538)	-
Total comprehensive income		44,424	(2,588)	41,836
Dividends		-	(3,346)	(3,346)
Adjustment on equity after disposal of subsidiary		-	627	627
Balance as at 31 March 2025		149,910	174,177	324,087

	Notes	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance as at 1 April 2023		109,428	165,993	275,421
Comprehensive income				
Profit for the year		-	9,549	9,549
Revaluation of generation plant	1415	-	-	-
Income tax relating to components of other comprehensive income	7	-	-	-
Amortisation of revaluation reserve	24	(5,475)	5,475	-
Deferred tax released on amortisation of reserve	24	1,533	(1,533)	-
Total comprehensive income		(3,942)	13,491	9,549
Dividends		-	-	-
Balance as at 31 March 2024		105,486	179,484	284,970

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

Statements of changes in equity (continued)

Parent	Retained earnings $'000	Total equity $'000
Balance at 1 April 2024	29,262	29,262
Comprehensive income		
Gain / (loss) for the year	3,456	3,456
Total comprehensive income	3,456	3,456
Distributions	(3,346)	(3,346)
Balance as at 31 March 2025	29,372	29,372

Parent	Retained earnings $'000	Total equity $'000
Balance at 1 April 2023	25,890	25,890
Comprehensive income		
Gain / (loss) for the year	3,372	3,372
Total comprehensive income	3,372	3,372
Balance as at 31 March 2024	29,262	29,262

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

Cash flow statements

For the year ended 31 March 2025

	Notes	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Cash flows from operating activities					
Receipts from customers (exclusive of goods and services tax)		**104,879**	98,604	**-**	-
Payments to suppliers and employees (exclusive of goods and services tax)		**(47,632)**	(49,676)	**(271)**	(213)
		57,247	48,928	**(271)**	(213)
Interest received		**44**	-	**64**	69
Interest paid		**(15,417)**	(15,430)	**-**	-
Net cash inflow / (outflow) from operating activities	32	**41,874**	33,498	**(207)**	(144)
Cash flows from investing activities					
Purchases for property, plant and equipment		**(36,589)**	(27,148)	**-**	-
Proceeds from sale of property, plant and equipment		**(10)**	85	**-**	-
Movement in cash hedge reserve		**91**	-	**-**	-
Purchases of Emission Trading Scheme units		**(2,404)**	(1,140)	**-**	-
Dividends received		**-**	-	**7,011**	155
Repayment (increase) of loans to related parties		**-**	-	**(3,458)**	(11)
Net cash inflow / (outflow) from investing activities		**(38,912)**	(28,203)	**3,553**	144
Cash flows from financing activities					
Proceeds from (Repayments of) borrowings		**1,110**	(3,850)	**-**	-
Interest on Right-of-use leases		**(438)**	(413)	**-**	-
Payments on Right-of-use leases		**(934)**	(751)	**-**	-
Dividends paid to Trust Beneficiaries		**(3,346)**	-	**(3,346)**	-
Dissolution of subsidiary		**627**	-	**-**	-
Net cash inflow / (outflow) from financing activities		**(2,981)**	(5,014)	**(3,346)**	-
Net increase (decrease) in cash balances		**(19)**	281	**-**	-
Cash at bank and on hand at the beginning of the financial year		**276**	(5)	**-**	-
Cash and cash equivalents at end of year	8	**257**	276	**-**	-

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The above cash flow statements should be read in conjunction with the accompanying notes.

1 General information

The Top Energy Consumer Trust (the Trust) was established under the terms of a Trust Deed dated 23 April 1993. The Trust was previously called the Bay of Islands Electric Power Trust. The name was changed on 10 July 2002 to the Top Energy Consumer Trust. The Trust holds the entire share capital of Top Energy Ltd on behalf of the power consumers connected the network of Top Energy Ltd.

Top Energy Ltd provides electricity line function, electrical construction, and other services. Top Energy Ltd and its subsidiaries (the Top Energy Ltd Group) operate geothermal power stations, sell electricity on the wholesale market and to energy retailers in New Zealand.

Top Energy Limited is a limited liability company, incorporated and domiciled in New Zealand.

These Parent and Group financial statements were approved by the Trustees of the Trust on 24 June 2025.

2 Summary of significant accounting policies

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 years presented, unless otherwise stated.

(a) Basis of preparation

(i) Statutory base

The Trust is required under the terms of its Trust Deed to prepare financial statements that accord with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements of Top Energy Ltd and its subsidiaries, which have been consolidated into the Trust's group financial statements, have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the Energy Companies Act 1992.

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and IFRS accounting standards, as appropriate for entities that fall within the Tier 1 for-profit category.

(ii) Going concern

The Group recorded a loss after tax of $6.6m, with an underlying operational profit (EBITDAF) of $57.0m.

The cause of the loss after tax was principally due to $19.2m (net of tax) fair value loss on derivatives, covering electricity contract for differences and interest rate hedges. The Company intends to hold these derivatives to maturity as they are economic hedges and provide certainty to the underlying prices.

The Group's ability to continue as a going concern has also been assessed by evaluating the results to 31 March 2025 and the following:

- The Group's operation consists of electricity generation and distribution which is considered an essential service;
- Cash flow from operating activities is positive $41.9m, up $8.4m compared to previous year;;
- 10-year forecasts have been reviewed including relevant sensitivity analysis, and compliance against funding obligations;
- The statement of financial position for the period currently shows a net working capital deficit which is largely driven by fair value loss on financial derivatives. The annual network line discount, and income received in advance are the other contributors;
- As described in note 14, the carrying value of the Generation assets have had an external valuation completed to ensure that the appropriate judgements can be made. A positive adjustment of $67m was made14(c);
- The Group is forecast to operate within the conditions of its banking facilities as disclosed in note 20.
- At the date of signing, all bank loans have been refinanced. Refer to note 31 for details.

As a result of the above considerations, these financial statements have been prepared on a going concern basis.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(iii) Entities reporting

The financial statements for the 'Parent' are for the Top Energy Consumer Trust as a separate legal entity.

The consolidated financial statements for the 'Group' are for the economic entity comprising the Top Energy Consumer Trust and all its subsidiary companies.

The Parent and the Group are designated as profit-oriented entities as defined in External Reporting Board Standard A1: Application of the Accounting Standards Framework.

(iv) Historic cost convention

These financial statements have been prepared under the historic cost convention, as modified by the following:

- the revaluation of certain financial assets and liabilities (including derivative instruments), which are adjusted to fair value through profit or loss; and
- the revaluation of certain classes of property, plant and equipment and financial assets at fair value through other comprehensive income, which are adjusted to fair value through other comprehensive income.

(v) Comparative figures

The comparative figures for trade receivables and trade payables for the prior period have been restated as a result of CFD settlements with trade receivables adjusted from $9,042,000 to $13,986,000 and trade payables from $4,967,000 to $9,911,000. These adjustments have been applied retrospectively to ensure consistency with the current period's financial statements. This represents a classification change with no impact on net assets.

(vi) Functional and presentation currency

Items included in the financial statements of each Group entity's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). These financial statements are presented in New Zealand dollars, which is the parent entity's functional and presentation currency.

All financial information has been rounded to the nearest thousand dollars, unless otherwise stated.

(b) Accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in the relevant accounting policies or notes, as appropriate.

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

(c) Principles of consolidation and equity accounting

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Top Energy Consumer Trust (the 'Trust' or 'parent entity') as at 31 March 2025 and the results of all subsidiaries for the year then ended. Top Energy Ltd and its subsidiaries together are referred to in these financial statements as the Top Energy Group.

Subsidiaries are those entities over which the Trust has, because of its ownership of Top Energy Ltd, the power to govern the financial and operating policies. 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 over the entity.

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

The Parent investment in its subsidiary is measured at cost and is eliminated upon consolidation.

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2 Summary of significant accounting policies (continued)

(c) Principles of consolidation and equity accounting (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss component of the statement of comprehensive income.

Inter-entity transactions, balances and unrealised gains and losses on transactions between group entities are eliminated on consolidation. If applicable, amounts reported by subsidiaries are adjusted to ensure consistency with the Group's accounting policies.

(d) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

All other borrowing costs are recognised in the profit or loss component of the Statement of comprehensive income, in the period in which they are incurred.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and bank overdrafts. These items are readily convertible with known amounts of cash and are subject to an insignificant risk of changes in value.

(f) Contract work in progress

Contract work in progress is stated at the aggregate of contract costs incurred to date less recognised losses. Cost includes all expenses directly related to specific contracts and an allocation of general overhead expenses incurred by the relevant Group company's contracting operations.

Where income has been received in respect of contract work and the work has not been completed by the reporting date, the total of such held on account is included in Trade and other payables as Revenue received in advance.

(g) Derivatives and hedging activities

Derivatives are recognised initially at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. Resulting gain or loss for derivatives excluding cash flow hedge is recognised in profit or loss. Material items may be placed in hedge accounting relationships and can be either fair value hedges or cash flow hedges, depending on the nature of the transaction/underlying exposure and particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

(h) Distributions to beneficiaries

Provision is made for the amount of any distribution declared on or before the end of the financial year but not paid at balance date.

Distributions to the Trust's beneficiaries are recognised in the Trust's and the Group's financial statements in the accounting period in which the distribution is declared by the Trustees.

(i) Employee benefits

(i) Wages and salaries and annual leave
Liabilities for wages and salaries, including non-monetary benefits and annual 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.

2 Summary of significant accounting policies (continued)

(i) Employee benefits (continued)

(ii) Long service gratuity
The liability for retirement gratuity payments due to eligible long-serving employees is recognised in the provision for employee benefits and measured as the value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(iii) Retirement benefit obligations
The Group makes contributions to defined contribution pension schemes on behalf of some employees. The Group's legal or constructive obligation is limited to these contributions. Contributions are recognised as an expense when employees have rendered service entitling them to the contributions.

(j) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and Fair Value through Other Comprehensive Income securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group and parent uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps and electricity Contract For Differences are calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate to their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(k) Foreign currency translation

Items included in the financial statements of each Group company's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). These financial statements are presented in New Zealand dollars, which is the parent entity's functional and presentation currency.

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 statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/gains – net'.

(l) Goods and Services Tax (GST)

The statement of comprehensive income and items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

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2 Summary of significant accounting policies (continued)

(m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(n) Income tax

The tax expense or benefit for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in items of other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, as applicable.

The income tax expense or benefit for the period is the total of the current period's taxable income based on the national income tax rate for each jurisdiction plus/minus any prior years' under/over provisions, plus/minus movements in the deferred tax balance, except where the movement in deferred tax is attributable to a movement in reserves.

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. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not offset within the Group as there is currently no legally enforceable right to offset current tax assets against current tax liabilities.

(o) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business or entity at the date of acquisition. Goodwill on acquisitions of businesses and subsidiaries is included in intangible assets. Goodwill acquired in business combinations is not amortised. Instead, it is tested for impairment annually, or more frequently if circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed of.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

(ii) Computer software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (typically, three to five years).

(iii) Emission Trading Scheme assets
Carbon emission units are recognised at their initial cost less any accumulated impairment losses. For the purpose of impairment testing, carbon emission units are allocated to the cash generating unit to which they relate.

The carrying value of the units, and the value of the liabilities for which they will have to be surrendered, are calculated on a first in first out basis. The total value of units held is allocated between current and non-current intangible assets. The basis of allocation is that the carrying value of units which equals the current amount accrued as an ETS liability is treated as a current intangible asset less any obligation. The carrying value of all other units is treated as a non-current intangible asset.

2 Summary of significant accounting policies (continued)

(o) Intangible assets (continued)

(iv) Easements
Easements are perpetual rights over land owned by others. The Group obtains easements in order to protect access to its network assets where these are sited on or pass over privately owned land.

Easements are deemed to have an indefinite useful life as the grants do not have a maturity date and the Group expects to use and have benefit from each easement indefinitely. Therefore the Group does not amortise the cost of easements acquired. The Group and parent reviews the carrying value of easements annually for impairment, and writes down the carrying value if any are found to be impaired.

(v) Resource Consents

Resource consents are capitalised on the basis of the costs incurred. The Group and parent remeasures Resource Consents at fair value, along with its Generation Assets, as they are intrinsically linked. Resource Consents are amortised over their useful lives, considered to be the period of time until their expiry. Details of Generation Assets are provided within note 2(t).

(p) Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost.

Borrowings are classified as current liabilities unless the relevant Group entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(q) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of weighted average cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(r) Investments and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value 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 are recorded in profit or loss and for assets measured at spot rates, gains and losses are added to the cost of the asset.

The Group and parent reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group and parent measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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2 Summary of significant accounting policies (continued)

(r) Investments and other financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and parent's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group and parent classifies its debt instruments:

- 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. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through hedge relationship: Hedges of a particular cash flow associated with a recognised asset or liability or a highly probable forecast transaction. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of comprehensive income within other gains/(losses) in the period in which it arises.

(iii) Impairment

The Group and parent assesses on a forward looking basis the expected credit losses associated with its debt instruments 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 permitted by NZ IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Recognition and derecognition

Regular 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.

(v) Measurement

At initial recognition, the Group and parent measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are carried at fair value. Gains or losses arising from changes in the fair value are recognised within Fair value gains (losses) on financial assets.

Details on how the fair value of financial instruments is determined are disclosed in note 2(j).

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Group and parent consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group and parent or the counterparty.

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2 Summary of significant accounting policies (continued)

(r) Investments and other financial assets (continued)

(vi) Impairment

The Group and parent assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group and parent may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of comprehensive income.

Impairment testing of trade receivables is described in 2(x).

(vii) Income recognition

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group and parent 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 loans is recognised using the original effective interest rate.

Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

(s) Leases

Lease liabilities are measured at the present value of remaining lease payments, discounted using a rate which represents our Incremental Borrowing Rate (IBR), as well as a deemed margin to reflect commercial borrowing risk where applicable. This rate is effective on the date of transition, and subsequently reassessed for new lease liabilities on the date they are recognised.

Right-of-use (ROU) assets are initially recognised at cost, being the amount of the lease liability. ROU assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

In considering the lease term, the group applies judgment in determining whether it is reasonably certain that an extension or termination option will be exercised. The majority of the group's leases are property leases. The Group and parent has the right to renew the leases at the end of their lease terms.

The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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2 Summary of significant accounting policies (continued)

(t) Property, plant and equipment

Property, plant and equipment, including the distribution network

Except for generation assets, all property, plant and equipment is shown at cost, less subsequent depreciation. Cost includes the amounts of revaluation surpluses that arose prior to the Group's transition to NZ IFRS and which were treated as deemed cost at the date of transition.

Generation assets

Effective 31 March 2014, the Group and parent has accounted for its generation assets at fair value. Valuations are undertaken at sufficiently regular intervals so that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net revaluation results are presented within other comprehensive income and are accumulated to an asset revaluation reserve in equity.

Additions made subsequent to a periodic revaluation are carried at cost less accumulated depreciation until the date of the next revaluation of the asset class, at which point they are included in the updated valuation total.

A revaluation of the generation assets was undertaken as at 31 March 2025 and the resulting values have been incorporated into these financial statements.

Other property, plant and equipment

All other property, plant and equipment is stated at historic cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure

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 will flow to the Group and parent and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Land is not depreciated.

Fit-outs to leasehold buildings are depreciated on the straight line basis over the term of the underlying lease. It is assumed that leases will terminate at their next renewal date unless management has already planned to extend the lease beyond that date, in which case the term for depreciation purposes runs to the intended termination date.

Depreciation on other assets is calculated using either the straight line or diminishing value methods to allocate their cost, net of their residual value, over their estimated useful life, as follows:

Straight Line basis	Years
Distribution system	15-60
Generation plant	5-50
Plant and equipment	3-20
Freehold buildings	50
Freehold building fit-outs	5-10

Diminishing Value basis	Rate
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss component of the statement of comprehensive income.

2 Summary of significant accounting policies (continued)

(u) Provisions

Provisions are recognised when all of the following conditions are met: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and Goods and Services Tax.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement

Revenue is recognised as follows:

(i) *Electricity line revenue and Electricity sales revenue*

Electricity line revenue is recognised in profit or loss on the basis of amounts received and receivable for line function services supplied to customers in the ordinary course of business. The right to payment corresponds directly with the pattern of distribution and electricity consumption. Electricity line revenue is based on actual and assessed meter readings and includes an allowance for unread meters at the reporting date, as this is the most faithful measure of consumption. Revenue is recognised over time as the customer receives and consumes the benefits on an ongoing basis

Electricity sales income is recognised as electricity generated and sold by reference to the quantity delivered as measured in kilowatt hours. Revenue is recognised over time as the customer receives and consumes the benefits on an ongoing basis.

Critical judgements in applying this accounting policy:
Part of the network charges are based on normalisation, where consumption is estimated by the retailers who supply the consumer, to the end of the billing period based on historical actual electricity usage, as this is the most faithful measure of consumption. Occasionally, historical electricity usage data is not consistent and subsequent adjustments are made. These adjustments are immaterial compared with total network revenue.

(ii) *Capital contributions*

Funds received from customers, as a contribution towards the cost of uneconomic supply facilities, are recognised in profit or loss as soon as any obligations attaching to the contributions have been met. For contributions that are refundable, there is a period of 5 years from the date of receipt which a part or all of the contribution may be refunded to the customer. Revenue is recognised at a point in time being the date of completion which is when the business has the right for payment of the work, and the time that the customer takes over control of the asset.

(iii) *Contracting Services*

When received in advance, are held as payments on account (as a liability in the statement of financial position) and released once the relevant job/contract has been completed. As the customer cannot consume any benefit until all components are completed, revenue is recognised at a point in time being the date of completion, which is when the business has the right for payment of the work, and the time that the customer takes over control of the asset.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

(iv) *Other revenue*

Revenue is recognised when the Group finalises a contract for sale with the purchaser over time as the customer receives and consumes the benefits of the task being completed as it is being performed. Other revenue also includes the rendering of services, where revenue recognised in the accounting period in which it arises. Typically, this will be on completion of the underlying transaction.

2 Summary of significant accounting policies (continued)

(w) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust or the Group prior to the end of the accounting period and which are unpaid at that date.

Included in trade payables are amounts of contract liabilities. These represent payments received from customers of the Group's Contracting Services division prior to the commencement of the work contracted for. In the event that the customer were to cancel the contract prior to the commencement of work, the advance payment would become repayable to the customer.

Provisions for the Group's and parent's obligations under the New Zealand Emissions Trading Scheme are recognised when the Group's and parent's liability is incurred under Scheme regulations. The liability is calculated in accordance with the prescribed regulations and is recognised at the cost value of the emission units acquired to meet the obligation.

Carbon emission units are surrendered on a first-in first-out basis.

(x) Trade and other receivables

Trade receivables are amounts due from customers for services supplied or goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables, expected credit loss allowance, is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The Group makes use of the simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the Statement of comprehensive income.

(y) Changes in accounting policies

All accounting policies have been applied on a basis consistent with those applied during the previous reporting period unless otherwise stated within these financial statements.

(z) Adoption status of relevant new financial reporting standards and interpretations

Standards, interpretations and amendments to published standards that came into effect during the reporting year

All mandatory Standards, Amendments and Interpretations have been adopted in the current accounting period. None have had a material impact on these financial statements.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are a number of Standards, Amendments and Interpretations which have been approved. The Group expects to adopt these when they become mandatory.

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3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and energy price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial and energy markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts, interest rate swaps and electricity contract for differences (CFDs) to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other energy price risks and aging analysis for credit risk.

Risk management is carried out by senior management under policies approved by the Board of Trustees. Management identifies and evaluates relevant financial risks and acts to manage these where possible within the parameters set out by the Board of Trustees. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The foreign currency exposures give rise to the risk of variability to future cash flows. To mitigate this risk, forward foreign exchange contracts have been entered into. The cash flows associated with these contracts are timed to mature when the payment for capital expenditure is made. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired.

At the current reporting date, the Group had entered into 2 forward foreign currency contracts for EUR 1,186,000 (2024: EUR Nil) to manage exposure.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Throughout the years presented in these financial statements, the Group's borrowings at variable rate were denominated in New Zealand dollars.

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. Generally, the Group raises long term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts, calculated by reference to the agreed notional principal amounts.

Interest rate risk arises in respect of the portion of the Group's borrowings that is not covered by interest rate swaps. The element of Group borrowings at the reporting dates presented in these financial statements is sufficiently small such that, if interest rates had changed by +/- 1% (=100bp) from the average period rate of 4.75% (2024: 5.73%) with all othervariables held constant, the effect on post-tax profit for the year in respect of that element of total borrowings would have been less than $500,000.

If the above sensitivity calculation were applied to the total of interest rate swaps entered into by the Group at the reporting date, the effect of a change of +/- 1% (=100bp) in the floating rate element of those swaps would result in a reduction / increase in the fair value derivative loss recognised at the reporting date of +$9,655,000/ -$10,175,000 respectively (2024: +$5,262,000/ -$5,494,000).

(iii) Energy market risk

The Group has entered into electricity Contract For Differences (CFDs) under which it receives a fixed amount based on a notional quantity of electricity generation. At 31 March 2025, the notional amount of current contracts totalled $173,581,000 (31 March 2024: $168,629,000). The settlement dates coincide with the dates on which spot prices are receivable on the underlying electricity generation, being 20th of the following month.

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3 Financial risk management (continued)

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum Standard & Poor's credit rating of 'A' (or equivalent) are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and any other relevant factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. Customers' credit limits are regularly monitored by management.

Three customers comprised 70% of the Group's total trade accounts receivable as at 31 March 2025 (2024: 82%). Subsequent to the reporting dates, the amounts then due were cleared. The Group does not expect the non-performance of any material obligations as at the reporting date.

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on derivative financial instruments with unrealised gains. Unrealised gains are presented as derivative financial instrument assets within note 13.

The Group undertakes all of its transactions in foreign exchange and interest rate contracts with trading banks that are registered with the Reserve Bank of New Zealand.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's management aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity requirements on the basis of expected cash flow.

The following table analyses the Group's financial liabilities, excluding derivative financial instruments (which are shown separately), into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows and include interest to maturity.

At 31 March 2025	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
Bank overdrafts and loans	14,096	13,132	253,683	-
Right-of-use lease liabilities	1,280	2,481	3,557	4,660
Trade and other payables	23,584	-	-	-
Parent				
Trade and other payables	960	-	-	-
At 31 March 2024				
Group				
Bank overdrafts and loans	19,902	18,103	277,747	-
Right-of-use lease liabilities	1,382	1,733	2,049	6,493
Trade and other payables	25,530	-	-	-
Parent				
Trade and other payables	973	-	-	-

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3 Financial risk management (continued)

The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For the purposes of calculating the undiscounted contractual cashflows on the interest rate swaps, it has been assumed that the base rate driving the floating portion will remain the same throughout the term of each contract.

Consolidated only	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
At 31 March 2025				
Forward foreign exchange contracts				
- inflow	91	-	-	-
- outflow	-	-	-	-
Interest rate swaps				
- inflow	443	239	176	-
- outflow	(5,965)	(5,963)	(17,770)	(65)
Electricity CFD's				
- inflow	130	730	-	-
- outflow	(42,669)	(23,105)	(25,256)	-
At 31 March 2024				
Forward foreign exchange contracts				
- inflow	-	-	-	-
- outflow	-	-	-	-
Interest rate swaps				
- inflow	6,168	2,186	2,026	-
- outflow	(1,908)	(1,908)	(5,476)	(1,060)
Electricity CFD's				
- inflow	98	164	-	-
- outflow	(39,124)	(20,670)	(13,577)	-

Cash flow forecasting is performed in aggregate by the Group. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs whilst maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach its borrowing limits or covenants (as applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, where applicable, external regulatory or legal requirements (for example, currency restrictions).

(d) Fair value estimation

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the relevant reporting date. Quoted market prices or dealer quotes for similar instruments are used as the basis for valuing interest rate swaps, electricity CFDs and forward foreign exchange contracts. Additional credit and debit value adjustments are made to the market prices in order to arrive at fair values as defined by NZ IFRS 13 Fair Value Measurement. The Group employs specialist independent valuers to calculate these valuations.

The carrying value, less impairment provision, of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3 Financial risk management (continued)

The Group applies the provisions of NZ IFRS 7 Financial Instruments: Disclosures for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise equity investments quoted on a recognised stock exchange that are classified as trading securities or Fair Value through Other Comprehensive Income.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

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3 Financial risk management (continued)

The following table presents the Group's and Parent's assets and liabilities that are measured at fair value. Refer to note 14 for disclosures of generation plant that is measured at fair value.

Consolidated - At 31 March 2025	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total balance $'000
Assets				
Financial assets at fair value through profit or loss				
– Trading derivatives - interest rate swaps	-	176	-	176
– Trading derivatives - electricity CFDs	-	860	-	860
– Trading derivatives - forward FX contracts	-	91	-	91
Total assets	-	1,127	-	1,127
Liabilities				
Financial liabilities at fair value through profit or loss				
– Trading derivatives - interest rate swaps	-	(3,020)	-	(3,020)
– Trading derivatives - electricity CFDs	-	(91,030)	-	(91,030)
– Trading derivatives - forward FX contracts	-	-	-	-
Total liabilities	-	(94,050)	-	(94,050)
Consolidated - At 31 March 2024				
Assets				
Financial assets at fair value through profit or loss				
– Trading derivatives - interest rate swaps	-	6,786	-	6,786
– Trading derivatives - electricity CFDs	-	262	-	262
– Trading derivatives - forward FX contracts	-	-	-	-
Total assets	-	7,048	-	7,048
Liabilities				
Financial liabilities at fair value through profit or loss				
– Trading derivatives - interest rate swaps	-	-	-	-
– Trading derivatives - electricity CFDs	-	(73,370)	-	(73,370)
– Trading derivatives - forward FX contracts	-	-	-	-
Total liabilities	-	(73,370)	-	(73,370)

Parent - At 31 March 2025 and 31 March 2024

Assets - None
Liabilities - None
Assets - None
Liabilities - None

There were no transfers between levels 1, 2 and 3 during the above years.

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3 Financial risk management (continued)

(e) Financial instruments by category

Financial assets as per the statement of financial position	Financial assets at Amortised Cost $'000	Financial Assets at Fair value through profit or loss $'000	Derivatives used for hedging $'000	Other $'000	Total $'000
Consolidated					
At 31 March 2025					
Derivative financial instruments - electricity CFDs	-	860	-	-	860
Derivative financial instruments - interest rate swaps	-	176	-	-	176
Derivative financial instruments - forward FX contracts	-	-	91	-	91
Trade and other receivables	16,670	-	-	-	16,670
Other financial assets	-	-	-	14,078	14,078
Cash and cash equivalents	257	-	-	-	257
	16,927	1,036	91	14,078	32,132
Consolidated					
At 31 March 2024					
Derivative financial instruments - electricity CFDs	-	262	-	-	262
Derivative financial instruments - interest rate swaps	-	6,786	-	-	6,786
Derivative financial instruments - forward FX contracts	-	-	-	-	-
Trade and other receivables	13,618	-	-	-	13,618
Other financial assets	-	-	-	12,373	12,373
Cash and cash equivalents	276	-	-	-	276
	13,894	7,048	-	12,373	33,315

Financial assets as per the statement of financial position	Financial assets at Amortised Cost $'000	Financial Assets at Fair value through profit or loss $'000	Other $'000	Total $'000
Parent				
At 31 March 2025				
Related party receivable	5,045	-	-	5,045
	5,045	-	-	5,045
Parent				
At 31 March 2024				
Related party receivable	1,587	-	-	1,587
	1,587	-	-	1,587

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3 Financial risk management (continued)

Financial liabilities as per the statement of financial position	Financial liabilities at Amortised Cost $'000	Financial liabilities at Fair value through profit or loss $'000	Total $'000
Consolidated			
At 31 March 2025			
Borrowings	296,710	-	296,710
Derivative financial instruments - forward FX contracts	-	-	-
Derivative financial instruments - interest rate swaps	-	3,020	3,020
Derivative financial instruments - electricity CFDs	-	91,030	91,030
Right-of-use lease liabilities	7,950	-	7,950
Trade and other payables	23,584	-	23,584
	328,244	94,050	422,294
Consolidated			
At 31 March 2024			
Borrowings	295,600	-	295,600
Derivative financial instruments - forward FX contracts	-	-	-
Derivative financial instruments - interest rate swaps	-	-	-
Derivative financial instruments - electricity CFDs	-	73,370	73,370
Right-of-use lease liabilities	7,130	-	7,130
Trade and other payables	24,657	-	24,657
	327,387	73,370	400,757
Parent			
At 31 March 2025			
Trade and other payables	939	-	939
	939	-	939
Parent			
At 31 March 2024			
Trade and other payables	932	-	932
	932	-	932

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4 Revenue

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
From continuing operations				
Electricity line revenue	**53,190**	49,274	**-**	-
Network line charge discount	**(5,846)**	(5,786)	**-**	-
Capital contributions	**3,981**	5,093	**-**	-
Electricity sales	**53,750**	45,173	**-**	-
Contracting services	**2,820**	2,584	**-**	-
Interest	**-**	-	**64**	69
Dividends	**-**	-	**3,650**	3,516
Other revenue	**238**	128	**-**	-
Total revenue from continuing operations	**108,133**	96,466	**3,714**	3,585

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5 Expenses

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Expenses, excluding depreciation, amortisation and finance costs, included in the Statement of Comprehensive Income classified by nature:				
Raw materials and consumables used	**4,351**	3,922	**-**	-
Employee benefits expense	**20,353**	17,640	**-**	-
Other expenses	**19,426**	16,236	**258**	213
Transmission charges	**7,042**	6,754	**-**	-
	51,172	44,552	**258**	213
Profit before income tax includes the following specific expenses:				
Depreciation				
Distribution system	**9,198**	8,964	**-**	-
Generation plant	**12,845**	12,779	**-**	-
Plant and equipment	**646**	640	**-**	-
Vehicles	**567**	557	**-**	-
Buildings	**211**	217	**-**	-
Right-of-use leased assets	**1,039**	874	**-**	-
Total depreciation	**24,506**	24,031	**-**	-
Amortisation				
Software	**578**	455	**-**	-
Resource consents	**435**	434	**-**	-
Total amortisation	**1,013**	889	**-**	-
Total depreciation and amortisation	**25,519**	24,920	**-**	-
Net loss (gain) on disposal of property, plant and equipment	**63**	250	**-**	-
Employee benefit expense				
Wages and salaries, including restructuring costs and termination benefits	**19,039**	16,462	**-**	-
ACC levies and employee medical insurance	**722**	638	**-**	-
Pension costs - defined contribution plans	**592**	540	**-**	-
	20,353	17,640	**-**	-

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5 Expenses (continued)

Auditors' fees

Top Energy Consumer Trust is audited by BDO Northland Limited. The Top Energy Group is audited by Deloitte Limited, who are acting on behalf of the Auditor-General. The following fees were paid or payable for services provided by the respective appointed auditors of the Group and their related practices:

	Consolidated		Parent	
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000
Audit services				
BDO Northland Limited:				
Audit of the financial statements of the Top Energy Consumer Trust Group	**25**	-	**25**	-
Grant Thornton New Zealand Audit Limited:	**-**	-	**-**	-
Audit of the financial statements of the Top Energy Consumer Trust Group	**-**	37	**-**	37
Total remuneration for audit services	**25**	37	**25**	37
Deloitte Limited New Zealand:				
Audit of the financial statements of the Top Energy Ltd Group	**282**	214	**-**	-
Other assurance services				
Audit of regulatory statements	**116**	69	**-**	-
Audit of Unique Emission Factor	**21**	22	**-**	-
Total remuneration for other assurance services	**419**	305	**-**	-
Total remuneration for assurance services	**444**	342	**25**	37

6 Fair value gains (losses) on financial assets

	Consolidated		Parent	
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000
Net gain / (loss) on interest rate swaps	**(9,630)**	(2,932)	**-**	-
Net gain / (loss) on electricity Contract for Differences	**(17,062)**	3,705	**-**	-
	(26,692)	773	**-**	-

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7 Income tax expense

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
(a) Income tax expense				
Current tax				
Current tax on profits for the year	**1,955**	(521)	**-**	-
Adjustments in respect of prior years	**1**	7	**-**	-
Total current tax	**1,956**	(513)	**-**	-
Deferred tax				
Origination and reversal of temporary differences	**12,809**	2,316	**-**	-
Exclude: element arising on fixed asset revaluation - recognised in other comprehensive income	**(18,812)**	-	**-**	-
Total deferred tax	**(6,003)**	2,316	**-**	-
Income tax expense / (benefit)	**(4,047)**	1,803	**-**	-
Profit (loss) from continuing operations	**(4,047)**	1,803	**-**	-
Deferred income tax expense (benefit) included in income tax expense comprises:				
(Increase) decrease in deferred tax assets	**(5,948)**	1,166	**-**	-
Increase (decrease) in deferred tax liabilities (note 21)	**(55)**	1,150	**-**	-
	(6,003)	2,316	**-**	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit (loss) from continuing operations before income tax expense	**(10,675)**	11,352	**3,456**	3,372
	(10,675)	11,352	**3,456**	3,372
Tax at the New Zealand tax rate of 28% for both periods (Parent: 33% for both periods)	**(2,989)**	3,179	**968**	944
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non-deductible expenditure	**3**	-	**-**	-
Income not subject to tax	**(1,055)**	(1,380)	**(959)**	(941)
Other reconciling items				
Adjustment in respect of prior years	**3**	7	**-**	-
Tax losses utilised	**(9)**	(3)	**(9)**	(3)
Income tax expense	**(4,047)**	1,803	**-**	-

8 Current assets - Cash and cash equivalents

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Cash on hand	**1**	1	**-**	-
Bank balances	**256**	275	**-**	-
	257	276	**-**	-

The Group have several overdraft facilities available to them however none were drawn down as at balance date (2024: Nil)

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9 Current assets - Receivables

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Net trade receivables				
Trade debtors	**16,803**	13,986	-	3,361
GST receivable	**394**	-	-	-
Allowance for doubtful receivables	**(527)**	(368)	-	-
Net trade receivables	**16,670**	13,618	-	3,361
Related party receivable				
Receivable from Top Energy Ltd	-	-	**5,045**	1,587
Prepayments				
Sundry prepayments	**2,731**	2,696	**20**	20
Total current receivables	**19,401**	16,314	**5,065**	4,968

(a) Impaired receivables

Movements in the expected credit loss allowance of receivables are as follows:

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
At 1 April	**(368)**	(393)	-	-
Provision for impairment arising during the year	**(158)**	-	-	-
Provision for impairment released in the year	-	25	-	-
Charge (credit) to profit and loss during the period	**(1)**	-	-	-
At 31 March	**(527)**	(368)	-	-

The creation and release of the expected credit loss allowance on receivables has been included in 'other expenses' in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

(b) Foreign exchange and interest rate risk

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in note 3.

(c) Fair value

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

10 Current assets - Inventories

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Raw materials				
Raw materials at cost	**3,913**	3,683	-	-
Contract costs incurred less recognised losses	**485**	516	-	-
	4,398	4,199	-	-

11 Current assets - Current tax benefit

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Tax benefit of losses	-	1,933	-	-
	-	1,933	-	-

12 Current assets - Intangible assets

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Emission Trading Scheme Units	-	893	-	-
	-	893	-	-

The Emission Trading Scheme Units have been purchased to settle the Group's liabilities under the Scheme and are held in the Group's account at the Registry. They will be surrendered in the May following the end of the calendar year in which the liability arises.

The Units are held at cost on the grounds that it is not the Group's intention to dispose of them other than in settlement of its ETS liabilities.

During the reporting period ended 31 March 2022, the Company entered into a forward contracts for the purchase of 100,000 NZUs with a value of $9,095,000. Settlement of this contract is due in April 2025.

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13 Derivative financial instruments

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Current assets				
Interest rate swaps - at fair value through profit or loss - see below ((a)(ii))	**1**	3,376	-	-
Electricity Contract for Differences - see below ((a)(iii))	**130**	98	-	-
Cash flow hedge	**91**	-	-	-
Total current derivative financial instrument assets	**222**	3,474	-	-
Non-current assets				
Interest rate swaps - at fair value through profit or loss - see below ((a)(ii))	**175**	3,410	-	-
Electricity Contract for Differences - see below ((a)(iii))	**730**	164	-	-
Total non-current derivative financial instrument assets	**905**	3,574	-	-
Total derivative financial instrument assets	**1,127**	7,048	-	-
Current liabilities				
Interest rate swaps - at fair value through profit or loss - see below ((a)(ii))	**(4)**	-	-	-
Electricity Contract For Differences - see below ((a)(iii))	**(42,669)**	(39,124)	-	-
Total current derivative financial instrument liabilities	**(42,673)**	(39,124)	-	-
Non-current liabilities				
Interest rate swaps - at fair value through profit or loss - see below ((a)(ii))	**(3,016)**	-	-	-
Electricity Contract For Differences - see below ((a)(iii))	**(48,361)**	(34,246)	-	-
Total non-current derivative financial instrument liabilities	**(51,377)**	(34,246)	-	-
Total derivative financial instrument liabilities	**(94,050)**	(73,370)	-	-
Net (liabilities) in relation to derivative financial instruments	**(92,923)**	(66,322)	-	-

For further information refer to note 2(g).

(a) Instruments used by the Group and parent

(i) Forward foreign exchange contracts

At the current reporting date, the Group had entered into 2 forward foreign currency contracts for EUR 1,186,000 (2024: EUR Nil) to manage exposure.

The cash flows associated with these contracts are timed to mature when the payment for capital expenditure is made. For contracts designated as cash flow hedges for accounting purposes, when the cash flows occur Top Energy Limited adjusts the carrying value of the asset acquired

(ii) Interest rate swaps

The Group has entered into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates in respect of the notional principal amount of each contract. At 31 March 2025 the notional principal amount of current contracts totalled $304,000,000 (31 March 2024: $307,000,000). At 31 March 2025 there was 13 remaining forward starting contracts (31 March 2024: 2), with a total notional principal value of $147,000,000 (2024: $50,000,000), to replace maturing contracts.

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13 Derivative financial instruments (continued)

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

(iii) Electricity Contract for Differences

The Group has entered into electricity Contract For Differences (CFDs) under which it receives a fixed amount based on a notional quantity of electricity generation. At 31 March 2025, the notional amount of current contracts totalled $173,581,000 (31 March 2024: $168,629,000). The settlement dates coincide with the dates on which spot prices are receivable on the underlying electricity generation, being 20th of the following month.

(b) Credit risk exposures

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises on derivative financial instruments with unrealised gains. Details of the Group's exposure to credit risk are given at note 3(b).

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14 Non-current assets - Property, plant and equipment

Consolidated	Distribution system $'000	Capital work in progress $'000	Generation plant $'000	Plant and equipment $'000	Motor vehicles $'000	Freehold land $'000	Buildings $'000	Total $'000
Year ended 31 March 2025								
Opening net book amount	272,535	5,429	391,663	2,012	2,694	8,197	2,497	685,027
Additions	18,827	13,356	551	2,425	903	-	-	36,062
Disposals	(475)	-	-	(187)	(588)	-	-	(1,250)
Transfers and reclassifications	3,288	(4,443)	112	281	57	-	-	(705)
Depreciation charge	(9,198)	-	(12,845)	(646)	(567)	-	(211)	(23,467)
Depreciation released on disposals	336	-	-	185	480	-	-	1,001
Revaluation of generation plant	-	-	64,500	-	-	-	-	64,500
Closing net book amount	285,313	14,342	443,981	4,070	2,979	8,197	2,286	761,168
At 31 March 2025								
Cost	509,170	14,342	3,089	14,850	9,099	8,197	4,018	562,765
Valuation	-	-	441,038	-	-	-	-	441,038
Accumulated depreciation	(223,857)	-	(146)	(10,780)	(6,120)	-	(1,732)	(242,635)
Net book amount	285,313	14,342	443,981	4,070	2,979	8,197	2,286	761,168

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14 Non-current assets - Property, plant and equipment (continued)

Consolidated	Distribution system $'000	Capital work in progress $'000	Generation plant $'000	Plant and equipment $'000	Motor vehicles $'000	Freehold land $'000	Buildings $'000	Total $'000
Year ended 31 March 2024								
Opening net book amount	257,873	9,951	402,541	1,843	2,376	8,197	2,657	685,438
Additions	19,021	4,274	1,031	709	992	-	47	26,074
Disposals	(1,080)	-	-	(124)	(1,290)	-	-	(2,494)
Transfers and reclassifications	4,987	(8,796)	871	104	9	-	10	(2,815)
Depreciation charge	(8,964)	-	(12,779)	(640)	(557)	-	(217)	(23,157)
Depreciation released on disposals	698	-	-	120	1,164	-	-	1,982
Revaluation of generation plant	-	-	-	-	-	-	-	-
Closing net book amount	272,535	5,429	391,664	2,012	2,694	8,197	2,497	685,028
At 31 March 2024								
Cost	487,530	5,429	3,135	12,331	8,727	8,197	4,018	529,367
Valuation	-	-	401,498	-	-	-	-	401,498
Accumulated depreciation	(214,995)	-	(12,969)	(10,319)	(6,033)	-	(1,521)	(245,837)
Net book amount	272,535	5,429	391,664	2,012	2,694	8,197	2,497	685,028

14 Non-current assets - Property, plant and equipment (continued)

(a) Parent entity

The Parent entity owned no assets in the above categories during the years presented in these financial statements.

(b) Critical accounting estimates and assumptions

The Group considers annually whether the carrying values of its property, plant and equipment are supportable, based on their expected value-in-use as detailed below. This also takes into consideration note 2(a)(ii) - Going Concern.

The carrying value of the distribution network at 31 March 2025 did not exceed its Regulatory Asset Basis value as defined in the Electricity Distribution Information Disclosure Determination 2012.

The external valuation of the generation plant was performed as at 31 March 2025 using an approach based principally on discounted predicted future cash flows over a year period to 31 March 2045 using a post tax WACC of 7.93% as a discount rate. The forecasts included estimates of future revenues, operating costs, capital expenditure, tax depreciation charges, working capital movements and tax payments.

For the 2025 valuation, the Mid Point valuation was used.

In setting the expected useful lives of the assets that comprise the Ngawha power station, it has been assumed that the necessary resource consents, which have a fixed life, will be renewed prior to their expiry. Under the terms of the resource consent and a subsequent variation issued in June 2017, the consent was granted for 35 years from the date of the variation, expiring in June 2052.

(c) Valuation of generation plant

Independent valuations of the Group's generation plant were performed by valuers to determine its fair value as at 31 March 2025. The revaluation adjustment net of applicable deferred income taxes was credited to other comprehensive income and is shown in 'reserves' in shareholders equity (note 24).

The carrying amount of the generation plant that would have been recognised at 31 March 2025 had those assets been carried under the cost model is $252,375,000 (31 March 2024: $264,616,000).

As per accounting policy 2(r) and 2(t) the revaluation uplift of generation plant is $67.2m which includes generation plant uplift of $64.5m and resource consent uplift of $2.7m.

(d) Valuation processes of the Group and parent

The Group has engaged external, independent and qualified valuers to determine the fair value of the Group's generation plant assets. As at 31 March 2025, the fair values of the generation plant assets were determined by a specialist team within PricewaterhouseCoopers, Auckland.

The size and nature of the electricity generation plant is such that there have been no directly comparable disposals within New Zealand, consequently the valuations were performed using unobservable inputs. The principal factors as determined by the external valuers are set out in the following table.

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14 Non-current assets - Property, plant and equipment (continued)

(e) Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 March 2025 $'000	Valuation technique(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Generation plant	466,000	Discounted cash flow	Projected Wholesale Price Path (revenue) taking into consideration ASX futures prices and a combination of short to medium term factors including an assessment of the Long Run Marginal Coast (LRMC) of electricity generation in New Zealand.	The higher the revenue, the higher the fair value.
			Operating Costs, taking into account management's experience and knowledge of the asset's condition and required maintenance plans.	The higher the operating costs, the lower the fair value.
			Capital expenditure, taking into account management's experience and knowledge of the asset's condition.	The higher the capital expenditure, the lower the fair value.
			Weighted average cost of capital, determined using a Capital Asset Pricing Model post tax WACC of 7.93%.	The higher the weighted average cost of capital, the lower the fair value.
			Terminal growth rate.	The higher the terminal growth rate, the higher the fair value.

Sensitivities

The valuation is most sensitive to a change in revenue driven by a change in the wholesale price path and post tax WACC. A movement in revenue and post tax WACC changes the mid-point valuation in operating costs. The valuation is relatively insensitive to movements in terminal growth rate and capital expenditure.

(f) Capitalised borrowing costs

Capital work in progress during the periods reported above includes capital projects which have an expected cost in excess of $500,000 and a planned duration of longer than three months. Interest on borrowings raised to finance those projects has been capitalised. The amount capitalised by the Group during the year ended 31 March 2025 was $42,000 (2024: $190,000).

Interest capitalised was at the average rate of 4.26% for the year ended 31 March 2025 (2024: 5.73%).

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15 Non-current assets - Intangible assets

Consolidated	Goodwill $'000	Resource consents $'000	Computer software $'000	Easements $'000	Emission Trading Scheme units $'000	Total $'000
Year ended 31 March 2025						
Opening net book amount	811	10,224	1,065	13,573	11,477	37,150
Additions	-	28	496	4	2,404	2,932
Transfers and reclassifications	-	-	653	50	-	703
Reclassification between current and non-current ETS units	-	-	-	-	197	197
Amortisation charge	-	(435)	(578)	-	-	(1,013)
Revaluation of generation plant	-	2,685	-	-	-	2,685
Closing net book amount	811	12,502	1,636	13,627	14,078	42,654
At 31 March 2025						
Cost	811	-	8,176	13,627	14,078	36,692
Valuation	-	12,502	-	-	-	12,502
Accumulated amortisation	-	-	(6,540)	-	-	(6,540)
Net book amount	811	12,502	1,636	13,627	14,078	42,654
Year ended 31 March 2024						
Opening net book amount	811	10,650	983	10,477	10,805	33,726
Additions	-	8	343	473	1,140	1,964
Transfers and reclassifications	-	-	193	2,623	425	3,241
Reclassification between current and non-current ETS units	-	-	-	-	(893)	(893)
Amortisation charge	-	(434)	(454)	-	-	(888)
Closing net book amount	811	10,224	1,065	13,573	11,477	37,150
At 31 March 2024						
Cost	811	-	7,026	13,573	11,477	32,887
Valuation	-	10,658	-	-	-	10,658
Accumulated amortisation	-	(434)	(5,961)	-	-	(6,395)
Net book amount	811	10,224	1,065	13,573	11,477	37,150

Parent entity

The Parent entity owned no assets in the above categories during the years presented in these financial statements.

Emission Trading Scheme units

For further details of the Emission Trading Scheme units refer to note 12 .

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15 Non-current assets - Intangible assets (continued)

(a) Allocation of goodwill between cash-generating units

Goodwill is allocated to the following of the Group's cash-generating units (CGUs):

	Ngawha Generation Ltd $'000	Total $'000
At 31 March 2025		
Cost at 1 April 2024	811	811
Total	811	811
At 31 March 2024		
Cost at 1 April 2023	811	811
At 31 March 2024	811	811

(b) Impairment testing of goodwill

As described in note 2(m) goodwill is tested at least annually for impairment. An impairment arises where the goodwill's carrying value exceeds its recoverable amount.

Critical accounting estimates and assumptions

The goodwill recoverable amounts are based on value-in-use calculations. Those calculations use cash flow and profit projections based on budgets approved by management to 31 March 2036, and a post-tax discount rate of 7.93% (2024: 7.71%). At 31 March 2025 and 2024 the calculations support the carrying amounts of recorded goodwill. Management believes that any reasonable change in the key assumptions used in the calculations would not cause the current carrying amount to exceed its recoverable amount.

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16 Leases

(a) Amounts recognised in the Statement of financial position

The Statement of financial position shows the following amounts relating to Right-of-use leases:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Right-of-use lease assets net book value				
Properties	**2,401**	2,926	**-**	-
Vehicles	**3,551**	2,306	**-**	-
Equipment	**39**	-	**-**	-
Well sites	**1,180**	1,224	**-**	-
	7,171	6,456	**-**	-
Right-of-use lease liabilities				
Current	**1,247**	1,210	**-**	-
Non-current	**6,703**	5,920	**-**	-
	7,950	7,130	**-**	-

(b) Amounts recognised in the Statements of comprehensive income

The Statement of comprehensive income shows the following amounts relating to Right-of-use leases:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Depreciation charge of Right-of-use assets				
Properties	**537**	510	**-**	-
Equipment	**18**	15	**-**	-
Vehicles	**440**	304	**-**	-
Well sites	**45**	45	**-**	-
	1,040	874	**-**	-
Interest on Right-of-use leases				
Interest expense (included in finance cost)	**438**	413	**-**	-
	438	413	**-**	-

The total cash outflow for Right-of-use leases in the year ended 31 March 2025 was $1,372,000 (2024: $1,163,000)

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, depot sites, well sites, vehicles, and equipment. Rental contracts are typically made for fixed periods, but may have extension options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extensions and termination options held are exercisable only by the Group and not by the respective lessor.

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17 Current liabilities - Payables

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Trade payables	**12,559**	9,911	**7**	-
GST payable	**-**	37	**-**	-
ACC levies. PAYE and other payroll taxes	**333**	214	**-**	-
Lines Discount	**5,880**	5,786	**-**	-
Payroll creditors	**2,786**	2,386	**-**	-
Accruals	**2,390**	3,258	**21**	41
Unclaimed dividends due to Trust beneficiaries	**932**	932	**932**	932
Revenue received in advance	**4,832**	4,627	**-**	-
	29,712	27,151	**960**	973

18 Current liabilities - Interest bearing liabilities

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Bank loans	**71,710**	-	**-**	-
Total current interest bearing borrowings	**71,710**	-	**-**	-

The Groups borrowings are subject to covenants agreed with its lenders. Details are provided at note 20.

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19 Current liabilities - Provisions

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Employee benefits	**374**	349	**-**	-
	374	349	**-**	-

The provision for employee benefits relates to entitlements to retirement gratuity payments under a scheme that ceased to be available to new employees more than 20 years ago. The provision has been calculated as the value of expected future payments to be made in respect of services provided by eligible employees up to the reporting date, using those employees' current wage and salary levels. The provision represents the full entitlement of those qualifying employees, all of which now qualify for the entitlement.

20 Non-current liabilities - Interest bearing liabilities

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Bank loans	**225,000**	295,600	**-**	-
Total non-current interest bearing liabilities	**225,000**	295,600	**-**	-

(a) Liabilities subject to negative pledges given over assets

Total liabilities (both current and non-current) in respect of which negative pledges have been given to the Groups bankers by the guaranteeing companies are as follows:

Bank loans	**296,710**	295,600	**-**	-
Total liabilities covered by negative pledges	**296,710**	295,600	**-**	-

(b) Banking covenants

The bank loans and overdraft are subject to identical negative pledges given to all of the Group's banks. The pledges impose certain covenants on a "Guaranteeing Group".

The Guaranteeing Group (per note 27) comprises Top Energy Limited, and Ngawha Generation Limited only as at 31 March 2025. Each negative pledge states that the Guaranteeing Group will ensure that the following financial ratios are met:

(i) Consolidated EBITDA (earnings before borrowing costs, taxation, depreciation and amortisation, extraordinary items, profits and losses derived on the sale of fixed assets or investment, and non-cash unrealised gains or losses from foreign exchange, interest rate swaps, futures and options measured over the preceding 12 month period) to Net Interest Costs for that 12 month period will not be less than 2.00:1.00;

(ii) Consolidated net debt to consolidated EBITDA will be no greater than 6.50:1.00;

(iii) Consolidated tangible assets will not be less than 90% of the consolidated tangible assets of the Group,

(iv) Consolidated EBITDA will not be less than 90% of the total EBITDA of the Group.

All of the above covenants were complied with throughout the year.

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21 Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
The balance comprises temporary differences attributable to:				
Property, plant and equipment	**107,182**	89,016	-	-
Intangible assets	**3,117**	1,110	-	-
Financial assets at fair value through profit or loss	**(26,044)**	(18,570)	-	-
Other temporary differences	**(986)**	(829)	-	-
	83,269	70,727	-	-
Movements				
Opening balance at 1 April	**70,727**	68,411	-	-
Charged / (credited) to profit or loss	**(6,003)**	2,316	-	-
Eliminated on disposal of subsidiary	**(267)**	-	-	-
Tax charged (credited) directly to other comprehensive income (note 7)	**18,812**	-	-	-
Closing balance at 30 June	**83,269**	70,727	-	-
Expected maturity of deferred tax liabilities				
Within 12 months	**(12,897)**	(10,810)	-	-
In excess of 12 months	**96,166**	81,537	-	-
	83,269	70,727	-	-

The tax rate applied in calculating the deferred tax provision was 28% at each of the reporting dates presented within these financial statements.

22 Imputation credits

	Consolidated only	
	2025	2024
	$'000	$'000
Balances		
Imputation credits available for subsequent reporting periods based on a tax rate of 28%.	**15,197**	17,006

The above amounts represent the balance of the Group companies' imputation accounts as at the end of the reporting period, adjusted for:

a) Imputation credits that will arise from the payment of the amount of the provision for income tax;

b) Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

c) Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

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23 Settlors' capital

	Consolidated 2025 $	2024 $	Parent 2025 $	2024 $
(a) Trust capital				
Trust capital	**100**	100	**100**	100

Trust capital was paid on execution of the Trust Deed dated 23 April 1993.

24 Reserves and retained earnings

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
(a) Reserves				
Property, plant and equipment revaluation reserve	**149,819**	105,486	**-**	-
Hedging reserve - cash flow hedges	**91**	-	**-**	-
	149,910	105,486	**-**	-
Movements				
Property, plant and equipment revaluation reserve				
Balance at 1 April	**105,486**	109,428	**-**	-
Revaluation - surplus / (loss) before tax	**67,185**	-	**-**	-
Deferred tax on the revaluation surplus / (loss)	**(18,812)**	-	**-**	-
Amortisation of revaluation reserve	**(5,492)**	(5,475)	**-**	-
Deferred tax released on amortisation of reserve	**1,538**	1,533	**-**	-
Reversal of revaluation surplus on disposal of revalued assets	**(119)**	-	**-**	-
Deferred tax released on disposal of revalued assets	**33**	-	**-**	-
Balance at 31 March	**149,819**	105,486	**-**	-

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Balance at 1 April	**179,484**	165,994	**29,262**	25,890
Net profit for the year	**(6,628)**	9,549	**3,456**	3,372
Dividends paid during the year	**(3,346)**	-	**(3,346)**	-
Equity of subsidiary dissolved during the year	**627**	-	**-**	-
Net transfer from revaluation reserve	**4,040**	3,941	**-**	-
Balance at 31 March	**174,177**	179,484	**29,372**	29,262

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25 Distributions

	Consolidated 2025 $'000	2024 $'000	Parent 2025 $'000	2024 $'000
Fully imputed dividend for the year ended 31 March 2024 paid in FY 2025 of $33,460 per fully paid share.	-	-	3,346	-
Total distributions paid	-	-	3,346	-

All payments made to beneficiaries of the Trust during the years ended 31 March 2025 related to Top Energy Limited dividend declared in 2024 and subsequently paid to the Parent in 2025.

26 Trustee and Director disclosures

(a) Trustees

The following persons were Trustees of the Top Energy Consumer Trust during the financial year ended 31 March 2025:

Mrs Yvonne Sharp (Chair)
Mr Hugh Ammundsen (Deputy Chair)
Mr Steven James
Mrs Adrienne Tari
Mr Paul White

All of the Trustees are connected to Top Energy Limited's electricity distribution network and therefore are also beneficiaries of the Top Energy Consumer Trust.

(b) Trustees' and Directors' remuneration

Details of the remuneration of each Trustee of the Top Energy Consumer Trust and of each Director of Top Energy Limited and of various subsidiary companies within the Top Energy Ltd Group are set out in the following tables.

Year to 31 March 2025

Name	Cash salary and fees $	Total $
Trustees of the Top Energy Consumer Trust		
Y Sharp	35,931	35,931
H Ammundsen	18,056	18,056
S James	18,056	18,056
A Tari	18,056	18,056
P White	18,056	18,056
Directors of Top Energy Ltd		
D Sullivan	143,725	143,725
N Anderson	57,575	57,575
J Nichols	81,599	81,599
S Sanderson	57,575	57,575
S Young	72,225	72,225
Directors of other Group companies		
P Doherty*	-	-
B Jones	57,575	57,575
R Kirkpatrick	57,575	57,575
A Will	3,700	3,700
Total	639,704	639,704

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26 Trustee and Director disclosures (continued)

Year to 31 March 2024

Name	Cash salary and fees $	Total $
Trustees of the Top Energy Consumer Trust		
Y Sharp	34,075	34,075
H Ammundsen	17,325	17,325
S James	17,325	17,325
A Tari	17,325	17,325
P White	17,325	17,325
Directors of Top Energy Ltd		
D Sullivan	136,300	136,300
N Anderson	55,350	55,350
J Nichols	77,925	77,925
S Sanderson	55,350	55,350
S Young	69,300	69,300
Directors of other Group companies		
P Doherty* (appointed 06 October 2023)	-	-
B Jones (appointed 20 March 2024)	2,321	2,321
R Kirkpatrick	55,350	55,350
S Sanderson (appointed 06 October 2023)	-	-
A Will (appointed 06 October 2023)	2,000	2,000
K Tempest (resigned 04 December 2023)	41,425	41,425
Total	598,696	598,696

The directors of various subsidiary companies whose names are marked with * are employees of Top Energy Ltd and are remunerated by that company.

(c) Trustees' and Directors' interests in other entities

The Trust maintains a register of trustees' interests in other entities. No trustee has declared a conflict of interest in respect of their interests in other entities.

Each company within the Group maintains a register of its directors' interests in other entities. No director has declared a conflict of interest in respect of their interests in other entities.

27 Contingencies

As at 31 March 2024 a "Guaranteeing Group" had executed a Common Terms Deed in favour of ANZ Bank New Zealand Limited, Bank of China Limited - Auckland Branch, Bank of New Zealand Limited, China Construction Bank (New Zealand) Limited, Industrial and Commercial Bank of China Limited - Auckland Branch, and Westpac New Zealand Limited. The Guaranteeing Group comprises Top Energy Limited and Ngawha Generation Limited. The security arrangement imposes a liability on each subsidiary company within the Group, where each subsidiary is liable to repay all or any part of the guaranteed indebtedness should any of the guaranteeing group fail to meet its obligations under the Deed. The Common Terms Deed and respective Facility Agreements were executed on 5 October 2022.

The Top Energy Limited Group has provided guarantees to unrelated third parties in respect of the costs of existing and potential future obligations arising from its business activities. At 31 March 2025 the total value entered into by the Group was $5,775,000 (2024: $6,175,000).

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28 Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	Consolidated		Parent	
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000
Property, plant and equipment	**7,021**	9,859	**-**	-

Of the capital commitments, $941,000 relate to the Ngawha Generation subsidiary (2024: $2,889,000).

(b) Purchases of Carbon Credits

	Consolidated		Parent	
	2025 $'000	2024 $'000	**2025 $'000**	2024 $'000
Forward contracts for NZU's	**9,095**	11,497	**-**	-

Further information relating to the purchase of carbon credits are set out in note 12.

29 Related party transactions

(a) Transactions with Top Energy Ltd and the Parent

During the year, Top Energy Ltd processed transactions on an agency basis on behalf of the Trust in order to settle the latter's routine business dealings.

During the year ended 31 March 2025, Top Energy Ltd declared and paid a dividend of $3,650,000 to the Trust (2024: $3,516,000). Included in these dividends were unimputed dividends of $225,000 to assist with the Trust's running costs (2024: $155,000).

The Trust charged Top Energy Ltd interest at prevailing market rates on the balance of funds loaned, totalling $69,000 in the year ended 31 March 2025 (2024: $69,000). The effective average interest rate applied by the Trust on the loan to Top Energy Limited during the year ended 31 March 2025 was 4.28% (2024: 4.71%).

The balances receivable from Top Energy Ltd at the relevant balance dates are detailed in note 29(f) below and have been included in receivables in the statement of financial position (see note 9). All transactions between Top Energy Ltd and the Trust are made on normal business terms.

Interest charged between the Trust and Top Energy Ltd and balances due between the parties are eliminated on consolidation.

(b) Trustees

The names of persons who were trustees of the Trust at any time during the financial year are given at note 26.

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29 Related party transactions (continued)

(c) Key management personnel remuneration

The totals below refer to remuneration paid to employees of the Top Energy Ltd Group only. They do not include the remuneration of the Trustees of the Trust, details of which are given at note 26.

	Short-term benefits $'000	Post-employment benefits $'000	Other long-term benefits $'000	Total $'000
Year ended 31 March 2025	**6,813**	**175**	**125**	**7,113**
Year ended 31 March 2024	6,358	169	109	6,636

There were no contracts for share-based payments during the years ended 31 March 2025 and 2024.

(d) Other transactions with key management personnel or entities related to them

There were no transactions with key management personnel or entities related to them, other than the payment of remuneration, during the year ended 31 March 2025 (2024: none).

(e) Subsidiaries

The Trust's interests in its direct and indirect subsidiaries are set out in note 30.

(f) Loan to Top Energy Limited

The movements in and balances of the loan between the Trust and Top Energy Ltd were as follows:

	Parent only	
	2025 $'000	2024 $'000
Balance due from Top Energy Limited at 1 April	**1,587**	1,576
Amounts advanced to / (Repaid by) Top Energy Limited	**3,389**	(58)
Interest charged to Top Energy Limited	**69**	69
	5,045	1,587

The above balance is unsecured and is repayable on demand.

(g) Guarantees

Details of negative pledges made by the Guaranteeing Group to its bankers are given at note 20.

(h) Terms and conditions

Outstanding balances between Group entities are unsecured and are repayable on demand, or in accordance with loan agreements.

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30 Investments in subsidiaries

The Group and parent had the following subsidiaries at 31 March 2025

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by the Parent %	Proportion of ordinary shares held by the Group and parent %
Ngawha Generation Limited	New Zealand	Electricity generation	-	100
Top Energy Limited	New Zealand	Electricity distribution	100	-
Te Puna Hihiko Risk Ltd	Cook Islands	Insurance captive	-	100

The companies listed above are directly-held subsidiaries of Top Energy Limited. Top Energy Limited is a directly-held subsidiary of the Trust.

All subsidiary undertakings are included in the consolidation. The proportions of the voting rights in the subsidiary undertakings held directly by the Parent company do not differ from the proportion of ordinary shares held.

Top Energy Ngawha Spa was dissolved during the reporting year 2025.

Top Energy Consumer Trust's interest in Top Energy Limited

	2025 $'000	2024 $'000
Shares at cost		
Shares at cost - Top Energy Limited	25,267	25,267

31 Events occurring after the reporting period

Subsequent to balance date, Top Energy Limited Group purchased carbon credits of $9,095,000 (Note 12).

On 27 May 2025, the Board resolved to refinance all bank loans. Financial close was achieved on 30 May 2025 with tenors ranging from 1-5 years. At the date of signing, the current debt under note 18 of $71.7m is now non-current.

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32 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated		Parent	
	2025	2024	**2025**	2024
	$'000	$'000	**$'000**	$'000
Profit for the year	**(6,628)**	9,549	**3,456**	3,372
Adjustments made for:				
Depreciation and amortisation	**25,519**	24,920	**-**	-
Dividend received from subsidiary	**-**	-	**(3,650)**	(155)
Net loss (gain) on sale of property, plant and equipment	**63**	250	**-**	-
Movement in provision for doubtful debts	**159**	(25)	**-**	-
Interest on Right-of-use leases	**438**	413	**-**	-
Fair value (gains) losses on other financial assets at fair value through profit or loss	**26,601**	(772)	**-**	-
Changes in working capital:				
Decrease (increase) in trade debtors	**(2,817)**	2,136	**-**	(3,363)
Decrease (increase) in inventories	**(199)**	(683)	**-**	-
Decrease (increase) in other operating assets	**858**	748	**-**	-
Increase (decrease) in trade creditors	**2,437**	(1,260)	**7**	(12)
Increase (decrease) in other operating liabilities	**(244)**	(3,581)	**(20)**	14
Increase (decrease) in income taxes payable	**24**	-	**-**	-
Increase (decrease) in provision for deferred income tax	**(4,337)**	1,803	**-**	-
Net cash inflow from operating activities	**41,874**	33,498	**(207)**	(144)

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ASSURANCE BDO

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INDEPENDENT AUDITOR'S REPORT
TO THE BENEFICIARIES OF TOP ENERGY CONSUMER TRUST AND GROUP

Opinion

We have audited the separate and consolidated financial statements of Top Energy Consumer Trust ("the Trust") and its subsidiaries (together, "the Group"), which comprise the separate and consolidated statement of financial position as at 31 March 2025, and the separate and consolidated statement of comprehensive income, separate and consolidated statement of changes in equity and separate and consolidated cash flows statement for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of the Trust and the Group as at 31 March 2025, and its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements* section of our report. 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Trust or any of its subsidiaries.

Other Matter

The separate and consolidated financial statements of the Trust and Group for the year ended 31 March 2024 were audited by another auditor who issued an unmodified opinion on 25 June 2024.

Other Information

The Trustees are responsible for the other information. The other information obtained at the date of this auditor's report is the Trustee's review report, but does not include the separate and consolidated financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated 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 separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements 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 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.

Trustees' Responsibilities for the separate and Consolidated Financial Statements

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

In preparing the separate and consolidated financial statements, the Trustees are responsible on behalf of the Trust and Group for assessing the Trust and 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the separate and Consolidated Financial Statements

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

A further description of our responsibilities for the audit of the separate and consolidated financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-7-1/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the 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 beneficiaries, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Northland

BDO Northland
Whangarei
New Zealand
24 June 2025