2021
ANNUAL REPORT
MAINPOWER NEW ZEALAND LIMITED

mainpower

CONTENTS

MANAAKI WHENUA, MANAAKI TANGATA, HAERE WHAKAMUA.

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

POWERING NORTH CANTERBURY

Covering the Waimakariri, Hurunui and Kaikōura districts, MainPower provides a safe, secure supply of electricity to North Canterbury.

Our network of overhead power lines and underground cables starts north of the Waimakariri River, sweeps through the Hurunui region and reaches as far north as the Puhi Puhi Valley.

Including growing urban centres like Rangiora and Kaiapoi, diverse farmland around Hurunui, renowned wine country in the Waipara Valley, and tourist hotspots like Hanmer Springs and Kaikōura, North Canterbury is a diverse and unique area.

MainPower has been a part of the region for almost 100 years. We are proud of our guardianship of the land, the infrastructure, and the systems that power the homes and industries of the region- connecting the lives of the 80,000 people that call North Canterbury home. As we pause to take stock of the year past and look to the future, our role as kaitiaki will only become more important.

WELCOME TO MAINPOWER'S ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 2020-21 FINANCIAL YEAR.

MAINPOWER'S PLACE IN THE ELECTRICITY SECTOR

Generation

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

Transmission

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

Distribution

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

Retail

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

CONSUMER OWNERSHIP

MainPower is a consumer trust-owned electricity distribution business. The MainPower Trust holds the ownership of the Company on behalf of its beneficiaries.

MainPower Trust Chair Kevin Brookfield explains some of the key aspects of Trust ownership and how the Trust works.

What is the role of the MainPower Trustees?

Primarily, the Trust holds the ownership of MainPower on behalf of the electricity customers of North Canterbury and Kaikōura.

The seven Trustees are responsible for appointing the MainPower Board of Directors, monitoring the Company's performance and regularly meeting with the Directors, amongst other tasks.

Who are the Trust beneficiaries?

MainPower customers who pay a fixed line charge, other than those connected to the former Kaiapoi Electricity Network, are the beneficiaries of the Trust, and are also known as Qualifying Customers.

To enable the Qualifying Customers to be provided with a rebate on their power bill, the Trustees gift each a redeemable preference share.

The Qualifying Customers are thus able to attend annual meetings, not only of the Trust but also of the Company, in their capacity as Redeemable Preference Shareholders. They may speak at the meetings but are not entitled to a vote.

Qualifying Customers are consulted in a six-yearly Ownership Review. Should the Trustees declare a distribution to beneficiaries they would be entitled to a share of that distribution.

How are Trustees appointed?

Trustees are elected by the beneficiaries. Elections are held every three years, with three Trustees retiring by rotation. Retiring trustees may stand for re-election if they wish.

The most recent election was completed in March 2020, when Jo Ashby was re-elected, and Andrew Thompson and Gary Walton were newly elected to the Trust. They joined Richard Allison, Allan Berge, Quentin de Hamel and myself.

How does Trust ownership benefit the people of North Canterbury?

Qualifying Customers receive a rebate on the cost of MainPower's electricity distribution services, known as network charges. This rebate is included in the bill sent by electricity retailers, though it is not always clearly shown on the bill. Those Kaiapoi customers outlined above receive a discount equivalent to the rebate.

The Trust has been briefed on the Mt Cass Wind Farm project and looks forward to continuing working with the Board on this significant decision.

The Trust also liaises with MainPower in maintaining delivery of community sponsorship work.

Where can I find more information about the Trust?

Please visit mainpowertrust.org.nz.

CHAIR'S REVIEW

History will record the period from March 2020 as a time of unparalleled uncertainty and challenges that are seldom faced. That MainPower successfully navigated the challenges of COVID-19 is due to our team's skill and adaptability. They delivered 52 weeks' worth of work in just 46 fully-operational weeks. As a result of that extraordinary effort, we have achieved the year's goals and even completed the year ahead of budgeted profit levels.

Financial results

The financial results of the 2020-21 financial year illustrate the Company's strong performance.

As we entered the financial year, our new pricing structure came into effect. This resulted in an increase in fixed charges and a reduction in variable (consumption) charges. Even with this, lines revenue was higher than expected with greater than anticipated consumption. This can be partially attributed to additional connections in North Canterbury through 2020 and early 2021, as well as changing work patterns. The Alert Level 4 Lockdown proved to many in North Canterbury, and around New Zealand, that working from home was a feasible option. This has not only benefitted MainPower's revenue through increased electricity consumption, but many local business are also thriving.

The first quarter of 2021 has had low rainfall, resulting in higher consumption for irrigation across our farming community. The higher fixed price element under the new pricing structure has moderated charges to these customers. There has also been an increase in generation revenue from Kākāriki Power as we bring on new customers. It is gratifying to see local businesses supporting local energy generation.

North Canterbury consumers benefitted from $8.2m in rebates in the 2020-21 financial year. Rebates are set as a percentage discount off the fixed charge.

Asset Management

With the onset of COVID-19 at the beginning of the financial year, there was genuine cause for concern about reaching the ambitious targets set out in the 2021 Asset Management Plan (AMP). However, we finished the financial year on target for both capital expenditure and maintenance spend.

Last year, we committed to several major projects and continued to deliver on our accelerated network maintenance goals. Several key projects, including the Ludstone Substation upgrade, pole replacements in Kaikōura and Hanmer Springs, and conductor upgrades on the Hanmer Springs line, will enable increased capacity into the future. These, and other projects, were planned and delivered to a high standard reflecting improved workflows within the business. The planned Southbrook 66kV substation upgrade is underway, but is delayed due to COVID-19 related supply chain issues.

MainPower has a substantial capital works programme set for the next few years. This includes work to renew ageing parts of the network, provide additional capacity in some areas and generally prepare for a future where electrification is the main way of decarbonising the New Zealand economy to address climate change concerns.

Network Pricing

MainPower's pricing restructure, introduced on 1 April 2020, further aligned revenue to the actual cost of electricity supply. The increase in fixed charges, coupled with the reduction in variable charges, has given the consumer more certainty around the cost of electricity supply. This realignment gives MainPower greater revenue stability, creating further cost certainty for consumers. The Company will continue to adjust prices to meet the expectations of the regulators around cost of supply and appropriate pricing signals.

Strategic Developments

Mt Cass Wind Farm is nearing financial close, enabling the detailed design and construction to proceed in the spring of 2021, after pre-development activities and approvals are complete. This will be the South Island's largest wind farm, bringing significant economic benefit to North Canterbury. When complete, the windfarm will have the capacity to power around 40,000 homes.

Investments in solar energy have provided valuable learning opportunities for MainPower. We will embark on future projects with a greater understanding of the complexities of solar generation, use, storage and commerciality.

We have successfully implemented an Advanced Distribution Management System (ADMS). The Company can now respond to faults faster and with greater accuracy. There is a well-established roadmap for this project, and it continues to progress well.

A framework for growth has been developed, called MPowered Future. This will give us direction as we tackle the changing nature of the electricity sector. Decarbonisation of the economy is the single biggest factor for us to consider as we move forward, and this framework will prove valuable.

I would like to take this opportunity to thank every single member of the MainPower team: my fellow directors, the Executive team and the whole workforce, for unswerving commitment over these challenging times. The Board is looking forward to fulfilling the purpose of MainPower in North Canterbury, and the continued implementation of our MPowered Future strategy.

Tony King
Chair
MainPower New Zealand Limited

THE LINES REVENUE WAS HIGHER THAN EXPECTED WITH GREATER THAN ANTICIPATED CONSUMPTION.

CHIEF EXECUTIVE'S MESSAGE

The Annual Report is our opportunity to share a summary of our performance over the 2020-21 financial year and our goals for the year ahead – and what a year it has been.

MainPower traversed the impacts of COVID-19 with both professionalism and agility. As an essential service provider, MainPower operated throughout the March-April 2020 Lockdown and subsequent Alert Level shifts, albeit at a reduced capacity at times.

Our pandemic response was second to none, with the personal wellness of our employees always top of mind. Whilst keeping our team safe, we attended all fault calls throughout Alert Level 4 and then formed work-bubbles at Alert Level 3 to ensure our maintenance programme could be reinstated while we worked tirelessly to meet our Asset Management Plan (AMP) goals.

As our customers adapted to working from home, the importance of a reliable electricity supply increased. Our customers are central to all that we do at MainPower and we endeavour to continually improve the customer experience.

The introduction of our Advanced Distribution Management System (ADMS) enables real-time network visibility, improving our ability to respond to fault calls and manage maintenance on our network efficiently. The launch of the ADMS was an impressive accomplishment as we faced supply chain issues and travel restrictions for project consultants throughout 2020.

The introduction of the ADMS has resulted in faster responses to fault calls and has improved our ability to share timely information about faults on our website. The way our website and customer management systems integrate also means improvements for customers who are able to apply for our services online. We have been receiving pleasing feedback from our customers around these changes, which has been gratifying to see at the end of a long and challenging project.

In the 2020-21 financial year we made a profit before tax of $11m. This is a result of our well planned and coordinated pandemic response coupled with strong growth across all revenue lines, including an increase in land development across North Canterbury and growth in new connections, all contributing to increased electricity consumption.

We delivered an intensive and accelerated network maintenance programme as part of our Asset Management Plan. This programme included 654 pole replacements, 17 ring main unit replacements, 80 link box replacements and 10 low voltage switchgear unit replacements. These upgrades form part of a longer-term plan to increase network capacity and capability to meet the evolving needs of our customers.

Major projects over the course of the year included the Ludstone Substation switchgear replacement, the commissioning of the Southbrook 66kV substation upgrade as well as complex jobs on both the Hanmer and Kaikōura lines, where we replaced aged power poles or enabled them to support 66kV lines.

We took our learnings from the challenges faced during the Hanmer outages in August 2020 and came together as a company to develop a comprehensive plan for subsequent work in the area. I was impressed to see teams work closely together to ensure all departments were prepared for the work and planned outages that took place in early 2021. We kept our customers front of mind and communicated with them effectively ahead of the work to mitigate disruptions as much as possible.

The needs of our customers are changing. They are utilising new innovations to gain greater choice and autonomy which will result in a shift in the way our network and related services will be used. We see huge potential for MainPower ahead and are partnering with our customers to understand their future needs. Our customers are wanting more information, more choice and greater control. It will not be a one-size-fits-all solution, but a suite of solutions that leverage our infrastructure and industry knowledge. We know this industry, the services currently provided, and are actively identifying the opportunities ahead.

Over the course of the year the Executive have worked diligently to create a strategic long-term framework for MainPower to ensure we safeguard our current network assets and deliver value beyond them. We're calling the framework to tackle these exciting opportunities "MPowered Future". The MPowered Future framework includes four core functions: Networks, Services, Investment and Generation. This new framework will allow us to focus on specific initiatives and ensure that the right resources and skills are available to support and create business efficiencies. As we implement our MPowered Future we remain focussed on our vision – creating a smarter future to deliver local value.

The delays in the Tiwai Point Aluminum Smelter announcement and impacts of COVID-19 meant we were unable to reach financial close on the Mt Cass Wind Farm project over the 2020-21financial year. However, our dedicated team are working extremely hard to achieve financial close in July 2021. With the construction phase scheduled to take 18 months, we are looking forward to generating power in the summer of 2022.

As the largest wind farm in the South Island, the Mt Cass Wind Farm will bring numerous benefits to our local community. The construction phase alone will provide economic and job opportunities for the people in our region. We value our role as kaitiaki (guardians) and have established a comprehensive Environmental Management Plan. More information about the Mt Cass Wind Farm can be found at mtcasswindfarm.co.nz.

In the 2020-21 financial year we have provided our customers with $8.2m worth of rebates. This sits alongside our long-standing support of our community via our generous sponsorship programme and contestable Community Fund.

One of the many highlight in 2020 was confirming MainPower's naming rights sponsorship of the new sports facility, currently under construction on Coldstream Road in Rangiora. The MainPower Stadium, as it is to be known, sits alongside the MainPower Hockey Turf and MainPower Oval, and will be a great asset to the North Canterbury community when completed in mid-2021.

The year culminated in a win for MainPower at the Energy Excellence Awards in the Wellbeing category. Our flexible working hours and the positive impact this has on staff wellbeing was recognised by our industry peers (more information on page 30).

I want to express my appreciation for the commitment from all MainPower employees as we build a strong team that consistently delivers. COVID-19 still looms large in our operating environment and there will no doubt be other challenges ahead. I have every confidence we will continue to work strategically and pragmatically across the business towards our vision of creating a smarter future to deliver local value.

Andy Lester
Chief Executive
MainPower New Zealand Limited

WE SEE HUGE POTENTIAL FOR MAINPOWER AHEAD AND ARE PARTNERING WITH OUR CUSTOMERS TO UNDERSTAND THEIR FUTURE NEEDS.

OUR VISION:

CREATE A SMARTER FUTURE TO DELIVER LOCAL VALUE

READY TO MEET THE FUTURE

MainPower has been operating in North Canterbury for almost 100 years. Never before have we lived in a time of such rapid technological change, and never before has our role within the electricity industry been so important.

The electrification of our economy and technological change will mean a shift in the way our network will be used in the future. Steady growth in the number of electric vehicles on our roads and increased interest in solar energy solutions are some examples of what is influencing this change.

Our customers will occupy an increasingly central role in the electricity industry, making use of new innovations to gain greater choice and autonomy than ever before.

MainPower has been positioning our business to be ready to not only meet these changes, but to thrive in the shifting landscape they create.

Rather than just reacting to change, we are actively seeking opportunities to lead change from within the industry, partnering with energy consumers to find new ways forward.

This is the way to protect the value of our current assets and future-proof our organisation so that we may continue to provide a positive return for North Canterbury into the years that come.

MPowered Future

In the 2020-21 financial year, MainPower developed and introduced the MPowered Future framework – our roadmap for preserving and growing the existing value in our network and assets.

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

Aligning the business to deliver on this goal will ensure that the right skills and resources are available within the business to identify, assess and develop new opportunities.

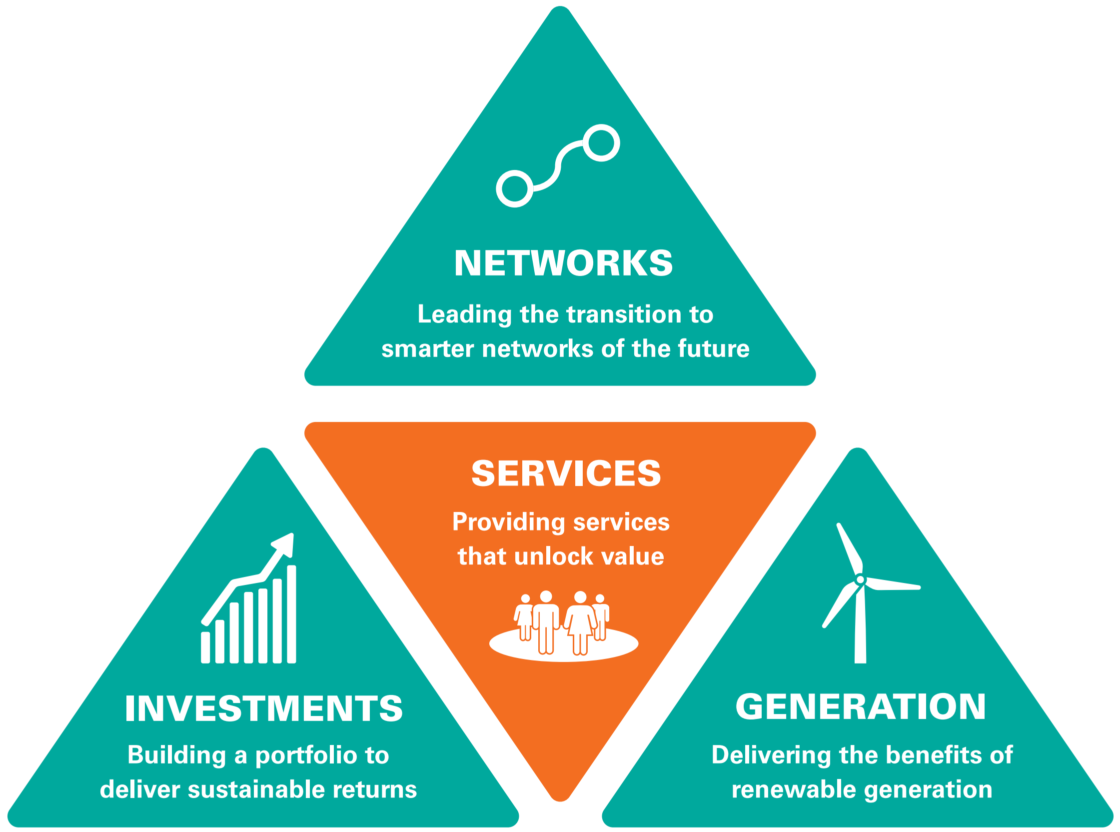
As the MPowered Future framework was developed, a new vision emerged that encapsulates the strategic direction of the business.

Our vision: Create a smarter future to deliver local value.

OUR CUSTOMERS WILL OCCUPY AN INCREASINGLY CENTRAL ROLE IN THE ELECTRICITY INDUSTRY

AN MPOWERED FUTURE OVERVIEW

Four key business segments fall under the MPowered Future framework. These work in conjunction and support one another.



Networks

MainPower's core activity is to provide safe, secure and resilient network services to the people of North Canterbury. Our approach to achieving this is laid in our Asset Management Plan (AMP), which can be downloaded from mainpower.co.nz.

In addition to maintaining the electricity distribution network, MainPower's goal is to lead the transition to smarter networks of the future. In practice, this involves examining the way our network and network services will be used by our customers as new technologies, behind the meter activities and the decarbonisation of the economy continue to develop.

The aim is to work alongside electricity consumers, enabling them to extract the full value from their future low carbon energy resources.

Services

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

The continued investment in Kākāriki Power has enabled MainPower to investigate and monitor evolving technology and changing customer behaviour in the retail electricity sector. With generation from both Cleardale and Mt Cass Wind Farm, Kākāriki Power will continue to grow and play a role in supporting growth within our community (see page 16 for more information about Kākāriki Power).

Investments

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

Generation

MainPower will deliver the benefits of renewable generation. MainPower already owns and operates a 1 MW hydro power station at Cleardale in the Rakaia Gorge, which generates around 3,500 MWh of electricity each year. We also hold resource consent for a wind farm at Mt Cass, near Waipara, in North Canterbury. In spite of some challenges posed by COVID-19 and the Tiwai Point Aluminium Smelter announcement, the project is progressing well (more information included on page 15).

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

OUR VALUES AT WORK

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

MAKE IT HAPPEN

WORK TOGETHER

DO WHAT'S RIGHT

MAKE IT BETTER

MAKING IT HAPPEN FOR NORTH CANTERBURY

MainPower plays the key role of providing a safe, secure supply of electricity to the region, building and maintaining assets that provide regional resilience now and into the future.

PROVIDING VITAL INFRASTRUCTURE

MainPower's purpose is to provide a safe, reliable and secure network that delivers electricity to the North Canterbury region.

Our Asset Management Plan (AMP) describes our strategic approach to supply network services and how we will prudently invest in the network, over a ten-year period (the full document is available to download at mainpower.co.nz).

Simply put, the AMP is about making it happen for North Canterbury by responding early to our customers' changing needs.

"When planning for network services, we look at increasing demand due to new houses and commercial activity. We also consider the impacts of consumer choice; our community's transition to electric vehicles, uptake of solar and the installation of batteries, for example," says GM Network Planning and Strategy Mark Appleman.

"All of this informs how we plan, build and operate the network".

In 2020-21, the network gained 770 new connections. Many of these were new build homes, particularly in the region's east where the new Ravenswood subdivision is under development.

The planning and preparation to connect these new subdivisions to the electricity network begins years in advance of families turning the key on their new homes.

In order to support the growth in housing in the east of the region, network upgrades were carried out in advance in accordance with our AMP. A key supplier of services to deliver the AMP is MainPower's Field Services team who laid underground cables, installed switchgear and other equipment, providing the vital electricity distribution infrastructure for the subdivision.

"It's rewarding working on long-term projects like these and seeing a new neighbourhood spring up," says Trainee Cable Jointer Rob Sampson, whose team has been installing service boxes in Ravenswood throughout the last year.

MAINTENANCE PROGRAMME HIGHLIGHTS

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

RING MAIN UNITS	LINK BOXES	POLES	LOW VOLTAGE SWITCHGEAR	SERVICE BOXES	POLE-MOUNTED TRANSFORMERS
Upgraded 17	Replaced 80	Replaced 654	Upgraded 10 units	Inspected 3,204	Inspected 1,403

LUDSTONE SUBSTATION

The focus for this work was replacing a bay of switchgear. As the Ludstone Substation is the primary supply of the Kaikōura region, we also chose to carry out seismic strengthening work to the substation building to help ensure security of supply in the event of any further earthquake activity in the area.

HANMER SPRINGS AND LEWIS PASS

This work took place across two blocks of time. 75 poles were replaced, while maintenance was carried out at the Mouse Point and Hanmer substations.

SOUTHBROOK SUBSTATION

Early works, detailed design and equipment ordered as part of preparation for Southbrook Substation upgrade project, commencing in 2021.

KAIKŌURA

This job focussed on preventative maintenance and future-proofing the network, with power poles and lines being replaced, where necessary along the challenging coastline. This was accomplished with assistance from local iwi and Heritage New Zealand Pouhere Taonga.

NETWORK CONNECTION SNAPSHOT

Added **770** new connections

Making a total of **41,882** customer connections

Trainee Cable Jointer Rob Sampson installing service boxes (October 2020).

MT CASS WIND FARM PROJECT UPDATE

Despite a challenging year, the Mt Cass Wind Farm team have achieved some significant milestones in 2020-21.

Pre-construction works are underway, with final approval to be sought from the MainPower Trust in 2021. Construction should commence shortly after and is estimated to take around 18 months to complete.

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

The project will contribute positively to the government's goal of achieving net zero carbon emissions by 2050, by offsetting around 100,000 tonnes of greenhouse CO_2 per year.

Design development is underway

At the beginning of September, AECOM NZ Ltd was appointed to develop the design for the wind farm. Their work will allow us to refine the project costs by providing more design-certainty around key areas such as civil, roading and electrical requirements.

Community Liaison Group

The Mt Cass Wind Farm Community Liaison Group was established in 2020. The group is made up of local volunteers who will meet at regular intervals during the design and construction phases of the project, and at least annually once the wind farm is in operation.

The purpose of the group is to facilitate the flow of information between MainPower and the community concerning the Mt Cass Wind Farm project.

The group's key responsibilities are to:
- provide input and feedback on the preparation and review of construction and environmental management plans;
- receive and discuss results of monitoring and reports;
- act as a forum for relaying concerns about the construction and operation of the wind farm;
- act as a forum for the review of measures to resolve and manage concerns.

Ecological work

A large amount of ecological work has been achieved in 2020-21. Significantly, the Department of Conservation (DoC) and Fire and Emergency NZ have officially endorsed the Environmental Management Plan for the project.

The plan covers how we will protect the environment, plants and species surrounding the wind farm. It includes a 127-hectare Conservation Management Area, and details how we intend to protect the plant life, wildlife and habitats over the next 50 years. This includes fire management.

Lizard relocation

Throughout 2020-21, we have been preparing to re-locate the two species of lizards- Waitaha Geckos and Southern Grass Skinks - from the wind farm's construction footprint to a new habitat. In preparation for this, we've been carrying out environmental monitoring in the area, and a programme of pest management at the relocation sites to help the lizards thrive in their new home.

In late March 2021, the action began, as a group of herpetologists got to work identifying, catching and transporting the lizards to their new habitat. Following the relocation, we will begin deconstructing the old habitat which largely consists of relocating rocks out of the roading and turbine platform corridors.

Bat monitoring

Two rounds of specialist monitoring at Mt Cass determined that long-tailed bats are not present in the area, despite indications of bat activity found previously. Researcher Dr Brian Lloyd has concluded that recordings previously identified as long-tailed bat calls were "almost certainly from calling insects, probably orthopteran and possibly a long-horned grasshopper or bush cricket".

The subsequent findings along with the recordings have been reviewed and accepted by the Department of Conservation and Hurunui District Council.

Plant life monitoring and walkway extension

Two pieces of research were commissioned to understand what pest and protected plant life grows in the Mt Cass area and how to best manage both.

The Mt Cass Wind Farm project includes the creation of 127 hectares of protected land, including predator-free areas of native shrub and forest. The existing Mt Cass Walkway will also be extended by 7km – opening an area of spectacular scenery and landscape to the community for the first time.

The track design has been completed in consultation with DoC and has now been approved by the Hurunui District Council. It will be opened once the wind farm construction is complete.

Looking ahead

When completed, the Mt Cass Wind Farm will provide greater security of electricity supply for the South Island as a whole, while providing a range of benefits to MainPower customers.

The project will pump an estimated $60m into the local economy and create around 100 jobs during the construction phase alone.

Around $6m will be invested in protecting and enhancing the Mt Cass habitat over the life of the wind farm for future generations to enjoy. This includes creating 127 hectares of protected land, including predator free areas of native shrub and forest.

The development of the wind farm at Mt Cass and the existing Cleardale hydro power station are the result of significant investment and a focus on creating generation options.

KĀKĀRIKI POWER

MainPower's Kākāriki Power retail brand was established in 2018 in order to share the benefits of our electricity generation assets.

Since then, we have been gaining valuable insights into consumer behaviour and preferences as the brand has grown.

Initially, Kākāriki Power was used to supply MainPower's head office in Rangiora, depots in Culverden and Kaikōura and substation buildings throughout the region. MainPower's staff also have the option of signing up.

In the last year, we have been meeting with a range of medium-large commercial electricity consumers based in North Canterbury in order to better understand how they buy and use electricity. Several businesses have subsequently signed up to Kākāriki Power and are now powered by the electricity generated at MainPower's mini hydro station at Cleardale.

Once the Mt Cass Wind Farm is constructed, Kākāriki Power will be able to supply more businesses and play a role in supporting growth within our community.

"KEEPING REVENUE STREAMS WITHIN NORTH CANTERBURY IS IMPORTANT TO ME. ELECTRICITY IS A LARGE PART OF OUR BUSINESS AND KNOWING I'M SUPPORTING A COMMUNITY INITIATIVE WHILE MAKING A SOUND COMMERCIAL DECISION IS AN EASY CHOICE,"

RON VAN TIL, RANGIORA BAKERY.

ADAPTABLE AND READY - OUR COVID-19 RESPONSE

MainPower has been in operation for almost 100 years, weathering many trying circumstances during that time.

Our commitment to providing a secure supply of electricity to North Canterbury means that the Company is accustomed to preparing for and responding to challenging situations.

When the announcement was made in late March 2020 that New Zealand would enter a nationwide lockdown, MainPower was ready.

Throughout the early part of 2020, we carried out a number of risk assessments, simulations and trials to ensure that the business would be ready to face whatever eventuated from the rapidly evolving situation.

This work was based on our well-established Incident Management Plan, the "5Rs" (Reduction, Readiness, Response, Recovery, Review). At the "Reduction" and "Readiness" stages, we assessed our ability to deliver our essential and core business functions with our people working remotely. We established a register of our at-risk staff and made the call for them to work from home prior to the official Lockdown coming into effect. A trial was also carried out to test the feasibility and limitations of our staff working from home.

At this time, our IT team also rolled out new tools to allow for video meetings, document sharing and communications across the business.

This coordinated effort prepared us well for the "Response" stage, when Alert Level 4 Lockdown was implemented. Preparation, experience and the resilience and adaptability of our people were what ultimately allowed MainPower to continue delivering a secure supply of electricity throughout Lockdown.

Essential service

As an essential service provider, MainPower continued to operate throughout the Level 4 Lockdown.

At Level 4, when the greatest restrictions were in place, MainPower field staff formed work bubbles and carried out only essential work, responding to faults and completing critical maintenance. Our office-based staff continued their usual work from home.

As the Alert Levels shifted and restrictions changed, we were able to restart our scheduled maintenance programme.

Emphasis was placed on keeping customers informed during this time, with any customers affected by planned power outages receiving phone calls from our Customer team in advance.

Looking after our people

Looking after our people was a top priority throughout Lockdown and continues to be a focus as we adjust to the "new normal" that COVID-19 has created.

Our People and Culture team has carried out over 1,500 individual wellbeing check-ins to date. These started during Lockdown but have continued at regular intervals as New Zealand moved through the different Alert Levels.

Three staff surveys were sent out to gain a sense of how our people were faring during Lockdown, the challenges they were facing and ways the Company could support them through.

Themes that emerged from the survey ranged from appreciating being able to continue working from home to missing the "banter" and interaction of the office and work crews.

Our staff were also able to find the good in a challenging situation, noting positives like getting to enjoy lunchbreaks with their families and video meetings helping the team feel connected.

Staying connected

Regular, timely communication was also integral to maintaining a strong sense of connection with the team.

Video and email messages from Chief Executive Andy Lester and the Executive team during Lockdown kept the team informed and working in-step with one another, in spite of the distance.

A special staff newsletter, the "Lockdown Lowdown", was also launched. The digital publication covered a range of topics, including tips for dealing with worries around the pandemic, supporting children through Lockdown, setting up an ergonomically safe workspace at home, plus competitions and boredom busters.

The newsletter also featured a range of family activities, contests and light-hearted content designed to entertain.

1,500+ wellbeing check-ins with staff

3 staff wellbeing surveys

38 updates from the Chief Executive

9 editions of "Lockdown Lowdown" staff newsletters distributed

MAINPOWER'S COVID-19 RESPONSE TIMELINE

REDUCTION	Pre-2020	Risk assessment for pandemic, personal security and wellbeing completed
		Simulation for illness-related event carried out
	Early-2020	Risk assessment for COVID-19 carried out
	28 February	First COVID-19 case reported in New Zealand
READINESS	Early March	Incident Management and Business Continuity plans reviewed
		COVID-19 specific communications to staff begin
		Executive team carry our simulation exercise to prepare
		Working from home trials carried out
	Mid-March	Collaboration with other South Island electricity distributors
		At-risk staff begin working from home
		IT team rolls out new systems and resources for remote working
RESPONSE	25 March	New Zealand moves to Alert Level 4
		MainPower staff begin working from home
		Essential work only carried out on network
		Staff wellbeing checks begin
		Office, depots and vehicles deep cleaned
		Swab testing undertaken
	22 April	Return to work plan distributed to all staff
	27 April	New Zealand moves to Alert Level 3
		MainPower resumes scheduled maintenance
		Company contact tracing system established
RECOVERY	13 May	New Zealand moves to Alert Level 2
		Staff return to the office
REVIEW	June 2020	COVID-19 response review carried out

Drive through flu vaccinations

MainPower offers all staff annual flu vaccinations in the lead up to winter. With Lockdown in full swing, the People and Culture team took on the challenge of making it happen for the 112 staff members who had opted in to get a jab. The carpark at our Fernside Road site was transformed into a drive through flu vaccination station, with local health providers administering vaccinations through car windows. All staff socially distanced in their own vehicles. It was certainly different from previous years, but every bit as effective!

Developing the industry

In spite of the challenges presented by COVID-19, MainPower continued to attract people to the electricity distribution industry through our internship and apprenticeship programmes. We had 16 apprentices developing their skills over the year, with four completing their final year and becoming fully qualified Line Mechanics. We also had five interns join us over the summer. They worked on a variety of projects throughout the business.

WORKING TOGETHER WITH OUR COMMUNITY

Our customers are at the heart of everything we do at MainPower. From keeping everyone connected, to our community sponsorships, we are focussed on working together to make North Canterbury a great place to live, work and play.

KEEPING CUSTOMERS IN THE LOOP AHEAD OF MAINTENANCE WORK

MainPower carries out a range of maintenance activities across the poles, wires, substations and other equipment that makes up our network.

Service box inspections have been a key piece of MainPower's network maintenance programme over the past year. Service boxes sit on the boundary of private property and act as the connection point between a house or other building and the MainPower network.

In 2020-21, as part of our preventative maintenance programme, MainPower inspected a total of 3,204 service boxes across 30 rounds of inspections.

"This is about catching any potential issues before they crop up and disrupt our customer's power supplies," says Electrician Foreman Karl Hancox.

In order to carry out the inspections safely, a short power outage is required. MainPower has been working closely with customers to keep them informed ahead of their scheduled outage.

"It takes on average 10 minutes to check over each service box. We're getting some great feedback in the community around our notification process, which has included a combination of emails, mailed letters and hand delivered info sheets," Karl says.

MainPower found 272 defects that required pre-emptive attention. These repairs potentially prevented faults down the track that may have caused extended power outages for customers, if not found.

"We certainly appreciate the goodwill of our customers and always try to minimise any impact our network maintenance causes," Karl adds.

Service box inspections will continue on a rolling basis.

30
rounds of inspections

3,204
service boxes inspected

272
pre-emptive repairs carried out

MAINPOWER ELECTRICIAN FOREMAN KARL HANCOX KEEPING THE LOCALS IN THE LOOP.

BACKING NORTH CANTERBURY

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

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

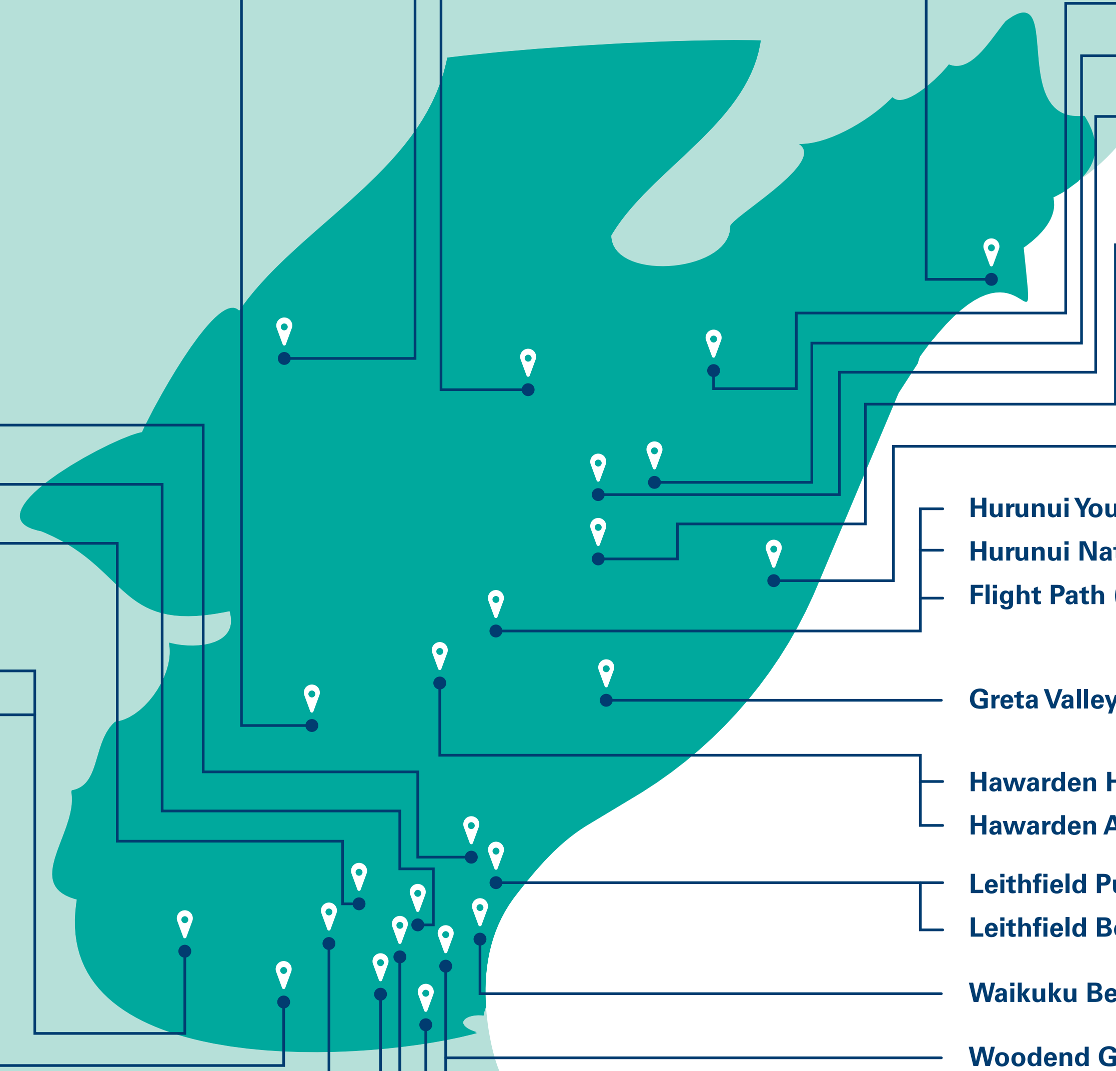
COMMUNITY SUPPORT PROGRAMME

A selection of organisations MainPower has supported in 2020-21 are highlighted on the map to the right.

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

REGION-WIDE INITIATIVES

- Big Brothers Big Sisters North Canterbury
- Coastguard North Canterbury
- Community Energy Action
- Community Wellbeing North Canterbury Trust
- Enterprise North Canterbury
- Life Education Trust
- North Canterbury Radio Trust (Compass FM)
- North Canterbury Sport and Recreation Trust
- Satisfy Food Rescue
- WaiSwim Programme



PROVIDING LIFESAVING SKILLS

North Canterbury is well-known for its beautiful waterways. Braided rivers, lakes, thermal pools and beaches are highlights of our diverse natural environment.

Kiwis love to get outdoors and enjoy the water, but in order to get the most out of these experiences, it's essential to know how to swim and stay safe around the water.

MainPower has been supporting the region's children to learn how to swim and gain potentially life-saving water safety skills since 2010, through our sponsorship of the WaiSwim programme.

The long-term partnership with the North Canterbury Sport and Recreation Trust ensures that the region's school students have access to high quality, heavily subsidised swimming lessons.

"We simply couldn't provide these essential lessons without the support of our sponsors," says Rosie Oliver (North Canterbury Sport and Recreation Trust).

More than 5,500 primary school children across North Canterbury went through the WaiSwim programme in 2020. Each child receives ten 25-minute lessons each year, in small groups of 6-7. The programme is delivered at aquatic centres and school pools by specialist instructors.

"MainPower has been working alongside us for a decade now and their funding has allowed the programme to expand and reach even more students over that time," says Rosie Oliver.

North Loburn School is one of 39 that participate in the programme. Principal Darryn Ward says, "Our students have gained greater confidence in and around the water through Waiswim. They really look forward to their time in the pool. The subsidy provided by MainPower means each lesson is only $2, which makes the programme more accessible to our families."

5,500
children received lessons

39
schools

10
lessons each student

10
year partnership with NCSRT

North Canterbury SPORT & RECREATION TRUST
active community, healthy lifestyles

UNDER CONSTRUCTION – AN ASSET FOR ALL NORTH CANTERBURY

MainPower were thrilled to be announced as naming rights sponsor of North Canterbury's new multi-sport stadium in late 2020.

To be known as the MainPower Stadium, the multi-use facility will be one of the largest community sports grounds in the South Island, incorporating four full size sports courts, a fitness centre, group fitness studios, sports health provider treatment rooms, a sports administration house and multi-function meeting rooms.

Built by the Waimakariri District Council, the $28m facility is due to open in July 2021.

Located on Coldstream Road, Rangiora, the 6,000sqm building, with seating of up to 500 spectators, will add to a suite of neighbouring sporting facilities already bearing the MainPower name, including MainPower Oval and MainPower Hockey Turf.

MainPower Chief Executive Andy Lester said, "We are proud to be supporting a facility that will deliver such huge benefits for the community. We believe this will further enhance our long-standing partnership with the North Canterbury Sport and Recreation Trust. The MainPower Stadium will be a great drawcard to our region."

The MainPower Stadium sponsorship was finalised in 2020 and adds to the range of sporting activities MainPower supports in partnership with North Canterbury Sport and Recreation Trust, who have been appointed to operate the Stadium. MainPower is also proud to support the MainPower Primary Schools Coaching Programme, MainPower Youth Sports Scholarships, North Canterbury Sports Awards, Waiswim Programme, and MainPower Hockey Turf.

DOING WHAT'S RIGHT

Whether we are sharing safety messages with our community, finding ways to create a better, more sustainable future or creating a positive work environment for our people, we are always striving to do what's right, while delivering on our responsibility of providing a safe and reliable electricity distribution network for North Canterbury.

WORKING TOWARDS A SUSTAINABLE FUTURE

Being based in such a beautiful part of the country, it is only natural to want to protect our environment.

MainPower is always looking for ways to be better kaitiaki (guardians) of the environment, and lead the way to a sustainable future.

In 2019, we chose to adopt a number of the United Nations Sustainable Development Goals into our environmental strategy and our overall strategic business plan. These goals are a blueprint for achieving a better and more sustainable future for all, focusing on the likes of providing affordable and clean energy, supporting life on land, and creating sustainable cities and communities, to name a few.

This year, MainPower has focused on our procurement process, looking for opportunities to minimise our environmental impact throughout the lifecycle of our assets.

In particular, we continue to measure and monitor our waste, widening our scope from the traditional "Reduce, Reuse, Recycle" model, to include a focus on "Repair, Repurpose and Rot" as well.

CABLE REEL HUTS MADE BY LOBURN SCHOOL STUDENTS.

RECYCLING A WIN-WIN

In the last year, we have found several innovative ways to partner with our community and reduce the waste we send to landfill – a win-win for all involved.

New life for used power poles

This year MainPower began working with Waimakariri District Council to support their work at Silverstream Reserve in Clarkville.

Used wooden power poles are being converted into path edging at the reserve.

Working bees are held each week where volunteers work together weeding, mulching and planting at the 52-hectare reserve. Part of the project involves developing walking paths for the community to enjoy.

Cable reels repurposed at Loburn School

MainPower power lines are delivered on large wooden cable reels. The reels are generally returned to suppliers to be reused.

From time to time, cable reels are put to creative use. Over the years, our used cable reels have been given to community groups and schools to be transformed into outdoor planters and coffee tables, amongst other things.

Students at Loburn School recently repurposed two large cable reels, using the parts to create two forts for the school grounds.

Recycling devices to regenerate our waterways

With field staff working at a variety of worksites each day, mobile devices are essential at MainPower.

Once our devices reach the end of their lifespan, they are collected and recycled through the RE:MOBILE scheme. Recycling old devices keeps them out of landfill, and generates revenue for Sustainable Coastlines, an organisation dedicated to restoring New Zealand's waterways.

This great initiative allows us to dispose of old devices conscientiously, which provides a boost to an organisation working to preserve New Zealand's amazing natural environment.

Vegetation waste going to good use

MainPower's team of Utility Arborists trim trees and vegetation on the MainPower network to help prevent power outages and keep the community safe. The vegetation trimmed is often chipped and donated to community groups and projects around the region. In the last year, chip has been given to the native plant regeneration project underway at the Tūtaepatu Trail in the Tūhaitara Coastal Park. The Hurunui District Council's native planting project at Amberley Beach has also made good use of our chip. Other organisations like the Kaikōura Golf Course and several local schools have also received chip.

SILVERSTREAM RESERVE IN CLARKVILLE.

23 POWER OUTAGES CAUSED BY VEGETATION IN THE LAST YEAR

SAFETY CAMPAIGN - VEGETATION FOCUS

One of the leading causes of faults on MainPower's network is trees and other vegetation coming into contact with power lines. This accounted for 23 power outages in the 2020-21 year.

As well as the inconvenience of power outages, vegetation can create serious safety risks. For this reason, it is important that customers take their responsibility as tree owners seriously, regularly inspecting and trimming back vegetation before problems occur.

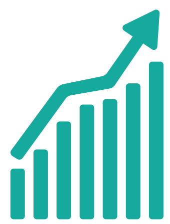
Vegetation safety has always been a focus of MainPower's public safety campaigns and we appreciate that the majority of our customers do their part by keeping their trees trimmed.

In 2020, our vegetation safety campaign achieved over 200,000 impressions across a combination of online, radio and newspaper advertisements.

These safety campaigns have an impact, with 90% of customers surveyed reporting that they have seen at least one MainPower safety advertisement in the last year. This rate has jumped from 70% in 2017, when surveys began.

MainPower added digital channels to our marketing strategy this year.

CUSTOMER AWARENESS OF SAFETY MESSAGING



2017 → **2020**

70% **90%**

OUR PEOPLE, OUR GREATEST ASSET

Looking after our people and developing a strong workforce is an essential part of the success of our business.

MainPower supports the overall health and wellbeing of our people through a range of benefits and health checks. All staff participate in two performance and development conversations with their managers each year, identifying opportunities for training and career development.

Performance and development

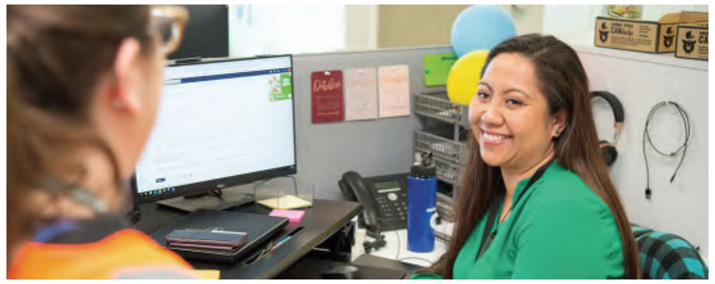
Electrical workers practicing licences renewed	32
Number of trainees/interns	19
Performance and development conversations with staff	307
New courses added to Circuit, e-learning platform	22

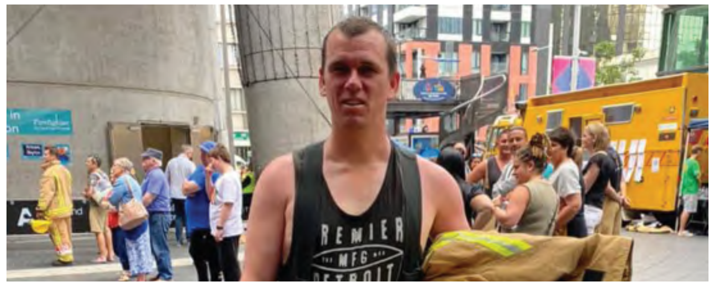
Wellness Programme

39	Hearing tests
10	Live Line medicals
16	Eye checks
152	Staff opted into the Southern Cross insurance scheme

OUR PEOPLE DOING GREAT THINGS

Supporting our people to do great things both inside and outside of work is important to us.





Supporting biodiversity

In partnership with the Hurunui District Council, MainPower has supported the Hurunui Natural Environment Award since 2003.

The award encourages and assists voluntary work that benefits the natural environment. The focus is on projects that protect, restore or reinstate indigenous biodiversity in the Hurunui. Since its inception, the award has contributed to over 60 projects.

MainPower Safety and Business Risk Advisor Whitney Tahau represented MainPower on the judging committee in 2020. Whitney was excited to be part of the process, "I was impressed by the scope of the submissions, the consideration that had gone into each of them was great. Each group had a different take and approach to improving the region's biodiversity".

Five groups were awarded funding, with MainPower and the council providing $5,000 each to the fund.

Matt completes Firefighter Sky Tower Stair Challenge

When Matt Hicks isn't working as a Utility Arborist at MainPower, he spends his time as a volunteer firefighter.

In 2020, Matt took up the challenge of racing up 51 flights of stairs (1,103 individual steps), in 25kgs of kit as part of the Firefighter Sky Tower Stair Challenge.

He completed the challenge in 18 minutes, 11 seconds, an amazing effort.

Matt (and 999 other firefighters from across the country) managed to raise $792,297.19 for Leukaemia and Blood Cancer NZ.

The MainPower team got in behind Matt, making donations and offering support for his awesome challenge.

WELLNESS PROGRAMME SPOTLIGHT – MELANOMA CHECKS

With many of our staff working outside in all weather, year-round, sun exposure is a concern.

128

Melanoma skin checks completed

New Zealand has the highest incidence rate of melanoma in the world. According to Melanoma New Zealand, melanoma is the third most common cancer, with more than 4,000 people diagnosed each year.

In addition to providing sun protective clothing and sunscreen, MainPower offers all staff melanoma and skin checks as part of our Wellness Programme. The skin checks take place every two years, ensuring that regular assessments are taking place and any changes identified early.

Last year 128 staff members signed up for the free checks. As a result, nine cancers were identified and two melanomas. Melanoma and other skin cancers can be successfully treated if discovered early, highlighting the importance of regular screening.

"It's a great benefit that the company offers. Growing up in Kaikōura meant I got a lot of sun as a kid. Getting the skin checks regularly through work has given me good piece of mind that everything is ok," Controller Paul Reynolds.

INNOVATIVE THINKING TURNING HEADS

MainPower has been recognised for our innovative approach to looking after our people.

New tool to improve safety

MainPower is a finalist in the New Zealand Workplace Health and Safety Awards. Network Field Operator Arron May designed a tool to help safely guide power poles as they are being unloaded from trucks.

Arron's invention prevents workers from getting too near or underneath power poles when they are being moved using truck-mounted cranes. This is a common risk across the industry, but there was previously no tool to help mitigate this risk.

A prototype of the tool was developed at MainPower's on-site workshop. It was then tested and rolled out to all field crews.

"The tool was developed collaboratively across the business and is a real testament to our focus on empowering our staff to take control of their own safety," says Karen Cameron (General Manager Safety and Business Risk).

Arron says, "It's great to see others using the tool, rather than standing under poles. It's a simple idea but one that is effective. I'd love to see other companies using a similar method".

Nine-Day Fortnight

MainPower won the Wellbeing category at the Energy Excellence Awards, for an entry focussing on the company's Nine-Day Fortnight flexible working arrangement and the positive impact this has had on employee wellbeing and morale since its introduction.

General Manager People and Culture Sandra O'Donohue explains, "Under the scheme employees have the option of working hours that effectively make every second weekend three days long, 9 nine-hour days per fortnight".

The Nine-Day Fortnight work pattern is a point of difference for MainPower, who are the first in the electricity industry to offer the flexible working arrangement to all staff.

One recent recruit shared that the flexible working arrangement was the deciding factor in taking her role at MainPower. "The flexibility is a huge plus. It's something you don't come across a lot in the job market and the ability to have a three-day weekend every fortnight makes life outside of work a lot easier to juggle".

MAKE IT BETTER

We're always challenging ourselves to improve our operations. Refining our safety and risk processes, putting our customers at the heart of our business and finding innovative ways to improve our processes are all essential parts of making it better.

CONTINUOUS IMPROVEMENT - OUR JOURNEY CONTINUES

The safety of our people, customers and community is our top priority.

This year, we have continued building our safety culture, sharpening our focus on risks that have the potential to cause death or serious harm – known as "critical risks" – and ensuring that we have effective processes, systems and controls in place to prevent the potential harm these risks pose.

In practice, this involves annual reviews of our critical risks, ongoing monitoring of the controls we put in place to mitigate these risks, and analysing our near miss data to find opportunities for improvement.

Team involvement

Collaboration has always been an essential part of MainPower's risk journey. Our team worked together to identify our critical risks through a series of workshops, and continue to be involved through participation in Critical Control Observations (CCOs).

Since establishing CCOs, all MainPower staff have had the annual target of completing at least one Critical Control Observation (CCO). For non-field staff, small groups completed the CCOs together, with guidance from our Safety and Business Risk team.

In the last year, 314 CCOs were completed, against a target of 166. Gaining an understanding of the risks present everyday in our business operations has been an incredible learning opportunity for the entire team.

The process has also strengthened the lines of communication and understanding between field and office based staff, highlighting how decisions made in the office might impact those in the field.

An understanding of risk through Critical Control Observations (CCOs)

Staff feedback has been positive around completing CCOs.

"It is a great opportunity to see what the field crew do and understand the risks," Tina Main, Accounts Payable.

"I deal with assets on the asset register every day, so it was a great to see what they actually look like in the field," Daniel Gibbs, Accountant.

"It is about getting out and talking to people to get a better understanding of their job and for the field team to share what they do," Kate Williamson, People and Culture Advisor.

Sharing our knowledge

Creating closer ties with other organisations in the industry has the effect of enhancing and improving safety outcomes for all.

For this reason, MainPower is always eager to accept requests to share our knowledge, as well as to learn from our peers.
In the last year, we have hosted a number of other electricity distribution businesses from across New Zealand, sharing our expertise around our safety and risk processes.

Some key topics covered during these sessions included MainPower's processes around:
- adopting Bow-Tie assessments as part of our risk assessment framework;
- connecting critical risks, incidents and CCOs in our Vault reporting system;
- creating process maps of our critical processes.

COLLABORATION HAS ALWAYS BEEN AN ESSENTIAL PART OF MAINPOWER'S RISK JOURNEY.

SHARING SAFETY MESSAGES IN THE COMMUNITY

In spite of a challenging year, MainPower was able to continue getting out and about in the community to connect with our customers and share our safety messages.

Team effort at Field Days

This year MainPower teamed up with Orion, EA Networks and Alpine Energy to host a site at the South Island Agricultural Field Days event in Kirwee.

Customer Services Administrator Amy Broomhall says, “The event was a great opportunity to talk face-to-face with some of our rural customers and work closely with colleagues from across the industry to share our key safety messages.”

The four electricity distributors worked together to share safety messages relating to working near power lines. A display was built showing a post driver coming into contact with mock overhead powerlines, arcing and making noise as it did so.

Amy says, “The display did a great job of getting the attention of event visitors, sparking some good conversations about working safely around power lines, particularly on the farm.”

An estimated 25,000 visitors attended the event over three-days, attracting people from all across New Zealand.

At the Kaikōura A&P Show

MainPower attended the Kaikōura A&P Show in February, taking the opportunity to talk to the community about being prepared for power outages.

The key messages shared were around establishing a “No power plan” at home and at work. Top tips included having backup equipment like power banks on hand for charging devices, keeping refrigerators closed to reduce food spoilage and information on safely connecting and disconnecting generators.

MainPower has a strong history of supporting the region’s A&P Associations through our sponsorship programme. Exhibiting at local events is another way to foster strong ties with the communities we serve.

Down the Back Paddock

Being part of the Down the Back Paddock school safety programme is one way MainPower gets important safety messaging out to the community.

Alongside a number of other experts, MainPower presents short, interactive lessons designed to teach local school students how to stay safe around electricity. The initiative is lead by Injury Prevention Waimakariri.

Maintenance Programme Manager John Wilson has been presenting electricity safety lessons for several years.

“Discussions can range from keeping kites and balloons away from power lines, to talking to family about overloaded circuit boards at home,” he explains.

“What we find is that children are great at relaying simple safety messages to their families at home. Down the Back Paddock is great at getting those messages out at the grassroots level”.

MAINTENANCE PROGRAMME MANAGER JOHN WILSON TALKING SAFETY.

CHECKING IN WITH OUR CUSTOMERS

In a rapidly changing industry, MainPower continues to focus on understanding and anticipating the future needs of our customers, while delivering high quality service in our daily interactions.

Manaaki tangata (care for people), underpins our customer-centric business culture. Connecting, caring and building relationships with our customers takes many forms at MainPower from meeting with our customers in person, speaking on the phone and connecting via our interactive website.

MainPower carries out regular customer surveys to ensure that service levels are being met and that our customers’ views inform our planning decisions.

Monthly “Voice of the Customer” survey

These surveys give our customers a chance to provide feedback on their recent interactions with the company. Through this research, we receive timely feedback, allowing us to continually monitor and improve our processes.

Customer Pulse Survey

This annual benchmarking survey was launched in 2017 and provides year-on-year insights into the perception of MainPower within the community we serve.

Customer Pulse Survey feedback

We received some great feedback in our 2020 Customer Pulse Survey:

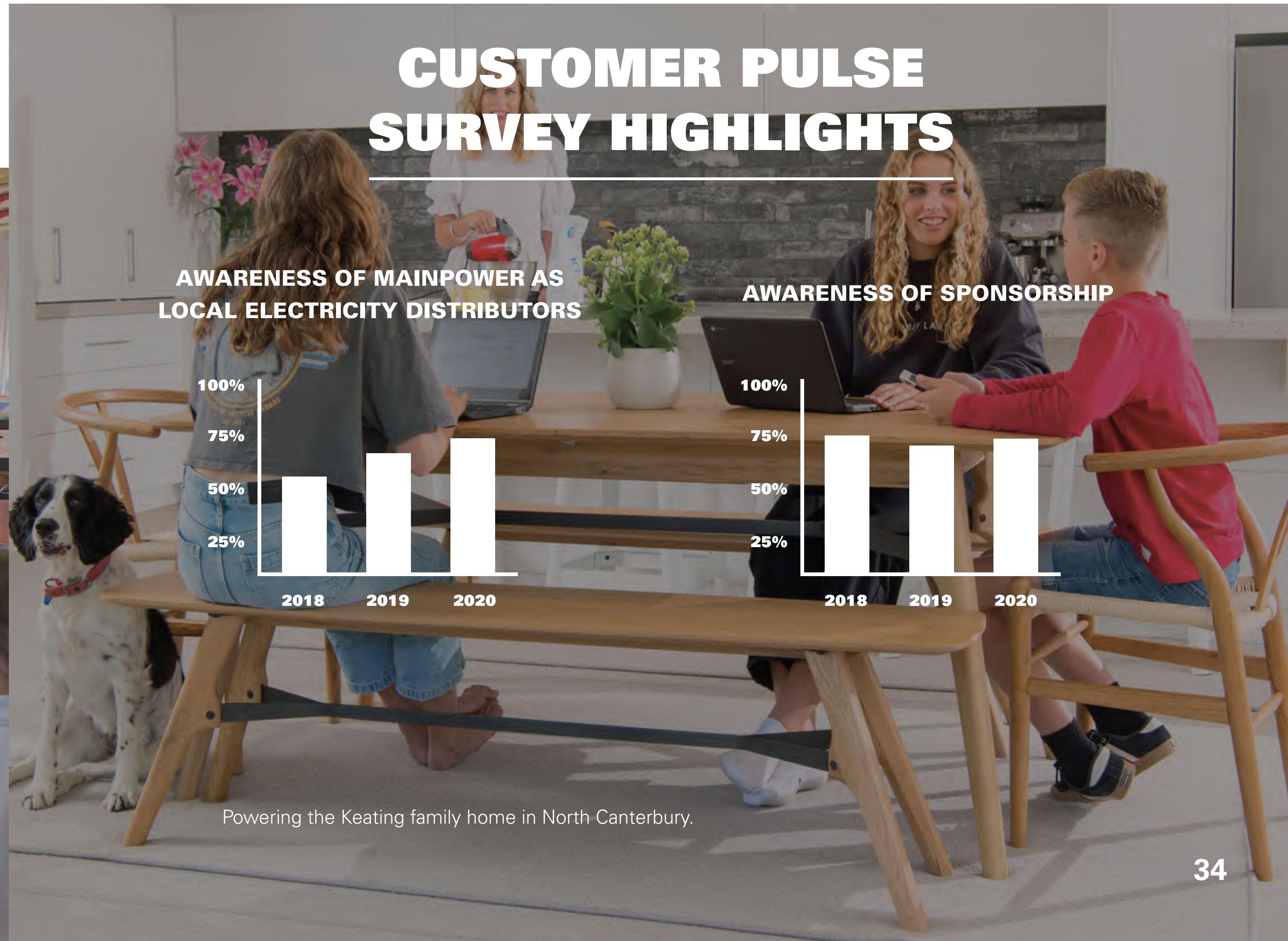
“I think it is very commendable the sponsorship you offer. Community is everything, thank you.”

“The MainPower linesmen are polite, accommodating and professional when they work in the district. They are excellent ambassadors and MainPower should be proud of them.”

We also received improvement suggestions. All feedback is valuable and helps MainPower make it better.

“We don't see any advertising from MainPower, they could be a bit more out there.”

In 2020, we rebalanced our public safety marketing, adding digital channels which are more cost effective than traditional media channels, and reach more of our customers. Learn more on page 27.



Powering the Keating family home in North Canterbury.

TECHNOLOGY ENABLING A BETTER CUSTOMER EXPERIENCE

In 2020, MainPower completed the implementation of the new Advanced Distribution Management System (ADMS).

Engagement workshops and surveys have provided valuable insights into what is important to our consumers and where they would like us to direct our attention and investments. Preparing our network and operations for future technologies, like electric vehicles and solar generation, was identified by community members as the area they would like to see MainPower investing in the most.

In 2020, MainPower completed the implementation of the new Advanced Distribution Management System (ADMS). This represents the first major technological solution MainPower has delivered to support future technology adoption.

The ADMS is a system for monitoring and controlling the electricity distribution network. It enables better flow of information between the network, our business and energy consumers.

With real-time monitoring of the network, we can detect faults with more precision, cutting down response times and minimising the length of time communities are without power due to faults.

The information we can access through the ADMS has also improved our ability to share timely information about faults on our website, keeping our consumers informed.

The completion of this project, which commenced in 2018, represents a great step forward for network management capabilities. We will be building on this success in future to further develop our network to deliver greater outcomes for our consumers.

> **"Energy consumers are telling us that MainPower should be innovative and take a leadership role in investing and preparing for future technology."**

HELICOPTERS PROVIDE A NEW ANGLE ON POLE INSPECTIONS

MainPower's network includes around 57,000 poles, all of which are regularly inspected and, where necessary, scheduled for maintenance or replacement.

New camera technology mounted to a helicopter.

It is a big task checking each pole, and one that is essential for maintaining a safe and reliable network.

MainPower has been amongst the first in the country to trial helicopter-mounted cameras as an additional tool in our pole testing toolkit. The flyover inspections happen in conjunction with pole testing carried out by personnel on the ground. The helicopters are fitted with special cameras, positioned to capture the insulators and equipment at the top of poles from the air.

The first trial took place in late 2020, when around 1,200 poles in the Kaikōura and Sefton areas were inspected from the air, using the new camera technology.

The cameras are capable of picking up defects, which are not discernible to the naked-eye. The birds-eye-view from the helicopter also allows for detailed imaging of the equipment at the top of a power pole.

The flyover and ground-based inspections complement each other, giving a fuller picture of the pole's overall condition.

The trial picked up 37 poles that needed further testing, in many cases identifying early signs of wear and tear on network assets, and unseen issues allowing for early intervention to prevent more serious issues occurring. Overall, this was a great result that should reduce the number of power outages due to faults in the future.

2
trials run in late 2020

1,229
poles inspected in Kaikōura, Ashley Forest and Loburn

37
defects found, 26 of these were not able to be identified from the ground

2021 FINANCIAL REPORT

MAINPOWER NEW ZEALAND LIMITED

CONTENTS

DIRECTORS' REPORT

The Directors are pleased to present the Audited Consolidated Financial Statements for MainPower New Zealand Limited and its Subsidiaries ("the Group") for the financial year ended 31 March 2021.

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

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

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

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

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

Deloitte Limited is the auditor of the Group.

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

During the financial year New Zealand experienced alert level lockdowns and restrictions due to COVID-19 with only critical work being undertaken. This had the most notable impact in the first two months of the reporting year. In light of the slow start and ongoing uncertainty around the COVID-19 pandemic, due consideration has been given in the estimates and assumptions applied to the Consolidated Financial Statements. The impact has been minimal to date and accordingly does not impact the going concern assumption.

CONSOLIDATED FINANCIAL STATEMENTS

The Directors are pleased to present the Audited Consolidated Financial Statements of MainPower New Zealand Limited and its Subsidiaries for the Year Ended 31 March 2021.

Authorised for issue on 23 June 2021 for and on behalf of the Board of Directors.

For and on behalf of the Board

A C King
Chair of Directors
MainPower New Zealand Limited

J E Fredric

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2021

	Notes	Group 2021 $000	Group 2020 $000
Operating Revenue	2	59,569	59,399
Operating Expenses	3	(31,795)	(33,874)
Depreciation and Amortisation	4	(16,054)	(16,487)
Finance Expenses	5	(804)	(2,332)
		(48,653)	(52,693)
Profit Before Income Tax Expense		**10,916**	**6,706**
Income Tax Expense	6	(3,198)	(1,760)
Profit After Income Tax Expense		**7,718**	**4,946**
Gain on Revaluation, Net of Deferred Tax		-	5,786
Total Comprehensive Income		**7,718**	**10,732**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2021

	Share Capital $000	Retained Earnings $000	Asset Revaluation Reserve $000	Total Equity $000
Balance at 31 March 2019	56,774	137,715	33,969	228,458
Profit After Income Tax Expense	-	4,946	-	4,946
Gain on Revaluation, Net of Deferred Tax	-	-	5,786	5,786
	-	4,946	5,786	10,732
Balance at 31 March 2020	**56,774**	**142,661**	**39,755**	**239,190**
Profit After Income Tax Expense	-	7,718	-	7,718
Gain on Revaluation, Net of Deferred Tax	-	-	-	-
	-	7,718	-	7,718
Balance at 31 March 2021	**56,774**	**150,379**	**39,755**	**246,908**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

ASSETS	Notes	Group 2021 $000	Group 2020 $000
Current Assets			
Cash and Cash Equivalents	8	1,222	6,034
Trade and Other Receivables	9	6,650	7,212
Inventories	10	3,422	3,180
Prepayments		983	1,332
Other Current Financial Assets	11	3,035	3,012
Total Current Assets		15,312	20,770
Non-Current Assets			
Property, Plant and Equipment	12	290,892	286,983
Capital Works Under Construction	13	16,393	8,578
Intangible Assets	14	3,076	2,963
Right-of-Use Assets	15	14,494	17,257
Total Non-Current Assets		324,855	315,781
Total Assets		**340,167**	**336,551**
EQUITY AND LIABILITIES			
Current Liabilities			
Trade and Other Payables	16	7,304	8,820
Current Tax Liability		2,347	1,110
Current Interest Rate Swaps	28	231	-
Other Current Financial Liabilities	17	1,985	1,920
Total Current Liabilities		11,867	11,850
Non-Current Liabilities			
Deferred Tax Liabilities	18	43,671	43,891
Non-Current Borrowings	19	22,000	22,000
Non-Current Interest Rate Swaps	28	2,085	3,206
Non-Current Provisions	20	918	890
Other Non-Current Liabilities	21	12,718	15,524
Total Non-Current Liabilities		81,392	85,511
Total Liabilities		**93,259**	**97,361**
Equity			
Share Capital	7	56,774	56,774
Reserves		39,755	39,755
Retained Earnings		150,379	142,661
Total Equity		**246,908**	**239,190**
Total Equity and Liabilities		**340,167**	**336,551**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2021

	Group 2021 $000	Group 2020 $000
Cash Flows from Operating Activities		
Receipts from Customers	59,969	58,490
Interest Received	56	188
Payments to Suppliers and Employees	(32,557)	(31,555)
Interest and Other Finance Expenses Paid	(1,347)	(1,417)
Income Tax Paid	(2,181)	(1,358)
Net Cash Provided from Operating Activities	23,940	24,348
Cash Flows from Investing Activities		
Proceeds from / (Payments to) Investments	(48)	(12)
Payments for the Purchase of Property, Plant and Equipment, and Capital Works Under Construction	(25,998)	(22,919)
Proceeds from the Sale of Property, Plant and Equipment	295	195
Payments for the Purchase of Intangible Assets	(952)	(2,250)
Net Cash Used in Investing Activities	(26,703)	(24,986)
Cash Flows from Financing Activities		
Repayment of Lease Liabilities	(2,049)	(2,121)
Repayment of Borrowings	-	-
Net Cash Used in Financing Activities	(2,049)	(2,121)
Net Decrease in Cash and Cash Equivalents	(4,812)	(2,759)
Summary		
Cash and Cash Equivalents at Beginning of Year	6,034	8,793
Net Decrease in Cash and Cash Equivalents	(4,812)	(2,759)
Cash and Cash Equivalents at End of Year	**1,222**	**6,034**

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

For the Year Ended 31 March 2021

1. Statement of Accounting Policies

Reporting Entity

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

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

Statement of Compliance

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

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

Basis of Preparation

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

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

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

Use of Estimates and Judgements

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

Specific Accounting Policies

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

(a) Revenue Recognition

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

i. Electricity Line Revenue

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

ii. Generation Revenue

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

iii. Customer Contribution Revenue

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

iv. Contracting Revenue

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

v. Revenue from Sale of Assets

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

vi. Interest Revenue

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

(b) Finance Expenses

Finance Expenses are expensed using the effective interest rate method to the Consolidated Statement of Comprehensive Income, unless they directly relate to the construction of qualifying assets, in which case they are capitalised.

For the Year Ended 31 March 2021

(c) Distinction between Capital and Revenue Expenditure

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

(d) Inventories

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

(e) Property, Plant and Equipment

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

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

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

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

Capital Works Programme

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

(f) Depreciation

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

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. The main bases for the calculation of depreciation are as follows:

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

The carrying amount for an item of property, plant and equipment 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 proceeds with carrying amount. These gains and losses are included in the Consolidated Statement of Comprehensive Income. When revalued assets are sold, the amounts included in the Asset Revaluation Reserve in respect of those assets are transferred to Retained Earnings.

(g) Intangible Assets

i. Computer Software

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

ii. Research and Development Costs

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

(h) Impairment of Non-Financial Assets

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

The recoverable amounts are the higher of fair value (less costs to sell) and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. A cash generating unit is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

(i) Leased Assets

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

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

i. Right-of-Use Assets

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

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

Group as Lessor

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

(j) Goods and Services Tax

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

(k) Income Tax

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

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

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

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

(l) Employee Benefits

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

(m) Financial Instruments

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

i. Cash and Cash Equivalents

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

ii. Foreign Currency

The functional and presentation currency is New Zealand Dollars. Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date.

Exchange differences are recognised the Consolidated Statement of Comprehensive Income in the period in which they arise.

iii. Financial Assets at Amortised Cost

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

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

iv. Fair Value through Consolidated Statement of Comprehensive Income

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

v. Payables

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

vi. Borrowings

Borrowings are recorded initially at fair value, plus transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowing using the effective interest rate method.

vii. Financial Instruments Issued by the Group

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Interest and dividends are classified as expenses or as distributions of profit consistent with the Consolidated Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

viii. Derivative Financial Instruments

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

(n) Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Company.

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

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the difference is credited to the Consolidated Statement of Comprehensive Income in the period of acquisition. The Consolidated Financial Statements include the information and results of each subsidiary from the date on which the Group obtains control and until such time as the Group ceases to control the subsidiary. In preparing the Consolidated Financial Statements, all intergroup balances and transactions, and unrealised profits arising within the Group are eliminated in full.

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

(o) Adoption of New and Revised Standards and Interpretations

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2021

2. Operating Revenue	Group 2021 $000	Group 2020 $000
Electricity Delivery Services Revenue	58,361	63,076
Customer Rebates	(8,224)	(10,546)
Net Electricity Delivery Services Revenue	50,137	52,530
Capital Contributions Revenue	5,746	3,164
Contracting Revenue	2,613	2,746
Generation Revenue	825	413
Interest Revenue	40	243
Gain on Sale of Property, Plant and Equipment	44	143
Sundry Revenue	164	160
	59,569	59,399
Timing of Revenue Recognition		
Over Time	51,166	53,346
At a Point in Time	8,403	6,053
	59,569	59,399

3. Operating Expenses	Group 2021 $000	Group 2020 $000
Transmission Rental Charges	10,624	12,987
Employee Remuneration and Benefits	7,661	6,483
Network Maintenance	5,706	5,429
Network Operations	1,869	3,518
Generation Production and Operations	683	234
Operating Lease Costs	66	53
Community Relationship Expenses	531	716
Audit of the Consolidated Financial Statements	64	65
Other Audit Services	28	22
Director Fees and Expenses	393	385
Sundry Expenses	3,569	3,167
Bad Debts Written Off	1	82
Loss on Disposal of Property, Plant and Equipment	553	733
Loss on Disposal of Investment	47	-
	31,795	33,874

For the Year Ended 31 March 2021

4. Depreciation and Amortisation	Group 2021 $000	Group 2020 $000
Depreciation Expense on Property, Plant and Equipment	13,474	13,269
Amortisation Expense on Intangible Assets	832	1,315
Depreciation Expense on Right-of-Use Assets	1,748	1,903
	16,054	16,487

5. Finance Expenses	Group 2021 $000	Group 2020 $000
Interest Expense on Loans	468	760
Interest Rate Swaps and Foreign Exchange Contracts Fair Value Movement	(11)	1,167
Interest Expense on Lease Liabilities	336	399
Sundry Finance Expenses	11	6
	804	2,332

6. Income Tax Expense	Group 2021 $000	Group 2020 $000
Income Tax Expense comprises:		
Current Income Tax Expense	3,275	2,724
Adjustments to Prior Years	143	(130)
Temporary Differences	(220)	(834)
	3,198	1,760
Reconciliation of Profit Before Income Tax with Income Tax Expense:		
Profit Before Income Tax	10,916	6,706
Prima facie Income Tax Expense calculated at 28%	3,056	1,878
Other Permanent Differences	(1)	12
Income Tax Expense	3,055	1,890
Under / (Over) Provision in Previous Year	143	(130)
	3,198	1,760

For the Year Ended 31 March 2021

7. Share Capital		Group 2021 $000	Group 2020 $000
56,773,555	Ordinary Shares	56,774	56,774
39,230	Redeemable Preference Shares	-	-
56,812,785		56,774	56,774

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

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

Redeemable preference shares held by customers were 38,631 at 31 March 2020.

8. Cash and Cash Equivalents	Group 2021 $000	Group 2020 $000
Current Account	1,222	3,034
Short Term Bank Deposits	-	3,000
	1,222	6,034

9. Trade and Other Receivables	Group 2021 $000	Group 2020 $000
Trade Receivables	6,721	7,292
Provision for Doubtful Debts	(72)	(135)
Interest Receivable	1	55
	6,650	7,212

10. Inventories	Group 2021 $000	Group 2020 $000
Inventory on Hand	3,422	3,180

11. Other Current Financial Assets	Group 2021 $000	Group 2020 $000
Distribution Network Self-Insurance Fund Investment	3,035	3,012

12. Property, Plant and Equipment	Freehold Land $000	Buildings $000	Electricity Distribution Network $000	Plant, Equipment, Vehicles, Furniture and Fittings $000	Generation Assets $000	Total $000
Gross Carrying Amount						
Balance at 31 March 2019	4,195	17,396	274,241	14,469	15,740	326,041
Additions	-	494	16,365	596	-	17,455
Disposals	-	-	(628)	(1,253)	-	(1,881)
Revaluations	-	-	6,760	-	-	6,760
Balance at 31 March 2020	4,195	17,890	296,738	13,812	15,740	348,375
Additions	-	32	16,997	902	252	18,183
Disposals	-	-	(614)	(1,878)	-	(2,492)
Revaluations	-	-	-	-	-	-
Balance at 31 March 2021	4,195	17,922	313,121	12,836	15,992	364,066
Accumulated Depreciation and Impairment						
Balance at 31 March 2019	-	2,611	32,381	11,061	3,401	49,454
Depreciation Expense	-	965	11,463	578	263	13,269
Disposals	-	-	(414)	(917)	-	(1,331)
Revaluations	-	-	-	-	-	-
Balance at 31 March 2020	-	3,576	43,430	10,722	3,664	61,392
Depreciation Expense	-	513	11,978	733	250	13,474
Disposals	-	-	(167)	(1,525)	-	(1,692)
Revaluations	-	-	-	-	-	-
Balance at 31 March 2021	-	4,089	55,241	9,930	3,914	73,174
Net Book Value at 31 March 2020	4,195	14,314	253,308	3,090	12,076	286,983
Net Book Value at 31 March 2021	**4,195**	**13,833**	**257,880**	**2,906**	**12,078**	**290,892**

12. Property, Plant and Equipment (continued)

a) Generation Assets

In the Property, Plant and Equipment table, Generation Assets have been included as a separate category as at 31 March 2020, having previously been reported as part of the Plant, Equipment, Vehicles, Furniture and Fittings category. Included in the Generation Assets is $9.7m for costs incurred to date in relation to the Mt Cass Wind Farm project. The remainder relates to the Cleardale Hydro Station.

b) Revaluations and Impairment Review

i. Electricity distribution network

A valuation of the Group's electricity distribution network assets was undertaken by Ernst & Young as at 31 March 2020 using the discounted cash flow basis in accordance with NZ IFRS 13 Fair Value Measurement. The Group's electricity network assets were revalued to a fair value of $253.36m. As at 31 March 2021, the carrying amount has been assessed for impairment and no issues were noted with the carrying value being materially the same as the fair value noted as at 31 March 2020.

ii. Cleardale Hydro Station

The Cleardale Hydro Station assets were reviewed for impairment at 31 March 2021. The review concluded that assets were not impaired.

The major assumptions within the impairment review included:
- Weighted average cost of capital 5.82% - 6.33%;
- Risk-free rate based on the ten-year Government Stock Yield of 1.44%;
- Forecast cash flow, including operating costs and capital expenditure.

iii. Mt Cass Wind Farm project

The Group's Mt Cass assets were reviewed for impairment as at 31 March 2021. The review concluded that these assets were not impaired.

The major assumptions within the impairment review included:
- Weighted average cost of capital 6.26% - 6.35%;
- Risk-free rate based on the ten-year Government Stock Yield of 1.44%;
- Forecast cash flow, including operating costs and capital expenditure.

iv. Land and non-substation buildings

The Group's Land and Building assets were revalued to fair value of $18.98m as at 31 March 2019 in accordance with the independent valuation conducted by FordBaker Limited.

v. Other

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

For the Year Ended 31 March 2021

13. Capital Works Under Construction	Freehold Land $000	Buildings $000	Electricity Distribution Network $000	Plant, Equipment, Vehicles, Furniture and Fittings $000	Generation Assets $000	Total $000
Balance at 31 March 2019	-	-	3,114	-	-	3,114
Additions	-	494	19,689	750	1,986	22,919
Transfers	-	(494)	(16,365)	(596)	-	(17,455)
	-	-	3,324	154	1,986	5,464
Balance at 31 March 2020	-	-	6,438	154	1,986	8,578
Additions	-	32	22,934	874	2,158	25,998
Transfers	-	(32)	(16,997)	(902)	(252)	(18,183)
	-	-	5,937	(28)	1,906	7,815
Balance at 31 March 2021	**-**	**-**	**12,375**	**126**	**3,892**	**16,393**

14. Intangible Assets	Computer Software $000
Gross Carrying Amount	
Balance at 31 March 2019	4,998
Additions	2,250
Disposals	-
Balance at 31 March 2020	7,248
Additions	952
Disposals	(797)
Balance at 31 March 2021	7,403
Accumulated Amortisation and Impairment	
Balance at 31 March 2019	2,970
Amortisation Expense	1,315
Disposals	-
Balance at 31 March 2020	4,285
Amortisation Expense	832
Disposals	(790)
Balance at 31 March 2021	4,327
Net Book Value at 31 March 2020	2,963
Net Book Value at 31 March 2021	**3,076**

For the Year Ended 31 March 2021

15. Right-of-Use Assets at Present Value	Sites, Accessways and Concessions $000	Plant, Equipment and Vehicles $000	Electricity Distribution Equipment $000	Total $000
Gross Carrying Amount				
Balance at 1 April 2019	236	4,312	13,594	18,142
Additions	-	1,018	-	1,018
Modifications	-	-	-	-
Disposals	-	-	-	-
Balance at 31 March 2020	236	5,330	13,594	19,160
Additions	742	49	-	791
Modifications	-	(16)	(1,790)	(1,806)
Disposals	-	-	-	-
Balance at 31 March 2021	978	5,363	11,804	18,145
Accumulated Depreciation				
Balance at 1 April 2019	-	-	-	-
Depreciation Expense	52	886	965	1,903
Disposals	-	-	-	-
Balance at 31 March 2020	52	886	965	1,903
Depreciation Expense	46	965	737	1,748
Disposals	-	-	-	-
Balance at 31 March 2021	98	1,851	1,702	3,651
Net Book Value at 31 March 2020	184	4,444	12,629	17,257
Net Book Balance at 31 March 2021	**880**	**3,512**	**10,102**	**14,494**

16. Trade and Other Payables	Group 2021 $000	Group 2020 $000
Trade Payables	3,828	5,760
Other Accruals	1,037	777
Employee Entitlements	1,995	2,114
GST Payable	444	169
	7,304	8,820

For the Year Ended 31 March 2021

17. Other Current Financial Liabilities	Group 2021 $000	Group 2020 $000
Lease Liabilities (refer Note 22)	1,985	1,920

18. Deferred Tax Liabilities	Group 2021 $000	Group 2020 $000
Opening Balance	43,891	44,032
Charged to Profit and Loss:		
- Property, Plant and Equipment	(246)	(1,037)
- Intangible Assets	76	(6)
- Other Temporary Differences	(50)	(73)
	(220)	(1,116)
Charged to Statement of Comprehensive Income:		
- Property, Plant and Equipment	-	975
	-	975
Closing Balance	43,671	43,891

	Group 2021 $000	Group 2020 $000
Represented as:		
Deferred Tax on Property, Plant and Equipment	44,218	44,465
Deferred Tax on Intangible Assets	118	41
Deferred Tax on Other Temporary Differences	(665)	(615)
Closing Balance	43,671	43,891

19. Non-Current Borrowings	Group 2021 $000	Group 2020 $000
Westpac Term Loan	22,000	22,000

MainPower has a multi option credit facility with Westpac New Zealand Limited of $45m which is unsecured but subject to a negative pledge arrangement. Tranche A of $30m will expire on 31 December 2022 and tranche B of $15m on 30 June 2021. At 31 March 2021 MainPower had drawn down $22m from tranche A (2020: $22m).

During the year no interest was capitalised to MainPower's Generation or Electricity Distribution Network Assets (2020: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2021

20. Non-Current Provisions	Employee Entitlements $000
Balance at 31 March 2020	890
Amounts utilised	(452)
Other movements	480
	28
Balance at 31 March 2021	**918**

The provision for long service, sick and retiring leave is an actuarial assessment of entitlements to long service, sick and retirement leave that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken.

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

21. Other Non-Current Liabilities	Group 2021 $000	Group 2020 $000
Rebate Shares at Cost	6	6
Lease Liabilities (refer Note 22)	12,712	15,518
	12,718	15,524

Rebate Shares have a nominal value of 10 cents per share. MainPower Trust holds 17,773 rebate shares with the remainder (39,230) relating to unclaimed redemptions from Qualifying Customers who have left the MainPower Network.

561 rebate shares were redeemed during the year at 10 cents each (2020: 351).

For the Year Ended 31 March 2021

22. Lease Liabilities

	Group 2021 $000	Group 2020 $000
Opening Balance at 1 April	17,438	18,142
Additions	779	1,018
Modifications	(1,807)	-
Accretion of Interest	336	399
Payments	(2,049)	(2,121)
Closing Balance at 31 March	14,697	17,438
Represented as:		
Current (refer Note 17)	1,985	1,920
Non-Current (refer Note 21)	12,712	15,518
	14,697	17,438

The following amounts are represented in the Statement of Comprehensive Income:	Group 2021 $000	Group 2020 $000
Depreciation Expense on Right-of-Use Assets	1,748	1,903
Interest Expense on Lease Liabilities	336	399
Expenses relating to Short-Term Leases	16	-
Expenses relating to Low-Value Leases	50	53
	2,150	2,355

23. Subsidiaries

Details of the Group's material subsidiaries for the year ended 31 March 2021 are as follows:

Name	Principal Activity	Place of Operation	Ownership Interest and Voting Power	
			2021	2020
MPNZ Investments Limited	Provision of growth initiatives outside electricity distribution network.	New Zealand	100%	100%
GreenPower New Zealand Limited	Non-trading 100% owner of Mt Cass Wind Farm Limited.	New Zealand	100%	100%
Mt Cass Wind Farm Limited	Construction and operation of wind turbine farm.	New Zealand	100% (as 100% owned by GreenPower New Zealand Limited)	100% (as 100% owned by GreenPower New Zealand Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2021

24. Commitments

The Group was committed to capital expenditure amounting to $3.6m at the reporting date (2020: $Nil).

The Group is contractually committed to cash outflows relating to several service agreements over the next four years from the reporting date. The total committed operating expenditure for these contracts is $3.5m (2020: $0.1m), including $0.5m in the twelve months from 31 March 2021. The largest commitment is for the provision of cloud-based software services.

25. Contingent Assets and Liabilities

The Group had no significant contingent assets or liabilities as at 31 March 2021 (2020: Nil).

26. Significant Events after Balance Date

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

27. Related Party Transactions

Group Structure

The Parent is MainPower New Zealand Limited, which is 99.9% owned by the MainPower Trust. There were no related party transactions with the MainPower Trust during the year (2020: Nil).

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

	Group 2021 $000	Group 2020 $000
Key Management Personnel Compensation		
Employee Remuneration and Benefits	2,230	2,291

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

Other Transactions Involving Related Parties

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

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

The Group paid Director Fees totaling $376,000 (2020: $358,500).

Key Management Personnel of the Group purchased sundry goods and services from the Group during the period. The Group offers all employees and directors the option of joining its electricity retailer, Kākāriki Power, and some Key Management Personnel have taken this up. Excluding Kākāriki Power all other purchases by Key Management Personnel did not exceed $1,000 for any individual (2020: all less than $1,000). There were no significant outstanding balances with Key Management Personnel at the end of the period (2020: Nil). All transactions were conducted on standard commercial terms.

For the Year Ended 31 March 2021

28. Financial Instruments

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

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

Liquidity risk management

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

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

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

$30m on 31 December 2022
$15m on 30 June 2021

	Group 2021 $000	Group 2020 $000
Amount used at Reporting Date	22,000	22,000
Amount unused at Reporting Date	23,000	23,000
	45,000	45,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the Year Ended 31 March 2021

28. Financial Instruments (continued)

Interest rate risk management

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

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

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

	Average contracted fixed interest rates	Notional principal swap amounts		Carrying value liability	
Swap maturity dates	%	2021 $000	2020 $000	2021 $000	2020 $000
31 March 2022	4.98	5,000	5,000	231	438
29 September 2022	4.50	5,000	5,000	306	485
30 June 2023	4.72	5,000	5,000	467	658
31 March 2024	4.76	5,000	5,000	609	808
31 March 2026 (future start date)	3.91	7,000	7,000	703	817
		27,000	**27,000**	**2,316**	**3,206**
Disclosed as:					
Current Liabilities				231	-
Non-Current Liabilities				2,085	3,206
				2,316	**3,206**

Credit risk management

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

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

	Group 2021 $000	Group 2020 $000
Cash and Cash Equivalents (refer Note 8)	1,222	6,034
Trade and Other Receivables (refer Note 9)	6,650	7,212
Other Current Financial Assets (refer Note 11)	3,035	3,012
Trade and Other Payables (refer Note 16)	4,865	6,537

Deloitte.

Independent Auditor's Report

To the Shareholders of MainPower New Zealand Limited

Opinion

We have audited the consolidated financial statements of MainPower New Zealand Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 41 to 62, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

Basis for opinion

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

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

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

Other than in our capacity as auditor, the provision of a fraud awareness workshop and the other assurance engagement in relation to the Commerce Commission disclosure audit, we have no relationship with or interests in the Company or any of its subsidiaries, except that partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries.

Other information

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

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

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

Deloitte.

Directors' responsibilities for the consolidated financial statements

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

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

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

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

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

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

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Christchurch, New Zealand
23 June 2021

This audit report relates to the consolidated financial statements of MainPower New Zealand Limited (the 'Company') for the year ended 31 March 2021 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 23 June 2021 to confirm the information included in the audited consolidated financial statements presented on this website.

For the Year Ended 31 March 2021

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

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

The Role of Shareholders

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

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

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

Company Constitution

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

The Role of the Board

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

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

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

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

Board Responsibilities

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

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

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

Board Meetings

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

Board Committees

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

i. Audit and Risk Committee (ARC)

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

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

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

"Risk management and Compliance" is considered critical to the successful operation of the Group and accordingly is a permanent item on the Board Agenda.

The ARC's primary role in this regard includes providing an annual review of the level and appropriateness of insurance cover, six-monthly reporting by management addressing all areas of statutory compliance and other ad-hoc support as required as part of the Board's risk management process.

ii. Remuneration Committee

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

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

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

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

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

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

Delegation

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

Codes and Standards

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

GOVERNANCE

For the Year Ended 31 March 2021

Conflicts of Interest

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

Board Review

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

Subsidiaries

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

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

Director Remuneration

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

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

	31 March 2021 $000	31 March 2020 $000
MainPower New Zealand Ltd		
A C King	91	91
G D Abbot	61	54
J E Fredric	56	56
J F Jonker	46	46
S P Lewis	69	59
B J Wood	53	53
	376	**359**

	31 March 2021 $000	31 March 2020 $000
MPNZ Investments Ltd		
A P Lester	-	-
T A Voice	-	-
	-	**-**

	31 March 2021 $000	31 March 2020 $000
GreenPower New Zealand Ltd		
A C King	-	-
G D Abbot	-	-
J E Fredric	-	-
J F Jonker	-	-
S P Lewis	-	-
B J Wood	-	-
	-	**-**

GOVERNANCE (CONTINUED)

For the Year Ended 31 March 2021

Mt Cass Wind Farm Ltd	31 March 2021 $000	31 March 2020 $000
A C King	-	-
G D Abbot	-	-
J E Fredric	-	-
J F Jonker	-	-
S P Lewis	-	-
B J Wood	2	-
	2	**-**

During the year, B J Wood received a total of $1.8k for services to the Mt Cass Wind Farm project.

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

Director Insurance

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

Loans to Directors

There were no loans made to Directors.

Director Use of Company Information

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

Group Employee Remuneration

$000	**31 March 2021**	**31 March 2020**
100 – 110	21	20
110 – 120	9	5
120 – 130	5	6
130 – 140	7	5
140 – 150	5	3
150 – 160	5	1
160 – 170	4	4
170 – 180	-	1
180 – 190	2	-
190 – 200	3	1
200 – 210	-	2
210 – 220	-	2
220 – 230	1	-
230 – 240	1	1
240 – 250	2	1
250 – 260	1	1
290 – 300	1	-
300 – 310	-	1
440 – 450	1	-
450 – 460	-	1

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

For the Year Ended 31 March 2021

Interests Register

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

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

Director	Entity	Position	Appointment / Resignation
A C King	Option One Ltd	Director & Shareholder	
	RBL Property Ltd (formerly Red Bus Ltd)	Director	Appointed Jan 21
	Red Bus Ltd	Director	Resigned May 20
	Red Bus Ltd	CEO	Appointed May 20 Resigned Dec 20
B J Wood	Buller Holdings Ltd	Chair	
	Buller Recreation Ltd	Chair	
	Canterbury Linen Services Ltd	Chair	
	Delta Utility Services Ltd	Chair	
	E-Spatial Ltd	Director	
	Harrison Grierson Consultants Ltd	Director	
	Harrison Grierson Holdings Ltd	Director	
	Harrison Grierson International Ltd	Director	
	HWCP Management Ltd	Director	
	Invercargill Central Ltd	Director	
	Invercargill City Forests Ltd	Director	Appointed Apr 20
	Invercargill City Holdings Ltd	Chair	
	Lyttelton Port Company Ltd	Director	Resigned Oct 20
	Ministry of Transport Oversight Group for reconstruction of transportation lines between Picton & Christchurch	Chair	Resigned Jun 20
	Ministry of Transport NZ Upgrade Programme Oversight Group	Chair	Appointed Jun 20
	Westreef Services Ltd	Chair	
G D Abbot	Hanmer Springs Thermal Pools & Spa	General Manager	
J E Fredric	Aviation Security Service	Chair	
	Civil Aviation Authority	Chair	
	Credit Union Baywide	Director	
	Hurunui Tourism Board	Chair	Resigned Apr 20
	Lincoln University Council	Member	
	NZ Shipwreck Welfare Trust	Trustee	
	Timaru District Council, Audit and Risk Commitee	Member	Appointed May 20

For the Year Ended 31 March 2021

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

Director	Entity	Position	Appointment / Resignation
J F Jonker	Christchurch District Energy Company Ltd	Director	
	Dairy Creek GP Ltd	Director	
	Ecogas GP Ltd	Director	
	Ecotricity GP Ltd	Director	Resigned Apr 20
	Energy for Industry Ltd	Director	
	Engie Services Investments New Zealand Ltd	Director	
	F & L Investments Ltd	Director & Shareholder	
	Jonker Estate Ltd	Director & Shareholder	
	Pioneer Energy Ltd	CEO	
	Pioneer Generation Investment Ltd	Director	
	Pulse Energy Ltd	CEO	Appointed Apr 20
	Pulse GP Ltd	Director	Resigned Apr 20
	Southern Generation GP Ltd	Director	
S P Lewis	Electricity Invercargill Limited	Director	Appointed Nov 20
	Pylon Limited	Director	Appointed Nov 20

Directors' Interests
(MPNZ Investments Ltd)

Director	Entity	Position	Appointment / Resignation
A P Lester	Crestwood Partnership	Partner	
	Fuel Cell New Zealand Ltd	Director	
	MainPower New Zealand Ltd	Chief Executive	
	Ruralnet Ltd	Director	
	Solar New Zealand Ltd	Director	
T A Voice	Fuel Cell New Zealand Ltd	Director	
	L.Y.L.T Enterprises Ltd	Director & Shareholder	
	MainPower New Zealand Ltd	General Manger, Commercial	
	Ruralnet Ltd	Director	
	Solar New Zealand Ltd	Director	
	VF Holdings Ltd	Director & Shareholder	

FIVE YEAR TRENDS

For the Year Ended 31 March 2021

Group Consolidated Financials

	31 March 2021 $000	31 March 2020 $000	31 March 2019 $000	31 March 2018 $000	31 March 2017 $000
Statement of Comprehensive Income					
Gross Operating Revenue	67,793	69,945	65,891	70,924	85,522
Customer Rebates	(8,224)	(10,546)	(9,677)	(9,833)	(9,206)
Net Operating Revenue	59,569	59,399	56,214	61,091	76,316
Total Expenses	(48,653)	(52,693)	(53,844)	(52,207)	(70,406)
Profit Before Income Tax Expense	10,916	6,706	2,370	8,884	5,910
Income Tax Expense	(3,198)	(1,760)	(809)	(2,455)	(1,788)
	7,718	4,946	1,561	6,429	4,122
Loss from Discontinued Operations	-	-	(913)	(399)	-
Profit After Income Tax Expense	7,718	4,946	648	6,030	4,122
Network Maintenance Expenditure	5,706	5,429	5,526	4,316	6,582
Statement of Financial Position					
Net Working Capital	3,445	8,920	(5,944)	5,605	7,684
Non-Current Assets	324,855	315,781	281,729	291,855	294,829
Total Assets	340,167	336,551	303,981	305,449	310,919
Non-Current Liabilities	(81,392)	(85,511)	(47,327)	(70,030)	(81,113)
Total Equity	246,908	239,190	228,458	227,430	221,400
Network Capital Development Expenditure	22,934	25,169	10,239	9,786	17,637
Statement of Cash Flows					
Net Cash Provided from Operating Activities	23,940	24,348	12,062	21,180	16,271
Net Cash Used in Investing Activities	(26,703)	(24,986)	(3,522)	(8,889)	(13,656)
Net Cash Used in Financing Activities	(2,049)	(2,121)	(900)	(11,800)	(3,700)
Financial Measures	%	%	%	%	%
Profit Before Income Tax Expense / Total Equity	4.42	2.80	1.04	3.91	2.69
Profit Before Income Tax Expense and Customer Rebates / Total Equity	7.75	7.21	5.27	8.23	6.83
Profit After Income Tax Expense / Total Assets	2.27	1.47	0.51	2.11	1.37
Profit After Income Tax Expense / Total Equity	3.13	2.07	0.68	2.83	1.88
Total Equity / Total Assets	72.58	71.07	75.16	74.46	73.16

FIVE YEAR TRENDS (CONTINUED)

For the Year Ended 31 March 2021

Parent Financials

	31 March 2021 $000	31 March 2020 $000	31 March 2019 $000	31 March 2018 $000	31 March 2017 $000
Statement of Comprehensive Income					
Gross Operating Revenue	67,860	69,944	65,891	71,187	62,531
Customer Rebates	(8,224)	(10,546)	(9,677)	(9,833)	(9,206)
Net Operating Revenue	59,636	59,398	56,214	61,354	53,325
Total Expenses	(48,651)	(52,811)	(53,892)	(52,284)	(49,041)
Net Profit Before Income Tax Expense	10,985	6,587	2,322	9,070	4,284
Taxation	(3,205)	(1,643)	(809)	(2,456)	(1,317)
Dividends Received	-	-	-	-	1,000
Net Profit	7,780	4,944	1,513	6,614	3,967
Network Maintenance Expenditure	5,706	5,564	5,526	4,316	6,582
Statement of Financial Position					
Net Working Capital	3,210	5,041	(6,803)	1,793	2,104
Non-Current Assets	327,983	318,750	288,795	295,046	299,619
Total Assets	342,751	339,708	310,305	305,345	309,829
Non-Current Liabilities	85,147	(85,526)	(51,177)	(67,918)	(79,416)
Total Equity	246,047	238,265	230,815	228,921	222,307
Network Capital Development Expenditure	22,921	24,350	10,239	9,786	17,498
Statement of Cash Flows					
Net Cash Provided from Operating Activities	23,940	23,307	11,970	20,657	15,692
Net Cash Used in Investing Activities	(26,703)	(23,837)	(6,722)	(8,593)	(14,191)
Net Cash Used in Financing Activities	(2,049)	(2,121)	2,950	(11,800)	(1,700)
Financial Measures	%	%	%	%	%
Profit Before Income Tax Expense / Total Equity	4.46	2.76	1.01	3.99	1.93
Profit Before Income Tax Expense and Customer Rebates / Total Equity	7.81	7.19	5.20	8.26	6.07
Profit After Income Tax Expense / Total Assets	2.27	1.46	0.66	2.20	1.31
Profit After Income Tax Expense / Total Equity	3.16	2.07	0.66	2.91	1.78
Total Equity / Total Assets	71.79	70.14	74.38	77.12	73.68

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

FIVE YEAR TRENDS (CONTINUED)

For the Year Ended 31 March 2021

Other Measurements	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Quality of Supply					
SAIDI[1]	297.35	343.30	204.00	174.20	213.40
SAIFI[2]	2.17	2.26	1.58	1.60	1.44
Unplanned Faults[3]	14.20	11.70	6.63	3.50	6.33
Other Network Measures					
Number of Customer[4] Connections	41,882	41,112	40,224	39,700	39,346
Electricity Entering the System (GWh)	666.02	670.90	633.30	630.00	635.58
Electricity Delivered to Customers (GWh)	622.72	634.40	594.00	604.00	600.62
Electricity Losses (GWh)	43.30	36.50	39.30	26.00	34.96
Electricity Loss Ratio (%)	6.50	5.44	6.21	4.13	5.50
Maximum Coincidental Demand (MW)	125.70	116.20	116.40	113.70	112.40
Load Factor (%)	60.49	65.90	62.13	64.20	64.50
Total Transformer Capacity (MW)	574.26	564.99	562.16	556.60	539.67
Transformer Capacity Utilisation Factor (%)	21.70	20.40	20.50	19.90	20.50
Circuit Length Lines (km)	5,166	5,121	5,071	5,052	5,017
Electricity Distribution Energy Performance	$	$	$	$	$
Capital Cost (per km)	4,437	4,915	1,265	1,111	2,984
Capital Cost (per ICP)	547	612	160	142	397
Operating Cost (per km)	3,034	3,091	3,644	2,915	3,248
Operating Cost (per ICP)	374	385	459	373	433
Health, Safety and Risk Measures	#	#	#	#	#
Staff Employed	173	170	162	166	266
Major Non-Conformances from External Certification Audit	-	-	-	-	5
Enforceable Regulatory Notifications	-	-	-	-	-
Leadership Interactions with Employees	109	119	108	98	67
Work Related Accidents Resulting in Lost Time	4	3	2	3	3

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

DIRECTORY

For the Year Ended 31 March 2021

Directors

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

Executive Team

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

Registered Office

172 Fernside Road, P O Box 346, Rangiora 7440

Principal Banker

Westpac New Zealand Limited, Rangiora

Principal Solicitor

Duncan Cotterill, Christchurch

Auditor

Deloitte Limited, Christchurch

MainPower New Zealand Limited
172 Fernside Road, RD1, Kaiapoi 7691
PO Box 346, Rangiora 7440
Telephone: 0800 30 90 80
Website: mainpower.co.nz