WEST COAST ELECTRIC POWER TRUST AND GROUP

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2020

		Group		Parent	
	Notes	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Operating Revenue	6	87,875	67,670	1	
Other Income	7	82	8	200	200
		87,957	**67,678**	**201**	**200**
Operating Expenses	8	73,053	52,404	207	163
Depreciation, Amortisation and Impairment		6,772	5,982		
		79,825	**58,386**	**207**	**163**
Operating Profit (Loss)		**8,132**	**9,292**	**(6)**	**37**
Finance Income		534	475		
Finance Expenses		(1,069)	(1,034)		
Net Finance Cost	9	**(535)**	**(559)**		
Profit (Loss) Before Income Tax		**7,597**	**8,733**	**(6)**	**37**
Income Tax	10	1,386	2,588		
Profit (Loss) After Income Tax		**6,211**	**6,145**	**(6)**	**37**
Attributable to:					
Parent Entity		5,984	5,964	(6)	37
Minority Interest		227	181		
		6,211	**6,145**	**(6)**	**37**

The accounting policies and notes on pages 5 to 41 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND GROUP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Profit For The Year		**6,211**	**6,145**	**(6)**	**37**
Other comprehensive income					
Other comprehensive income that may be reclassified					
to profit or loss in subsequent periods (net of tax)					
Net gain/(loss) on cash flow hedges		93	(28)		
Net other comprehensive income/(loss) that may be reclassified					
to profit or loss in subsequent periods		**93**	**(28)**		
Other comprehensive income that will not be reclassified					
to profit or loss in subsequent periods (net of tax)					
Revaluation of Property, Plant and Equipment		3,375	774		
Net other comprehensive income/(loss) that will not be					
reclassified to profit or loss in subsequent periods		**3,375**	**774**		
Total Comprehensive Income for the year, net of tax		**9,679**	**6,891**	**(6)**	**37**
Attributable to:					
Parent Entity		9,441	6,713	(6)	37
Minority Interest		238	178		
		9,679	**6,891**	**(6)**	**37**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Balance at 1 April		**135,572**	**128,801**	**31,247**	**31,210**
Total comprehensive income		9,679	6,891	(6)	37
Dividends to equity holders		(120)	(120)		
Reclassification of leased assets		(958)			
Balance at 31 March		**144,173**	**135,572**	**31,241**	**31,247**
Attributable to:					
Parent Entity		142,955	134,472	31,241	31,247
Minority Interest		1,218	1,100		
		144,173	**135,572**	**31,241**	**31,247**

The accounting policies and notes on pages 5 to 41 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND GROUP

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		Group		Parent	
	Notes	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
NON CURRENT ASSETS					
Property, Plant and Equipment	11	148,144	144,185		
Right-of-use-Assets	20	4,191			
Goodwill and Other Intangible Assets	12	7,654	7,707		
Investments in Subsidiaries	13			31,100	31,100
Other Investments	14	247	346		
Total Non Current Assets		**160,236**	**152,238**	**31,100**	**31,100**
CURRENT ASSETS					
Cash and Cash Equivalents	15	10,189	5,668	141	140
Short Term Deposits		15,500	15,000		
Trade and Other Receivables	16	13,715	14,480	5	7
Assets Held for Sale	17		283		
Financial Derivatives	22	62			
Inventories		1,024	809		
Current Tax Assets		14	14	14	14
Total Current Assets		**40,504**	**36,254**	**160**	**161**
TOTAL ASSETS		**200,740**	**188,492**	**31,260**	**31,261**
EQUITY					
Share Capital					
Reserves	18	14,462	11,389		
Retained Earnings	18	128,493	123,083	31,241	31,247
Minority Interest	18	1,218	1,100		
TOTAL EQUITY		**144,173**	**135,572**	**31,241**	**31,247**
NON CURRENT LIABILITIES					
Loans and Borrowings	5,19	19,500			
Lease Liabilities	20	3,798	41		
Financial Derivatives	22	172	324		
Fibre IRU Liability		1,016	1,070		
Provision for Site Restoration		24	23		
Employee Benefits		751	721		
Deferred Tax Liabilities	10	18,383	18,873		
Total Non Current Liabilities		**43,644**	**21,052**		
CURRENT LIABILITIES					
Trade and Other Payables	21	7,322	6,018	19	14
Employee Benefits		2,949	2,358		
Lease Liabilities	20	420	22		
Financial Derivatives	22	310	287		
Fibre IRU Liability		54	52		
Current Portion of Borrowings	5,19	450	21,700		
Income Tax Payable		1,418	1,431		
Total Current Liabilities		**12,923**	**31,868**	**19**	**14**
TOTAL LIABILITIES		**56,567**	**52,920**	**19**	**14**
TOTAL EQUITY AND LIABILITIES		**200,740**	**188,492**	**31,260**	**31,261**

Authorised for issue on 4 December 2020 for and on behalf of the Trust:

Greg Topp, Chair *Ian Hustwick, Deputy Chair*

The accounting policies and notes on pages 5 to 41 are an integral part of these financial statements.

WEST COAST ELECTRIC POWER TRUST AND GROUP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

		Group		Parent	
	Notes	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
		$000	**$000**	**$000**	**$000**
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		88,259	65,724	1	
Interest Received		539	428		
Dividends Received				200	200
Payments to suppliers and employees		(70,570)	(50,814)	(200)	(205)
Interest Paid		(1,067)	(1,032)		
Income Tax (Paid) Received		(3,126)	(1,865)	()	(1)
Net GST Paid		(114)	23		
Net cash inflows/(outflows) from operating activities	26	**13,921**	**12,464**	**1**	**(6)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		89	1,085		
Loan payments received		99	94		
Investments repaid		18,000	12,000		
Acquisition of property, plant and equipment		(6,632)	(3,951)		
Acquisition of investments		(18,500)	(17,500)		
Purchase of goodwill and intangibles		(188)	(505)		
Net cash inflows/(outflows) from investing activities		**(7,132)**	**(8,777)**		
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		1,250	1,150		
Repayment of borrowings		(3,000)	(2,650)		
Lease Liabilities repayments		(398)	(5)		
Dividends paid		(120)	(151)		
Net cash inflows/(outflows) from financing		**(2,268)**	**(1,656)**		
Net increase (decrease) in cash and cash equivalents		**4,521**	**2,031**	**1**	**(6)**
Cash and cash equivalents at 1 April		5,668	3,637	140	146
Cash and cash equivalents at 31 March	15	**10,189**	**5,668**	**141**	**140**

The GST (net) component of operating activities reflects the net GST paid and received with the IRD. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accounting policies and notes on pages 5 to 41 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Financial statements for the parent (separate financial statements) and consolidated financial statements are presented. West Coast Electric Power Trust (the parent) is a consumer trust, the beneficiaries of which are the electors of the areas served by Westpower Limited. The Trust is domiciled in New Zealand. The Trust's registered office is at 146 Tainui Street, Greymouth.

The Westpower Limited Group (subsidiaries) is involved in the generation and reticulation of electricity and electrical contracting and consultancy.

The consolidated financial statements comprise the parent and its subsidiaries as at and for the year ended 31 March 2020 (see note 28), together referred to as the Group.

The financial statements have been prepared in accordance with the requirements of the Electricity Industry Act 2010.

2 BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ equivalents to International Financial Reporting Standards (NZ IFRSs) and other applicable financial reporting standards appropriate for profit-oriented entities. Neither the Trustees nor any others have the power to amend the financial statements after issue.

The Group is a Tier 1 For-profit entity and has reported in accordance with Tier 1 For-profit accounting standards.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:
- derivative financial instruments are measured at fair value.
- equity instruments designated at fair value through other comprehensive income.
- distribution assets, and land and buildings are measured at fair value.

The methods used to measure fair value are discussed further in Note 4.

(c) Functional and Presentation Currency

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

(d) Use of Estimates, Judgments and Assumptions

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:
- Note 3(j)(iii) Measurement of the recoverable amount of cash generating units.
-Valuation of Electricity Distribution and Land & Building Assets see Notes 11 & 23.

Significant Judgement

In assessing the useful life of the hydro generation assets, the Group has made a significant judgement that the current Department of Conservation concession will be extended from its current expiry date of 30 April 2059 to 2083 in line with the useful lives of the hydro generation assets.
If the concession is not renewed the following areas would be affected:

- an increase in depreciation (assessment of the useful lives)
- an increase in restoration liability provision (based on timing of future costs)
- create and impairment indicator, which could result in an impairment to the value of the scheme assets.

(ii) Determining the lease term of lease contracts with renewal options

The Group has lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group considers all relevant factors that create an economic incentive for it to exercise the renewal. The Group included the renewal periods of its property leases as part of the lease term because there will be a significant negative effect on the Group's operations if a replacement asset is not readily available.

(iii) Estimating the incremental borrowing rate for lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Subsidiaries

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

(ii) Transactions Eliminated on Consolidation

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

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the profit or loss in the period in which they arise.

(c) Financial Instruments

(i) Financial Assets

Financial assts are classified, at initial recognition, and subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). Financial assets are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial assets are measured as described below.

Financial Assets at Amortised Cost
Financial assets at amortised cost include cash and cash equivalents, short term deposits, trade and other receivables and other loans receivable. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial Assets Measured at FVOCI
The Group’s investment in non subsidiary equity securities are not held for trading. The Group has made an irrevocable election at initial recognition to classify these investments as financial assets at fair value through other comprehensive income (FVOCI). Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized directly in equity within a revaluation reserve. When an investment is derecognized, the cumulative gain or loss recognized in the revaluation reserve is reclassified to retained earnings and is not transferred to profit or loss.

The fair value of equity investments that are not traded in an active market and are classified as FVOCI, are based on non-market valuation techniques.

Investments in Subsidiaries
Investments in equity securities of subsidiaries, associates and joint ventures are measured at cost less impairment losses in the separate financial statements of the Parent.

(ii) Financial Liabilities

Financial liabilities are classified as subsequently measured at amortised cost, or subsequently measured at fair value through profit or loss. All financial liabilities are recognised initially at fair value.

Loans and Borrowings
After initial recognitions, all borrowings are measured at amortised cost using the effective interest rate method.

Trade and Other Payables
Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Derivatives Designated as Hedging Instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value and transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are stated at fair value at each balance date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedging relationship (see below).

Cash Flow Hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

(d) Property, Plant and Equipment

(i) Recognition and Measurement

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 April 2006, the date of transition to NZ IFRS, was determined by reference to its fair value at that date.
Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing items and restoring the site on which they are located.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent Costs

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

(iii) Depreciation

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

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

- electricity distribution system	5-70 years SL
- buildings	5-50 years SL
- motor vehicles	10-50% DV
- plant and equipment	2.5-67% DV
- furniture and fitting including computers	5-67% DV

- hydro generation assets 5-70 years SL

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

(iv) Subsequent Measurement

Land and buildings are subsequently measured at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers based on either a depreciated replacement cost or a market based approach. Land and buildings were revalued as at 31 March 2019 by Preston Rowe Paterson, registered valuers at $12,896,500. These are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from fair value.

The distribution system is subsequently measured at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers, based on a discounted cashflow approach. Distribution system assets were revalued by PricewaterhouseCoopers as at 31 March 2020 at $95,357,000 within the financial statements of Westpower Limited which were independently audited by Audit New Zealand. These are reviewed at the end of each reporting period to ensure that the carrying value of the distribution system is not materially different from fair value. Consideration is given as to whether the distribution system is impaired as detailed in note 3(k)(ii).

Any revaluation increase arising on the revaluation of land and buildings and the distribution system is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the 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 system 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 relating to a previous revaluation of that asset.

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

(e) Goodwill

Goodwill arises on the acquisition of subsidiaries. Goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the assets and liabilities of the acquiree. Goodwill is measured at cost less accumulated impairment losses. Where impairment losses are recognized these are not reversible. Goodwill is assessed at each reporting date for impairment.

(f) Other Intangible Assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of the intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

-software 10-67% DV

(g) Contract Balances

Contract Assets

A contract asset is the right to consideration in exchange for good or services transferred to the customer. If the Group performed by transferring goods or services before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract asset is measured based on the revenue recognition policy refer to 3(n).

Trade Receivables
A receivable represents the Group's right to an amount of consideration which is unconditional.

Standard payment terms are for payment due 20th of the month following the date of invoice. As a practical expedient, the Group has made no adjustment for the effect of the financing component of the contract if the Group expects, at contract inception that the period between the transfer of goods and service and payment will be less than one year.

Contract Liabilities
A contract liability is the obligation to transfer goods or services to a customer which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers the goods or services to the customer, a contract liability is recognised when the payment is received. Contract liabilities are recognised as revenue when the Group performs under the contract.

(h) Leased Assets (as lessee)

Before 1 April 2019, leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received by the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

After 1 April 2019, the Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset 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 leases of low-value assets. As a practical expedient IFRS 16 permits a lessee not to separate non-lease components and instead account for any lease and associated non-lease components as a single arrangement. The Group uses this practical expedient.

(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 lives of the assets, as follows:

Plant and machinery	5-15 years
Motor vehicles and other equipment	3-5 years
Other property	1-80 years

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 assets are also subject to impairment. Refer to the accounting policies in section 3(k) Impairment of non-financial assets.

(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 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.

(iii) Short-term leases and leases of low-value assets

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

(i) Inventories

Inventories consist of construction materials. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Cash and Short Term Deposits

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cashflows, cash and cash equivalents consist of cash and short-term deposits as defined above.

(k) Impairment

(i) Impairment of Financial Assets

The carrying amounts of the Group's financial assets are reviewed at each balance date and an allowance for any expected credit losses recognised. Expected credit losses are based on the difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at an effective interest rate.

Expected credit losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

Trade Receivables

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

(ii) Impairment of Non Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future 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.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An 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 or amortisation, if no impairment loss had been recognised.

(l) Employee Benefits

(i) Defined Contribution Plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

(ii) Other Long Term Employee Benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the risk free interest rate. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(n) Revenue from Contracts with Customer

(i) Lines Charges

The Group provides electricity distribution services to energy retailers. This revenue is recognised at the time of supply under the output method based on the quantity, time and capacity provided. This reflects the physical transfer of the services to the customer.

(ii) Electricity Generation

Electricity generation revenue is recognised at the time of supply under the output method based on the date, time and quantity of electricity generated. This reflects the physical transfer of the services to the customer.

(iii) Contracting and Consulting Revenue

The Group provides electrical engineering consultancy and contracting services. The Group satisfies the performance obligations and recognises revenue over time. Revenue is recognised under the input method based on the costs incurred to date with reference to stage of completion of the contract and the contract value.

Performance obligations are considered to be satisfied over time on the basis that performance creates or enhances an asset that the customer controls and which has no alternative use (i.e. is a customised solution). The fact that another supplier would not need to re-preform the services provided to date demonstrates that the performance obligations are satisfied over time.

The transaction price is normally fixed at the start of the project. However changes to job scope, performance against contract timeframes or quality provisions, result in elements of variable consideration. Variable consideration is estimated based on the most likely amount. The variable consideration is not considered constrained based on the defined underlying contract provisions, the Group’s historical performance and that the uncertainty will be resolved within a short timeframe.

As a practical expedient, the Group need not disclose the transaction price allocated to remaining performance obligations on the basis that:

- the Group has a right to consideration from a customer in amount equal to the value transferred to the customer for the performance completed i.e.lines charges and electricity generation; or
- the performance obligation is part of a contract that has an original expected duration of one year or less i.e. contracting and consulting revenues.

(iv) Vested Assets and Capital Contribution

Vested assets are recognised as revenue at the fair value of the assets at the point that assets are connected to the network.

Capital contribution payments are calculated in line with Westpower’s capital contribution policy. Capital contributions are recognized as revenue when payable at the point that the assets are connected to the network.

(o) Leases (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 arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(ii) Fibre IRU Libility

The Group has entered into Indefeasible Right of Use (IRU) Agreements for the provision of fibre assets for a term of 20 years with payment at the commencement of the agreements. The liability has been valued on a discounted cashflow basis over the term of the agreements.

(p) Finance Income and Expenses

Finance income comprises interest income on funds invested, unwinding of the discount on assets and dividend income. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established.

Finance expenses comprise interest expense on borrowings. Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is defined as a separate asset where the construction period exceeds twelve months and costs in excess of $2m. All other borrowing costs are recognised in profit or loss using the effective interest method.

(p) Income Tax Expense

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

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

(r) Goods and Services Tax

(i) Parent
The West Coast Electric Power Trust (parent) is not registered for Goods and Services Tax (GST). All items in the financial statements are inclusive of GST.

(ii) Subsidiaries
All items in the financial statements are net of Goods and Services Tax except for debtors and creditors which are shown in the balance sheet inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense
The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the balance sheet.
The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cashflows.

(s) Changes in accounting policies and disclosures

(i) NZ IFRS 16 Lease

The Group applied NZ IFRS 16 for the first time. NZ IFRS 16 supersedes NZ IAS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under NZ IFRS 16 is substantially unchanged from NZ IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in NZ IAS 17. Therefore, NZ IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted NZ IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying NZ IAS 17 and NZ IFRIC 4 at the date of initial application

The effect of adoption of NZ IFRS 16 as at 1 April 2019 (increase/(decrease)) is as follows:

	$000
Assets	
Right-of-use assets	3,891
Property, plant and equipment	(1,020)
Total assets	2,871
Liabilities	
Lease Liabilities	3,868
less Finance Leases reclassified	(63)
Total Liabilities	3,806
Total adjustment on equity	
Retained earnings	(574)
Revaluation reserve	(384)
	(958)

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of NZ IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to h) above for the accounting policy prior to 1 April 2019.

- **leases previously classified as finance leases**

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under NZ IAS 17). The requirements of NZ IFRS 16 were applied to these leases from 1 April 2019.

- **leases previously classified as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. For all leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

These lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019 as follows:

Assets	**$000**	
Operating lease commitments as at 31 March 2019	1,723	
Weighted average incremental borrowing rate as at 1 April 2019	3.08%	
Discounted operating lease commitments as at 1 April 2019	3,836	see note below
less		
Commitments relating to short term leases		
Commitments relating to leases of low value assets	(11)	
add		
Commitments relating to leases previously classified as finance leases	66	
	3,891	

Note – includes lease payments relating to renewal periods not included in operating lease commitments at 31 March 2019.

4 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property, Plant and Equipment

The fair value of the distribution system assets is based on a discounted cashflow methodology. The significant valuation inputs are outlined in Note 23.
The fair value of land and buildings (excluding specialised buildings) are determined using a market comparable method. This means that valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Where buildings are of a specialised nature such as substation and depot buildings, these have been valued on a depreciated replacement cost basis. The significant valuation inputs are outlined in Note 23.

(b) Investments in Equity

The fair value of equity instruments designated at fair value through other comprehensive income is determined by non-market valuation techniques at the reporting date.

(c) Derivatives

The fair value of interest rate swaps is based on bank valuations. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

5 PRIOR PERIOD RESTATEMENT

The Statement of Financial Position, 31 March 2019 comparative amounts have been restated to classify all Loans and Borrowings as a current liability rather than a non-current liability. This restatement is to reflect that as at 31 March 2019 the borrowing facility with Westpac was due to expire on 31 December 2019 and therefore the borrowings were due to be paid within 12 months of balance date. It should be noted that the facility was renewed with Westpac in December 2019 for a further 2 years. Below summarises the restatement:

	Previous Amount	**Adjustment**	**Restated Amount**
Non Current liabilities			
Loans and Borrowings	21,000,000	(21,000,000)	
Total Non Current Liabilities	42,052,000	(21,000,000)	21,052,000
Current Liabilities			
Loans and Borrowings	700,000	21,000,000	21,700,000
Total Current Liabilities	10,868,000	21,000,000	31,868,000

6. OPERATING REVENUE

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Line Charges	21,664	21,067		
Less Special Discount	(2,990)	(2,971)		
Rentals & Sundry Income	587	817	1	
Vested Assets	564	318		
Generation Revenue	4,656	4,013		
Consulting Income	14,758	11,265		
Contracting Income	48,636	33,161		
Total Operating Revenue	87,875	67,670	1	

7. OTHER INCOME

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Gain on sale of property, plant and equipment	20	8		
Dividends from subsidiaries			200	200
Unrealsied gains on foreign exchange contracts	62			
Total Other Income	82	8	200	200

8. OPERATING EXPENSES

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Loss on disposal of property, plant and equipment	168	178		
Loss on impairment and revaluation	1,065	63		
Trustees Honoraria	105	101	105	101
Directors' Fees	378	354		
Auditor's remuneration to Audit New Zealand:				
- Audit of financial statements	168	146	8	7
- Other audit related services	27	19		
Operating Lease Expense		367		
Variable Lease Expense	105			
Impairment of Receivables	370			
Transmission Charges	3,901	3,765		
Maintenance and Operations	5,598	5,168		
Inventory Expensed	1,342			
Employee Related Expenses- Defined contribution schemes	772	646		
Employee Related Expenses- Other employee benefits	28,660	23,310		
Other Expenses	30,394	18,287	94	55
	73,053	52,404	207	163

9. FINANCE INCOME AND EXPENSES

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Interest income	534	475		
Finance Income	**534**	**475**		
Interest expense on financial liabilities measured at amortised cost	945	1,034		
Interest on lease liability	124			
Finance Expense	**1,069**	**1,034**		
Net Finance Costs	**(535)**	**(559)**		

10. INCOME TAX

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Current Tax Expense				
Current Period	3,171	2,583		
Adjustment for prior period	(62)	(39)		
	3,109	2,544		
Deferred Tax Expense				
Origination and reversal of temporary differences	(1,790)	5		
Adjustment for prior period	67	39		
	(1,723)	44		
Income Tax Expense Recognised in Profit	**1,386**	**2,588**		

Reconciliation of Effective Tax Rate

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Profit before income tax	7,597	8,733	(6)	37
Prima facie tax at 28%	2,128	2,445	(2)	10
Non deductible expenses	166	97		
Tax exempt income				
Change in temporary differences	58	46	2	(10)
Under (over) provided in prior periods	65			
Imputation credits received				
Effect on deferred tax balances of:				
-reintroduction of depreciation on buildings	(1,031)			
Income Tax Expense Recognised in Profit	**1,386**	**2,588**		

Income tax Recognised Directly in Equity

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Deferred tax liability on revaluation of electricity distribution assets	1,197	328		
Movement in fair value of derivatives	36	(11)		
Total Income Tax Recognised Directly In Equity	**1,233**	**317**		

10. INCOME TAX (continued)

Recognised Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

Group		Opening Balance 31-Mar-19	Charged to Income	Charged to Equity	Closing Balance 31-Mar-20
		$000	$000	$000	$000
Deferred Tax Liabilities					
Property, plant and equipment		19,646	(1,476)	1,197	19,367
Available for sale assets		21			21
Construction contracts		63	21		84
Derivatives		(172)	17	36	(119)
		19,558	(1,438)	1,233	19,353
Deferred Tax Assets					
Employee Provisions		526	110		636
Provision for Impairment		39	120		159
Tax losses		120	55		175
		685	285		970
Net Deferred Tax Liability		18,873	(1,723)	1,233	18,383
Attributable to:					
Parent					
Subsidiaries		18,873	(1,723)	1,233	18,383
		18,873	(1,723)	1,233	18,383

Group		Opening Balance 31-Mar-18	Charged to Income	Charged to Equity	Closing Balance 31-Mar-19
		$000	$000	$000	$000
Deferred Tax Liabilities					
Property, plant and equipment		19,204	114	328	19,646
Available for sale assets		21			21
Construction contracts		2	61		63
Derivatives		(161)		(11)	(172)
		19,066	175	317	19,558
Deferred Tax Assets					
Employee Provisions		528	(2)		526
Provision for Impairment		28	11		39
Tax Losses		(2)	122		120
		554	131		685
Net Deferred Tax Liability		18,512	44	317	18,873
Attributable to:					
Parent					
Subsidiaries		18,512	44	317	18,873
		18,512	44	317	18,873

10. INCOME TAX (continued)

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Imputation credits are available for use in subsequent periods					
Through the Parent					
Through subsidiaries		31,200	28,989		
		31,200	28,989		

11. PROPERTY, PLANT AND EQUIPMENT

Group		Electricity Distribution System $000	Hydro Generation $000	Land and Buildings $000	Other $000	Total $000
Cost or deemed cost						
Balance at 31 March 2018		96,021	36,622	13,433	16,139	162,215
Additions		2,274	23	109	1,864	4,270
Disposals and impairments		(150)			(68)	(218)
Revaluation	23			(535)		(535)
Balance at 31 March 2019		**98,145**	**36,645**	**13,007**	**17,935**	**165,732**
Additions		3,434	2	2,358	1,715	7,509
Disposals and Impairments		(181)		(958)	(350)	(1,489)
Revaluation	23	(6,462)				(6,462)
Balance at 31 March 2020		**94,936**	**36,647**	**14,407**	**19,300**	**165,290**
Accumulated Depreciation, Amortisation and Impairment						
Balance at 31 March 2018		3,415	3,221	1,215	9,532	17,383
Depreciation for the year		3,398	707	358	1,346	5,809
Disposals and Impairments		(10)			(62)	(72)
Revaluation	23			(1,573)		(1,573)
Balance at 31 March 2019		**6,803**	**3,928**		**10,816**	**21,547**
Depreciation for the year		3,468	708	377	1,529	6,082
Disposals and Impairments		(18)			(212)	(230)
Revaluation	23	(10,253)				(10,253)
Balance at 31 March 2020			**4,636**	**377**	**12,133**	**17,146**
Net Book Value at 31 March 2019		**91,342**	**32,717**	**13,007**	**7,119**	**144,185**
Net Book Value at 31 March 2020		**94,936**	**32,011**	**14,030**	**7,167**	**148,144**

Capital work in progress is contained in the following categories:

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Electricity Distribution System		1,606	645		
Hydro Generation		15	21		
Land and Buildings		2,430	111		
Other		32	114		
		4,083	891		

Security
At 31 March 2020, the assets of the group are subject to a guarantee to secure bank loans.

12. GOODWILL AND OTHER INTANGIBLES

Group		Goodwill	Software	Total
		$000	$000	$000
Cost or deemed cost				
Balance at 31 March 2018		6,993	2,615	9,608
Additions			238	238
Disposals				
Balance at 31 March 2019		**6,993**	**2,853**	**9,846**
Additions			190	190
Disposals				
Balance at 31 March 2020		**6,993**	**3,043**	**10,036**
Amortisation and impairment losses				
Balance at 31 March 2018			1,966	1,966
Amortisation for the year			173	173
Disposals				
Balance at 31 March 2019			**2,139**	**2,139**
Amortisation for the year			243	243
Disposals				
Balance at 31 March 2020			**2,382**	**2,382**
Net Book Value 31 March 2019		**6,993**	**714**	**7,707**
Net Book Value 31 March 2020		**6,993**	**661**	**7,654**

Goodwill is held in relation to the contracting and consulting operations of the Group. While these operations may be separate corporate entities, they are considered interdependent parts of the Group as part of the Design Build Deliver strategy. The recoverable amount in relation to these balances has been assessed based on value in use. The assessment has been based on 5 year cashflow forecasts which has been reassessed to take into account the impact of Covid 19 (see Note 29). These forecasts are based on past experience and forecast pipeline works including revenues from joint projects. Growth rates of 0 to 5% have been applied to years 2 and 3 of the forecast and 0% for year 4 and 5 in assessing any impairment. A discount rate of 7.8% has been applied. Inflation has not been applied to the forecasts.

Capital work in progress is contained in the following categories:

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Software		88	48		

13. INVESTMENT IN SUBSIDIARIES

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Non Current Assets					
Ordinary Shares - Westpower Limited				25,800	25,800
Preference Shares - Westpower Limited				5,300	5,300
				31,100	31,100
				31,100	31,100

14. OTHER INVESTMENTS

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Non Current Assets				
Equity instruments designated at fair value through OCI				
- International Panel & Lumber (West Coast) Limited	103	103		
- Other Loans	144	243		
	247	346		

15. CASH AND CASH EQUIVALENTS

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Bank Balances	1,539	353	141	11
Call Deposits	8,650	5,315		129
Cash and Cash Equivalents in Statement of Cashflows	10,189	5,668	141	140

16. TRADE AND OTHER RECEIVABLES

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Trade and other receivables	9,894	11,168		
Trade receivables due from related parties	22	11		
Prepayments	366	316	5	7
Contract assets	3,815	3,041		
	14,097	14,536	5	7
less provision for impairment	(382)	(56)		
	13,715	14,480	5	7

17. ASSETS HELD FOR SALE

	Group	
	31-Mar-20	31-Mar-19
	$000	$000
Assets Held for Sale		283
		283

18. EQUITY

Hedging Reserve

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

Fair Value Reserve

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at fair value through other comprehensive income, until the investment is derecognised.

Revaluation Reserve

The revaluation reserve relates to the revaluation of property, plant and equipment.

Dividends per Share

Dividends paid by Amethyst Hydro Limited to minority interests were paid at a rate of $0.1263 per share.

18. EQUITY (continued)

GROUP	Attributable to Equity Holders of the Company				Minority Interest	Total Equity
	Hedging Reserve	*Revaluation Reserve*	*Retained Earnings*	*Total*		
	$000	*$000*	*$000*	*$000*	*$000*	*$000*
Balance at 31 March 2018	(362)	11,002	117,119	127,759	1,042	128,801
Profit for the year			5,964	5,964	181	6,145
Other comprehensive income:						
Fair value of cashflow hedges	(33)			(33)	(5)	(38)
Revaluation		1,101		1,101		1,101
Income tax on items taken directly to equity	9	(328)		(319)	2	(317)
Total other comprehensive income	(24)	773		749	(3)	746
Total comprehensive income for the year	(24)	773	5,964	6,713	178	6,891
Dividends to Equity Holders					(120)	(120)
Balance at 31 March 2019	**(386)**	**11,775**	**123,083**	**134,472**	**1,100**	**135,572**
Profit for the year			5,984	5,984	227	6,211
Other comprehensive income:						
Fair value of cashflow hedges	114			114	15	129
Revaluation		4,572		4,572		4,572
Income tax on items taken directly to equity	(32)	(1,197)		(1,229)	(4)	(1,233)
Total other comprehensive income	82	3,375		3,457	11	3,468
Total comprehensive income for the year	82	3,375	5,984	9,441	238	9,679
Transfer to Retained Earnings		(384)	(574)	(958)		(958)
Dividends to Equity Holders					(120)	(120)
Balance at 31 March 2020	**(304)**	**14,766**	**128,493**	**142,955**	**1,218**	**144,173**

18. EQUITY (continued)

PARENT	Attributable to Equity Holders of the Trust				Minority	Total
	Hedging Reserve	*Revaluation Reserve*	*Retained Earnings*	*Total*	Interest	Equity
	$000	*$000*	*$000*	*$000*	*$000*	*$000*
Balance at 31 March 2018			31,210	31,210		31,210
Profit for the year			37	37		37
Other comprehensive income						
Total comprehensive income for the year			37	37		37
Balance at 31 March 2019			**31,247**	**31,247**		**31,247**
Profit for the year			(6)	(6)		(6)
Other comprehensive income						
Total comprehensive income for the year			(6)	(6)		(6)
Balance at 31 March 2020			**31,241**	**31,241**		**31,241**

19. LOANS AND BORROWINGS

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Non Current Liabilities					
Non current portion of secured bank loans		19,500			
		19,500			
Current Liabilities					
Current portion of secured bank loans		450	21,700		
		450	21,700		
		19,950	21,700		

	Weighted Average Interest Rate		Face Value	Value	Face Value
			2020	2020	2019
	2019	2020	$000	$000	$000
Less than one year					
Secured bank loan-call	3.05%	1.55%	450	450	700
Secured bank loan	4.22%				21,000
Longer than one year					
Secured bank loans		4.01%	19,500	19,500	
Total Interest Bearing Liabilities - Group			**19,950**	**19,950**	**21,700**

The bank loans are secured over all the assets of the Group. The borrowing facility is due for renewal in December 2021.

20. LEASES (AS A LESSEE)

The Group has lease contracts for offices, buildings, warehouses, vehicles, transmission sites and office equipment. The property leases have lease terms between 1-80 years and include various terms such as renewable rights, inflation features and variable lease payments. The Group also has leases of equipment with lease terms of 5 years.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Vehicles & Equipment	Land & Buildings	Total
	$000	**$000**	**$000**
As at 31 March 2019			
Adoption of NZ IFRS 16	172	3,719	3,891
As at 1 April 2019	172	3,719	3,891
Additions	388	360	748
Depreciation	(163)	(285)	(448)
As at 31 March 2020	397	3,794	4,191

Set out below are the carrying amounts of lease liabilities and the movements during the period.

as at 31 March 2019	
Adoption of NZ IFRS 16	3,868
as at 30 April 2019	3,868
Additions	748
Accretion of interest	124
Payments	(522)
As at 31 March 2020	4,218
Current	420
Non current	3,798
	4,218

The group had total cash outflows for leases of $521,212 in 2020. The group also had non-cash additions to right-of-use assets and lease liabilities of $747,791 in 2020.
As at 31 March 2020 the Group had leases which had not yet commenced to which they were committed with a total cash outflow of $20,951.

21. TRADE AND OTHER PAYABLES

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Trade payables due to related parties	103	72	1	1
Other trade payables	6,307	5,209	18	13
Accrued interest	83	90		
Contract Liabilities	829	647		
	7,322	6,018	19	14

Contract liabilities at the beginning of the period were recognised as revenue in the following 12 months.

The Group provides contracting services for which the transaction price allocated to partially unsatisfied performance obligation at 31st March 2020 are set out below.
The Group has applied the practical expedient not to disclose the transaction price allocated to the remaining performance obligations relating to the Electricity Generation and Design Consultancy contracts on the basis that the Group has a right to consideration from a customer in amount equal to the value transferred to the customer for the performance completed.
The Group has applied the practical expedient not to disclose the transaction price allocated to the remaining performance obligations relating to contracts with an original expected duration of 1 year or less.

Contracting Services	31-Mar-20	31-Mar-19
	$000	$000
To be recognised <1 yr	18,744	5,444
To be recognised >1 yr		

Amounts received in advance of performance are included in Contract Liabilities.

22. FINANCIAL INSTRUMENTS

Exposure to credit, interest rate, foreign currency, and liquidity risks arises in the normal course of the Group's business.

Credit Risk

Financial instruments which potentially subject the Group to credit risk are cash and cash equivalents, trade receivables and investments. The Group places its cash with high quality financial institutions and limits the amount of exposure to any one financial institution. The Group has a high concentration of credit risk to Trustpower in relation to distribution line charges to the electricity retailer, electricity generation sales and other contract works and Transpower in relation to contract works. Trustpower and Transpower represent 9% and 22% respectively of receivables as at 31 March 2020 (2019 8% and 27% respectively).

When determining changes in the credit risk of a financial asset since initial recognition, the Group considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due and the party is unlikely to pay its obligations to the Group in full.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write off. However, financial assets that are written off may still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The carrying amount of financial assets represents the Group's maximum credit exposure. The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status. The Group's exposure to geographical credit risk is almost entirely within New Zealand, with some transactions to Australia.

The status of trade receivables at the reporting date is as follows:

GROUP		**Trade Receivables**				
		Days Past Due				
31 March 2020	**Contract Assets**	**Current**	**<30 days**	**30-60 days**	**>61 days**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Expected credit loss rate					36%	
Estimated total gross carrying amount at default	3,815	8,040	701	117	1,058	9,916
Expected credit loss					382	382

GROUP		**Trade Receivables**				
		Days Past Due				
31 March 2019	**Contract Assets**	**Current**	**<30 days**	**30-60 days**	**>61 days**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Expected credit loss rate					19%	
Estimated total gross carrying amount at default	3,041	9,405	1,242	236	297	11,180
Expected credit loss					56	56

As at 31 March 2020 the Group has contract assets of $3,815,000 (2019 $3,041,000). There are no expected credit losses on contract assets (2019 nil).

A provision for expected credit losses relates to receivables past due by more than 60 days and is based on an analysis of individual balances. Set out below is the movement in the allowance for expected credit losses for trade receivables and contract assets.

	31-Mar-20	31-Mar-19
	$000	$000
As at 1 April	56	62
Provision for expected credit losses	370	
Write-off	(44)	(6)
As at 31 March	382	56

Loans receivable are secured by way of bond or other commercial arrangement. The value of security is at least equal to the value of the outstanding loan balance.

Liquidity Risk

Liquidity risk represents the Group's ability 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 obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

Foreign Currency Risk

The Group has minimal currency risk given that financial instruments are principally transacted in New Zealand dollars. Foreign exchange contracts are employed by the Group to manage its exposure to currency fluctuations for major transactions denominated in currencies other than New Zealand dollars.

As at 31 March 2020 the Group had exposure to Australian dollar receivables of $123,310 NZD (2019 $200,564 NZD). As at 31 March 2020 the Group had in place foreign exchange contracts to purchase Australian dollars AUD$79,936 (2019 nil) and USD$594,209 (2019 nil).

Interest Rate Risk

The Group manages its exposures to changes in interest rates on borrowings in line with the policy parameters set in its Treasury Policy. The Treasury Policy sets minimum and maximum parameters allowing the Group to have up to between 60% and 90% of its borrowings at fixed rates for terms up to 7 years to achieve an appropriate mix of fixed and floating interest rate exposures This is achieved by borrowing at a floating rate and using interest rate swaps as hedges of the variability of cashflows attributable to movements in interest rates. The Group applies a hedge ratio 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedging item based on the reference interest rates, tenors, repricing dates and maturities and notional amounts. The Group assesses whether the derivatives designated in each hedging relationship if expected to be effective in offsetting changes in cashflows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cashflows attributable to the change in interest rates.

HEDGE TYPE		Notional Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line item in Statement of Financial Position	Change in Fair Value
			Assets	Liabilities		
		$	$	$		$
Cashflow Hedge						
Interest Rate Risk						
NZD interest rate swaps	31-Mar-20	11,900,000	-	482,058	Financial Derivatives	128,705
(terms 1 - 3 years 2.80 - 4.85%)						
NZD interest rate swaps	31-Mar-19	11,900,000	-	610,763	Financial Derivatives	(37,797)
(terms 2 - 4 years 2.80 - 4.85%)						

These swap contracts have been designated as cashflow hedges The above interest rate swaps provide fixed rate cover for $11.9m of the Group's non-current borrowings.

		31-Mar-20		31-Mar-19	
Maturity Profile		Interest Rate	Notional Amount of Hedging Instrument	Interest Rate	Notional Amount of Hedging Instrument
Less than 1 year		4.84%	7,900,000		
1-2 years			-	4.84%	7,900,000
2-5 years		2.80%	4,000,000	2.80%	4,000,000
			11,900,000		11,900,000

Other Market Price Risk

The Group is exposed to variability in electricity generation sales revenue due to changes in electricity spot prices. To manage this risk the Group has entered into a Power Purchase Agreement under which Trustpower agrees to purchase all electricity produced by the Group at specified fixed prices. Currently there is an agreement with a term of two years from 1 July 2019 to 30 June 2021.

Capital Management

The Trust's capital includes Trust capital, reserves, retained earnings and minority interests. The Trust's equity is largely managed as a by-product of the decisions made by the Board of the Directors in managing the operations of the Group. The objective of managing the Trust's equity is to ensure that the Trust effectively achieves its objectives and purposes under the Trust Deed whilst remaining a going concern.

Sensitivity Analysis

In managing interest rate and currency risks, the Group aims to reduce the impact of short term fluctuations on the Group's earnings. Over the longer term however, permanent changes in foreign exchange and interest rates will have an impact on profit.

At 31 March 2020 it is estimated that a general increase of one percentage point in interest rates could decrease the Group's profit by $47,095 (2019 $98,000) and increase equity (excluding retained earnings) by $154,542 (2019 $267,527).

A decrease of one percentage point in interest rates would have the opposite impact on profit and decrease equity by $158,855 (2019 $276,482).

It is estimated that a general increase of ten percentage points in the value of the New Zealand dollar against other foreign currencies would have decreased the Group's profit before tax by less than $10,000 for the year ended 31 March 2020 (2019 less than $10,000).

Classification of Financial Instruments

GROUP - 2020	Note	FVOCI Hedging Instruments	FVOCI	FV Profit & Loss	Amortised Cost	Total Carrying Value
		$000		$000	$000	$000
Current Assets						
Cash and cash equivalents	15				10,189	10,189
Short Term Deposits					15,500	15,500
Trade and other receivables	16				9,534	9,534
Financial derivatives	22			62		62
				62	35,223	35,285
Non Current Assets						
Other investments	14		103		144	247
			103		144	247
Total Financial Assets			103	62	35,367	35,532
Current Liabilities						
Trade and other payables	21				6,493	6,493
Finance lease payable	20				420	420
Loans and borrowings	19				450	450
Financial derivatives	22	310				310
		310			7,363	7,673
Non Current Liabilities						
Loans and borrowings	19				19,500	19,500
Finance lease payable	20				3,798	3,798
Financial derivatives	22	172				172
		172			23,298	23,470
Total Financial Liabilities		482			30,661	31,143

GROUP - 2019	Note	FVOCI Hedging Instruments	FVOCI	Amortised Cost	Total Carrying Value
		$000		$000	$000
Current Assets					
Cash and cash equivalents	15			5,668	5,668
Short Term Deposits				15,000	15,000
Trade and other receivables	16			11,123	11,123
				31,791	31,791
Non Current Assets					
Other investments	14		103	243	346
			103	243	346
Total Financial Assets			103	32,034	32,137
Current Liabilities					
Trade and other payables	21			5,371	5,371
Finance lease payable	20			22	22
Loans and borrowings	19			21,700	21,700
Financial derivatives	22	287			287
		287		27,093	27,380
Non Current Liabilities					
Loans and borrowings	19				
Finance lease payable	20			41	41
Financial derivatives	22	324			324
		324		41	365
Total Financial Liabilities		611		27,134	27,745

PARENT - 2020	Note	FVOCI Hedging Instruments	FVOCI	Amortised Cost	Total Carrying Value
		$000	$000	$000	$000
Current Assets					
Cash and cash equivalents	15			141	141
Other investments	14				
Trade and other receivables	16			5	5
				146	146
Total Financial Assets				146	146
Current Liabilities					
Trade and other payables	21			19	19
				19	19
Total Financial Liabilities				19	19

PARENT - 2019	Note	FVOCI Hedging Instruments	FVOCI	Amortised Cost	Total Carrying Value
		$000	$000	$000	$000
Current Assets					
Cash and cash equivalents	15			140	140
Other investments	14				
Trade and other receivables	16			7	7
				147	147
Total Financial Assets				147	147
Current Liabilities					
Trade and other payables	21			14	14
				14	14
Total Financial Liabilities				14	14

Maturity Analysis of Financial Liabilities

Group 2020	Balance Sheet	Contractual Cashflows	Less than 1 Year	1-2 Years	2-5 Years	5-7 Years	More than 7 Years
	$000	$000	$000	$000	$000	$000	$000
Secured bank loans	19,950	20,049	20,049				
Trade and other payables	6,493	6,493	6,493				
Lease Liabilities	4,218	7,007	542	437	681	403	4,944
Total Non Derivative Liabilities	**30,661**	**33,549**	**27,084**	**437**	**681**	**403**	**4,944**
Interest Rate Swaps:							
Net Interest Settled Outflow (Inflow)	482	531	350	91	90		
	31,143	**34,080**	**27,434**	**528**	**771**	**403**	**4,944**

Group 2019	Balance Sheet	Contractual Cashflows	Less than 1 Year	1-2 Years	2-5 Years	5-7 Years	More than 7 Years
	$000	$000	$000	$000	$000	$000	$000
Secured bank loans	21,700	21,854	21,854				
Trade and other payables	5,371	5,371	5,371				
Lease Liabilities	63	68	25	25	18		
Total Non Derivative Liabilities	**27,134**	**27,293**	**27,250**	**25**	**18**		
Interest Rate Swaps:							
Net Interest Settled Outflow (Inflow)	611	633	290	251	92		
	27,745	**27,926**	**27,540**	**276**	**110**		

Parent 2020	Balance Sheet	Contractual Cashflows	Less than 1 Year	1-2 Years	2-5 Years
	$000	$000	$000	$000	$000
Trade and other payables	19	19	19		
Total Non Derivative Liabilities	**19**	**19**	**19**		

Parent 2019	Balance Sheet	Contractual Cashflows	Less than 1 Year	1-2 Years	2-5 Years
	$000	$000	$000	$000	$000
Trade and other payables	14	14	14		
Total Non Derivative Liabilities	**14**	**14**	**14**		

23. FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy for the Group's assets and liabilities:

GROUP - 2020	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value		$000	$000	$000	$000
Electricity Network Assets (Note 11)	31-Mar-20	94,936			94,936
Land and Buildings (Note 11)	31-Mar-19	14,030		12,473	1,557
Liabilities measured at fair value					
Interest Rate Swaps (Note 22)	31-Mar-20	482		482	
Foreign Exchange Contracts (Note 22)	31-Mar-20	62		62	

GROUP 2019	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset measured at fair value		$000	$000	$000	$000
Electricity Network Assets (Note 11)	31-Mar-17	91,342			91,342
Land and Buildings (Note 11)	31-Mar-19	13,007		11,379	1,628
Liabilities measured at fair value					
Interest Rate Swaps (Note 22)	31-Mar-19	611		611	

There have been no transfers between Levels 1 and 2 during the period.

Land and Building Assets:

Westpower engaged an external valuer to comment on whether any material impact to the previous valuation (revaluation as at 31 March 2019) had arisen due to the Covid-19 pandemic. The external valuer believes that the values of these buildings have not been affected.

Electricity Distribution Assets:

Westpower engaged an external valuer to revalue the electricity distribution assets as at 31 March 2020. The impacts of COVID-19 on a lines business are not expected to be material. Accordingly, no adjustments have been made to the valuation cashflows as a result of the pandemic.

Description of unobservable inputs to level 3 valuations:

- **Electricity Distribution Assets**

The Group's electricity distribution assets have been valued on a discounted cashflow basis. Below is a summary of the key unobservable inputs into this valuation.

Significant unobservable input	Sensitivity of the input to fair value.
WACC (post tax) Range 5.18%	The impact on the midpoint valuation of a change of .5% in WACC to the high or low points of the range is approximately 4%
Operating expenditure forecasts	A 5% movement in operating expenditure forecasts would result in a reduction/increase in the valuation of approximately 1.7%
Capital expenditure forecasts	A 5% movement in capital expenditure forecasts would result in a reduction/increase in the valuation of less than .1%

A reconciliation of the movement in value of electricity distribution assets is provided in Note 11

- **Building Assets - Specialised**

Westpower's substation buildings are considered purpose build with no reliable market evidence and so have been valued on a depreciated replacement cost basis. An optimised depreciated replacement cost methodology has been applied in line with Treasury Guidelines including development of asset registers, standard replacement costs, optimisation and assessment of useful lives.

Below is a reconciliation of the movement in the value of specialised building assets for the period:

		Group
		$000
Balance 31 March 2018		**4,602**
plus Additions		152
less Depreciation		(223)
Reclassifications on Revaluation		(3,392)
Revaluation Movement		487
Balance 31 March 2019		**1,628**
plus Additions		
less Depreciation		(71)
Balance 31 March 2020		**1,557**

- **Financial Assets at fair value through other comprehensive income (FVOCI)**

As financial assets at FVOCI (note 13) are not actively traded the fair value of these investments has been assessed based on the net asset backing of these investments.

24. COMMITMENTS

		Group		Parent	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Capital Commitments					
No longer than 1 year		986	388		
Operating Lease Commitments					
No longer than 1 year		see note 20	399		
1 to 2 years			299		
2 to 5 years			340		
Longer than 5 years			685		
			1,723		

25. CONTINGENCIES

ElectroNet Services Limited, Mitton ElectroNet Limited and ElectroNet Transmission Limited have provided guarantees secured over the assets of the companies, to Westpac in relation to debts owed by Westpower Limited. (No change from 2019).

Westpower Limited has provided a guarantee to Westpac in relation to the debts owed by Amethyst Hydro Limited (No change from 2019).

Westpower Limited has provided bank guarantees from Westpac to the value of $600,000 (2019 $1,100,000).

ElectroNet Services Limited has provided Contractors Performance Guarantees from Westpac to the value of $2,931,713.98 (2019 $604,150.88).

ElectroNet Transmission Limited has provided Contractors Performance Guarantees from Westpac to the value of $955,940.30 (2019 $1,382,722.30).

Mitton ElectroNet Limited has provided a bank guarantee to the value of $25,000 to the Wellington Regional Chamber of Commerce in relation to a carnet (2019 $25,000).

The Group has no other contingent liabilities or contingent assets

26. RECONCILIATION OF PROFIT FOR THE YEAR WITH NET CASH FROM OPERATING ACTIVITIES

	Group		Parent	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	$000	$000	$000	$000
Profit for the year	**6,211**	**6,145**	**(6)**	**37**
Adjustments for non cash items				
Depreciation	6,529	5,809		
Amortisation of intangibles	243	173		
Vested assets	(564)	(318)		
Loss (Gain) on sale of property, plant and equipment	148	108		
Loss on impairment and revaluation	1,065	65		
Reversal of previous loss on revaluation		(2)		
Movement in financial instruments	(62)			
Change in deferred tax	(1,723)	44		
Change in employee benefits (non current)	30	41		
	5,666	5,920		
Movement in working capital items				
Change in trade and other receivables	765	(3,217)	2	(1)
Change in inventories	(215)	(121)		
Change in trade and other payables	1,252	2,755	5	(41)
Change in employee benefits (current)	591	171		
Change in current tax asset	(13)	678		(1)
Adjustments for items classified as investing activities				
Change in capital creditors	(313)	39		
Change in finance lease (current)	(23)	22		
Change in finance lease (non current)		41		
Adjustments for items classified as financing activities				
Change in tax creditors (RWT on dividend)		31		
Net Cash from Operating Activities	**13,921**	**12,464**	**1**	**(6)**

RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP				
	31-Mar-19	Cash Flows	Non-Cash Movement	31-Mar-20
Long term borrowings			19,500	19,500
Short term borrowings	21,700	(1,750)	(19,500)	450
Lease liabilities	63	(522)	4,677	4,218
Total liabilities from financing activities	21,763	(2,272)	4,677	24,168
* for more information refer to note 20				

27. RELATED PARTIES

Parent and Ultimate Controlling Party

The immediate parent of the Group is the West Coast Electric Power Trust. See summary of group entities Note 28.

Trustees and Directors Interests

Trustees and Directors or their related parties hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Group in the reporting period. The transactions were for the purchase of electrical contracting and IT services. The terms and conditions of the transactions with directors and their related parties were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

		Transaction Value for the year ended		Balance Outstanding	
	Note	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
Trustees					
Services provided to:					
G Topp	a)	3	2	-	-
B Thomson	b)	115	61	8	5
I Hustwick	c)	23	-	11	-
Services received from:					
I Hustwick	c)	2	-	-	-
G Topp	a)		1	-	-
B Thomson	b)	703	946	99	69
Directors					
Services provided to:					
H Little	d)	8	319	-	-
S Merriman	e)	53	23	3	1
R Pickworth	f)	115	61	8	5
A Williams	g)	1	-	-	-
Services received from:					
S Merriman	e)	1	-	-	-
A Williams	g	12	6	-	-
R Pickworth	f)	703	946	99	69

a) The Group provided services to and received services from Greg Topp Electrical. G Topp is the managing director of this company.

b) The Group provided services to and received services from Westroads Limited. B Thomson is a director of Westroads Limited.

c) The Group provided services to and received services from Destination Westland Limited. I Hustwick is a director of Destination Westland Limited.

d) The Group provided services to Lilyvale Farms, Westland Milk Products Limited and Development West Coast. H Little is a director/shareholder of Lilyvale Farms, a shareholder of Westland Milk products and a trustee of Development West Coast.

e) The Group provided services to Marshall and Heaphy Limited. S Merriman is the managing director and shareholder of Marshall and Heaphy Limited

f) The Group provided services to and received services from Westroads Limited. R Pickworth is a director of Westroads Limited.

g) The Group received services from The Ashley Hotel Limited, The Ashley Hotel Christchurch Limited and The Towers on the Park Limited. A Williams is a director and shareholder of these companies.

Other Related Party Transactions

		Transaction Value for the year ended		Balance Outstanding	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		$000	$000	$000	$000
ElectroNet Services Limited and West Coast Electric Power Trust (WCEPT)					
Services provided to WCEPT (GST incl.)		6	5	-	
Westpower Limited and West Coast Electric Power Trust (WCEPT)					
Dividend paid to WCEPT		200	200	-	-
Services provided to WCEPT (GST incl.)		8	6	-	-

Key Management Personnel Compensation

Key management personnel include the Trustees of the West Coast Electric Power Trust

		31-Mar-20	31-Mar-19
		$000	$000
Trustees honoraria		105	101
Trustees meetings fees		9	8
		114	109

28. Group entities

Subsidiaries

	Country of Incorporation	Ownership Interest (%) 2020	2019
Westpower Limited (subsidiary of West Coast Electric Power Trust)	New Zealand	100	100
ElectroNet Services Limited (ENS) (subsidiary of Westpower)	New Zealand	100	100
Mitton ElectroNet Limited (subsidiary of ENS)	New Zealand	100	100
ElectroNet Transmission Limited (subsidiary of ENS)	New Zealand	100	100
ElectroNet Technology Limited (subsidiary of ENS)	New Zealand	100	100
Amethyst Hydro Limited (subsidiary of Westpower)	New Zealand	88	88

29. Significant Event – Covid-19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 25 March to 27 April, then Alert Level 3 from 28 April to 13 May, Alert Level 2 from 14 May to 9 June and have remained at Alert Level 1, thereafter.

Westpower, Amethyst Hydro and Mitton Electronet continued to operate through all stages of lockdown with minimal impact on revenue earned. The contracting operations of Electronet Services and Electronet Transmission were shut down to all but essential services during Alert Level 4 with a significant impact on revenue over this period with the Group receiving the government Wages Subsidy in respect of these companies. The progressive lifting of restrictions during May and June has seen a strong rebound in productivity and revenue earned to pre Covid levels.

Impairment assessments have been completed for each of the Group's cash generating units based on post lockdown financial forecasts. No impairments to the Group's assets were identified from these assessments. The impact of the Covid 19 pandemic was assessed as part of the revaluation of Westpower's electricity distribution assets as at 31 March 2020 and external advice was received regarding the impact on the carrying value of land and buildings (see Note 23).

The Covid 19 pandemic has not had any material impact on the Group's credit risk and lifetime expected credit losses.

In May the Board of Directors announced a line charge special discount this year of $5m, an increase of $2m from last year. It has been decided that the payment of the special discount to consumers this year will be brought forward to August rather than December as has been the practice in the past. This decision has been made by the Board of Directors to help reduce the financial pressure on our community at a time where many are facing uncertainty caused by the COVID-19 events.

30. Post Balance Date Events

On 9 July 2020, Rio Tinto announced that it had made the decision to close the Tiwai Point Smelter and to terminate their electricity contract with Meridian Energy effective August 2021. As a significant electricity consumer, the closure of Tiwai Point is expected to impact on prices on the NZ electricity market.

The Group will be assessing the potential impact of this for Amethyst Hydro as an electricity generator and seller into the NZ electricity market. At the time of signing, with a pending election and both major parties indicating they will work towards extending the Tiwai Point Smelter life, the impact of any closure may be deferred and/or reduced.

31. Statutory Deadline

The Electricity Industry Act 2010 requires that the Group adopt its annual report within four months after the end of the financial year. The Group was not able to comply with this requirement for the year ended 31 March 2020 and the Group annual report was not adopted until 4 December 2020.

Independent Auditor's Report

To the readers of West Coast Electric Power Trust and Group's financial statements for the year ended 31 March 2020

The Auditor-General is the auditor of West Coast Electric Power Trust (the Trust) and Group. The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust and Group on his behalf.

Opinion

We have audited:

- the financial statements of the Trust and Group on pages 1 to 41, that comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include significant accounting policies and other explanatory information.

In our opinion:

- The financial statements of the Trust and Group:
    - present fairly, in all material respects:
        - the financial position as at 31 March 2020; and
        - the financial performance and cash flows for the year then ended; and
    - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards.

Our audit was completed on 4 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the impact of Covid-19. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements, and we explain our independence.

Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of the Covid-19 on the Group as set out in note 29 to the financial statements.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Trustees for the financial statements

The Trustees are responsible on behalf of the Trust and Group for preparing the financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare the financial statements of the Trust and Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible on behalf of the Trust and Group for assessing the Trust and Group's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the Trustees intend to wind up the Trust and Group or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Electricity Industry Act 2010 and the Trust Deed of the Trust.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust and Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we reported on an assurance engagement for a Group subsidiary pursuant to the Electricity Distribution Information Disclosure Determination 2012 for the disclosure year ended 31 March 2020. This engagement is compatible with the independence requirements.

Other than the audit and this assurance engagement, we have no relationship with or interests in the Trust or any of its subsidiaries.

Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand