

# Electra

## 2020 Annual Review **TRUST**

The Electra Trust is 100 percent beneficially owned by the 45,600 electricity consumers currently connected to the Electra network through Kapiti and Horowhenua ("Beneficiaries").

The six elected Trustees of the Electra Trust hold the shares of Electra Limited ("Company") for the benefit of the Beneficiaries, ensure the terms of the

Trust Deed are complied with, and the benefits of that shareholding are distributed to the Beneficiaries in the form of an annual sales discount.

The Trustees appoint and monitor the performance of the Company's Directors. The Company and its subsidiary companies are responsible for operating the lines network (including lines, transformers and sub-stations).

## Trustees Report 2019/20

Who would have thought that the world would change so dramatically in such a short time. Covid-19 has been a challenge for all of NZ and for Electra. But it has proved that solid long term planning pays off. Electra worked hard over the past few years to put in place a business continuity plan to cope with such a major event. Staff in this vital essential service went over and above the call of duty and all the systems put in place worked superbly. On behalf of all beneficiaries I commend the company and staff on the frontline. Thank you all for keeping the power on despite the long lockdown.

We all should be proud to own such a valuable asset that continues to perform for and reward us as beneficiaries. This past year Electra has again achieved the highest standards in carrying out its core business for over 45,000 of us in Kapiti and Horowhenua. Electra has been acknowledged nationally as being at the cutting edge of power distribution using new technology to constantly improve

operational efficiency. It also continues to lead in health and safety practices in what will always be a risky endeavour.

The past year saw completion of the Electricity Pricing Review which was keenly anticipated but despite a good and sensible report nothing much has happened for consumers although we still await possible reform of the low user charges.

Closer to home your trust sought legal advice on updating our Trust Deed in light of the government's review of the 1956 Trusts Act, changes to which come into effect at the beginning of 2021. You will be asked for your support for the proposed changes which are relatively minor and will save money. The resolutions will be included with your voting papers. The entire deed and changes will be available on the Electra Trust website or a printed copy can be obtained from the Trust Secretary: [secretary@electratrust.co.nz](mailto:secretary@electratrust.co.nz) (email) or P.O.Box 564 Levin.

Also this year you opted for an ownership review which has been prepared by Electra's directors and I join with them in strongly recommending

## Where the Electra Network fits

GENERATION



Contact  
Meridian  
Genesis  
Mighty River Power  
Trustpower

TRANSMISSION



Transpower

DISTRIBUTION



**Electra**

ENERGY RETAIL



Electra Energy  
Contact  
Meridian  
Genesis  
Electric Kiwi  
Energy On Line  
Flick Electric  
Trustpower  
Nova Energy  
Mighty River Power  
Pulse Utilities NZ  
and others



## YOUR ELECTRA TRUSTEES

From the top – John Yeoman BBS, ACA, FCIS of Paraparaumu, Brendan Duffy ONZM, JP of Levin, Lindsay Burnell QSM of Ohau, Janet Holborow of Paekakariki, Ray Latham of Paraparaumu and Sharon Crosbie CNZM, OBE of Manakau (Chair).

## Directory

### TRUSTEES

S M Crosbie CNZM, OBE, Chair  
L R Burnell QSM  
R J Latham  
J L Yeoman BBS, ACA, FCIS  
B J Duffy ONZM, JP  
J Holborow

### SECRETARY

VM Wright, Waitarere

### ADVISORY TRUSTEE

Public Trust, Wellington

### AUDITOR

Deloitte, Wellington,  
on behalf of the  
Controller and Auditor  
General

### SOLICITORS

C S Law, Levin

retaining consumer ownership. A summary of their report and voting papers are included.

The Trustees support the Directors conclusion that the objectives of Electra Limited are best achieved with the current 100% of Trust ownership structure. It is considered the best outcome for the consumers of Kapiti and Horowhenua.

Finally I would like to pay tribute to the enormous contribution to the company made by Alan Macauley during his time as a director. We mourn his passing and remember him with respect and affection.

### Sharon Crosbie CNZM OBE

Chair, Electra Trust

For more information about the Electra Trust please visit: [www.electratrust.co.nz](http://www.electratrust.co.nz)

The Annual Report of Electra Trust, including the audited Financial Statements, is available on request from: Electra Ltd, Cnr Bristol & Exeter Streets, Levin. Or telephone 06 368 8406 (Secretary).

Online at website: [www.electratrust.co.nz](http://www.electratrust.co.nz)

## Overview of Electra Trust's Expenses

	2020 \$	2019 \$
Annual Report Expenses	59,839	42,045
Audit Fees	6,078	5,940
Bank Fees	60	218
Conferences	4,473	3,189
Corporate Trustee Fees	8,050	8,050
Depreciation	808	1,832
Director Appointment	37,507	12,438
ETNZ Levy	12,321	7,994
Legal Fees	2,547	1,300
Beneficiary Meetings	1,476	1,200
Secretary and Accounting	35,741	33,811
Trustee Election Expenses	66,966	64,565
Trustees' Expenses	12,194	10,926
Trustees' Fees (Total of 6)	90,001	87,499
Trustees' Insurance	5,510	5,510
Website & Computer Expenses	82	1,161
Telephone Tolls	1,423	1,142
Loss on Disposal	-	8
	<b>\$345,077</b>	<b>\$288,828</b>

These expenses are covered by a Dividend of \$330,000 received from Electra Limited.

Details of the discount are contained in the Electra Annual Report.

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## Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of beneficiaries of Electra Trust will be held at the Council Chambers, Horowhenua District Council, Oxford Street, Levin, on Friday, 31 July 2020 commencing at 12 noon.

### ORDINARY BUSINESS

1. Presentation of the following:
  - (a) Annual Report
  - (b) Financial Statements for the year ended 31st March 2020
  - (c) Report of the Auditor
2. To record the election of two Trustees.
3. To fix the remuneration of the Trustees for the coming year. Trust beneficiaries are asked to consider; and if thought fit, to pass the following resolution:

“THAT the remuneration of the Trustees remain the same therefore the remuneration for the 12 months ending 31st March 2021 be an amount of \$90,000, such sum to be divided amongst the six trustees in such proportion and in such manner as they may agree.”
4. To appoint an auditor for the Trust for the year ended 31st March 2021.

“THAT the Controller and Auditor General or his appointee be appointed as auditor for the Trust”
5. Authorise the Trustees to fix the remuneration of the Auditor of the Trust.

“THAT the Trustees be authorised to fix the remuneration of the Auditor of the Trust.”
6. To review and discuss the Code of Practice for the Electra Trust.
7. Report on the company's compliance with the Statement of Corporate Intent.
8. To direct the Trustees as to:
  - adopting the annual report and financial statements of the Company for the year ended 31st March 2020
  - the recommended payment of a dividend of \$300,000 by Electra Limited for the year ended 31 March 2020 to assist in meeting the expenses of the Trust
  - authorising the Directors of Electra Limited to fix the remuneration of the auditor of the Company.
  - supporting the Trust retaining 100% ownership of Electra Limited.
  - Extraordinary Resolution (requires an affirmative vote of not less than 75% of those voting) To direct the Trustees to amend the Trust Deed to:
    - (a) align the provisions of the Trust Deed with the Trusts Act 2019 such changes to be operative from 30 January 2021; and
    - (b) reduce the frequency of trustee elections to biannual elections and increase the number of retiring trustees from two to three thereby reducing administration costs incurred by the TrustChanges are as shown as marked up changes to the Trust Deed on the Trust's website-electratrust.co.nz/Trust Deed.  
Beneficiaries with no internet access to the website may request a copy of the marked-up Trust Deed by contacting the Trust Secretary.”
9. Public forum.

By the order of the Trustees

**Vivien Wright**

Trust Secretary

## MINUTES OF THE TWENTY SIXTH ANNUAL BENEFICIARY MEETING OF ELECTRA TRUST

Held at the Salvation Army Centre, Durham Street, Levin on Friday 26 July 2019 at 12 noon.

### PRESENT

Trustees: S Crosbie (Chair), L Burnell, R Latham, J Yeoman, B Duffy, J Holborow  
Directors: N Mackay (Chair of Electra Limited), C Dyhrberg, S Mitchell-Jenkins, J Boshier, A McCauley, M Underhill.  
10 other beneficiaries  
In attendance: V Wright (Secretary)  
Leszek Lendnal (Representing Public Trust as Advisory Trustee)  
Neil Simmonds (Chief Executive of Electra Ltd.)  
Senior Management Electra Ltd. (11)

The Chair welcomed everyone to the meeting and introduced the Trustees and Directors.

The Chair acknowledged that it was Board Chair, Neil Mackay's, last day as his term on the Electra Board had expired. Mr MacKay was thanked for his outstanding contribution and was wished well for the future – he will be missed.

The Chair advised beneficiaries that voting papers were available if they had not already voted by postal vote.

APOLOGIES Nil

### MINUTES RESOLVED

S Crosbie, seconded L Burnell THAT the minutes of the previous Annual Beneficiary Meeting held on 27 July 2018, as circulated previously be taken as read, confirmed as a true and correct record and signed by the Chair: Carried

### ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL STATEMENTS

The Chair presented the 2019 Annual Report. The Chair put the motion, seconded by B Duffy. RESOLVED THAT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2019 BE ADOPTED

The Chair declared that 3378 postal votes for the motion and 33 against carried the motion.

### ELECTION OF TRUSTEES

The Chair stated that in accordance with the Trust Deed, S Crosbie and J Yeoman had retired by rotation. S Crosbie and J Yeoman being eligible had been nominated for re-election.

The Secretary read the returning officer, Warwick Lampp's, report on the Trustee election results and advised that the successful candidates from the 2019 Trustee election were Sharon Crosbie and John Yeoman.

She declared Sharon Crosbie and John Yeoman to be elected Trustees under the terms of the Trust Deed of Electra Trust.

### TRUSTEE REMUNERATION

The Chair put the motion, seconded by R Latham. RESOLVED THAT THE REMUNERATION OF THE TRUSTEES BE INCREASED BY 3% AND THEREFORE THE REMUNERATION FOR THE 12 MONTHS ENDING 31 MARCH 2020 BE AN

AMOUNT OF \$90,000, SUCH SUM TO BE DIVIDED AMONGST THE SIX TRUSTEES IN SUCH PROPORTION AND IN SUCH MANNER AS THEY MAY AGREE.

The Chair declared that 2802 postal votes for the motion and 602 against carried the motion.

#### **APPOINTMENT OF AUDITOR**

The Chair put the motion, seconded by JYeoman.

RESOLVED THAT THE CONTROLLER AND AUDITOR GENERAL, OR HIS APPOINTEE, BE APPOINTED AS AUDITOR FOR THE TRUST.

The Chair declared that 3366 postal votes for the motion and 49 against carried the motion.

#### **REMUNERATION OF AUDITOR**

The Chair put the motion, seconded by B Duffy.

RESOLVED THAT THE TRUSTEES BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE TRUST

The Chair declared that 3278 postal votes for the motion and 135 against carried the motion.

#### **CODE OF PRACTICE**

The Chair asked the Advisory Trustee representative, Leszek Lendhal to read the Public Trust's Annual Report to the Beneficiaries. This report confirmed that to the best of the Public Trust's knowledge the Trustees had complied with their obligations under the Trust Deed and the Code of Practice in all significant respects during the year ended 31 March 2019.

#### **STATEMENT OF CORPORATE INTENT**

The Chair reported that the Trustees had reviewed and monitored the Statement of Corporate Intent of the Company and that Trustees believed the Company had adhered to the document.

#### **DIRECTION TO THE TRUSTEES AS TO ADOPTION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF ELECTRA LIMITED**

The Trust Chair invited Electra Chair Neil Mackay, and Mr Simmonds, CE of Electra Limited to present the Annual Report of the Company. Mr MacKay emphasised that the Company was in good stead and well positioned for the future both financially and in terms of new technologies.

His presentation highlighted the company's investment in:

- Emerging technologies,
- Subsidiary companies review and performance
- Growth strategy that focuses on our local region
- Sales Discounts
- Reliability of electricity supply

These have all left the company in a strong financial position to face the future.

CE Neil Simmonds gave further detail of the performance of Electra in comparison to other electricity Lines companies in terms of network reliability and performance.

He also explained what the expected increase of electric vehicles will mean to Electra and its beneficiaries.

Community support by way of sponsorship of the Business Awards and Business Breakfasts and After Five events to support local businesses.

Mr Simmonds praised the Electra team and thanked them for the exemplary service to beneficiaries both in the field and in supporting services.

The Chair thanked Mr MacKay and Mr Simmonds for their presentation and for their contribution to Electra

RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2019.

The Chair declared that 3380 postal votes for the motion and 29 against carried the motion.

#### **DIRECTION TO THE TRUSTEES AS TO AUTHORISING THE PAYMENT OF A DIVIDEND**

This dividend covered the expenses of Electra Trust.

The Chair put the motion, seconded by JYeoman.

RESOLVED THAT A DIVIDEND OF \$330,000 BE APPROVED.

The Chairman declared that 3320 postal votes for the motion and 82 against carried the motion.

#### **DIRECTION TO THE TRUSTEES AS TO AUTHORISING DIRECTORS TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY**

The Chair put the motion, seconded by J Holborow.

RESOLVED THAT THE DIRECTORS BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY.

The Chair declared that 3285 postal votes for the motion and 125 against carried the motion.

#### **DIRECTION TO THE TRUSTEES - THAT THE TRUSTEE SHALL PROCURE AN OWNERSHIP REVIEW OF ELECTRA LIMITED IN ACCORDANCE WITH THE PROCEDURE SET OUT IN CLAUSE 4.1 TO 4.5 OF THE ELECTRA TRUST DEED.**

The Chair put the motion seconded by JYeoman.

The Chair declared that 2417 postal votes for the motion and 962 against.

As the majority of those who voted for this special resolution voted FOR the resolution.

The resolution is carried.

The Chair explained that now this resolution had been passed the Directors would review the ownership structure of Electra Limited; such as retaining Trust ownership, selling the Company or any other suitable ownership structure such as a Joint Venture. The Directors will report their findings to the Trust.

During the next 12 months beneficiaries will be shown the report and will be asked to vote on their preference of ownership.

During this ownership review process the Trust will hold Public Meetings to keep beneficiaries informed and ensure they have all the information necessary to make an informed decision when they vote.

#### **PUBLIC FORUM**

##### **Ownership Review**

Mr Alan Day asked what the value of a beneficiary's share would be.

This will be available as part of the ownership Review report but currently the value was around \$4,000 for each ICP.

Mr Day expressed his opinion that the way the sales discount was distributed at a set time and date was not fair to consumers who had been at a property for most of the year and moved out before the cut off date.

The Chair explained that this was clearly detailed in the Electra Trust Deed and would need a special resolution to the Annual Beneficiaries Meeting to be changed.

##### **New Trust Legislation**

The Chair explained that a new Trust Act would be out next week and that the Electra Trust will probably need to amend its Trust Deed in line with this new legislation. Beneficiaries will be kept updated on the progress of these changes.

##### **25 Years' Service Recognition**

The Chair advised that Lindsay Burnell had been awarded a 25 year certificate by the Electricity Trusts of New Zealand Association for his service to Electra Trust. The meeting acknowledged his contribution with acclamation.

Lindsay Burnell thanked the meeting.

There being no further questions the Chair declared the meeting closed and thanked everyone for their attendance and invited them to adjourn for a hot drink and finger food in the supper room.

#### **CLOSURE**

The meeting closed at 1.06pm