ELECTRA TRUST

ANNUAL REPORT

FOR THE YEAR ENDED

31 March 2020

Profile

Electra Trust (formerly known as "Horowhenua Energy Trust") owns 100% of the shares in Electra Limited on behalf of 45,366 beneficiaries as defined in its Trust Deed dated 30th April 1993, amended December 1998, amended July 2012 and amended March 2015.

Electra Limited operates as an electricity line owner and operator in the Kapiti and Horowhenua region on the west coast of the lower North Island, New Zealand.

At 31 March 2020, the Group had total assets of $275 million and shareholders' funds of $164 million and employed 175 people.

Electra owns 100% of Electra Generation Limited, an electricity generation company and Electra Services Limited, a security and medical alarm monitoring and call centre services business.

Index

All values in this report are in thousands of New Zealand

"This year" means the year ended 31 March 2020
"Last year" means the year ended 31 March 2019
"Next year" means the year ending 31 March 2021

Deloitte.

Independent Auditor’s Report

To the Beneficiaries of Electra Trust and Group

Opinion

We have audited the financial statements of Electra Trust (the ‘Trust’) and the consolidated financial statements of the Electra Group (the ‘Group’) consisting of Electra Trust, Electra Limited and its subsidiaries, which comprise the consolidated and separate statement of financial position as at 31 March 2020, and the consolidated and separate statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies (‘the financial statements’).

In our opinion, the accompanying financial statements, on pages 8 to 34, present fairly, in all material respects, the consolidated and separate financial position of the Trust and Group as at 31 March 2020, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS’).

Basis for opinion

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

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

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

Other than in our capacity as auditor, we have no relationship with or interests in the Group, except that partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Other information

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

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

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

Trustees’ responsibilities for the financial statements

The Trustees are responsible on behalf of the Trust and the Group for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements 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 the Group for assessing the Trust and Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or Group, to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditor's report.

Restriction on use

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

Deloitte Limited

Silvio Bruinsma
Wellington, New Zealand
23 June 2020

Trustees' Report

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

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.

For more information about the Electra Trust please visit:
www.electratrust.co.nz

Sharon Crosbie CNZM OBE
Chair

Trustees' Statutory Report

The Trustees take pleasure in presenting their Report and financial statements of Electra Limited and Group for the year ended 31 March 2020

Principal activities

The Group's principal activities include the ownership of energy distribution networks, contracting, monitoring services and investments servicing the energy sector.

Group results and distributions

	2020	2019
	$000	$000
Continuing operations		
Operating revenue	**46,383**	50,940
Other expenses	**(50,784)**	(50,000)
Share of Profit in Joint Venture	**93**	1,294
Profit before tax	**(4,308)**	2,234
Income tax (expense)	**1,224**	(379)
Net profit for the year from continuing operations *	**(3,084)**	1,855
Discontinued operations		
Profit / (loss) for the year from discontinued operations	**-**	2,417
Profit for the year	**(3,084)**	4,272
Other movements through retained earnings	**41**	10
Dividend	**-**	-
Retained earnings brought forward	**78,056**	73,774
Retained earnings carried forward	**75,013**	78,056

* No goodwill impairment was recognised in 2020 (2019: nil)

Trustees' interests

Trustees have no direct interest in equity securities issued by the Company. Trustees may be beneficiaries of Electra Trust, which holds the shares in the Company for end-customers of the day.

Retirement of Trustees

In accordance with the Trust Deed, Brendan Duffy and Lindsay Burnell retire by rotation at the annual general meeting of the Trust. Brendan Duffy and Lindsay Burnell being eligible, offers themselves for re-election.

Auditor

Silvio Bruinsma of Deloitte Limited was appointed as Auditor on behalf of the Auditor-General in accordance with Section 45 of the Electricity Companies Act 1992.

For and on behalf of the Trust

S M Crosbie
Chair

23 June 2020

J L Yeoman
Trustee

23 June 2020

Index for the Audited Financial Statements

THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

		Group*		Parent	
	Note	**2020**	2019	**2020**	2019
Continuing Operations		**$000**	$000	**$000**	$000
Revenue					
Revenue	1	**45,989**	49,757	**-**	-
Interest income		**46**	388	**3**	3
Dividends from Electra Limited		**-**	-	**330**	300
Other Income		**348**	795	**-**	-
Total operating revenue and income		**46,383**	50,940	**333**	303
Expenses					
Interest expense	13	**(1,977)**	(1,509)	**-**	-
Other expenses	2	**(48,807)**	(48,491)	**(345)**	(289)
Total operating expenses		**(50,784)**	(50,000)	**(345)**	(289)
Share of Profit in Joint Venture		**93**	1,294	**-**	-
Profit before tax from continuing operations		**(4,308)**	2,234	**(12)**	14
Income tax benefit/(expense)	4	**1,224**	(379)	**-**	-
Profit/(loss) for the year from continuing operations		**(3,084)**	1,855	**(12)**	14
Discontinued operations					
Gain on disposal of operations	3	**-**	2,505	**-**	-
Earnings for the year from discontinued operations	3	**-**	(88)	**-**	-
Profit for the year		**(3,084)**	4,272	**(12)**	14
Other comprehensive income					
Gain on asset revaluation	5	**30,023**	-	**-**	-
(Loss) on disposal of revalued assets		**(132)**	(330)	**-**	-
Income tax benefit relating to components of other comprehensive income	4	**(8,357)**	96	**-**	-
Other comprehensive (loss) for the year net of tax		21,534	(234)	-	-
Total comprehensive profit/(loss) for the year net of tax		**18,450**	4,038	**(12)**	14

* Discontinued operations have been separated out. There were no discontinued operations in the current year.

The notes on pages 12 to 33 form part of these financial statements.

THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Issued Capital	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Retained Earnings	Attributable to owners	Total
		$000	$000	$000	$000	$000	$000
Balance at 1 April 2018		**18,000**	**49,348**	**-**	**73,774**	**141,122**	**141,122**
Profit / (loss) for the year		-	-	-	4,272	4,272	**4,272**
Disposal of revalued assets		-	(330)	-	-	(330)	**(330)**
Tax benefit relating to revalued assets		-	96	-	-	96	**96**
Total comprehensive profit / (loss) for the year		**-**	**(234)**	**-**	**4,272**	**4,038**	**4,038**
Transfer to retained earnings			(10)		10	-	-
Balance at 31 March 2019		**18,000**	**49,104**	**-**	**78,056**	**145,160**	**145,160**
Balance at 1 April 2019		**18,000**	**49,104**	**-**	**78,056**	**145,160**	**145,160**
Profit for the year		-	-	-	(3,084)	(3,084)	**(3,084)**
Revaluation of assets movement		-	30,023	-	-	30,023	**30,023**
Disposal of revalued assets		-	(132)	-	-	(132)	**(132)**
Tax benefit relating to revalued assets		-	(8,357)	-	-	(8,357)	**(8,357)**
Total comprehensive profit / (loss) for the year		**-**	**21,534**	**-**	**(3,084)**	**18,450**	**18,450**
Transfer to retained earnings			**(41)**		**41**	**-**	**-**
Balance at 31 March 2020		**18,000**	**70,597**	**-**	**75,013**	**163,610**	**163,610**

PARENT	Note	Issued Capital	Asset Revaluation	Foreign Currency	Retained Earnings	Attributable to owners	Total
		$000	$000	$000	$000	$000	$000
Balance at 1 April 2018	11	**18,000**	**-**	**-**	**37**	**18,037**	**18,037**
Profit and total comprehensive income		-	-	-	14	14	**14**
Balance at 31 March 2019		**18,000**	**-**	**-**	**51**	**18,051**	**18,051**
Balance at 1 April 2019		**18,000**	**-**	**-**	**51**	**18,051**	**18,051**
Profit and total comprehensive income		-	-	-	(12)	(12)	**(12)**
Balance at 31 March 2020		**18,000**	**-**	**-**	**39**	**18,039**	**18,039**

The notes on pages 12 to 33 form part of these financial statements.

THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**242,543**	204,699	**1**	2
Investment in Electra Limited	17	**-**	-	**18,000**	18,000
Goodwill and intangible assets	6	**8,704**	9,320	**-**	-
Finance receivables	8	**733**	432	**-**	-
Right of Use Assets*	13	**4,008**	-	**-**	-
Investments	17	**1,721**	-	**-**	-
Investment in joint venture	18	**11,387**	11,294	**-**	-
Total non-current assets		**269,096**	225,745	**18,001**	18,002
Current assets					
Cash and cash equivalents		**1,199**	1,498	**54**	93
Receivables and prepayments	7	**4,358**	5,579	**4**	4
Finance receivables	8	**-**	1,568	**-**	-
Inventories and work in progress	9	**834**	566	**-**	-
Investment	17	**-**	1,500	**-**	-
Total current assets		**6,391**	10,711	**58**	97
Total assets		**275,487**	236,456	**18,059**	18,099
LIABILITIES					
Non-current liabilities					
Debt finance	16	**42,718**	34,960	**-**	-
Lease liability*	13	**3,864**	-	**-**	-
Deferred tax liability	4	**39,720**	32,995	**-**	-
Total non-current liabilities		**86,302**	67,955	**-**	-
Current liabilities					
Debt finance	16	**18,342**	17,810	**-**	-
Trade and other payables	10	**6,974**	5,531	**20**	48
Lease liability*	13	**259**	-	**-**	-
Total current liabilities		**25,575**	23,341	**20**	48
Total liabilities		**111,877**	91,296	**20**	48
Net assets		**163,610**	145,160	**18,039**	18,051
EQUITY					
Trust capital	11	**18,000**	18,000	**18,000**	18,000
Reserves		**70,597**	49,104	**-**	-
Retained earnings		**75,013**	78,056	**39**	51
Total equity		**163,610**	145,160	**18,039**	18,051

* New balance sheet items for the current year required by the adoption of a new accounting standard for leases (NZ IFRS 16).

The Trustees of Electra Trust authorised these financial statements for issue on 23 June 2020.

For and on behalf of the Board

S M Crosbie
Chair

J L Yeoman
Trustee

The notes on pages 12 to 33 form part of these financial statements.

THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Group 2020 $000	Group 2019 $000	Parent 2020 $000	Parent 2019 $000
Cash flows from operating activities					
Cash was provided from:					
Receipts from customers		**46,578**	50,759	**-**	-
Dividends received		**-**	-	**330**	300
Finance receivables		**1,700**	-	**-**	-
Other interest received		**13**	9	**3**	3
		48,291	50,768	**333**	303
Cash was applied to:					
Payments to suppliers and employees		**(34,819)**	(36,159)	**(372)**	(276)
Interest paid	13	**(1,934)**	(1,377)	**-**	-
Tax paid		**(121)**	(1,103)	**-**	-
		(36,874)	(38,639)	**(372)**	(276)
Net cash flows from operating activities	15	**11,417**	12,129	**(39)**	27
Cash flows from investing activities					
Cash was provided from:					
Sale of property, plant and equipment		**147**	154	**-**	-
Proceeds from sale of business		**-**	3,192	**-**	-
		147	3,346	**-**	-
Cash was applied to:					
Purchase of property, plant and equipment and intangible assets		**(19,622)**	(15,121)	**-**	(4)
Capitalised interest on construction of property, plant and equipment	5	**(82)**	(70)	**-**	-
Purchase of business		**-**	(4,855)	**-**	-
Purchase of Investments	17	**(221)**	-	**-**	-
Purchase of investment in joint venture		**-**	(10,000)	**-**	-
		(19,925)	(30,046)	**-**	(4)
Net cash flows to investing activities		**(19,778)**	(26,700)	**-**	(4)
Cash flows from financing activities					
Cash was provided from:					
Loans raised		**8,290**	14,570	**-**	-
		8,290	14,570	**-**	-
Cash was applied to:					
Principal reduction in lease liability	13	**(228)**	-	**-**	-
		(228)	-	**-**	-
Net cash flows from financing activities		**8,062**	14,570	**-**	-
Net increase / (decrease) in cash and cash equivalents held		**(299)**	(1)	**(39)**	23
Add opening cash and cash equivalents brought forward		**1,498**	1,499	**93**	70
Ending cash and cash equivalents carried forward		**1,199**	1,498	**54**	93

The notes on pages 12 to 33 form part of these financial statements.

Statement of Accounting Policies

Reporting Entity

The financial statements of the Parent, Electra Trust, formerly the Horowhenua Energy Trust (the Parent), are for a trust established in the terms of a trust deed dated 30 April 1993, amended December 1998, amended July 2012 and amended March 2015. The Trust is a for-profit entity.

The 'Group' for financial reporting purposes comprises of the Parent Electra Limited (Electra) and its fully owned subsidiaries. The ultimate parent of the Group is the Electra Trust.

Basis of Preparation

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992. The financial statements have also been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS).

Basis of Measurement

The financial statements have been prepared on the basis of historical cost except for the revaluation of certain non-current assets.

Separate accounting policies are outlined below and in the notes.

Cost is based on the fair value of the consideration given in exchange for assets.

The financial statements have been prepared in New Zealand dollars (NZD), rounded to the nearest thousand, as both the functional and presentation currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are based on historical experience and other factors, as appropriate to the circumstances, and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the specific note as shown below:

Area of estimate or judgement	**Note**	
Estimation of electricity distribution revenue	Note 1	Revenue
Revaluation and impairment review	Note 5	Property, plant and equipment
Impairment of Goodwill	Note 6	Goodwill and intangible assets
Provision for doubtful debts	Note 7 + 8	Trade & Finance receivables
Determination of lease terms	Note 13	Leases

Estimates are designated by this symbol in the notes to the financial statements: E

Significant accounting policies

The significant accounting policies which are pervasive throughout the financial statements are set out below. Other significant accounting policies which are specific to certain transactions or balances are set out within the particular note to which they relate and are designated by the following symbol: P

Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the parent entity, and its subsidiaries as defined in NZ IAS 27: 'Consolidated and Separate Financial Statements'.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control the subsidiary.

In preparing consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

Comparatives may have deviated due to changes in classification.

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

Foreign currency transactions
Transactions denominated in foreign currencies are translated into the reporting currency using the exchange rate in effect at the transaction date. Foreign currency monetary items at balance date are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates ruling at the date when the fair value is determined.

Investments in joint ventures
A joint venture is a joint arrangement whereby the parties have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture.

Investment in subsidiary
Under NZ IAS 27: Separate Financial Statements, the Trust has elected to value the investment in Electra Limited at cost. This investment is eliminated on consolidation.

Changes in accounting policy
On 1 April 2019 the following standards were adopted:
(i) NZ IFRS 16: Leases

Adoption of NZ IFRS 16: Leases
The Group has applied NZ IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under NZ IAS 17. The details of accounting policies under IAS 17 are disclosed separately if they are different from those under NZ IFRS 16. The standard has not had a material impact on the Groups profit and loss but has introduced new line items into the balance sheet. Although the nature of cash flows relating to leases are restated under NZ IFRS 16 there has not been impact on the Group's actual cash outflow.

NZ IFRS 16 provides the principles an entity shall apply to report useful information to users of financial statements, about the nature, amount, timing in relation to the Group's lease commitments. A requirement of NZ IFRS 16 is to provide more extensive disclosure about the Group's lease commitments and further information in relation to the adoption of NZ IFRS 16: Lease is included in note 13.

Impairment of assets
The Group reviews the carrying value of its tangible assets at balance date to determine whether there is any indication that the assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

The Group considers that the electricity network represents a single cash generating unit for the purposes of impairment assessment, and the individual subsidiaries are cash generating units as they each derive their own cash flows.

Goodwill and other intangible assets are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

The recoverable amount is the higher of fair value (less the costs to sell) and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, then the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income immediately unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Revenue

P

Revenue comprises the fair value for the sale of goods and services, excluding GST.
Specific accounting policies are as follows:

Distribution and recoverable costs revenue
Recognised at the fair value of services provided, these revenue streams relate to the provision of distribution services for electricity. Prices are regulated, and customers are charged through a mix of fixed charges which are recognised on a straight-line basis, and variable charges which are recognised based on the volume of distribution services provided. Consistent with NZ IFRS 15, this revenue is recognised over time based on an output method as the service is delivered to match the pattern of consumption. Recoverable costs relate to transmission charges paid to Transpower and embedded generators providing transmission services to the Group.

E

The Company invoices its customers (predominantly electricity retailers) monthly for electricity distribution services on an estimation of usage based on certain metering data from electricity retailers. As final wash-up metering data is not available for periods in excess of twelve months, it is possible that the final amounts payable or receivable may vary from that calculated.

Discount to customers
In February each year the Group credits the customers of the network an annual discount. This discount is made up of a fixed and variable consideration based on the customer's volume of distribution services consumed over the previous 12 months.

Contracting revenue
The Group provides network contracting services to third parties. Such contracts are entered into before work commences. Revenue from contracting is recognised over time on a cost–to–cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Transfer of assets from customers
Comprises revenue from assets acquired from customers where the consideration paid is below the fair value of those assets. The revenue recognised is the difference in the fair value and the consideration paid. This is recognised at a point in time, when ownership of the asset is vested to the Group.

Electricity revenue
The Group generates and sells electricity to a third party. The price of each unit of electricity generated is based on the wholesale spot price market. Revenue is recognised over time as the benefits are transferred to the customer.

Alarm monitoring
The Group provides a monitoring and response service for security and medical alarms. Customers are charged a monthly fee which includes two major performance obligations; Monitoring of the alarm and response. For a number of alarms, a lease portion will be included if the customer does not retain ownership of the monitoring device. All obligations are recognised over time as Alarm Monitoring revenue as the customer receives the benefit of the monitoring service.

Other revenue primarily comprises of:

Alarm sales
For alarm sales, the Group recognises revenue at a point in time when the customer takes possession of the alarm. The amount of revenue recognised sale of alarms is the consideration received for the transfer of ownership of the associated alarm.

Alarm technical services
The Group provides technical services to install and service alarms. Contracts do not extend past one day, due to this nature of the contract revenue is recognised at a point in time immediately after the contract is complete.

*

	Group*		**Parent***	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Distribution revenue	**33,225**	33,050	**-**	-
Discount to customers	**(8,000)**	(7,900)	**-**	-
Pass through and recoverable cost revenue	**10,433**	10,898	**-**	-
Transfer of assets from customers	**997**	1,450	**-**	-
Contracting revenue	**2,512**	3,318	**-**	-
Electricity revenue	**423**	2,605	**-**	-
Alarm Monitoring	**5,182**	4,767	**-**	-
Other Revenue	**1,217**	1,569	**-**	-
	45,989	49,757	**-**	-

* Discontinued operations have been separated out. There were no discontinued operations in the current year.

2 Other expenses

	Group		Parent	*
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Transmission charges	**10,433**	10,898	**-**	-
Remuneration of auditors	**218**	221	**6**	6
Bad debts	**31**	164	**-**	-
Change in provision for doubtful debts	**(449)**	(86)	**-**	-
Depreciation and amortisation expenses	**13,070**	11,981	**1**	2
Impairments	**-**	-	**-**	-
Employee benefits expense	**11,335**	9,481	**-**	-
Inventory expense	**3,237**	4,653	**-**	-
Contractors	**1,639**	1,646	**-**	-
Vehicle expenses	**779**	472	**-**	-
Trustee fees	**90**	87	**90**	87
Other expenses	**8,424**	8,974	**248**	194
	48,807	48,491	**345**	**289**

	Group		Parent	
Remuneration of auditors	**2020**	2019	**2020**	2019
	$000	$000	**$000**	$000
Audit of the financial statements	**165**	161	**6**	6
Audit related services	**53**	60	**-**	-
	218	221	**6**	6

Audit related services comprise the review of Electra Limited's regulatory disclosures in accordance with the Electricity (Information Disclosure) Requirements under Part 4 of the Commerce Act 1986 and amendment notices.

* Discontinued operations have been separated out. There were no discontinued operations in the current year. Refer note 3 for audit fees relating to discontinued operations.

3 Discontinued Operations

On 4 May 2018, the Group entered into a sale agreement to dispose of the telecommunications business of Sky Communications Limited. The disposal of the telecommunications business is consistent with the Company's long-term policy to focus its activities in the electricity networks and alarm monitoring business. The disposal was completed on 18 May 2018, on which date control of the telecommunications business passed to the acquirer.

Analysis of profit for the year from discontinued operations
The result of the discontinued operations included in the profit for the year are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current year.

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Profit / (loss) for the year from discontinued operations				
Revenue	**-**	541	**-**	-
Other gains	**-**	(1)	**-**	-
	-	540	**-**	-
Expenses*	**-**	(662)	**-**	-
Profit / (loss) before tax	**-**	(122)	**-**	-
Attributable income tax expense	**-**	34	**-**	-
Earnings for the year from discontinued operations	**-**	(88)	**-**	-
Gain on disposal of operations	**-**	2,505	**-**	-
Profit / (loss) for the year from discontinued operations	**-**	2,417	**-**	-

	Group		Parent	
	2020	2019	**2020**	2019
Cash flows from discontinued operations	**$000**	$000	**$000**	$000
Net cash inflows from operating activities	**-**	633	**-**	-
Net cash inflows/(outflows) from investing activities	**-**	(4)	**-**	-
Net cash (outflows)/inflows from financing activities	**-**	-	**-**	-
Net cash (outflows)	**-**	629	**-**	-

*Audit fees amounting to $5k are included in Expenses for 2019.

4 Tax

P

Current tax is based on the net profit for the year adjusted for non-deductible expenditure and non-assessable income, plus any adjustments to income tax payable in respect of prior years. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for the current and prior years is recognised as a liability (or asset) to the extent that it is unpaid or refundable.

Deferred tax is accounted for in accordance with IFRS, which requires that the full impact of temporary accounting adjustments, including revaluations are accounted for in calculation of the total liability.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised as an expense or income in the Consolidated Statement of Comprehensive Income, except when it relates to items credited or debited directly to equity, in which case the current or deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination in which case it is taken into account in the determination of goodwill or excess.

Income Tax	**Group** 2020 $000	2019 $000	**Parent** 2020 $000	2019 $000
Profit before tax from continuing operations	**(4,308)**	2,234	**(12)**	14
Tax @ 28%	**(1,206)**	626	**(3)**	4
Tax effect of				
Permanent differences	**341**	(265)	**3**	(4)
Prior year adjustments				
Taxable allocation of partnership income	**291**	(31)	**-**	-
Other tax adjustments	**77**	49	**-**	-
Losses carried forward	**(727)**	-	**-**	-
Tax expense from continuing operations	**(1,224)**	379	**-**	-
Tax expense comprised of:				
Current tax expense	**(319)**	787	**-**	-
Deferred tax benefit *	**(905)**	(408)	**-**	-
Total tax expense from continuing operations	**(1,224)**	379	**-**	-

* excluding deferred tax expense from discontinued operations of 2020: nil (2019: nil)

Deferred Tax

	Opening Balance $000	Charged to income $000	Tax losses $000	Charged to Other Comprehensive Income $000	Acquisitions / disposals $000	Closing Balance $000
Net deferred tax liabilities						
Provisions	288	(41)	-	-	-	247
Doubtful debts	332	(270)	-	-	-	62
Property, plant and equipment	(32,008)	899	-	(8,357)	-	(39,466)
Intangibles	(1,607)	317	-	-	-	(1,290)
Losses carried forward	-	-	727			727
As at 31 March 2020	**(32,995)**	**905**	**727**	**(8,357)**	**-**	**(39,720)**
Provisions	172	116		-	-	288
Doubtful debts	356	(24)		-	-	332
Property, plant and equipment	(32,296)	(16)		96	208	(32,008)
Intangibles	(457)	332		-	(1,482)	(1,607)
Sale of business	(9)	-		-	9	-
As at 31 March 2019	**(32,234)**	**408**		**96**	**(1,265)**	**(32,995)**

Parent - nil (2019: nil)

Imputation credit account	**Group** 2020 $000	2019 $000	**Parent** 2020 $000	2019 $000
Closing balance	**16,277**	16,127	**-**	-

5 Property, plant and equipment

P

The electricity distribution network is valued at fair value. Fair value is determined on the basis of a periodic independent valuation prepared by external valuers, based on an income (present value) approach. The fair values are recognised in these consolidated financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of the electricity distribution network is not materially different from fair value. Consideration is given as to whether the assets are impaired.

All other land and buildings, property, plant and equipment assets are accounted for at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. The cost of assets constructed by the Group includes the cost of materials, direct labour and an allowance for overheads.

Any revaluation increase arising on the revaluation of land and buildings and the electricity distribution network is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit or loss, in which case the increase is credited to the Consolidated Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of land and buildings and the electricity distribution network is charged as an expense in the Consolidated Statement of Comprehensive Income 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 is provided on plant, property and equipment, including freehold buildings but excluding land.

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

Depreciation is calculated for buildings and electricity distribution assets so as to write off the cost of each asset over its expected useful life to its estimated residual value. Other property, plant and equipment items are depreciated so as to expense the cost of the assets over their useful lives.

The following rates are used in the calculation of depreciation:

Category	
Distribution plant and equipment	1% - 50% straight line or 10% - 25% diminishing value
Other buildings at cost	2% - 36% straight line
Other plant and equipment	7.8% - 50% straight line or 10% - 39.6% diminishing value
Motor vehicles	10% - 33.3% diminishing value

	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Alarms held to be leased at cost	Other capital work in progress at cost	Total
Cost	$000	$000	$000	$000	$000	$000	$000
Balance as at 1 April 2018	217,517	3,887	9,288	7,367	-	1,739	239,798
Additions	1,292	107	1,187	1,216	1,442	12,280	17,524
Disposals	(717)	-	(1,527)	(1,228)	-	-	(3,471)
Transfer to / (from) capital work in progress	8,912	-	770	-	(242)	(9,440)	0
Balance as at 31 March 2019	**227,004**	**3,994**	**9,719**	**7,356**	**1,200**	**4,579**	**253,851**
Balance as at 1 April 2019	227,004	3,994	9,719	7,356	1,200	4,579	253,851
Additions	272	109	806	112	695	17,518	19,512
Disposals	(713)	-	(67)	(581)	-	-	(1,361)
Transfer to / (from) capital work in progress	17,084	-		939	-	(18,023)	-
Revaluation	(14,527)	-	-	-		-	(14,527)
Balance as at 31 March 2020	**229,120**	**4,103**	**10,458**	**7,826**	**1,895**	**4,074**	**257,475**

Depreciation and impairment losses	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Alarms held to be leased at cost	Other capital work in progress at cost	Total
	$000	$000	$000	$000	$000	$000	$000
Balance as at 1 April 2018	(32,323)	(445)	(5,023)	(3,104)	-	-	(40,895)
Depreciation charge	(8,503)	(80)	(1,129)	(598)	-	-	(10,310)
Write back on disposals	181	-	1,195	676	-	-	2,052
Balance as at 31 March 2019	**(40,645)**	**(525)**	**(4,957)**	**(3,026)**	**-**	**-**	**(49,153)**
Balance as at 1 April 2019	(40,645)	(525)	(4,957)	(3,026)	-	-	(49,153)
Depreciation charge	(8,868)	(83)	(1,362)	(596)	-	-	(10,909)
Write back on disposals	157	-	17	405	-	-	579
Revaluation	44,550	-	-	-		-	44,550
Balance as at 31 March 2020	**(4,806)**	**(608)**	**(6,302)**	**(3,217)**	**-**	**-**	**(14,933)**
Carrying amounts							
Balance as at 31 March 2019	186,359	3,469	4,762	4,330	1,200	4,579	204,698
Balance as at 31 March 2020	**224,314**	**3,495**	**4,156**	**4,609**	**1,895**	**4,074**	**242,543**

Parent

Cost	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Alarms held to be leased at cost	Other capital work in progress at cost	Total
	$000	$000	$000	$000	$000	$000	$000
Balance as at 1 April 2018	-	-	-	-	-	-	-
Additions	-	-	4	-	-	-	4
Balance as at 31 March 2019	**-**	**-**	**4**	**-**	**-**	**-**	**4**
Balance as at 1 April 2019	-	-	4	-	-	-	4
Additions	-	-	-	-	-	-	-
Balance as at 31 March 2020	**-**	**-**	**4**	**-**	**-**	**-**	**4**

Depreciation and impairment losses	Distribution plant & equipment (incl. land and buildings) at valuation	Other land and buildings at cost	Other plant and equipment at cost	Motor vehicles at cost	Alarms held to be leased at cost	Other capital work in progress at cost	Total
	$000	$000	$000	$000	$000	$000	$000
Balance as at 1 April 2018	-	-	-	-	-	-	-
Depreciation charge	-	-	(2)	-	-	-	(2)
Balance as at 31 March 2019	**-**	**-**	**(2)**	**-**	**-**	**-**	**(2)**
Balance as at 1 April 2019	-	-	(2)	-	-	-	(2)
Depreciation charge	-	-	(1)	-	-	-	(1)
Balance as at 31 March 2020	**-**	**-**	**(3)**	**-**	**-**	**-**	**(3)**
Carrying amounts							
Balance as at 31 March 2019	-	-	2	-	-	-	2
Balance as at 31 March 2020	**-**	**-**	**1**	**-**	**-**	**-**	**1**

Revaluation and Impairment Review

In carrying out the revaluation of the network distribution assets judgement was required in regards to the assumptions and estimates used in the valuation model.

The Group's distribution plant and equipment (shown in column one above but excluding land and buildings), such as poles, transformers and cables have undergone an independent fair value assessment as at 31 March 2020 by Richard Krogh from Energia Limited, using an income (present value) approach. This approach was considered to be the most appropriate valuation technique given the current electricity industry environment and the availability of input data. The review placed the value of the distribution assets (excluding land and buildings) within a range of $200.9m and $226.5m. The Group has adopted the mid-point of this valuation being $213.7m representing an increase of $30m.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

	Group		**Parent**	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Capitalised borrowing costs	**82**	70	**-**	-
Average interest rate	**3.0%**	3.3%	**0.0%**	0.0%

6 Goodwill and intangible assets

P

Software

Computer software is capitalised as an intangible asset of finite life on the basis of the costs incurred to acquire and bring the software into service and it is amortised over its expected useful economic life on a diminishing value basis. Costs associated with improving and maintaining computer software programmes are recognised as expenses as incurred.

Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and is not amortised but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the Consolidated Statement of Comprehensive Income and not subsequently reversed.

Easements

Easements obtained in relation to access, construction and maintenance of electricity distribution system assets are capitalised as assets to the extent of survey, legal and registration costs and any lump sum payments made to landowners in exchange for certain rights. Such easements are capitalised and amortised over the duration of the agreement.

Customer lists

Customer lists acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their expected finite life of 5 years. During the year the expected finite lives of security customer lists were reassessed to be 12.9 years. This has resulted in $300,000 less amortisation expense recognised in the current year than previously.

Gross carrying amount	Software **$000**	Goodwill **$000**	Easements **$000**	Customer lists **$000**	Total **$000**
Balance as at 1 April 2018	5,701	10,927	255	1,845	18,728
Additions	808	132	-	5,292	6,232
Disposals	(197)	(1,021)	-	-	(1,218)
Balance as at 31 March 2019	**6,312**	**10,038**	**255**	**7,137**	**23,742**
Balance as at 1 April 2019	6,312	10,038	255	7,137	23,742
Additions	1,024	-	-	169	1,193
Disposals	-	-	-	-	-
Balance as at 31 March 2020	**7,336**	**10,038**	**255**	**7,306**	**24,935**
Accumulated amortisation and impairment losses					
Balance as at 1 April 2018	(3,475)	(10,151)	(82)	(215)	(13,923)
Amortisation expenses	(478)	-	(8)	(1,185)	(1,671)
Impairment	-	-	-	-	-
Disposals	150	1,021	-	-	1,171
Balance as at 31 March 2019	**(3,803)**	**(9,130)**	**(90)**	**(1,400)**	**(14,423)**
Balance as at 1 April 2019	(3,803)	(9,130)	(90)	(1,400)	(14,423)
Amortisation expenses	(677)	-	(8)	(1,132)	(1,817)
Impairment	-	-	-	-	-
Disposals	9	-	-	-	9
Balance as at 31 March 2020	**(4,471)**	**(9,130)**	**(98)**	**(2,532)**	**(16,231)**
Carrying amounts					
As at 31 March 2019	2,509	908	165	5,738	9,320
As at 31 March 2020	**2,865**	**908**	**157**	**4,775**	**8,704**

Parent - nil (2019: nil)

Impairment

Goodwill has been allocated at the cash generating unit (CGU) level for both Electra Generation Limited and Electra Services Limited to determine their respective carrying amounts. The recoverable amount of each subsidiary is based on its value in use, which is an income (present value) approach. If the recoverable amount is below the carrying amount then this would indicate potential impairment.

E

Determining whether there has been impairment in relation to goodwill requires an assessment of the value in use of the cash generating units with which the goodwill is associated. This is undertaken by estimating the future cash flows expected to arise and using a suitable discount rate to estimate the present value of the future cash flows.

Electra Generation Limited
No impairment has been recognised in the current or prior year. The cashflows are based on assumptions about the operation of the generation plant, including the spot price received for generated electricity as well as the plant's level of operating activity in proportion to the maximum capacity. The discount rate applied to the cashflows was 5.2%. The recoverable amount is sensitive to changes in this rate to the extent that If the discount rate were to increase to 5.4%, it would result in the recoverable amount falling below the carrying amount of the CGU. The total carrying amount of goodwill allocated to this CGU is $259,000.

Electra Services Limited
Electra engaged EverEdge Global, an independent valuer experienced in valuing similar businesses to determine the value in use. No impairment has been recognised in the current or prior year. The cashflows are based on financial budgets approved by the Board for a period of 3 years to 31 March 2023. Growth rates applied to revenue projections after 2023 are 23.5% geometrically declining to 3.3% by 2030. The discount rate applied to cashflows from core business operations was 9.5% and 14.5% for other operations. The recoverable amount is sensitive to changes in the discounts rates, growth rates and Earnings Before Interest, Tax, Depreciation and Amortisation margin. In the current environment the range of possible outcomes to the above assumptions is broad. If the discount rate applied to core business operations was greater than 13% it may cause the recoverable amount to fall below the carrying amount of the CGU. The total carrying amount of goodwill allocated to the CGU is $649,000.

7 Receivables and prepayments

P

Receivables
Trade receivables are initially measured at fair value and are subsequently recognised at amortised cost less impairment using the effective interest method less any lifetime credit losses. All known bad debts are written off during the financial year.

	Group		Parent	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Trade receivables	**3,992**	4,330	**-**	-
Other receivables and accruals	**180**	1,166	**-**	-
Prepayments	**411**	354	**4**	4
	4,583	5,850	**4**	4
Less allowance for credit losses	**(225)**	(271)	**-**	-
	4,358	5,579	**4**	4

The Group's exposure to credit risk and impairment losses related to trade receivables are disclosed in Note 17: Financial Risk Management

8 Finance receivables

P

Finance receivables
Finance receivables, comprising mortgage advances, are initially measured at fair value at trade date and are subsequently measured at amortised cost under the effective interest method plus any directly attributable transaction costs, less any lifetime expected credit losses.

Finance receivables include:
Impaired assets:
- ‘Non-accrual loans’ being loans where we do not expect to be able to collect all the amounts owing in terms of the contract and therefore a credit loss is required under NZ IFRS 9 (but is not a restructured asset).
- ‘Assets acquired through security enforcement’ being assets acquired in full or partial satisfaction of outstanding loans.

E

A key area of estimation is the expected credit loss allowance reflecting the non-performance of the counterparties to finance receivables. A degree of estimation has been required to determine the level of current risk inherent within the loan. The historical loss experience is adjusted based on the current observable data and events and discounted future cash flow projections.

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Finance receivables	**733**	2,400	**-**	-
Allowance expected credit losses	**-**	(400)	**-**	-
Total finance receivables	**733**	2,000	**-**	-
Due for repayment				
Current	**-**	1,568	**-**	-
Non-current	**733**	432	**-**	-
Total	**733**	2,000	**-**	-

P

Bad debts and doubtful debts provisioning

Finance receivables are written down, by way of a specific write-off, to their expected net collectable amounts with the amount written off or provided recognised as an expense in the Consolidated Statement of Comprehensive Income, comprising:

Specific provisions: these are raised when there is objective evidence (identified on a counterparty by counterparty basis) that an impairment loss has been incurred. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows using the original effective interest rate. The Company identifies impaired assets where the security has been repossessed and sold due to a breach of agreement. Also where the security has become damaged or written off.

If in a subsequent period the amount of a credit loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down or allowance is reversed through the Consolidated Statement of Comprehensive Income.

9 Inventories and work in progress

P

Inventories are valued on the basis of the lower of cost and net realisable value. Cost is determined on the basis of weighted average of purchase costs. Due allowance is made for damaged and obsolete inventory. Work in progress comprises the cost of direct materials and labour together with direct overheads.

Net realisable value is the estimated amount the inventories are expected to realise in the ordinary course of business less an estimate of any costs to completion and applicable variable selling expenses.

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Inventory - Finished goods	**727**	547	**-**	-
Inventory - Work in progress	**107**	19	**-**	-
	834	566	**-**	-

Judgement has been exercised in assessing the level of any unrecoverable work in progress.

10 Trade and other payables

P

Trade payables

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

Liabilities in respect of employee entitlements

Employee entitlements expected to be settled within the next 12 months are measured at the amounts expected to be paid when the obligations are settled. Liabilities made in relation to employee entitlements, which are not expected to be settled within 12 months, are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees to the Group up to the reporting date. In relation to retirement gratuities, the present value calculations also provide for the probability of the employees completing employment to the point of entitlement (retirement).

Liabilities include employee entitlements in relation to wages and salaries, annual leave, long service leave, retiring gratuities and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Trade payables	**4,280**	2,864	**20**	48
Other payables	**754**	1,038	**-**	-
Accruals	**525**	678	**-**	-
Liabilities in respect of employee entitlements	**1,415**	951	**-**	-
	6,974	5,531	**20**	48

Judgement has been exercised in calculating estimates for retiring gratuities.

11 Share capital

The Trust capital was settled on the formation of the Parent and is subject to the terms of the Trust Deed. No changes to the amount of Trust capital or Trust deed have been made during the year (2019: nil)

12 Commitments

Capital commitments

At balance date, there was $731,000 commitments contracted for and approved by the Group (2019:$1,145,000)

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Distribution network	**543**	860	**-**	-
Intangible assets	**188**	-	**-**	-
Inventories	**-**	285	**-**	-
	731	1,145	**-**	-

Distribution network expenditure will be incurred when the work is completed (estimated to be over the next 12 months).

13 Leases

Operating leases

P

Lease liabilities are measured at the present value of their remaining lease payments, discounted at the rate implicit in the lease. Where this rate is not readily available the payments are discounted at the groups incremental borrowing rate. The weighted average rate applied is 6.81%. Right of use assets are initially recognised at the amount of the lease liability. The assets are subsequently depreciated using the straight-line method over the lease term.

The Group accounts for short term and leases of low value by applying paragraph 6 of NZ IFRS 16, which requires the cost to be spread over the lease term on a systematic basis.

During initial application, the group applied the following practical expedients offered under paragraph C10 of NZ IFRS 16:
- A single discount rate has been used where the right of use assets of a particular entity within the Group are similar in nature.
- Where the remaining lease term lease then 12 months at initial application the lease is treated as a short term lease.

E

In determining the lease term, the Group applies judgement in deciding whether it is reasonably certain that an extension or termination option will be exercised.

Right of use assets	Land buildings and improvement $000	Vehicles $000	Other plant and equipment $000	Total $000
Opening net book value 1 April 2019	-	-	-	-
Movements on transition	4,091	-	17	4,108
Additions	45	191	7	243
Depreciation for the period	(299)	(33)	(10)	(342)
Balance as at 31 March 2020	**3,836**	**158**	**14**	**4,008**
Cost	4,135	191	24	4,350
Accumulated Depreciation	(299)	(33)	(10)	(342)
Balance as at 31 March 2020	3,836	158	14	4,008

Lease Liability Maturity Analysis	Minimum lease payments $000	Interest $000	Present value $000
Within 1 year	529	(270)	259
1 - 5 years	1,997	(872)	1,125
Beyond 5 years	3,788	(1,049)	2,739
	6,314	**(2,191)**	**4,123**

Lease expense included in profit and loss	
Short term leases	36
Low value assets	1
Interest on liabilities	281
Total cash outflow in relation to leases	546

Parent - nil (2019: nil)

Transition to NZ IFRS 16	2020 $000
Operating lease commitments at 31 March 2019	**1,766**
Discounted using the incremental borrowing rate at 1 April 19	**1,500**
Leases with less than 12 months remaining at initial application	**(6)**
Extension options reasonably certain to be exercised	**2,613**
Lease liability balance as at 1 April 2019	**4,108**

Parent - nil (2019: nil)

Prior year's leases accounted for under NZ IAS 17	2019 $000
No later than one year	**394**
Later than one year and not later than five years	**1,087**
Later than five years	**285**
	1,766

Parent - nil (2019: nil)

The majority of the lease commitments are for building accommodation. The remainder relate to vehicles and equipment. There are no contingent rents payable and all leases are subject to renewals at the election of the Group.

14 Contingent liabilities

Electra Limited and Electra Services Limited in its ordinary course of business undertakes various contracting works, some of which will be subject to customer disputes.

There is no indication that any liability with regard to disputes will crystallise in the foreseeable future.

15 Statement of cash flows

P

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks (including bank overdrafts), demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts (if any at year end) are shown within debt finance in current liabilities in the Consolidated Statement of Financial Position.

Cash flows are inflows and outflows of cash and cash equivalents.

Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing.

Investing activities are the acquisition and disposal of long term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

	Group		Parent	
	2020	2019	**2020**	2019
	$000	$000	**$000**	$000
Reported profit after tax	**(3,084)**	4,272	**(12)**	14
Adjustments for:				
Depreciation and amortisation	**13,070**	11,995	**1**	2
Doubtful debt provision movement	**(49)**	-	**-**	-
Bad debts written off and bad debts provision	**31**	-	**-**	-
Gain on sale of business operations	**-**	(2,505)	**-**	-
Non-cash revenue from assets transferred to Electra	**(997)**	(1,450)	**-**	-
Loss on sale of Property, Plant & Equipment	**488**	288	**-**	-
Tax expense recognised in profit or loss	**(1,224)**	345	**-**	-
Share of profit in Joint Venture	**(93)**	(1,294)	**-**	-
Other income derived from business acquisition	**-**	(238)	**-**	-
Movements in working capital:				
Increase in accounts payable and other provisions	**1,564**	141	**(28)**	15
Decrease in trade receivables	**833**	2,129	**-**	(4)
(Increase)/decrease in finance receivables	**1,267**	(500)	**-**	-
(Increase)/decrease in inventory and work in progress	**(268)**	465	**-**	-
Movements in working capital relating to business purchases / disposals	**-**	(416)	**-**	-
Income taxes paid	**(121)**	(1,103)	**-**	-
Net cash inflow from operating activities	**11,417**	12,129	**(39)**	27

16 Financial risk management

P

Debt and equity instruments are classified as either liabilities or equity in accordance with the substance of the contractual arrangement.

Interest and dividends are classified as expenses or as distributions of profit consistent with the Consolidated Statement of Financial Position classification of the related debt or equity instruments or component parts of compound instruments.

Financial assets and liabilities are not offset unless there is a legally enforceable right, or where required by a standard.

Credit risk

Credit risk is the potential that the counterparty to a financial transaction will fail to perform according to the terms and conditions of the contract, thus causing a loss.

Financial assets which potentially subject the Group to credit risk principally consist of bank balances, accounts receivable, finance receivables and other receivables and which the Group consider is covered within the general liquidity management.

The Group manages their principal credit risk by having Use of System Agreements with its major customers and performing credit evaluations on customers requiring advances.

The status of trade receivables as at reporting date is as follows:	**Gross 2020 $000**	**Impairment 2020 $000**	Gross 2019 $000	Impairment 2019 $000
Not past due	**3,385**	**-**	3,674	(1)
Past due 0 - 30 days	**47**	**-**	123	(11)
Past due 31 - 60 days	**47**	**(9)**	32	(6)
Past due more than 60 days	**513**	**(216)**	501	(253)
Total trade receivables	**3,992**	**(225)**	4,330	(271)

No interest is charged on trade receivables outstanding
Parent - nil (2019: nil)

Movement in impairment allowance for expected credit losses	**Group 2020 $000**	Group 2019 $000	**Parent 2020 $000**	Parent 2019 $000
Balance at beginning of year	**(271)**	(235)	**-**	-
Amount charged to the statement of comprehensive income	**18**	(86)	**-**	-
Provisions reversed	**28**	50	**-**	-
	(225)	(271)	**-**	-

The above maximum exposures are gross of any recognised provision for losses on these financial assets. No collateral is held on the above amounts. The trade receivables are within their contractual terms and are considered to be collectible.

In accordance with the Group's Treasury policy Bank balances in short term deposits are made with registered banks. The registered banks currently have a Standard & Poor's credit rating of AA-.

Concentrations of credit risk

The Group has exposure to concentration of credit risk by having electricity retailer customers. This is managed as mentioned above through the Use of System Agreements.

Foreign currency risk

At balance date, the Group had entered into the following Forward Exchange Contracts expressed in New Zealand dollars. These contracts are expected to be settled within 3 months of balance date. The Group does not recognise hedge accounting on these contracts.

2020 Movement on exchange rate	**Net exposure $000**	**Impact on pre-tax profit or (loss) $000**
US Dollar	0	nil

2019 Movement on exchange rate	**Net exposure $000**	**Impact on pre-tax profit or (loss) $000**
US Dollar	285	nil

Parent - nil (2019: nil)

Interest rate risk

Liabilities
The interest rate risk exposure is limited to bank borrowings. The Company has no interest hedge contracts.

Fair values
The carrying amounts recorded in the Consolidated Statement of Financial Position are considered to be their fair values for all classes of financial instruments with the exception of bank borrowings and amounts which are not able to be determined because there is no available market data.

Borrowings
Borrowings are recorded initially at fair value net of any transaction costs. Borrowings are subsequently recognised at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Consolidated Statement of Comprehensive Income over the year of the borrowing using the effective interest method. Borrowings are classified as non current liabilities where the Group holds an agreement with the lender which includes the right to settle the liability in an accounting year at least 12 months after the balance date.

Borrowing costs are expensed using the effective interest method, except for the capitalised borrowing costs.

Interest rate risk profile of financial assets and liabilities

The interest rate risk profile of on-balance sheet financial assets and financial liabilities has been prepared on the basis of maturity or contractual repricing whichever is the earlier.

Financial instrument carrying values by category

As at 31 March 2020

$000	Int Rate %	Total	0-12 mths	1- 2 years	3-5 years
Financial assets measured at amortised cost					
Cash and cash equivalents	1.00	1,199	1,199	-	-
Trade and other receivables		4,358	4,358	-	-
Finance receivables		733	-	733	-
Total financial assets measured at amortised cost		**6,290**	**5,557**	**733**	**-**
Financial assets measured at FVTPL					
Investments		1,721		-	1,721
Total financial assets measured at FVTPL		**1,721**	**-**	**-**	**1,721**
Financial liabilities					
Trade and other payables		6,974	6,974	-	-
Debt finance	2.54 - 4.50	61,060	18,342	24,703	18,015
Total financial liabilities at amortised cost		**68,034**	**25,316**	**24,703**	**18,015**

Movement in interest rates.	1% Increase	1% Decrease
Impact on profit and loss from a 1% increase/decrease in interest rates	(569)	569

As at 31 March 2019

	Int Rate %	Total	0-12 mths	1- 2 years	3-5 years
Financial assets					
Cash and cash equivalents	1.00	1,498	1,498	-	-
Trade and other receivables		5,579	5,579	-	-
Finance receivables		2,000	1,568	-	432
Total financial assets at amortised cost		**9,077**	**8,645**	**-**	**432**
Financial assets measured at FVTPL					
Investments		1,500	1,500		
Total financial assets measured at FVTPL		**1,500**	**1,500**		
Financial liabilities					
Trade and other payables		5,531	5,531	-	-
Debt finance	3.09 - 4.5	52,770	17,810	18,945	16,015
Total financial liabilities at amortised cost		**58,301**	**23,341**	**18,945**	**16,015**

Financial instrument carrying values by category - Parent

As at 31 March 2020					
$000	Int Rate %	Total	0-12 mths	1- 2 years	3-5 years
Financial assets measured at amortised cost					
Cash and cash equivalents	1.00	54	54	-	-
Total financial assets measured at amortised cost		**54**	**54**	**-**	**-**
Financial liabilities					
Trade and other payables		20	20		
Total financial liabilities at amortised cost		**20**	**20**	**-**	**-**
As at 31 March 2019					
Financial assets measured at amortised cost					
Cash and cash equivalents	1.00	93	93	-	-
Total financial assets at amortised cost		**93**	**93**	**-**	**-**
Financial liabilities					
Trade and other payables		48	48		
Total financial liabilities at amortised cost		**48**	**48**	**-**	**-**

Liquidity risk

Liquidity risk represents the risk that the Group may not have the financial ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. While total financial liabilities exceed total financial assets, facilities of $67m (2019: $59.85m) exist with the Bank of New Zealand, of which amounts are drawn down to cover shortfalls in liquidity. At balance date $61.1m had been drawn down (2019: $52.8m), $18.3m maturing within two month after balance date. On 12th May 2020 the BNZ facility was repaid, with a new credit facility entered into with ANZ. The Group uses it's facility based on forecasted expectations in regards to it being able to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

The following table outlines undiscounted cash flows including any accrued interest based on contractual maturities however actual repayments may differ. While most finance receivables are showing in the table with contractual maturities of 0-6 months it is expected some of these will be rolled over at the discretion of the Board.

Contractual maturity analysis

Financial instrument maturity values by category

As at 31 March 2020	Int Rate %	Total	On call	0-6 months	1-2 years	3-5 years
$000						
Financial assets						
Cash and cash equivalents	1.00	1,199	1,199	-	-	-
Trade and other receivables		4,358	-	4,358	-	-
Investment		-	-	-	-	-
Finance receivables		733	-	-	733	-
Total financial assets		**6,290**	**1,199**	**4,358**	**733**	**-**
Financial liabilities						
Trade and other payables		6,974	-	6,974	-	-
Debt finance	2.54 - 4.50	61,060	-	18,342	24,703	18,015
Total financial liabilities		**68,034**	**-**	**25,316**	**24,703**	**18,015**
As at 31 March 2019						
Financial assets						
Cash and cash equivalents	1.00	1,498	1,498	-	-	-
Trade and other receivables		5,579	-	5,579	-	-
Investment		1,500	-	1,500	-	-
Finance receivables		2,000	-	1,568	-	432
Total financial assets		**10,577**	**1,498**	**8,647**	**-**	**432**
Financial liabilities						
Trade and other payables		5,531	-	5,531	-	-
Debt finance	3.09 - 4.5	52,770	-	17,810	18,945	16,015
Total financial liabilities		**58,301**	**-**	**23,341**	**18,945**	**16,015**

Financial instrument maturity values by category - Parent

As at 31 March 2020 $000	Int Rate %	Total	On call	0-6 months	1-2years	3-5 years
Financial assets						
Cash and cash equivalents	1.00	54	54			
Total financial assets		**54**	**54**	**-**	**-**	**-**
Financial liabilities						
Trade and other payables		20	20			
Total financial liabilities		**20**	**20**	**-**	**-**	**-**
As at 31 March 2019						
Financial assets						
Cash and cash equivalents	1.00	93	93			
Total financial assets		**93**	**93**	**-**	**-**	**-**
Financial liabilities						
Trade and other payables		48	48			
Total financial liabilities		**48**	**48**	**-**	**-**	**-**

Capital management

The Group's capital includes share capital, asset revaluation reserves and retained earnings. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group is subject to the following capital requirements and covenants:

(a) The Statement of Corporate Intent imposes a restriction that the Group will maintain shareholder funds at not less than % (:%) of total assets.

(b) Bank Covenants
 (i) Ratio of EBIT (Group earnings before interest, taxation and customer discounts) to interest paid to be no less than 2.0 times
 (ii) Annual Group consolidated statement of financial position and Group consolidated statement of comprehensive income to be provided within 120 days of balance date
 (iii) Interim accounts to be provided upon request
 (iv) Cash flow forecasts/budgets for the ensuing year to be provided to the bank upon request
 (v) Group equity to be maintained at no less than 35% of total tangible assets at all times

The Group has complied with all the above banking covenants during the year. It is noted that the BNZ banking documentation is inconsistent, with the BNZ issuing a waiver in respect of the inconsistency to the extent required.

Fair values

Fair value hierarchy

Financial instruments carried at fair value are classified by valuation method based on the following hierarchy

Level 1: quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The investment classified as a financial asset measured at fair value through profit and loss is the only financial instrument carried by the Group at fair value, with a Level 3 valuation method applied.

17 Investments

Investments measured at FVTPL	Current		Non-Current	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Investment in Pulse Energy Alliance Partnership	**-**	1,500	**1,701**	-
Other Investments	**-**	-	**20**	-
Total investments measured at FVTPL	**-**	1,500	**1,721**	-

The Group holds a 4.08% ownership in the Pulse Energy Alliance Partnership, a partnership which is involved in electricity retailing. The Group does not have significant influence over the Pulse Energy Alliance Partnership. There were no distributions of profits received from this investment in the year (2019: nil).

Parent - nil (2019: nil)

Investments measured at Cost - Parent	Current		Non-Current	
	2020 $000	2019 $000	**2020 $000**	2019 $000
Investment in Electra Limited	**-**	-	**18,000**	18,000
Total investments measured at Cost	**-**	-	**18,000**	18,000

Group - nil (2019: nil)

18 Investment in joint venture

The Group holds a 50% joint ownership in Connect 8 Limited, a business which is involved in the contracting construction for the water, power and telecommunications sectors. The Group has joint control over Connect 8. There were no distributions of profits received from this investment in the year.

Summarised financial information for each of the Group's material joint ventures is set out below.

Connect 8 Limited

	2020 $000	2019 $000
Opening carrying value of investment in Connect 8	**11,294**	-
Initial investment in joint venture	**-**	10,000
Share of profits from joint venture	**93**	1,294
Carrying value of investment in Connect 8	**11,387**	11,294
Balance Sheet information for Connect 8:		
Current assets	**10,342**	13,347
Non Current assets	**11,114**	11,637
Total assets	**21,456**	24,984
Current liabilities	**(5,510)**	(9,320)
Non current liabilities	**-**	-
Total liabilities	**(5,510)**	(9,320)
Equity	**15,946**	15,664
Equity accounted earnings comprise		
Revenues - 100%	**34,705**	37,733
Profits from continuing operations - 100%	**186**	2,588
Profits from continuing operations - Electra share	**93**	1,294

19 Interests held by Group

P

Subsidiaries

Subsidiaries are all those entities over which the Group has control.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the excess is credited to profit or loss in the period of acquisition.

Investments

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Name of entity	Principal activities	Classification	2020	2019
Electra DNZ Limited	Non Trading	Subsidiary	100%	100%
Electra Finance Limited	Financing	Subsidiary	100%	100%
Electra Generation Limited	Electricity Generation	Subsidiary	100%	100%
Electra Services Limited	Security Monitoring	Subsidiary	100%	100%
Horowhenua Wind Energy Limited	Non Trading	Subsidiary	100%	100%
Pulse Energy Alliance LP	Electricity Retailing	Investment	4%	4%
Connect8 Limited	Telecommunications	Equity Investment	50%	50%
Linax Limited	Consumer Goods	Investment	7%	0%

The effective ownership and the voting interests in the above subsidiaries are the same.

All subsidiaries and investments have a balance date of 31 March and are incorporated in New Zealand, with the exception of Connect 8 Limited who has a balance date of 30 June.

20 Transactions with related parties

Directors

Some of the Directors are also consumers of the Group's products and services at market prices.

During the year the group entered into consulting transactions at arms length with McCauley Consulting LP.
Alan McCauley was both a partner in the partnership and a Director at the time the transactions took place. The value of the transaction was $77,000.

Connect 8

During the year the Group entered into a transaction with Connect 8 Limited a joint venture between the Group and Spark. The transaction was for total consideration of $118,000.

Trustees

The Parent has paid $90k (2019: $87k) of fees to their trustees, refer to Note 2 - Other Expenses.

Other related parties

During the year the Group entered into short term employment arrangements with close family members of key management personnel. The total value of these arrangements was $27,000 (2019: $21,000).

21 Key management personnel

The compensation of the Directors and Executives, being the key management personnel of the entity, is set out below:

	2020	2019
	$000	$000
Short-term employee benefits	1,925	1,875
Defined contribution plans	67	75
Termination Benefits	-	156
	1,992	2,106

Some of the above employees are provided with the use of a company motor vehicle not included in the above calculation.

22 Subsequent events

Covid-19

With the outbreak of the Covid-19 pandemic the impact on the Group's operations was considered. The pandemic is not expected to materially impact the ongoing operations of Electra Limited due to their status of being an essential service and the fact that there has been no material decrease in output or operations during the government alert levels. The valuation of network assets incorporates the impact of Covid-19 and this was not significant. Further, there has been no change to assessments of expected credit loss as Electra's customers are retailers, rather than direct end users.

Electra Services Limited sales growth forecasts may be negatively impacted in the coming 12 months in light of the Covid-19 pandemic and its effects on the aged sector sales channel, which is the majority of Electra Services' target market. There is not expected to be a material impact to existing customers of Electra Services Limited.

Loan facility refinance

On the 12th May 2020 the Group repaid the outstanding loan facility held with BNZ and entered into a new facility with ANZ. The maturity date of the new facility is the 30th April 2023.

Acquisition of Quail Ridge

On 16 December 2019, the Group signed an agreement to purchase 49.9% of the shares in Quail Ridge Country Club and 49.9% of the shares in Kerikeri Falls Investments, the Quail Ridge development company, for up to $12,000,000 depending on the level of development at the end of the 2021/2022 financial year, with ownership transferred on the entry payment of $1,000,000. The level of development is evaluated through the number of completed ORA (Occupation Right Agreement) units at specific times over the next two years.

Taking this equity interest in Quail Ridge will expand the Group's investment in services and infrastructure aimed at the aged sector of New Zealand and partially meet its expansion targets as outlined in the Statement of Corporate Intent.

Consideration

Initial payment, 1 May 2020	1,000,000
Subsequent payments in 2020/2021	3,500,000
Payments in 2021/2022	7,500,000
Total maximum consideration	12,000,000

23 Operational targets

Four key value drivers have been identified linking the Group's strategy to the operational targets and measures that are critical to achieving the strategy. These drivers are Revenue, Profit, Assets and People and the performance against key targets set in the Statement of Corporate Intent are evaluated below:

1) Asset Targets

`

Service Standards

The Group has service performance targets for its electricity lines business, such as responding to service requests within a specified time. These targets assist in driving continuous improvement and the measurement here is the number of non-performance to service standards where the specified time is exceeded. This target was not met in 2020 due to multiple faults.

	Actual	Target
Number of Non-performance to service standards	2,663	<384

Capital Ratio

Electra aims to maintain consolidated shareholders' funds at not less than 60% of consolidated total assets, this target was not met in 2020 reflecting the Covid 19 impacts upon valuations.

	Actual	Target
Consolidated Shareholders Funds to Total Assets percentage	59%	>60%

Network Reliability

The Group aims to uphold a level of electricity network reliability (as defined by the Electricity Distribution Information Disclosure Determination 2012). These include factors of SAIDI (average duration of supply interruptions per connected consumer) and SAIFI (average number of supply interruptions per connected consumer). The SAIDI target was not met in 2020, this is largely due to third party and wildlife interferences, and an increase in planned outages.

	Actual	Target
Minutes per year (SAIDI)	94.9	<83
Times per year (SAIFI)	1.87	<1.66

2) Profit Targets

The Group's profit targets were not met during the year

	Actual	Target
Group Net Profit after Tax	($3.1m)	$0.5m
Subsidiaries Net (Loss) after Tax	($5m)	($2.7)m
Group Return on Equity (post discount & tax)	-1.7%	0.53%
Group Return on Equity (pre discount & tax)	2.41%	6.50%

3) Revenue Targets

Strong revenues will allow the Group to maintain discounts payments and positive returns. A key driver of revenue is the number of consumers in the Group's network. These targets were met in 2020.

	Actual	Target
Sales Discount (excl GST)	$8.0m	$8.1m
Number of Consumers	45,366	>45,250

4) People Targets

The Group is committed to promoting a culture of health and safety where harm to our people in the workplace is unacceptable. To reiterate this policy the Group holds a target of nil for Lost Time Injuries (LTIs) such as work related recordable injury or illness resulting in lost time from work.

	Actual	Target
Lost Time Injuries (LTI)	5	0

Directory

Directors

Electra Limited

S A Mitchell-Jenkins, BBS, FCA, CMInstD	Chair
C C Dyhrberg, BCom, LLB, MInstD	
M C Underhill, BE(elect), MCom(hons), FEngNZ, MInstD	
S R Armstrong, BCA, MBA, CA	Appointed 1/8/19
S A Houston	Appointed 1/8/19
N F Mackay, BCA	Ceased 31/7/19
J F Boshier, FEngNZ, ME, MBA	Ceased 31/7/19
A I McCauley, BCA, MBA, PGDFA, CA, MInstD	Ceased 6/12/19

Executive
N P Simmonds (CE – Electra Group), JP, MBA, BE, FEngNZ
D W Toon (CFO/CIO - Electra Group) BCA, BA, LLM, Sloan MSC, CA, ICSA, MInstD
J R Hazlehurst (GM - People and Culture)
D M Andrews (GM - Lines Business), MBA, Dip Bus Mgmt, MIITP
M K F Smith (GM – Electra Services), BBS
J A Beale (General Counsel - Electra Group), LLB, AGNZ
L A Smith (Head of Growth and Acquisition - Electra Group), MNZM

Electra Trust Trustees
S M Crosbie (Chairperson), CNZM, OBE
L R Burnell, QSM
J L Yeoman, BBS, ACA, FCIS
R J Latham
B J Duffy, ONZM, JP
J Holborow, M Mus

Registered office
Electra Limited
Cnr Exeter & Bristol Sts
LEVIN

Postal address
P O Box 244
Levin
Telephone 0800 353 2872
Fax 06 367 6120

Auditor
Silvio Bryinsma
Deloitte Limited
Christchurch
On behalf of the Auditor-General

Solicitors

CS Law	Levin
Quigg Partners	Wellington

Bankers
Bank of New Zealand