



Trustees Report 2022/23

It's astonishing how much our everyday lives depend on electricity compared with the modest amounts our grandparents used. To power our world of convenient gadgets, heat, light, transport, and communications more and more clean electricity is needed. All over the world, decision makers are figuring out how to generate more electricity: wind, solar, geothermal, hydrogen and small scale nuclear are all in the mix. As we move away from fossil fuels for the sake of the planet, the demand has become greater still.

It's important therefore, that we all keep up with the pace of change. It's also no bad thing to have a stake in this period of challenge and change by owning the means of distribution in our region, and you do. The Electra Trustees act as guardians for your interests in the entity that still belongs to you - the Beneficiaries of the Consumer Trust.

At a recent conference of electricity trusts, the Minister of Energy made the point about the importance of community ownership of such a vital asset and supported the trust model.

Unfortunately, climate change along with the need to meet an increase in electrification and more intermittent renewable generation, such as wind and solar, necessitates changes to and upgrading of Electra's assets, which is going to take more money. This is a situation being faced by all trusts and will no doubt affect electricity prices along with the usual costs of lines distribution equipment and maintenance. Over the next decade, as the changes kick in and the region grows, Electra will need to make greater investments in the core business. However, the good news is that our lines business is still one of the country's top performers.

On your behalf, Trustees appoint Directors who are responsible for the CEO and the smooth running of the company. The first priority is always maintaining the highest standards of service to the Kapiti-Horowhenua region. The Trustees would like to thank two Directors who complete their terms this year: Shelly Mitchell-Jenkins and Chris Dyhrberg. Their contribution over the past 9 years has been appreciated. We also wish departing CEO Neil Simmonds the very best for his future endeavours.

Sharon Crosbie
CNZM OBE Chair
Electra Trust



The Electra Trust is 100 percent beneficially owned by the 46,333 electricity consumers currently connected to the Electra network through Kāpiti 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 price discount.

The Trustees appoint and monitor the performance of the Company's Directors. The Company is responsible for operating the lines network (including lines, transformers and substations).

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

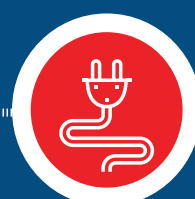
Where the
Electra
Network fits



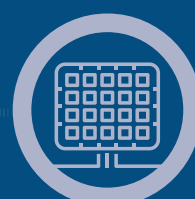
GENERATION
Contact, Meridian Genesis,
Trustpower Mighty River Power



TRANSMISSION
Transpower



DISTRIBUTION
Electra



ENERGY RETAIL
Electra Energy, "Contact"
Meridian, Genesis, "Nova Energy"
Flick Electric, Trustpower & Others

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). Or online at: www.electratruster.co.nz

OVERVIEW OF ELECTRA TRUST'S EXPENSES

	2023	2022
	\$	\$
Accountancy Fees	3,637	-
Annual Report Expenses	49,870	41,721
Audit Fees	6,728	7,664
Bank Charges	44	42
Beneficiaries Meetings	1,054	984
Conference Expenses	2,882	2,015
Corporate Trustee Fees	8,050	8,050
Depreciation as per Schedule	1,712	627
Director Appointment	35,138	-
ETNZ Levy	16,627	12,321
General Expenses	132	-
Legal Expenses	-	1,018
Office Expenses	230	-
Secretarial	35,086	32,437
Telephone Expenses (Tolls & Internet)	1,100	650
Trustee Election Expenses	44,784	16,451
Trustees' Expenses	17,177	10,547
Trustees' Fees	91,350	91,350
Trustees' Insurance	12,639	12,013
	\$328,240	\$237,890

These expenses are covered by a Dividend of \$300,000 received from Electra Limited.

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

DIRECTORY

TRUSTEES

Sharon Crosbie (Chair) CNZM OBE
Lindsay R Burnell QSM
Brendan Duffy ONZM JP
Russell Longuet BE(elec)
Neil Mackay BCA
John Yeoman BBS ACA FCG

SECRETARY

Anne Robb, Levin

ADVISORY TRUSTEE

Public Trust, Wellington

AUDITOR

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

SOLICITORS

C S Law, Levin

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, 28 July 2023 commencing at 12 noon.

ORDINARY BUSINESS

- Presentation of the following:
 - Annual Report
 - Financial Statements for the year ended 31st March 2023
 - Report of the Auditor 2.

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 be increased by \$4,567.50 and therefore the remuneration for the 12 months ending 31st March 2024 be an amount of \$95,917.50, such sum to be divided amongst the six Trustees in such proportion and in such manner as they may agree.”
- To appoint an auditor for the Trust for the year ended 31st March 2024.

“THAT the Controller and Auditor General or his appointee be appointed as auditor for the Trust.”
- 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.”
- To review and discuss the Code of Practice for the Electra Trust.
- Report on the company's compliance with the Statement of Corporate Intent.
- To direct the Trustees as to:
 - adopting the annual report and financial statements of the Company for the year ended 31st March 2023.
 - the recommended payment of a dividend of \$300,000 by Electra Limited for the year ended 31 March 2023 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.
- Public forum.

By the order of the Trustees
Anne Robb - Trust Secretary



YOUR ELECTRA TRUSTEES

Neil Mackay BCA Paraparaumu Russell Longuet BE(elec) Otaki
Sharon Crosbie (Chair) CNZM OBE Manakau
Lindsay Burnell QSM Ohau John Yeoman BBS, ACA FCG Paraparaumu
Brendan Duffy ONZM, JP Levin

MINUTES OF THE TWENTY NINTH ANNUAL BENEFICIARY MEETING OF ELECTRA TRUST HELD AT THE COUNCIL CHAMBERS, HOROWHENUA DISTRICT COUNCIL, OXFORD STREET, LEVIN ON FRIDAY 29 JULY 2022 AT 12.00PM

PRESENT

Trustees: S Crosbie (Chair), L Burnell, J Yeoman, J Holborow, N Mackay, R Latham
Directors: S Mitchell-Jenkins (Chair of Electra Limited), C Dyhrberg, M Underhill, S Armstrong, M Gribben
Two other Beneficiaries

In attendance:

A Robb (Secretary)
Leszek Lendnal (Representing Public Trust as Advisory Trustee)
Neil Simmonds (Chief Executive of Electra Ltd)
Members of Senior Management Electra Ltd (12)
The Chair welcomed everyone to the meeting and introduced the Trustees and Directors.
The Chair advised Beneficiaries that voting papers were available if they had not already voted by post or on-line.

APOLOGIES

S Houston, J Nicols

MINUTES

J Yeoman put the motion, seconded by R Latham:
RESOLVED THAT THE MINUTES OF THE PREVIOUS ANNUAL BENEFICIARY MEETING HELD ON 31 JULY 2021, AS CIRCULATED PREVIOUSLY BE TAKEN AS READ, CONFIRMED AS TRUE AND CORRECT RECORD AND SIGNED BY THE CHAIR.
Carried.

TRUST CHAIR PRESENTATION:

The Chair acknowledged the challenging times Electra faces to maintain the electricity supply despite climate change. Weather events and alternative energy sources. She also acknowledged the high standards and expertise of the Electra Staff during a difficult year. Their delivery being over and above the call of duty.

The Chair formally thanked the two retiring Trustees R Latham and J Holborow for support and guardianship of the Beneficiaries interests.

S Crosbie's presentation can be viewed on the website: www.electratrust.co.nz

ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL STATEMENTS

The Chair presented the 2022 Annual Report.
The Chair put the motion, seconded by L Burnell:
RESOLVED THAT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2022 BE ADOPTED.
The Chair declared that 2,928 votes for the motion and 19 against carried the motion.

ELECTION OF TRUSTEES

The Chair stated that in accordance with the Trust Deed, S Crosbie, R Latham and J Holborow have retired by rotation.
R Latham and J Holborow have chosen not to put themselves forward for re-election. S Crosbie, being eligible has 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 2022 Trustee Election were Sharon Crosbie, Brendan Duffy and Russell Longuet. She declared Sharon Crosbie, Brendan Duffy and Russell Longuet to be elected Trustees under the terms of the Trust Deed of Electra Trust.

TRUSTEE REMUNERATION

The Chair put the motion, seconded by L Burnell:
RESOLVED THAT THE REMUNERATION OF THE TRUSTEES REMAIN THE SAME AND THEREFORE THE REMUNERATION FOR THE 12 MONTHS ENDING 31ST MARCH 2023 BE AN AMOUNT OF \$91,350, SUCH SUM TO BE DIVIDED AMONGST THE SIX TRUSTEES IN SUCH PROPORTIONS AND IN SUCH MANNER AS THEY MAY AGREE.
The Chair declared that 2,904 votes for the motion and 54 against carried the motion.

APPOINTMENT OF AUDITOR

The Chair put the motion, seconded by N Mackay:
RESOLVED THAT THE CONTROLLER AND AUDITOR GENERAL, OR HIS APPOINTEE, BE APPOINTED AS AUDITOR FOR THE TRUST.
The Chair declared that 2,925 votes for the motion and 23 against carried the motion.

REMUNERATION OF AUDITOR

The Chair put the motion, seconded by J Yeoman:
RESOLVED THAT THE TRUSTEES BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE TRUST.
The Chair declared that 2,896 votes for the motion and 46 against carried the motion.

CODE OF PRACTICE

The Chair asked the Advisory Trustee representative, Leszek Lendnal, 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 2022.

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 Mrs Shelly Mitchell-Jenkins, and CE of Electra Limited Mr Neil Simmonds, to present the Annual Report of the Company.

Mrs Mitchell-Jenkins congratulated the new Trustees on their appointment and thanked the retiring Trustees for their part in representing their owners and holding the Board to account.

Mrs Mitchell-Jenkins encouraged people to read the annual report as it records the history of the Company and reflects the effort of more than 150 people in the Electra team.

Mrs Mitchell-Jenkins advised that despite the various pressures coming to bear on the New Zealand economy over the last twelve months, the Electra Group produced a positive financial result, with an after discount and tax profit of \$110,000. The Company was able to deliver \$5.1m in price discounts, this being distributed to every electricity consumer connected to the network.

Mrs Mitchell-Jenkins acknowledged the Company's ongoing mission to enhance the Horowhenua/Kapiti Coast community and regional development, with 21st century infrastructure and new technologies to empower their future. She advised that the Company had delivered on all five of its strategic pillars and continued focus on high standards of customer service with the Company still remaining leaders amongst their peers in reliability.

Mrs Mitchell-Jenkins expressed how proud she was to be associated with the field teams who had worked with distinction in very trying circumstances recently to restore a considerable number of outages. She publicly thanked and acknowledged everyone at Electra for the great community support received as a result of their hard work.

She stressed the strong focus on embracing change, with operational excellence being at the heart of the business improvement programmes across the organisation.

Mrs Mitchell-Jenkins looks forward to celebrating the Company's centenary this year and the challenges and changes that are ahead as the Company navigates into the next 100 years.

Her presentation can be viewed on the Trust website: www.electratrust.co.nz.

Mr Simmonds presented a slide display highlighting the Company core business activities and achievements for the last 12 months:

- Key facts
- Network performance
- Our people, our future
- Asset Management Plan
- Improving customer experience
- Weather events
- Vegetation management
- Decarbonisation - what it means for Electra
- Investments
- Supporting the community
- Looking forward
- Planning for the Centenary

Mr Simmonds advised that the Company would be celebrating the Company's centenary by hosting the national Lineman's Games later in the year which celebrates excellence within the industry. The Company will be encouraging the involvement of local schools and communities.

Slide presentation is available to view on trust website: www.electratrust.co.nz.

The Chair thanked Mrs Mitchell-Jenkins and Mr Simmonds for their presentations and for their contribution to Electra.

The Chair put the motion, seconded by L Burnell:

RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2022.

The Chair declared that 2,930 votes for the motion and 15 against carried the motion.

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

The Chair put the motion, seconded by N Mackay:

RESOLVED THAT A DIVIDEND OF \$300,000 BE APPROVED.

This dividend covered the expenses of Electra Trust.

The Chair declared that 2,871 votes for the motion and 74 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 Yeoman:

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

The Chair declared that 2,885 votes for the motion and 61 against carried the motion.

PUBLIC FORUM

The Chair invited questions and comments from the floor.

The Chair asked Neil Simmonds (CE) if there would be additional costs imposed on customers who continued to use conventional power if demand reduced due to an increase in people installing solar panels.

Neil Simmonds advised that this would be counteracted by an ever-increasing demand in electricity for EVs, and other growth in the district always needing the national grid.

Janet Holborow, retiring Trustee, expressed how much she had enjoyed and felt privileged to be part of the Trust and team over the last 5 years with thanks to Neil Simmonds and his team. She was honoured to be part of the recruitment process of the Board and congratulated Mrs Shelly- Mitchell Jenkins on her exceptional job as Chair. She also acknowledged the great leadership of the Trust Chair, Sharon Crosbie who had bought a real synergy between the Trust and Board.

There being no further questions, the Chair declared the meeting closed and thanked everyone for their attendance.

CLOSURE

The meeting closed at 12.50pm.