

**KING COUNTRY ELECTRIC POWER TRUST**  
**Minutes of the Annual General Meeting of Consumer**  
**Beneficiaries held in the Senior Citizens Rooms, Morero Terrace,**  
**Taumarunui, on Thursday 22nd August 2013 at 3.00pm.**

**ATTENDANCE:**

Brian Gurney (Chairman), Graeme Cosford, Robert Carter, Uwe Kroll and Norman Annand (Trustees), Tessa Stewart (Secretary) and seventeen consumer beneficiaries.

**APOLOGY:**

An apology was received from Douglas Wilson.

Resolved ***"That the apology of Douglas Wilson is accepted"***

Chad Haszard / Brenda Grace  
***Carried***

**INTRODUCTION**

The Chairman introduced Trustees and Secretary, Brian Needham as KCE Board Representative and Brenda Grace as KCEPT Share Administrator.

**MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting of 23rd August 2012 were taken as read.

Resolved ***"That the minutes of the meeting of 23rd August 2012 be confirmed as a true and correct record of the meeting"***

Robert Carter / Norman Annand  
***Carried***

**CHAIRMAN'S REPORT**

The Chairman noted that we are presenting our annual report in a power point format this year. Key issues included:

- Our Trust Deed review was completed
- The Mangahao acquisition was evaluated and approved and as a result, our Trust shareholding in KCE was diluted; KCEPT started a programme to purchase KCE shares which included advertising, the Todd buyback and the letter campaign which has had a great response. We only need to purchase a further 155,982 shares to reach our targeted 20% shareholding in KCE
- TLC investment summary; a dividend of \$493k was paid to KCEPT which was paid towards consumer distributions
- KCE investment summary; profit was down due to advanced hedging contracts and the drought made a large impact on generation and income; a dividend of \$1.19k was paid to KCEPT
- KCEPT investment summary; Trustees have invested in areas that will give us a higher return than banks and as a result, there has been a decline in our cash holding and interest income but an increase in dividends; expenses have increased. Overall, Trust funds have increased by 7.8% which is in line with our Trust policy of retaining 20% profit every year
- KCEPT has increased the value of investments which has increased returns
- KCEPT has invested in MRP shares

## **FINANCIAL STATEMENTS**

Annand tabled the financial statements and summarised the income statement, statement of changes in equity and balance sheet for easier understanding along with giving explanations for larger expense variances including conference costs, consultancy fees, ownership review and postage/administration expenses.

Questions were received regarding:

- **Why were consultancy expenses so high?** This was as a result of the KCE Mangahao acquisition and the purchase of KCE shares
- **Could we accrue ownership review costs every year for tax purposes?** KCEPT does not know the cost of each ownership review in advance, it depends on the extent of work required
- **What was the result of the ownership review?** Thirty three ownership review documents were uplifted from local libraries but there were no submissions received. KCEPT have determined to investigate selling our TLC shares as we don't have a lot of influence; Trustees ascertained that the Trust model is still beneficial to consumers, distributions are working well. An ownership review is very worthwhile
- **How does TLC income compare to bank returns?** TLC dividends return 3%; cash investments struggle to get higher than 4.5%; KCE delivers a 7% return
- **Do Trustees recognise that there is a contingent benefit to beneficiaries rather than a monetary benefit in owning shares in TLC (it helps keep them honest)?** Trustees have considered the pros and cons of retaining an interest in TLC; we will receive a 2-3% return and can double this by investing elsewhere which will provide greater distributions to beneficiaries

Resolved ***"That the Annual Report of the Chairman for the year ended 31st March 2013 is adopted"***

Graeme Cosford / Chad Haszard  
***Carried***

Resolved ***"That the annual financial statements presented for the year ended 31st March 2013 are adopted"***

Robert Carter / Ron Rhodes  
***Carried***

## **AUDITOR**

The Chairman noted that our auditors have provided excellent service this year and recommended that Sewell and Wilson be appointed auditors for the next year.

Resolved ***"That Sewell and Wilson be appointed auditors for the period from the conclusion of this meeting until the next annual meeting of beneficiaries"***

Norman Annand / Uwe Kroll  
***Carried***

Resolved ***"That the Trustees be empowered to fix the fees and expenses of the auditor for the period of appointment"***

Brian Needham / Chad Haszard  
***Carried***

## **INFORMAL GENERAL BUSINESS**

- It was noted that there has been a shift in KCE shareholding over the past few years; Todd Energy have 54% and KCEPT will soon reach their 20% cap; the minorities have diminished to approximately 7,500 compared to the original 20,000 issue of shares throughout the local district.

**CONCLUSION**

The Chairman thanked all present for their attendance and participation in the meeting and thanked the Senior Citizens Club for a wonderful afternoon tea. The meeting was declared closed at.3.45pm.

Confirmed.....Chairman

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