



KING COUNTRY ELECTRIC POWER TRUST

MINUTES OF THE ANNUAL GENERAL MEETING OF CONSUMER BENEFICIARIES HELD AT THE TAUMARUNUI RSA UPSTAIRS CLUB ROOM, 10 MARAE STREET, TAUMARUNUI, ON WEDNESDAY 20TH AUGUST 2014 AT 6.15PM.

ATTENDANCE:

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

APOLOGY:

An apology was received from Douglas Wilson and Peter Till.

Resolved *"That the apology of Douglas Wilson and Peter Till are accepted"*

Anne Topham / Norman Annand

Carried

INTRODUCTION

The Chairman introduced Trustees and Secretary.

MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 22nd August 2013 were taken as read.

Resolved *"That the minutes of the meeting of 22nd August 2013 be confirmed as a true and correct record of the meeting"*

Robert Carter / Chad Haszard

Carried

CHAIRMAN'S REPORT

The Chairman noted that we will be presenting our annual report in a power point format.

Key issues included:

- o Ownership review 2012 outcomes; including the sale of the 10% shareholding in TLC in January 2014
- o Rebuilding our shareholding in KCE to 20%; following the dilution of shareholding following the purchase of the second 50% shareholding in the Mangahao Power Station
- o Cash investments; Trustees have determined that sufficient liquid funds be maintained to cover costs plus flexibility for investment opportunities as they arise
- o Investment Policy Statement; a wide ranging portfolio of investments arranged by BNZ Private Banking has been adopted commencing this financial year
- o Trustee elections; Brian Gurney retired after 22 years of service to KCEPT; the Chairman recorded our thanks for his effort over the years which has been very much appreciated
- o Trustee meeting attendance; Norman Annand has suffered ill health but is now back in very good shape

- The Future; the Trust will continue to monitor and review investments held with a view to growing the capital and maintaining, if not increasing distributions to beneficiaries
- Reviewing our Trust Deed; Trustees will be making any recommended changes to beneficiaries as necessary
- Distribution policy review; our distribution policy will be reviewed for a number of reasons
- TLC; our Trust will continue to review and comment on their performance
- Access to information guidelines; there has been no requests for information

FINANCIAL STATEMENTS

Annand tabled the financial statements and summarised the statement of comprehensive income, statement of changes in equity and balance sheet for easier understanding along with giving explanations for larger expense variances.

- KCEPT has purchased more shares in KCE; dividends from KCE were higher than income from cash reserves and term investments and interest on investments were better than return from TLC
- Revaluations of shares for KCE and TLC had previously been treated as capital reserves, these should now be treated as retained income and have been restated which is reflected in the movements in equity
- Expenses were in line with the previous year, the \$25k cost of consultancy last year was for the revaluation in TLC against the cost of \$76k this year for the sale of TLC shares
- During 2013/2014 we purchased KCE shares without having to go through the stock exchange; costs included secretarial, postage, printing/stationery which accounts for the increase showing in our financials this year. It was noted that we only have approximately 80,000 KCE shares left to buy through our stock broker
- Cash on hand/term investments were considerably higher than previous years; a large portion of that money is now invested with BNZ private banking in this current year.

Questions were received regarding:

- **Ken Street: Will the distribution stay at the same level?** With our increased dividend from KCE and increased term investments, distributions will be slightly higher than when we had shareholding with TLC
- **Ken Street: Are we happy with how we are distributing our funds?** KCEPT wants to increase the amount distributed if possible, we will be looking at our distribution policy within a formal process which allows consultation with beneficiaries
- **Anne Topham: Have we considered using funds for community purposes?** We will be making these considerations in the future as part of our distribution review; at present we only distribute to beneficiaries based on electricity consumption
- **Murray Wilson: Could funding be made available on application for local funding opportunities and economic development?** Trustees noted that we have supported local projects in the past including the heat pump project and the light bulb project; energy efficiency within the energy industry aligns with our Trust very well

Resolved *"That the Annual Report of the Chairman for the year ended 31st March 2014 is adopted"*

Norman Annand / Niel Groombridge
Carried

Resolved *"That the annual financial statements presented for the year ended 31st March 2014 are adopted"*

Brian Gurney / Brian Needham
Carried

The Chairman made special thanks to Anne Topham and her team, Norman Annand and Tessa Stewart for their work on the Trust end of year financials.

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"*

Uwe Kroll / Norman Annand
Carried

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

Ken Street / Graeme Cosford
Carried

INFORMAL GENERAL BUSINESS

- o There was no informal general business to report.

GUEST SPEAKER

Alan Strang from BNZ Private Banking attended as guest speaker.

Key points were:

- o Background
- o Investment Portfolio Key Benefits
- o Global Macro View
- o New Zealand Economic View

- o A lengthy discussion was held after Alan's presentation; topics included tax return information, individual investments, growth and flexibility within the share portfolio, KCE shares

- o It was noted that our Investment Policy Statement should be able to be viewed by beneficiaries; any specific requests would need to go through formal channels.

- o Brian Gurney noted that KCEPT is now an active investor in the market which is very exciting; if KCEPT ends up with \$50million in assets with a 10% return, the Trust could distribute \$500 to every beneficiary; Brian expressed his support for the current Trustees.

CONCLUSION

- o The Chairman thanked everyone for attending our AGM and special thanks to Alan Strang for guest speaking tonight.

The meeting closed at 7.25pm.

Confirmed.....Chairman

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