



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 26TH AUGUST 2015 AT 5.30PM.

ATTENDANCE:

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

APOLOGY:

An apology was received from Norman Annand and Douglas Wilson.

Resolved "***That the apology of Norman Annand and Douglas Wilson are accepted***"

Anne Topham / Graeme Cosford
Carried

INTRODUCTION

The Chairman introduced Trustees and Secretary.

MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 20th August 2014 were taken as read.

Resolved "***That the minutes of the meeting of 20th August 2014 be confirmed as a true and correct record of the meeting***"

Niel Groombridge / Uwe Kroll
Carried

CHAIRMAN'S REPORT

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

Key issues included:

- The last year has been a year of consolidation following the sale of the 10% shareholding in The Lines Company Ltd.
- The Trust has progressively invested the funds from that sale into a full managed investment portfolio with BNZ Private Banking which is showing good returns at the present time.
- The Trust has completed rebuilding our shares in KCE; this has been achieved in a shorter timeframe than we originally expected.
- KCEPT continues to attend ETNZ conferences and also attend meetings with a regional electricity trust group who have common interests from both an issues and geographical perspective.
- KCEPT, as an investor in a generation and retailing company, will need to work to chart a good pathway through the disruptive technology issues.

- Trustees held a strategic planning session for KCEPT; this was a worthwhile exercise for all concerned.
- KCEPT is yet to review the distribution policy; time permitting, this will be completed within the next year.
- 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.
- Access to information guidelines; there has been no requests for information.

FINANCIAL STATEMENTS

Anne Topham tabled the financial statements and presented a financial summary document for easier understanding. Key points were:

- Due to the reduced disclosure regime, the investment portfolio is revalued every year.
- The Summary of Financial Performance includes income of \$2.548million, expenditure of \$193k and income tax expense totalling \$720k; bringing in the revaluations shows a lot of volatility.
- The Summary of Financial Position includes cash and investments; the liquidation of our shareholding in TLC has made a huge difference.
- KCEPT's mix of investments has changed a lot over the last year. There has been a redistribution of assets between current assets and non-current assets; the current assets are term investments and non-current assets are the portfolio investment.
- The distribution to beneficiaries increased from \$960k to \$1.253million; the cash at end of year is a definition and not a reflection of the cash in bank.
- Anne referred to the notes to the accounts. The schedule of expenses shows a drop in consultancy fees; this cost will drop dramatically if no major projects are undertaken during the year, portfolio management costs total \$30k. Current investments and term investments have been summarised; KCE shares are stable at \$20million.

Resolved ***"That the Annual Report of the Chairman for the year ended 31st March 2015 is adopted"***

Peter Till / Brian Gurney
Carried

Resolved ***"That the annual financial statements presented for the year ended 31st March 2015 are adopted"***

Peter Till / Brian Gurney
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"***

Graeme Cosford / Uwe Kroll
Carried

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

Niel Groombridge / Peter Topham
Carried

INFORMAL GENERAL BUSINESS

- Anne Topham noted that Sewell & Wilson will be involved in a merger from 2016.
- Chad Hazard asked if KCEPT would be open to solar opportunities on behalf of beneficiaries; KCEPT is aware of the issue and has not made any decisions to invest.

CONCLUSION

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

The meeting closed at 6.10pm.

Confirmed.....Chairman

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