



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 24TH AUGUST 2016 AT 5.30PM.

ATTENDANCE:

Robert Carter (Chairman), Graeme Cosford, Uwe Kroll and Adie Doyle (Trustees), Tessa Jackson (Secretary) and twenty consumer beneficiaries.

APOLOGY:

An apology was received from Niel Groombridge (Trustee), Brent Hood (Auditor), Clive Manley (RDC CEO) and Brian Gurney.

Resolved ***"That the apology of Niel Groombridge, Brent Hood, Clive Manley and Brian Gurney are accepted"***

Chad Hazard / Uwe Kroll
Carried

INTRODUCTION

The Chairman introduced Trustees and Secretary.

MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of 26th August 2015 were taken as read.

Resolved ***"That the minutes of the meeting of 26th August 2015 be confirmed as a true and correct record of the meeting"***

Peter Till / Graeme Cosford
Carried

CHAIRMAN'S REPORT

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

Key issues included:

- KCEPT owns 19.98% shareholding in KCE; we are the second largest shareholder apart from Trustpower Ltd who purchased the 54% stake in KCE; KCEPT's intentions are to work collaboratively with the company in the future. For KCEPT to exist, we are required to own shares in the company as per our Trust Deed so we have spent considerable time and funds looking at options for the future; if and when there are to be any changes, the Trust will commence an ownership review along with consumer beneficiary consultation giving full disclosure of any proposal. KCEPT is due for an ownership review in 2017 at which time we will be generating a draft new distribution policy for consideration.
- There has been a change in Trustees with Norman Annand finishing and Adie Doyle commencing on 1st April 2016.

- KCEPT 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 one request for information without any cost involved.
- Key financial performance summary; Trust funds have increased by \$1.86million this year; expenses have increased by \$152k and distributions to beneficiaries have increased to \$1.3million; interest and dividend income has been almost identical from 2015 to 2016.

FINANCIAL STATEMENTS

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

- KCEPT comes under IFRS which means that the format of our financial statements is a little different from a normal business.
- The Summary of Financial Performance includes income of \$3.1million, expenditure of \$345k and income tax expense totalling \$688k. Expenditure has increased in the last year for various reasons; Project Utopia expenses are where Trustees have been investigating possibilities in terms of the future and election expenses have been included in the last year which is an expensive process. Distributions to beneficiaries totalled \$1.314k.
- The Summary of Financial Position shows where cash and cash equivalents have been reallocated to current investments which include term investments on three to twelve month terms, further funds have gone into the investment portfolio which has had some gains, cash and investments have shown some growth from last year to \$41million.
- The KCE shares have been loaded at the unlisted price as at 31st March 2016.
- Carter reiterated that Project Utopia is exactly what it sounds like; Trustees are looking at opportunities for the future so most of the costs associated with these options have come from professional consultants and legal advice. Once we have some useful information to relay to beneficiaries, we will start an ownership review to trigger the conversation.

Resolved ***"That the Annual Report of the Chairman for the year ended 31st March 2016 is adopted"***

Peter Till / Rhonda Wood
Carried

Resolved ***"That the annual financial statements presented for the year ended 31st March 2016 are adopted"***

Chad Hazard / Graeme Cosford
Carried

The Chairman made special thanks to Anne Topham, her team and Tessa Jackson 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 Hood, Spooner & Redpath Ltd be appointed auditors for the next year.

Resolved ***"That Hood, Spooner & Redpath Ltd be appointed auditors for the period from the conclusion of this meeting until the next annual meeting of beneficiaries"***

Peter Till / Anne Topham
Carried

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

Adie Doyle / Nicole Middleton

Carried

INFORMAL GENERAL BUSINESS

- There was no informal general business.

CONCLUSION

- The Chairman thanked everyone for attending our AGM and special thanks to Ian Balme for guest speaking tonight.

The meeting closed at 5.59pm.

Confirmed.....Chairman

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