

Newsletter 2015

This Newsletter contains extracts of the 2015 Chairman's Report and the 2015/16 Annual Plan. A copy of the full documents can be obtained from our website www.waipanetworkstrust.co.nz or by contacting the Secretary on (07) 871 3176.

Waipa Networks Trust

The Trust holds on your behalf 7.2 million shares in Waipa Networks Limited.

Trustees of the Waipa Networks Trust

The Trustees of Waipa Networks Trust at 31 March 2015 were Messrs Craig Sanders (Chairman), Andrew Bateman (Deputy Chairman), Richard Johnstone, Carl Rist (JP), Mrs J M Bannon and Mrs Barbara Taranaki (QSM, JP).

The last triennial Election of Trustees took place in 2012. The next Election of Trustees is scheduled to take place this year (2015).

Annual Plan 2015/2016

The Trust met all its objectives concerning accountability to its Beneficiaries and financial forecasts outlined in the Annual Plan for the 2014/15 year.

Financial Review of the Trust

The book value of the 7.2 million shares held by the Trustees at 31 March 2015 based on the shareholders funds value in the Financial Statements of Waipa Networks Ltd was 2015 \$102,405,055 (2014 \$97,521,245).

The movement in cash flows over the year has been as follows:

	2014-2015 Actuals \$	2015-2016 Estimates \$
Bank & Term Deposits 01 April	3,450,856	3,457,529
Cash Receipts		
Interest Earned (net)	151,748	143,790
Cash Payments		
General Operating expenditure	145,075	159,560
Trustee Elections		41,381
Bank & term deposits 31 March	3,457,529	3,400,378

Dividend

The Trust's operation costs continue to be funded from investment earnings and reserves, with no dividend being sought from its wholly owned company Waipa Networks Ltd.

COMPANY PERFORMANCE 2014/15

Directors of Waipa Networks Ltd

The Directors of Waipa Networks Limited at 31 March 2015 were Messrs Richard Kadziolka (Chairman), Richard Francis (Deputy Chairman), Keith Goodall, Bob Western, Jeff Williams and Ms Diane Reed.

Special Discounts

The Trust, through the Statement of Corporate Intent, agreed to the Company introducing a discount/rebate regime commencing on 1 April 2001.

In the financial year ended 31 March 2015 the Company granted special discounts amounting to \$3,830,591 to Connected Consumers. Special discounts for the thirteen year period 1 April 2001 to 31 March 2015 amount to \$58,156,193.

Second Supply Line to Te Awamutu

Te Awamutu customers who have asked for a solution to the interruptions caused by having only a single 110kV supply line will be pleased to note the excellent progress made on a second 110kV line from Hangatiki.

In December 2014 Resource Management Act hearings were held under an Independent Commissioner. His report was released to all submitters, landowners and other affected parties in

February and the period for objections passed with none being received.

Construction will commence in August / September 2015 depending on the weather and ground conditions.

(Extract from, Waipa Networks Ltd, 2015 Annual Report.)

Performance Measures of Waipa Networks Ltd

The performance of the business for the year ended 31 March 2015 is as follows:

Financial performance indicators	Target	Actual
Profit before interest expense and tax as a percentage of total assets	4.10%	5.29%
Profit after tax as a percentage of equity	4.10%	4.89%
Equity as a percentage of total assets	60.00%	77.03%
Efficiency performance measures:		
Maintenance costs per electricity customer	\$160	\$138
Operational expenditure per electricity customer	\$75	\$84
Energy delivery efficiency performance measures		
Loss ratio	6.50%	5.72%
Capacity utilisation	25.00%	24.59%
Energy reliability performance measures		
Faults per 100km lines (11kV)	8.3	12.1
SAIDI (minutes per customer)	170	201
SAIFI (interruptions per customer)	2.43	2.20
Staff Safety		
Lost time work accidents per 100 employees*	0.0	13
Hours lost compared to hours worked per annum	0.00%	0.66%
Total hours lost per annum	0	646

Acknowledgements

The Company performance was again something to be proud of with Waipa Networks Ltd operating extremely efficiently and achieving the lowest line charges in the country. This is an incredible achievement and the Trust would like to recognize the ongoing effort of the Company Board and Staff.

Other achievements of the Company include the good progress made on the second line and fibre network investment, and also the completion of an insulation project which helped many of our beneficiaries achieve healthier and more energy efficient homes. We are looking forward to further Energy Efficiency initiatives with the Company implementing an energy efficiency program in schools during 2015-16.

The Trust has continued to improve information sharing with our beneficiaries by using our website to improve the availability of information and ensuring we update it regularly. We value the opportunity to

engage with our beneficiaries and improve their access to information about the Trust.

On behalf of the Trustees, I would like to thank Crowe Horwath for the use of their magnificent amenities and Sarah for another year of dedication to the Secretary / Treasurer Role. Thank you to my fellow Trustees for the privilege of being their Chairman.

We look forward to continue to work positively on behalf of you, our beneficiaries.

**CRAIG SANDERS
CHAIRMAN
WAIPA NETWORKS TRUST**



**PO Box 34
TE AWAMUTU**

Notice of Public Annual Meeting of Beneficiaries

Availability of the 2015 Chairman's Annual Report, Financial Statements, 2015-16 Annual Plan, and Waipa Networks Ltd Statement of Corporate Intent.

I hereby give notice that on Monday the 24th August 2015, commencing at 11.00am, a Public Annual Meeting of Beneficiaries (Connected Consumers) will be held a Crowe Horwath, 411 Greenhill Drive, Te Awamutu.

At the meeting the Trustees will report on:

- The operation of Waipa Networks Trust for the year ended 31 March 2015.
- The Financial Statements of Waipa Networks Trust for the year ended 31 March 2015.
- The performance of Waipa Networks Limited for the year ended 31 March 2015.
- The compliance of Waipa Networks Limited with its Statement of Corporate Intent for the year ended 31 March 2015.
- The Annual Plan 2015/16 of Waipa Networks Trust.

At the meeting the Beneficiaries will be given the opportunity to:

- Appoint the Auditor for Waipa Networks Trust for the 2016 financial year.
- Speak on all matters being considered at the Annual Meeting.

Please note that the above named documents are available for public inspection on the Trust website or at the offices of Waipa Networks Limited at **240 Harrison Drive, Te Awamutu**. Alternatively, they can be obtained by contacting the Secretary on 07 871 3176.

SJ Davies, Secretary/Treasurer



Pictured (from left to right):

Top Row:
Carl Rist, Andrew Bateman, Craig Sanders, Richard Johnstone.

Bottom Row:
Judy Bannon, Sarah Davies, Barbara Taranaki.