

This Newsletter contains extracts of the 2019 Chairman's Report and the 2019/20 Annual Plan. A copy of the full documents can be obtained from our website [www.waipanetworkstrust.co.nz](http://www.waipanetworkstrust.co.nz) or by contacting the Secretary on (07) 871 6991.

## 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 2019 were Craig Sanders (Chairman), Andrew Bateman (Deputy Chairman), Judy Bannon, David McLean, Ashley Reid, and Barbara Taranaki (QSM, JP).

The triennial Election of Trustees took place in 2018. The next Election of Trustees is scheduled to take place in 2021.

## Annual Plan 2018/2019

The Trust met all its objectives concerning accountability to its Beneficiaries and financial forecasts outlined in the Annual Plan for the 2018/19 year.

## Financial Review of the Trust

The book value of the 7.2 million shares held by the Trustees at 31 March 2019 based on the shareholders funds value in the Financial Statements of Waipa Networks Ltd was \$132,997,037 (2018 \$127,751,340).

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

	2018-2019 Actuals \$	2019-2020 Estimates \$
<b>Cash Flows from Operating Activities</b>		
Interest Received	184,751	171,088
General Operating expenditure	(220,442)	(170,909)
	(35,691)	179
<b>Cash Flows from Investing Activities</b>		
Loan to Waipa Networks Ltd	(32,931)	0
	(32,931)	0
Cash & cash equivalents 1 April	159,752	91,130
Net Increase / (Decrease) in Cash Held	(68,622)	179
Cash & cash equivalents 31 March	91,130	91,309

## 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.

## Objectives for the year

- 1) To see that Waipa Networks Limited adheres to its intentions and objectives as outlined in the Statement of Corporate Intent.
- 2) To keep Beneficiaries well informed on the activities of the Trust.

## COMPANY PERFORMANCE 2018/19

### Directors of Waipa Networks Ltd

Richard Francis and Jonathan Kay were required to retire by rotation at the 2018 Annual General Meeting of the Company. The Trustees re-appointed both Directors for a further term.

The Directors of Waipa Networks Limited at 31 March 2019 were Richard Francis (Chairman), Jeff Williams (Deputy Chairman), Keith Goodall, Jonathan Kay, and Simon Fleisher.

### 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 2019 the Company granted special discounts amounting to \$4,758,664 to Connected Consumers. Special discounts for the eighteen year period 1 April 2001 to 31 March 2019 amount to \$76,304,155.

## Waikato Networks Ltd

The business continues to build connection numbers, improve cashflow and, ultimately increase profitability. To the end of the current financial year, UFF exceeded budgeted EBITDA by \$550k, bearing in mind that cashflow is focused on investing in network build and garnering new connections from residential households.

UFF now has over 119,000 active customers or about 54.6% of premises that have fibre optic services available, an increase of more than 23,000 or 24% for the year.

The plan for the business anticipates a further year of investment by the shareholders albeit at lower levels than the initial build years.

*(Extract from Waipa Networks Ltd. 2019 Annual Report).*

## Performance Measures of Waipa Networks Ltd

The performance of the business for the year ended 31 March 2019 is as follows:

Financial performance indicators	Target	Actual
Profit before interest expense and tax as a percentage of total assets	4.60%	4.67%
Profit after tax as a percentage of equity	4.40%	4.02%
Equity as a percentage of total assets	55.00%	59.46%
<b>Efficiency performance measures</b>		
Maintenance costs per electricity customer	\$180	\$209
Operational expenditure per electricity customer	\$100	\$104
<b>Energy delivery efficiency performance measures</b>		
Loss ratio	6.50%	5.48%
<b>Network reliability performance measures</b>		
Faults per 100km lines (11kV)	10.8	10.8
SAIDI (minutes per customer)	213	168
SAIFI (interruptions per customer)	2.27	1.37
<b>Staff Safety</b>		
Lost time work accidents per 100 employees*	0.0	8.1
Hours lost compared to hours worked per annum	0.00%	0.68%
Total hours lost per annum	0	748

## Acknowledgements

I am very fortunate to be able to report back to our Beneficiaries each year with strong financial results and positive achievements against the Company's performance measures.

We are operating in a high growth district and have once again had strong customer growth, which

presents us with both opportunities and challenges. This year, we have continued to develop the network while maintaining our position amongst the lowest lines charges in the country.

Technology continues to be a key focus of the company with increasing opportunities to invest in and promote technology such as smart networks, electric vehicles, solar photovoltaics and battery storage.

The Trust would once again like to congratulate the Company Board and Staff on their achievements over the year.

On behalf of the Trustees, I would also like to thank 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**



PO Box 34  
TE AWAMUTU

## Notice of Public Annual Meeting of Beneficiaries

### Availability of the 2019 Chairman's Annual Report, Financial Statements, 2019-20 Annual Plan, and Waipa Networks Ltd Statement of Corporate Intent.

I hereby give notice that on Friday the 30th August 2019, commencing at 10.00am, a Public Annual Meeting of Beneficiaries (Connected Consumers) will be held at Findex, 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 2019.
- The Financial Statements of Waipa Networks Trust for the year ended 31 March 2019.
- The performance of Waipa Networks Limited for the year ended 31 March 2019.
- The compliance of Waipa Networks Limited with its Statement of Corporate Intent for the year ended 31 March 2019.
- The Annual Plan 2019/20 of Waipa Networks Trust.

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

- Appoint the Auditor for Waipa Networks Trust for the 2020 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**, during ordinary business hours.

**SJ Davies**  
Secretary/Treasurer



Photo - 2018

From left to right:

Andrew Bateman (Deputy Chairman), Barbara Taranaki, Ashley Reid, Craig Sanders (Chairman), Sarah Davies (Secretary), Judy Bannon, David McLean.