



“Goodman Contractors 2014 Electra Business of the Year”

ELECTRA KAPITI HOROWHENUA BUSINESS AWARDS

In 2014 we continued our long-term sponsorship of the annual Electra Kapiti Horowhenua Business Awards, an event that has recognised 20 outstanding winners over the last 21 years. The Awards are an important way of recognising businesses that are helping to drive economic growth in the region. Congratulations to Goodman Contractors Ltd for winning the 2014 Supreme Award, and to Kapiti PAK’nSAVE in being Highly Commended by the judges.

ELECTRA

The Trustees of the Electra Trust hold the shares in Electra Limited, for you the consumers...

The Directors govern the Group...

Electra manages and maintains the powerlines and owns...

- DataCol NZ - reading and installing meters for utilities,
- Sky Communications - a full service telecommunications contracting company,
- Electra Monitoring - a security monitoring company.

KEY FACTS

- 9th biggest lines company in the country in terms of consumer numbers at 43,369
- Electra’s network extends from Paekakariki in the south to just north of Foxton and Tokomaru.
- \$150 million returned as sales discount to electricity consumers in Kapiti Horowhenua in the last 21 years.



Electra

SERVING YOU SINCE 1922



ANNUAL REVIEW 2014–2015

ELECTRA OWNS, MAINTAINS AND OPERATES THE ELECTRICITY NETWORK THROUGHOUT KAPITI AND HOROWHENUA.

OUR OWNER IS THE ELECTRA TRUST.

ELECTRA’S TRUST OWNERSHIP ENSURES THAT WE DELIVER AN ANNUAL ELECTRICITY SALES DISCOUNT TO ALL CONSUMERS CONNECTED TO OUR NETWORK.

THIS YEARS RESULTS

The information in this review is derived from the 2015 Annual Report of Electra Limited.

The Annual Report of Electra Limited, including the audited financial statements is available on request from Electra at www.electra.co.nz. Its adoption will be voted on by the Trustees at the Annual Meeting of the Company on 31 July 2015.

FIVE YEAR HIGHLIGHTS					
For years ended as at 31 March	2015	2014	2013	2012	2011
Electricity sold GWh	402	402	409	413	416
Revenue (\$000)	61,669	71,915	74,923	86,442	75,206
Sales discount issued (\$000)	7,021	7,628	6,947	6,736	6,949
Total shareholders funds to total assets	68%	51%	51%	48%	49%

NETWORK COMPANY ONLY					
For years ended as at 31 March	2015	2014	2013	2012	2011
Electricity operating costs per consumer	\$212	\$205	\$171	\$226	\$183
Capital expenditure costs per consumer	\$167	\$173	\$166	\$154	\$139
Reliability average outage minutes per consumer per year	139	67	58	132*	75

*Excludes Transpower outages during the year. Including these events SAIDI would have been 267.3.



Electra

REGISTERED OFFICE

CORNER BRISTOL AND EXETER STREETS
BOX 244, LEVIN 5540
PHONE 0800 ELECTRA OR 0800 353 2872
WWW.ELECTRA.CO.NZ

Total revenue earned by the group.

The discount for each individual consumer was based on the amount of network charges paid.

After sales discount and then deducting costs of running the business we're left with this figure.

We paid a dividend to the Electra Trust to cover the Trust expenses.

This is the amount our owners have invested in the company; approximately \$5.59 per share or \$3,171 per consumer. It's made up of the original share capital, reserves (the value that's been built up over the last ten years), and retained earnings (profit that's not paid out by dividend).

FINANCIAL PERFORMANCE HIGHLIGHTS

In thousands of dollars	NZ IFRS	
	2015	2014*
Operating revenue	61,669	71,915
Earnings before depreciation and taxation	19,620	15,935
Discount issued to consumers	(7,021)	(7,628)
Operating surplus	3,522	3,595
Taxation	(114)	71
Net profit after taxation	3,408	3,666
Dividends	(275)	(320)
Equity at start of year	133,753	133,165
Equity at end of year	\$136,772	\$133,753

*Includes discontinued operations

FINANCIAL POSITION HIGHLIGHTS

In thousands of dollars	2015	2014
Share capital	18,000	18,000
Retained earnings	69,832	66,699
Reserves	48,940	49,054
Total shareholders' equity	136,772	133,753
Long term liabilities	47,220	54,049
Total current liabilities	18,390	72,447
Total shareholders' funds and liabilities	202,382	260,249
Non current assets	188,196	187,818
Current assets	14,186	72,431
Total Assets	\$202,382	\$260,249

\$4m decrease arising from revaluation of network assets.
Includes deferred tax liability of \$34m.

The total assets of which 11% is funded by borrowings.

The cash generated from day to day operations

The cash spent on assets, new businesses and finance loans

The loans and debentures borrowed or repaid

Cash in bank at the beginning of the year

The bank balance at the end of the year

CASH FLOW HIGHLIGHTS

In thousands of dollars	2015	2014
Net cash flows from operations	14,836	7,066
Net cash flows to investing	480	(8,340)
Net loans raised and cash flows from financing	(13,035)	(570)
Net (decrease)/increase in cash held	2,281	(1,844)
Add opening cash	2,240	4,084
Ending cash carried forward	\$4,521	\$2,240



GENERATING OUR OWN HOME GROWN TALENT

When Electra found it was getting increasingly difficult to attract high calibre, qualified staff, it made the decision to start generating its own. And one of the company's recent success stories isn't just part of the younger generation learning their trade at Electra, he's actually part of an intergenerational Electra family.

At the core of any good business are its people. And while Electra's people rate amongst the best in the electricity industry, the company is not immune when it comes to the perennial, industry-wide problem – an aging workforce and ongoing difficulties in recruiting qualified staff.

Recognising this issue many years ago, Electra made a bold decision to focus on training and developing local talent from within the organisation to help with its workforce succession planning.

And there's no better example of this winning strategy than Nathan Berry. The 24 year old Network Engineer has literally grown up inside the company.

"My Dad (Electra's current Operations Manager, Baden Berry) joined the company in 1983 and, apart from a brief spell with another company, he's been with Electra for 30 years," explains Nathan.

"So when I was at Horowhenua College and looking to save for university, my Dad was able to let me know about any part-time and holiday work that was coming up at Electra."

In 2007 Nathan landed his first part-time job with the company. Over the next two years he worked in different parts of the business, before leaving home in 2009 to study Electrical Engineering at Canterbury University.

At the end of 2012 Nathan completed his studies and returned to Levin and to Electra, this time accepting a permanent role as a Network Engineer.

For Nathan, it was an easy decision to come home to the Horowhenua. His family are here and he was familiar with, and liked, his 'new' employer:

"Electra is an awesome company to work for," he explains. "There's a great culture here and the people are fun to work with. The company is an excellent employer – they're really supportive and willing to go the extra mile to help staff, even if it's a personal issue. It's also nice to be part of a group of younger people the company has invested time and resource in, as part of a longer term plan to replace a workforce that is beginning to age."

"The advantage of working for a smaller business is that you get to do more, faster. When I first read my job description, it said that I'd be involved in planning and implementing capital works projects. I didn't really think this would happen, and in a lot of larger companies it wouldn't, but that's exactly what I'm doing for Electra. It would take me years to get this sort of experience working somewhere else."

"My boss (Planning and Development Manager, Mike Hearn) is an excellent mentor – he's really experienced and full of great advice. I'm learning so much by just listening to the people above and around me, and also from being in the field observing the people who are doing the installation work, such as the cable joiners."

Spending time outdoors is something Nathan clearly enjoys and, in particular, any activity involving water. His real passion is for the Levin-



Waitarere Surf Club. "I've been a member of the Club for 12 years now and spent 9 years as a lifeguard, getting involved in dozens of rescues over that time," he explains. "These days my focus is on operational activities, particularly in the area of member development."

"In fact, I spend so much time at the Club it made perfect sense for me to buy my first home at Waitarere Beach," he smiles. "It's a great spot and still only a ten minute drive from work – it's a pretty good lifestyle really."

When he's not involved with the Surf Club, you'll probably find Nathan either competing in 3km ocean races, or rowing on Lake Horowhenua or the Manawatu River.

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SAVE \$400!
Call 0800 836 7765 Now
Available to all residential and commercial electricity consumers in the Kapiti-Horowhenua area.

SAVE \$400 ON A NEW HEAT PUMP

Over recent years we've partnered with local heat pump experts, Temperature Solutions to deliver special heat pump deals to our consumers. This has enabled a large number of consumers throughout the region to manage heating costs and stay healthier inside warmer homes. In fact, a recent survey indicates that 1 in every 3 homes on the Electra network now has a heat pump installed.

We love energy efficient technologies such as heat pumps and energy efficient lighting as they can help to reduce electricity demand on the network, and this can help to delay the need for expensive network upgrades.

That's why it makes sense to encourage the installation and use of more energy efficient equipment and appliances on the Electra network.

For a free on-site assessment and quotation, call 0800 836 7765.

Save \$400 on the installation of a new heat pump. Available to all residential and commercial electricity consumers in the Kapiti-Horowhenua area. Finance options available. Full 5-year warranty included. Offer expires: 31 July 2015.

ELECTRA WELCOMES A NEW CHIEF EXECUTIVE AND BOARD MEMBERS

From left: Ian Wilson, Russell Longuet, Neil Mackay, Patricia McKelvey (Chair), Piers Hamid, Shelly Mitchell-Jenkins, Chris Dyhrberg and Neil Simmonds (CE).

It was reported in the 2014 Annual Review that long serving Director Martin Devlin had resigned from the Board on 31 March 2014 and that Electra Group Chief Executive John Yeoman would be retiring at the end of May 2014.

At the end of April 2014 we were delighted to announce the appointment of Neil Simmonds as Electra Group's next Chief Executive, while two new Directors, Chris Dyhrberg and Shelly Mitchell-Jenkins, were also welcomed to the Electra Board in July.

We believe that Neil has an excellent balance of technical and strategic business skills and experience that will serve both our organisation and the region exceptionally well over the coming years, while Chris and Shelly also bring a valuable mix of skills and experience to the Board table.

Chief Executive, Neil Simmonds

Neil Simmonds is a qualified Engineer and Fellow of IPENZ, with an MBA from Europe's leading business school (IMD in Switzerland).

Prior to his starting as Chief Executive of Electra on 3 June 2014, Neil had spent thirteen years as Chief Executive of Counties Power, a company that is also a customer owned lines company. He therefore has an excellent understanding of the unique responsibilities that come with operating within a Consumer Trust structure.

Under his leadership, Counties Power developed a reputation for delivering an innovative, reliable and cost-effective electricity network. At the same time Neil also held senior positions in a number of industry associations and working groups, many of them focused on smart network technology.

Director, Chris Dyhrberg

Chris Dyhrberg is a business consultant who has worked in the ICT, health, education and electricity sectors. He has held a number of executive and senior management roles within Telecom New Zealand and Chorus New Zealand, and has experience across multiple disciplines including commercial, strategy, marketing, product management, industry and stakeholder management, engineering and infrastructure build.

He is a Member of the NZ Institute of Directors and spends considerable time working on community projects and for not-for-profit organisations. He is a Director of Swimming Wellington, and a Trustee on both the Kapiti Aquatic Centre Trust and the Kapiti College Board of Trustees.

Director, Shelly Mitchell-Jenkins

Shelly Mitchell-Jenkins is a Director of Colbert Cooper Limited, a chartered accountancy practice located in Levin, providing business, accountancy and tax services to clients throughout the region and across NZ.

She is a Fellow Chartered Accountant (NZICA) and a Chartered Member of the NZ Institute of Directors, as well as being a Trustee of the Eastern and Central Community Trust and of Horowhenua based charitable trusts; Life to the Max Horowhenua Trust, Levin Charitable Trust and Horowhenua Scholarship Trust.

Originally from Wanganui, Shelly has lived in the Horowhenua since 1996.