



"Aura RedEye 2013 Electra Business of the Year"

## ELECTRA BUSINESS AWARDS

In 2013 we continued our long-term sponsorship of the annual Electra Business Awards, an event that has recognised outstanding winners over the last 20 years. The Awards are an important way of recognising excellent businesses that are helping to drive economic growth and employment in the region. Congratulations to Aura RedEye for winning the 2013 Supreme Award, and to HMC Kapiti 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.

### KEY FACTS

- 9th biggest lines company in the country in terms of consumer numbers at 42,908
- Electra's network extends from Paekakariki in the south to just north of Foxton and Tokomaru.
- Electra employs 181 staff across the network operation and its subsidiaries.



# Electra

### SERVING YOU SINCE 1922



## ANNUAL REVIEW 2013-2014

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 2014 Annual Report of Electra Limited. The Annual Report of Electra Limited, including the audited financial statements is available on request from Electra. Its adoption will be voted on by the Trustees at the Annual Meeting of the Company on 25 July 2014.

#### FIVE YEAR HIGHLIGHTS

For years ended as at 31 March	2014	2013	2012	2011	2010
Electricity sold GWh	402	409	413	416	399
Revenue (\$'000)	71,915	74,923	86,442	75,206	68,835
Sales discount issued (\$'000)	7,628	6,947	6,736	6,949	7,235
Total shareholders funds to total assets	51%	51%	48%	49%	49%

#### NETWORK COMPANY ONLY

For years ended as at 31 March	2014	2013	2012	2011	2010
Electricity operating costs per consumer	\$205	\$171	\$226	\$183	\$196
Capital expenditure costs per consumer	\$173	\$166	\$154	\$139	\$148
Reliability average outage minutes per consumer per year	67	58	132*	75	161

\*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 \$5.47 per share or \$3,117 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).

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

### FINANCIAL PERFORMANCE HIGHLIGHTS

	NZ IFRS	
In thousands of dollars	2014	2013
Operating revenue	71,915	74,923
Earnings before depreciation and taxation	15,935	14,445
Discount issued to consumers	(7,628)	(6,947)
Operating surplus	3,595	5,043
Taxation	71	(2,352)
Net profit after taxation	3,666	2,691
Dividends	(320)	(275)
Equity at start of year	133,165	131,054
Equity at end of year	\$133,753	\$133,165

Included one off non-operational revenue of \$1.6m.

### FINANCIAL POSITION HIGHLIGHTS

In thousands of dollars	2014	2013
Share capital	18,000	18,000
Retained earnings	66,699	63,353
Reserves	49,054	51,812
Total shareholders' equity	133,753	133,165
Long term liabilities	54,049	85,957
Total current liabilities	72,447	42,128
Total shareholders' funds and liabilities	260,249	261,250
Non current assets	187,818	221,982
Current assets	72,431	39,268
Total Assets	\$260,249	\$261,250

\$4m decrease arising from revaluation of network assets.

Includes deferred tax liability of \$36m.

Amounts due for payment within one year:

The value of cash, inventories, hire purchase loans and the amounts owed to the Company by customers.

The total assets of which 13% is funded by borrowings.

### CASH FLOW HIGHLIGHTS

In thousands of dollars	2014	2013
Net cash flows from operations	7,066	12,911
Net cash flows to investing	(8,340)	(2,049)
Net loans raised and cash flows from financing	(570)	(10,723)
Net (decrease)/increase in cash held	(1,844)	139
Add opening cash	4,084	3,945
Ending cash carried forward	\$2,240	\$4,084





Steve Lovejoy, Contract Supervisor at Electra's Levin Depot.

## GETTING THE JOB DONE

If you live in and around Levin, the next time you see an Electra line crew working down your street it's likely that Steve Lovejoy sent them there.

Steve Lovejoy is the Contract Supervisor at Electra's Levin Depot.

The first impression you get when you meet Steve is that he is a dedicated company man who is easy to get along with. He has a calm confidence and takes his work seriously – important traits for someone who organises and supervises the crews who carry out the repair and replacement work (planned and unplanned) on Electra's network.

Steve has worked in the electricity industry for 33 years and all but three of these years have been with Electra. "I started with the Horowhenua Electric Power Board (HEPB) in the 1980's as a trainee linesman," he begins. "Once I was qualified I moved on to become a faultman, then was promoted to foreman of one of three line crews, before becoming a senior linesman for Electra's live line crew (the specialist team that works on high voltage lines, 11kV and above, while they are still live)."

For the last two years he has been responsible for running the Levin depot, "My role means I organise the crews, allocate their work, plan their jobs, order materials, and arrange the permits and so on."

He says the transition from being one of the crew to supervising them has been a great learning experience. "The difference between being a supervisor and working in the crews is that you have to learn how to sit on the fence a bit more. You do your best to look after the crews but you have to balance this with what's best for the business too."

The other thing he enjoys about his role is the variety of work involved, with jobs ranging from one day to up to one month in duration. Steve's role is to scope each job out,



The above photos taken at the Levin Depot opening May 2014

work out what's needed in terms of resource and materials, and to then organise everything and schedule the work.

This often means a site visit to mark out where the work will take place, especially if a new line is being installed.

"I really enjoy the challenge of planning and organising new installations," he says. "For the more complicated or difficult projects I'll usually do the site visit with the foreman so we can share ideas and make sure we are all on the same page when it comes to the job."

Once every three weeks Steve is also the On-call Supervisor, co-ordinating the crews who respond to any emergencies or after hours faults. This means he is often on-site, organising the response and assisting where needed. "It's my job to make sure the repair is carried out quickly, efficiently and effectively and, most importantly, safely."

In 2013 Electra made the decision to bring the contracting business, which had been a separate operation back in house. A new Distribution Operations Division was created and the entire team transferred back to Electra. Steve believes that having the Distribution Operations Division back within Electra is already delivering huge benefits to the company.

In December the Levin Distribution Operations team moved from their old site in Prouse Street to a much larger site in Coventry Street, a move that Steve feels was long overdue.

"The new depot is so much better. Putting it bluntly, Prouse Street was a bit of a dive! It was very small and we had to store our trucks at different locations around Levin. The new site is so much larger, can easily handle up to 20 staff, and has been modified specifically for our needs, including our own training room. What's more, we can now store all our trucks at the depot – even better, they are now under cover." Steve says the morale amongst the crews has definitely improved as a result.

Like a lot of other people at Electra, Steve spends more time at work than he needs to. "I really enjoy my job. I like to get in ahead of the crews every morning so I can make sure their day is organised by the time they arrive. There's more stress than when I was just one of the crew, but I love it," he says.

He says the people are what make Electra a great place to work. "Many of the guys I work with have been here a long time. We've grown up together, raised families together, and been there to help when someone has been having a tough time. We've become very close, the people here are great."

Outside of work Steve enjoys spending time with his wife Anita on their lifestyle block where they have sheep, cattle and pigs. In the summer he enjoys conventional haymaking. "It's busy but relaxing too. We enjoy entertaining at home and recently had a group of friends over for clay bird shooting."

A lifetime Levin resident, Steve says he wouldn't live anywhere else. "We've got most things you need here and we're close enough to a couple of cities for the things we don't have locally. It's a fantastic climate and the people are friendly and down to earth."

## RETIREMENTS

Over the last year Electra has sadly accepted resignations at the Trust, Board and senior management level.

Judy Keall (Trustee), Martin Devlin (Director) and John Yeoman (CEO) have all made significant contributions to the success of the Group over the time they have been involved with Electra. We sincerely appreciate their efforts, thank them for their leadership and guidance, and wish them all the very best for the future.

### TRUSTEE JUDY KEALL



Resignation effective  
26 July 2013

Judy Keall is a former MP, representing the Labour Party in Parliament from 1984-1990, and then again from 1993-2002. She represented the Horowhenua electorate from 1993-1996, then the new Otaki seat until her retirement from politics in 2002.

She was also National President of Rescare NZ Inc from 2003-2012.

Judy had been a Trustee of the Electra Trust since 2004 and retired after nine years of service to Electra's local electricity consumers. She has always been a strong customer advocate and has been much respected for her work ethic and attention to detail.

### DIRECTOR MARTIN DEVLIN



Resignation effective  
31 March 2014

Martin Devlin is Professor Emeritus at the College of Business, Massey University where he was Head of the Graduate School of Business for many years. Martin had successful careers in the Army, manufacturing and merchant banking, and is now a business consultant and a member of the Institute of Directors.

He was appointed an Officer in the NZ Order of Merit (ONZM) in the 2011 Queen's Birthday honours list for services to education.

Martin has been a Director of Electra since 1997 and provided strong commercial acumen to the Group, particularly in the area of corporate governance where his expertise was invaluable in his role as Chair of the Board's Governance Committee.

### CE JOHN YEOMAN

Resignation effective 31 May 2014



John Yeoman has been CE of the Electra Group since 2002.

His career has been mostly in the electricity industry, having previously held senior roles in both the retail and distribution sides of the industry at

Rotorua Electricity prior to its amalgamation with Trustpower, and with

Contact Energy and Transalta following the Government forced separation of retail and generation from the electricity distribution business.

He is a Chartered Accountant and is also a Board member of both the Electricity and Gas Complaints Commission and the Horowhenua Learning Centre (HLC).

Over the last 12 years John has guided Electra through many changes and challenges while continuing to deliver profit growth and increased returns to the Group and our owners – the electricity consumers connected to our network. He leaves the company having made a significant contribution to Electra.

## BUY A HEAT PUMP AND SAVE \$400

Over recent years we have been partnering with local heat pump experts, Temperature Solutions

to deliver special heatpump deals to our consumers. This has enabled a large number of consumers throughout the region to reduce heating costs and stay healthier inside warmer homes.

Energy efficient technology such as heat pumps and energy efficient lighting can help to reduce electricity demand on the network and may delay the need for expensive network upgrades.

That is 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 Temperature Solutions on 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 2014.

