

# **Hawke's Bay Power Consumers' Trust**

## **CHAIRMAN'S REPORT and FINANCIAL STATEMENTS of the Trust**

**For the year ended  
31 March 2022**

**TRUSTEES**  
**D Kirton**  
**B Arnott**  
**J Farnworth**  
**D Pearson**  
**K Westwood**

# HAWKE'S BAY POWER CONSUMERS' TRUST

## DIRECTORY

**Trust's Office:**

c/- Brown Webb Richardson Ltd  
111 Avenue Road East  
Hastings

Phone: (06) 873 8037

Email: [hbpct@bwr.co.nz](mailto:hbpct@bwr.co.nz)

**Trustees:**

Diana Kirton (Chair)

Barbara Arnott

David Pearson

Jeff Farnworth

Kirsten Westwood

**Secretary and Accountant:**

Stephen Dine

**Bankers:**

Westpac - Hastings

## **TRUSTEES' REPORT**

**On the operations and financial affairs of the**

### **HAWKE'S BAY POWER CONSUMERS' TRUST**

**For the year ended 31 March 2022**

## **ANNUAL REPORT TO CONSUMERS**

### **THE TRUST**

The Trust, set up in 1993, holds all the shares in Unison Networks Limited, on behalf of consumers who are connected to Unison's electricity lines network in Hawke's Bay – generally the areas of the Hastings District Council and the Napier City Council.

The Trust has five Trustees who are elected every three years. The current Trustees are Diana Kirton (Chair), Kirsten Westwood (Deputy Chair), Barbara Arnott, David Pearson and Jeff Farnworth.

This is an annual report on the operations and financial results of the Hawke's Bay Power Consumers' Trust for the year ended 31 March 2022. Trading activities of Unison Networks Limited are summarised later in this report.

### **WHAT THE TRUST DOES**

The Trustees role is to hold the shares for the benefit of its consumer-owners and also to ensure the value of their investment is protected and enhanced. They monitor the operational and financial performance of the Company by measuring results against the Company's business plan and Statement of Corporate Intent progressively during the year. In this way they are alert to any variations to the outcomes that have been agreed with the Board.

Key tasks of the Trust are to:

- Act in the best interests of the Hawke's Bay power consumers, as owners, and exercise their rights as shareholders.
- Appoint Unison's Board of Directors and monitor their performance and the performance of the Company.
- Determine annually the amount of Trust funds to be paid to consumer-owners as a dividend or in other ways.
- Approve Unison's annual business goals and financial objectives.
- Manage and account for the financial affairs of the Trust.
- Hold a public meeting each year to report on the operations and financial performance of the Trust.
- Review the ownership of Unison's shares every five years, through a public consultative process. The next ownership review will be held in 2023.

## **TRUST ACTIVITIES SINCE 2021 ANNUAL PUBLIC MEETING**

### **Dividend Distribution**

With direct credit now being the only means of receiving the annual dividend, it is pleasing to report that 95.2% of power consumers are now registered for direct credit payments. Trustees will continue to strive for 100% using the communication networks that have been established over the past two years. The registration portal remains open at [www.hbpct.co.nz](http://www.hbpct.co.nz) for further registrations.

### **Communications**

Over the last three years the Hawke's Bay Power Consumers' Trust (HBPCT) direct credit campaigns have allowed trustees to gather the email addresses of a large proportion of our power consumers. The Trust can now communicate with power consumers and distribute newsletters from time to time without incurring the increasing cost of regular mail.

All power consumers wishing to receive these communications will be encouraged to opt in to receiving communications from the Trust. This opportunity will arise when they are asked to check their direct credit details prior to distributing the annual dividend.

### **Home insulation contribution**

The HBPCT has contributed towards home insulation projects supported by the Energy Efficiency and Conservation Authority (EECA) since 2009. This has seen 1000's of homes in the Napier/Hastings area receive funding towards home assessment and insulation costs.

At a national level EECA has increased its contribution and project reach with the aim of achieving a higher level of healthy homes throughout New Zealand. The Trust is pleased to see this increased commitment from central government over recent years and has decided to discontinue the Trust financial support for these projects. This will allow the Trust to retain these funds for general distribution to all power consumers

### **Consumer Dividends \$15 million in 2021**

In 2021 the Trust received a dividend payment from Unison of \$15.8 million, exclusive of imputation credits. In November 2021 Trustees distributed a \$15 million dividend to consumer-owners. Just over 60,000 dividend payments were direct credited into HB power consumers' bank accounts. Each payment was for \$230, with tax credits attached – to a maximum of three payments per consumer.

## Working with Directors

Trustees have retained a strong relationship with directors throughout the year. The Trust receive monthly updates on company activities and are regularly informed of key risks and future developments of the company.

## A challenging but successful year for Unison in 2022: More dividends for consumers

Unison Networks has managed the challenges of the past two years very well. The need for the regulated arm of the business to comply with the Commerce Commission's requirements has placed more emphasis on the non-regulated subsidiaries owned by Unison to return a profit. Managing this balance has been crucial to ensure a continued return to the shareholder in form of a dividend.

The Trust is pleased to announce there will be another dividend distribution to consumers later this year.

## Trust Ownership

The direct financial benefits consumers have had from Trust ownership since 1999 now stands at around \$218 million. Trust ownership has also brought other benefits through increased investment in the safety and security of the network, ongoing and major improvements in reliability of supply, energy efficiency and safety initiatives.

## Compliance with Guidelines for access to information by beneficiaries

The Guidelines, which all electricity trusts are required to adopt, provide for Trust beneficiaries to have access to information, to attend public meetings of the Trust, and to have access to a complaints process for dealing with refusals to supply information or allow access to public meetings. Details of the Guidelines are on the Trust website: <https://www.hbpct.co.nz/reports-and-information/>

## COMPANY PERFORMANCE 2021-2022

**Compliance:** *The 2021-2022 trading results were again affected by the issues caused by Covid 19 and its impact on supply chains and lost productivity. Despite these influences the overall financial performance for the year was only marginally behind the prior years result. Total group revenue was \$264 million, \$21 million up on the previous year, however operating expenditure was \$25 million higher at \$178 million. There was a favourable movement on financial instruments of \$8.3 million resulting in the net profit before tax decreasing by \$2.5 million to \$44.4 million.*

*Shareholder values showed an increase of \$35 million or 7.5% increasing to \$499 million.*

### Ratio of Consolidated Shareholders' Funds to Total Assets

- The minimum target ratio of consolidated shareholders' funds to total assets is set at not less than 40%.
- Target goal for 2022 – 51%

**Compliance:** *The minimum target ratio was achieved and the target goal was exceeded. The actual ratio met was 52%.*

## Performance Targets

Unison's 2022 Statement of Corporate Intent sets targets for both financial and network performance.

**Compliance:** *The Company did not meet all its financial performance targets or its network performance targets. The Trustees are however, given the trading environment, satisfied with the trading results and the network performance.*

	<b>Statement of Corporate Intent 2022 Targets    Actual Results 2022</b>	
<b>FINANCIAL</b>		
Earnings before interest, taxation, depreciation, amortisation and financial instruments as a percentage of average assets employed	9.9%	9.3%
Earnings before interest, taxation and financial instruments as a percentage of average assets employed	5.7%	5.3%
Total line operating costs per consumer	\$362	\$375

	<b>Statement of Corporate Intent 2022 Targets    Actual Results 2022</b>	
<b>NETWORK PERFORMANCE</b>		
SAIDI – System Average Interruption Index (Minutes)	<66.69	69.88
SAIFI – System Average Interruption Frequency Index	<1.52	1.46
<b>HEALTH AND SAFETY PERFORMANCE</b>		
• Medical Treatment Injuries	Nil	1
• Number of Public Accidents	Nil	1

## COMPLIANCE WITH OTHER MATTERS

Unison's Statement of Corporate Intent is released each year, detailing matters relating to the company's scope of activities, dividend distributions, accounting policies, information to be provided to shareholders and administrative matters relating to procedures and communications with the Trust, as the sole shareholder. We are satisfied that in all these matters the company has complied with the Statement of Corporate Intent.

Additional information on Unison's performance for the year ended 31 March 2022 can be found in the company's Annual Report or on Unison's website at [www.unison.co.nz](http://www.unison.co.nz), or obtained from Unison direct.

## DIRECTORS

Trustees value the strength of the relationship they have with the Unison Chair and Board of Directors. Chair Phil Hocquard meets regularly with the Trust Chair and responds to questions Trustees wish to pose to Directors. He and other Directors also meet with the Trust from time to time.

Trustees have recently taken advice from the Institute of Directors and developed a new Director Rotation Policy. This ensures that the Unison Board comprises the best Directors available serving appropriate terms with a rotation that ensures appropriate knowledge and experience retention.

This policy promotes the principle that in determining the composition of the Board, gender, ethnicity, age and place of residence will all be taken into consideration with the ultimate aim of appointing the best candidates available.

The full policy can be seen on the Trust website: [www.hbpct.co.nz](http://www.hbpct.co.nz)

## **LOOKING AHEAD**

The future of the electricity sector has consumers demanding better, faster delivery of electricity, alongside more environmentally sustainable use of our natural resources. The Company is responding very capably in these changing times and conditions within the electricity sector and are well prepared to meet the ongoing challenges and opportunities ahead.

The Trust will continue to support initiatives that improve Unison's business and are necessary to meet the needs of consumers. This in turn will enhance the value of returns to shareholders.

## **TRUST ELECTIONS**

Trustee elections are required to be held every 3 years. The next election is on 1 October 2024.

## **THANKS**

The Trust wish to thank the Chief Executive and all employees for their achievements and ongoing commitment to the performance and success of Unison Networks Limited. We value the assistance and support that has been given to us over the previous year. Special thanks go to the communication team who have been hugely supportive in the transition to direct credit only payment of the dividend distribution.

Our special thanks to the Trust Secretary, Stephen Dine, and his team at Brown Webb Richardson, for the courtesies and help readily given to us.

## **TRUSTEES' CONTRIBUTIONS**

The current Trustees continue to work well as a team and enjoy open discussion around key issues. I thank each of them for their contributions on behalf of consumers over the past year.

## **DIANA KIRTON CHAIR**

On behalf of the Trustees – David Pearson, Jeff Farnworth, Barbara Arnott and Kirsten Westwood.

**MORE TRUST INFORMATION**

The Trust's financial statements and audit report as well as detailed information about the Trust and its work is accessible on the Trust website: [www.hbpct.co.nz](http://www.hbpct.co.nz). and are also available from the Trust's offices, c/- Brown Webb Richardson, 111E Avenue Road, Hastings.



**Hawke's Bay Power Consumers' Trust**

**Income Statement**  
**for the year ended 31 March 2022**

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
<b>Investment and Other Income</b>			
Dividends Received	6	15,805,325	15,805,325
Interest Received		<u>31,587</u>	<u>14,336</u>
		15,836,912	15,819,661
<b>Expenses</b>			
Audit Fees		19,202	8,781
Bank Charges		2	-
Distribution Expenses		200,157	202,314
Election Expenses		-	117,750
Energy Efficiency Projects		321,490	287,971
General Expenses		695	14,192
Insurance		9,001	8,918
Public Relations		7,715	25,346
Secretarial & Accounting Fees		51,060	51,060
Trustees Expenses		1,114	4,137
Trustees Remuneration		140,478	140,000
Website Hosting & Design		<u>1,081</u>	<u>1,064</u>
<b>Total Expenses</b>		751,995	861,533
<b>Net Income before Tax</b>		<u>15,084,917</u>	<u>14,958,128</u>
Tax Expense	7	-	-
<b>Net Income for the Year</b>		<u>15,084,917</u>	<u>14,958,128</u>

**Statement of Comprehensive Income**  
**for the year ended 31 March 2022**

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
Net Income for the year		15,084,917	14,958,128
<b>Other comprehensive income</b>			
Other Comprehensive Income for Year		-	-
<b>Total comprehensive income</b>		<u>15,084,917</u>	<u>14,958,128</u>

*This Statement is to be read in conjunction with the accompanying Notes*

## Hawke's Bay Power Consumers' Trust

### Statement of Movements in Equity for the year ended 31 March 2022

	<i>This Year</i> \$	<i>Last Year</i> \$
<b>Credits for year:</b>		
Net Income For Year	15,084,917	14,958,128
Distribution Over-provided & Unclaimed Money	616,321	563,907
	<hr/>	<hr/>
	15,701,238	15,522,035
<b>Debits for year:</b>		
Previous Distribution Cheques Presented	282,022	105,400
Distribution to Owners	15,162,842	14,997,743
	<hr/>	<hr/>
	15,444,864	15,103,143
<b>Credit for year</b>	<hr/>	<hr/>
	256,373	418,891
Opening Credit Balance	67,085,601	66,666,710
<b>Closing Credit Balance</b>	<hr/> <hr/>	<hr/> <hr/>
	67,341,974	67,085,601

*This Statement is to be read in conjunction with the accompanying Notes and the Accountant's Statement*

## Hawke's Bay Power Consumers' Trust

### Balance Sheet as at 31 March 2022

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		3,776,547	3,740,695
Accounts Receivable		3,792	3,792
Interest Accrued		2,016	96
Payments in Advance		9,050	8,161
		3,791,405	3,752,744
<b>Non-Current Assets</b>			
Unison Networks Limited Shares Held		64,000,000	64,000,000
<b>Total Assets</b>		67,791,405	67,752,744
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable		56,211	50,822
Provision for Distribution		393,219	616,319
<b>Total Liabilities</b>		449,430	667,141
<b>EXCESS ASSETS OVER LIABILITIES</b>		67,341,975	67,085,603
<b>EQUITY</b>			
Retained Earnings		2,341,975	2,085,602
Trust Capital		65,000,000	65,000,000
<b>TOTAL EQUITY</b>		67,341,975	67,085,602

For and on behalf of Trustees

  
\_\_\_\_\_

Trustee

  
\_\_\_\_\_

Trustee

Date

22 / 7 / 22  
\_\_\_\_\_

*This Statement is to be read in conjunction with the accompanying Notes*

## Hawke's Bay Power Consumers' Trust

### Cash Flow Statement for the year ended 31 March 2022

	<i>This Year</i> \$	<i>Last Year</i> \$
<b>Cash Flows from Operating Activities</b>		
Cash was provided from:		
Dividends Received	15,805,325	15,805,325
Interest Received	29,667	14,410
	<u>15,834,992</u>	<u>15,819,735</u>
Cash was disbursed to:		
Expenses Paid	<u>747,494</u>	<u>953,595</u>
	747,494	953,595
<b>Net Cash Flow from Operations</b>	<u>15,087,498</u>	<u>14,866,140</u>
<b>Cash Flows From Financing Activities</b>		
Cash was disbursed to:		
Previous Distribution Cheques Presented	282,022	105,400
Distributions Paid	<u>14,769,624</u>	<u>14,381,423</u>
	15,051,646	14,486,823
<b>Net Cash Flow from Financing</b>	<u>(15,051,646)</u>	<u>(14,486,823)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>35,852</u>	<u>379,317</u>
<b>Represented By:</b>		
Opening Cash and Cash Equivalents	3,740,695	3,361,378
Net Increase (Decrease) in Cash and Cash Equivalents	35,852	379,317
<b>Closing Cash and Cash Equivalents</b>	<u>3,776,547</u>	<u>3,740,695</u>

*This Statement is to be read in conjunction with the accompanying Notes*

## Hawke's Bay Power Consumers' Trust

### Notes to the Financial Statements for the year ended 31 March 2022

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The assets and liabilities of the former Hawke's Bay Electric Power Board were vested in a new energy company (Hawke's Bay Power Distribution Limited) on 1 June 1993 in accordance with the Establishment Plan which was approved by the Governor General by Order in Council on the 10th day of May 1993. Hawke's Bay Power Distribution Limited changed its name to Hawke's Bay Network Limited on 19 January 1999 following reorganisation of the business in accordance with the Electricity Reform Act 1998. Hawke's Bay Network Limited changed its name to Unison Networks Limited on the 17 April 2003.

The Establishment Plan also provided for the establishment of the Hawke's Bay Power Consumers' Trust, the reporting entity for these financial statements, and the allocation of all shares in the Company to the Trustees.

The objective of the Trust is to hold the shares in the company on behalf of the Consumers' and distribute to the Consumers' in their capacity as owners, the benefits of ownership of the shares in the Company and to carry out future ownership reviews involving the public consultation in accordance with the terms of the Deed establishing the Trust.

The Trust is domiciled and registered in New Zealand.

For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Trust is a for-profit entity. These financial statements have been approved for issue by the Trustees on 27 July 2022.

##### B. Basis of Preparation

The financial statements of the Trust have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable New Zealand Financial Reporting Standards, as appropriate for profit-orientated entities.

##### Statutory Basis

The financial statements have been prepared in accordance with the requirements of the Electricity Industry Act 2010 and the Financial Reporting Act 2013, and they comply with those Acts.

The financial statements have been prepared on the basis of historical cost, except where otherwise stated.

The financial statements are presented in New Zealand dollars, which is also the Trust's functional currency. The financial statements are rounded to the nearest dollar.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trusts accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the notes to the Financial Statements.

There are no new standards, interpretations or amendments, which are not yet effective and have not been adopted early in these financial statements, that will or may have a significant effect on

## Hawke's Bay Power Consumers' Trust

### Notes to the Financial Statements for the year ended 31 March 2022

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the Trust's future financial statements.

#### **C. Goods & Services Tax**

The Trust is not registered for GST and therefore the financial statements are prepared on a GST inclusive basis.

#### **D. Income Tax**

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year.

Current tax also includes adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### **E. Revenue**

Dividends received are recognised as revenue when the right to receive payment is established.

Interest received is recognised as revenue as it is earned.

#### **F. Provision for Distribution**

A provision is recognised at the time the distributions become legally payable by the Trust. The provision at balance date represents unclaimed distributions at year-end.

#### **G. Financial Instruments**

The Trust initially recognises financial instruments when it becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

## **Hawke's Bay Power Consumers' Trust**

### **Notes to the Financial Statements** **for the year ended 31 March 2022**

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#### **H. Financial Assets**

The Trust classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. At balance date, the Trust only had financial assets classified as loans and receivables.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Trust provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current assets. The Trust's loans and receivables comprise cash and cash equivalents.

#### **I. Cash and Cash Equivalents**

Cash and cash equivalents includes deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of one year or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **J. Investments**

Investments in Unison Networks Limited are recorded at values placed on them as part of the 1993 Establishment Plan.

#### **K. Accounts Payable**

These amounts represent liabilities for goods and services provided to the Trust prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

#### **L. Consolidation**

The Financial Statements of Unison Networks Limited are not consolidated into this financial report of the Trust. A separate set of Consolidated Financial Statements has been prepared and is available on the Trust's website.

#### **M. Changes in Accounting Policies**

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with prior year.

## Hawke's Bay Power Consumers' Trust

### Notes to the Financial Statements for the year ended 31 March 2022

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#### 2. **AUDIT**

These financial statements have been subject to audit, please refer to Auditor's Report.

#### 3. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2021:\$0). In the event of a legitimate claim being made by a Consumer to share in the distribution made in March 1999, December 2004, October 2006, October 2007, October 2008, October 2009, October 2010, August 2011, November 2012, November 2013, August 2014, November 2015, November 2016, August 2017, November 2018, November 2019, August 2020 and November 2021 the Trust will settle the claim from general funds.

#### 4. **FINANCIAL INSTRUMENTS**

The Trust is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, advances, accounts receivable, accounts payable. All financial instruments are recognised in the balance sheet with any movements recognised in either profit or loss or other comprehensive income depending on their classification. The fair values of financial instruments are considered to be their carrying value as disclosed except that the estimated fair value of shares in Unison Networks Limited based upon net tangible assets of the Company at 31 March 2022 is \$445,950,000.

The Trust is exposed to the following financial risks: credit risk and cash flow interest rate risk.

Credit risk is the risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations. The Trust's exposure to credit risk is in relation to cash and cash equivalents. All cash and cash equivalents are held with registered trading banks with a minimum credit rating of "A". Funds are spread across five trading banks to avoid a concentration of risk.

Cash flow interest rate risk arises through the fluctuation of market interest rates affecting the Trust's return on investment. Funds are held with a variety of trading banks either on call or short term deposits with an original maturity of 12 months or less. The Trust does not rely on the interest income to continue operations and therefore the overall risk is not considered significant.

#### 5. **RELATED PARTY TRANSACTIONS**

Dividends totalling \$15,805,325 (2021: \$15,805,325) were received from Unison Networks Ltd during the year.

#### 6. **DIVIDEND**

During the financial year an imputed dividend of \$15,805,325 (\$21,951,840 inclusive of imputation credits) was received in respect to the 2021/2022 financial year (2021: \$21,951,840 fully imputed dividend).



**Hawke's Bay Power Consumers' Trust**

**Notes to the Financial Statements  
for the year ended 31 March 2022**

	<i><b>This Year</b></i>	<i><b>Last Year</b></i>
	\$	\$
<b>7. INCOME TAX</b>		
<b>a Taxation</b>		
Surplus (Deficit) before Tax	<u>\$15,084,917</u>	<u>\$14,958,128</u>
Prima Facie tax expense @ 33%	4,978,023	4,936,182
Plus/(less) tax effect of :-		
Non-deductible expenses	106,092	95,030
Distributions to Beneficiaries	(5,003,815)	(4,949,333)
Unrecognised Tax Losses	(164,807)	(185,625)
Imputation Credit Adjustment	<u>84,507</u>	<u>103,746</u>
<b>Tax Expense/(Benefit)</b>	<u>\$0</u>	<u>\$0</u>
	<i><b>This Year</b></i>	<i><b>Last Year</b></i>
	\$	\$
Current Tax	-	-
Deferred Tax	-	-
<b>Tax Expense</b>	<u>-</u>	<u>-</u>
A deferred tax asset has not been recognised in relation to tax losses of \$2,115,912 (2021: \$1,851,989).		
<b>b Taxation Payable/(Receivable)</b>		
<b>8. RECONCILIATION OF THE NET SURPLUS AFTER TAXATION WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Reported Surplus after taxation	<u>15,084,917</u>	<u>14,958,128</u>
	15,084,917	14,958,128
Add (Less) movements in working capital items:		
Increase (Decrease) in accounts payable	5,389	(92,063)
(Increase) Decrease in interest accrued	(1,920)	75
(Increase) Decrease in pre-payments	<u>(889)</u>	<u>-</u>
Net Cash Flow from Operating Activities	<u>\$15,087,498</u>	<u>\$14,866,140</u>

## Hawke's Bay Power Consumers' Trust

### Notes to the Financial Statements for the year ended 31 March 2022

	<i>This Year</i>	<i>Last Year</i>
	\$	\$
<b>9. RETAINED EARNINGS MOVEMENT</b>		
Movements in retained earnings were as follows:		
Opening Balance	<u>2,085,601</u>	<u>1,666,710</u>
Profit for Year	15,084,917	14,958,128
Distributions to Beneficiaries	(15,162,842)	(14,997,743)
Previous Distribution Cheques Presented	(282,022)	(105,400)
Distribution Over-provided & Unclaimed Money	<u>616,321</u>	<u>563,907</u>
Closing Balance	<u><u>2,341,975</u></u>	<u><u>2,085,602</u></u>

#### **10. KEY MANAGEMENT PERSONNEL**

Key management personnel compensation for the period and financial year are set out below. The key management personnel are the Trustees of the Trust who have the authority for the strategic direction and management of the Trust. Key management services are also provided by Brown Webb Richardson Limited through the provision of secretarial services.

Short Term Benefits	138,000	138,000
Post Employment Benefits	-	-
Other Long Term Benefits	-	-
<b>Total</b>	<u><u>\$138,000</u></u>	<u><u>\$138,000</u></u>

The Trust has a contract with Brown Webb Richardson Limited for the provision of secretarial services to the Trust. For the year ended 31 March 2022 the amount of compensation paid or payable to Brown Webb Richardson Limited for the provision of the services was \$51,060. (2021: \$51,060).

#### **11. NOTES SUPPORTING CASH FLOW STATEMENT**

Cash and cash equivalents for the purpose of the cash flow statement comprises:

Cash at bank available on demand:		
Westpac 00 Cheque Account	429,911	872,824
Westpac 03 Distribution Account	14,053	2,288
Westpac 01 Online Saver Account	530,754	1,028,395
Westpac 04 Distribution Account	117,271	361,927
ANZ 88 Distribution Account	833,689	628,281
ASB Fastsaver	<u>2,138</u>	<u>2,177</u>
	1,927,816	2,895,892
Short-term Deposits:		
BNZ - Term Deposit	648,731	644,802
Westpac - Term Deposit 27	200,000	200,000
Westpac - Term Deposit 29	500,000	-
Westpac - Term Deposit 30	<u>500,000</u>	<u>-</u>
	1,848,731	844,802
<b>Total Cash and Cash Equivalents</b>	<u><u>3,776,547</u></u>	<u><u>3,740,694</u></u>

#### **12. SIGNIFICANT EVENTS OCCURRING AFTER BALANCE DATE**

There have been no significant reporting events subsequent to balance date.