

Hawke's Bay Power Consumers' Trust

CHAIRMAN'S REPORT and FINANCIAL STATEMENTS of the Trust

**For the year ended
31 March 2023**

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

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 2023

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, 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 2023. 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. An Ownership Review is being held this year, 2023.

TRUST ACTIVITIES SINCE 2022 ANNUAL PUBLIC MEETING

Consumer Dividends \$15 million in 2022

In 2022 the Trust received a dividend payment from Unison of \$15.8 million, exclusive of imputation credits. This was distributed to consumers at \$240 per ICP (individual connection point), with tax credits attached – to a maximum of three payments per consumer.

The 2022 dividend distribution went very smoothly now that the direct credit process has been embedded over the past 3 years. Registration rates are nearly 97% and expected to rise each year. The registration portal remains open at www.hbpct.co.nz for further registrations at any time of the year.

The direct financial benefits consumers have had from Trust ownership since 1999 now stands at around \$234 million.

New Group Chief Executive

Late in 2022, Ken Sutherland indicated he would be retiring from the role of Group Chief Executive of Unison Networks Ltd (UNL) in 2023. The Directors undertook an extensive recruitment process to find his replacement.

Trustees were kept fully informed throughout the recruitment process and congratulate Jaun Park on his appointment to the role.

<https://www.unison.co.nz/tell-me-about/news/article/2023/04/17/unison-welcomes-new-group-chief-executive-jaun-park-to-the-helm>

Working with Directors

Two new Directors were appointed to the UNL Board to replace outgoing Directors Christine Spring and Brenden Hall. Barbara Elliston and Blair O’Keefe have brought with them particular skills and knowledge that have added value to the composition around the Board table. Their profiles can be read on: <https://www.unison.co.nz/tell-me-about/unison-group/unison's-management-team>

The relationship Trustees hold with Director’s has traditionally been a strong one. Regular chair-chair meetings are held, and Trustees are kept informed of company activities on a monthly basis. The Trust is also kept abreast with future developments the Directors may be considering. This “no surprises” approach is valued and respected by both parties.

Trustees are always open to support initiatives that improve Unison’s business and are necessary to meet the needs of consumers. This in turn enhances the value of returns to shareholders

Impact of Cyclone Gabrielle

Cyclone Gabrielle struck Hawke's Bay on 14 February 2023. We are all very aware of the devastating impact it had on Hawke's Bay and beyond, especially in certain rural areas.

Trustees of HBPCT send their heartfelt sympathies to those who have been personally impacted by this disaster. The impact on the region as a whole is still being calculated. As Trustees watched events unfold, Unison management kept us well informed of the actions they were taking. They responded to our questions immediately and provided accurate information that we could pass on to the power consumers who contacted us directly.

Trustees have been exceptionally proud of Unison's response to the cyclone. They took the lead in many instances, communicated accurately and delivered on what they promised. Power consumers in Hawke's Bay have every right to be very proud of their consumer-owned lines company.

ETNZ

The Energy Trusts of New Zealand (ETNZ) conference held in November 2022 had a strong focus on lines companies actively preparing for the future. The entire electricity sector in New Zealand faces the challenge of meeting decarbonisation targets, as well as increasing demands for electrification. These demands are driven by the climate change factors we can no longer ignore. Trustees are confident that Unison has a strong eye to the future and is already meeting these challenges as they arise.

Ongoing challenges for Unison

Cyclone Gabrielle has added to the challenges Unison now faces. The chance to reconfigure parts of the network for greater resilience into the future will require a lot of planning and modelling. Unison has demonstrated through the work so far that they are up for the challenge.

Despite these recent events, Unison has had a pleasing result for the 2022/23 year. The Trust is pleased to announce there will be another dividend distribution to consumers later this year.

Ownership Review

The process for the 2023 Ownership Review got underway in March 2023 and the following timeline was established:

Request report from Directors – 10 March 2023

Receive report from Directors by - 8 September 2023

Report available to public/submissions open – 15 September 2023

Last day for submissions – 16 October 2023

Submissions available to public – 18 October 2023

Public meeting to hear submissions – 10 November 2023

Public meeting for Trustees to make decision – 17 November 2023

Trustees hope that a large number of power consumers in Hawke's Bay take the time to consider the issues and develop well-informed thoughts on the future ownership of Unison.

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 2022-2023

Compliance: *The trading results for 2022-2023 were primarily impacted by Cyclone Gabrielle, causing additional repair costs, asset disposals, and restoration. Operating expenses increased due to inflationary factors, and there was also a rise in borrowing costs. The inclusion of Pringle Beleski and Associates Limited for the first time in 2022-23 impacted the year-on-year comparison. Total group revenue was \$320 million, up \$56 million from the previous year, while operating expenditure reached \$225 million, a \$47 million increase. After accounting for increased depreciation and borrowing costs, the 'operating profit before tax' remained consistent with the prior year at \$36.2 million. While there was a favourable movement of \$2.9 million on financial instruments (non-cash), due to the previous year's favourable movement of \$8.3 million 'net profit before tax,' was down on the prior year by \$5.3 million at \$39.2 million.*

Shareholders' funds showed an increase of \$11 million or 2.2%, increasing to \$510 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 2023 – 51%

Compliance: *The minimum target ratio was achieved and the target goal was slightly behind. The actual ratio was 50%.*

Performance Targets

Unison's 2023 Statement of Corporate Intent sets targets for both financial and network performance.

Compliance: *The Company did not meet its financial performance targets or its network performance targets. Given the impact of the cyclone the Trustees are however satisfied with the financial results and the network performance.*

	Statement of Corporate Intent	
	2023 Targets	Actual Results 2023
FINANCIAL		
Earnings before interest, taxation, depreciation, amortisation and financial instruments as a percentage of average assets employed	10.2%	9.4%
Earnings before interest and taxation as a percentage of average assets employed	6.5%	5.3%
Total line operating costs per consumer	\$375	\$426

Statement of Corporate Intent
2023 Targets Actual Results
2023

NETWORK PERFORMANCE

SAIDI – System Average Interruption Index (Minutes)	<65.85	75.99
SAIFI – System Average Interruption Frequency Index	<1.50	1.43

HEALTH AND SAFETY PERFORMANCE

• Injuries relating to critical risk	Nil	Nil
• Number of Public Accidents	Nil	2

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 2023 can be found in the company’s Annual Report or on Unison’s website at www.unison.co.nz, or obtained from Unison direct.

THANKS

Trustees extend a special thanks to the entire Unison team for the extraordinary work carried out throughout the year, and especially since Cyclone Gabrielle. There are many reports of how a crisis can strengthen a team and break down barriers that previously existed. We hope you can all take some time for yourselves and feel proud of your achievements.

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

Detailed information about the Trust and its work is accessible on the Trust website: www.hbpct.co.nz. It can also be 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 2023

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
Investment and Other Income			
Dividends Received	6	15,805,325	15,805,325
Interest Received		205,415	31,586
		<u>16,010,740</u>	<u>15,836,911</u>
Expenses			
Advertising		61,546	-
Audit Fees		24,126	19,202
Bank Charges		-	2
Distribution Expenses		236,607	200,157
Director Recruitment		8,221	-
Energy Efficiency Projects		174,829	321,490
General Expenses		24,491	694
Insurance		9,902	9,001
Legal Expenses		1,766	-
Public Relations		4,646	7,715
Secretarial & Accounting Fees		51,060	51,060
Trustees Expenses		4,491	1,114
Trustees Remuneration		147,385	140,478
Website Hosting & Design		3,446	1,081
Total Expenses		<u>752,518</u>	<u>751,994</u>
Net Income before Tax		<u>15,258,222</u>	<u>15,084,917</u>
Tax Expense	7	-	-
Net Income for the Year		<u><u>15,258,222</u></u>	<u><u>15,084,917</u></u>

Statement of Comprehensive Income for the year ended 31 March 2023

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
Net Income for the year		15,258,222	15,084,917
Other comprehensive income			
Other Comprehensive Income for Year		-	-
Total comprehensive income		<u><u>15,258,222</u></u>	<u><u>15,084,917</u></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 2023

	<i>This Year</i> \$	<i>Last Year</i> \$
Credits for year:		
Net Income For Year	15,258,222	15,084,917
Distribution Over-provided & Unclaimed Money	287,918	616,321
	<hr/> 15,546,140	<hr/> 15,701,238
Debits for year:		
Previous Distribution Cheques Presented	30,341	282,022
Distribution to Owners	15,979,588	15,162,842
	<hr/> 16,009,928	<hr/> 15,444,864
Debit for year	<hr/> (463,788)	<hr/> 256,374
Opening Credit Balance	67,341,975	67,085,601
Closing Credit Balance	<hr/> <hr/> 66,878,186	<hr/> <hr/> 67,341,975

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 2023

	<i>Note</i>	<i>This Year</i> \$	<i>Last Year</i> \$
ASSETS			
Current Assets			
Cash and Cash Equivalents		3,349,169	3,776,547
Accounts Receivable		3,792	3,793
Interest Accrued		11,053	2,016
Payments in Advance		9,182	9,050
		3,373,196	3,791,405
Non-Current Assets			
Unison Networks Limited Shares Held		64,000,000	64,000,000
Total Assets		67,373,196	67,791,405
LIABILITIES			
Current Liabilities			
Accounts Payable		35,642	56,211
Provision for Distribution		459,367	393,218
Total Liabilities		495,010	449,430
EXCESS ASSETS OVER LIABILITIES		66,878,186	67,341,975
EQUITY			
Retained Earnings		1,878,186	2,341,975
Trust Capital		65,000,000	65,000,000
TOTAL EQUITY		66,878,186	67,341,975

For and on behalf of Trustees



Trustee



Trustee

Date 24 July 2023

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 2023

	<i>This Year</i> \$	<i>Last Year</i> \$
Cash Flows from Operating Activities		
Cash was provided from:		
Dividends Received	15,805,325	15,805,325
Interest Received	196,377	29,666
	16,001,702	15,834,991
Cash was disbursed to:		
Expenses Paid	773,218	747,494
Accounts Receivable	-	1
	773,218	747,494
Net Cash Flow from Operations	15,228,484	15,087,497
Cash Flows From Financing Activities		
Cash was disbursed to:		
Previous Distribution Cheques Presented	30,341	282,022
Distributions Paid	15,625,521	14,769,624
	15,655,861	15,051,646
Net Cash Flow from Financing	(15,655,861)	(15,051,646)
Net Increase (Decrease) in Cash and Cash Equivalents	(427,377)	35,851
Represented By:		
Opening Cash and Cash Equivalents	3,776,547	3,740,695
Net Increase (Decrease) in Cash and Cash Equivalents	(427,377)	35,851
Closing Cash and Cash Equivalents	3,349,170	3,776,546

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 2023**

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 24 July 2023.

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 2023**

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 2023**

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 2023**

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 (2022:\$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, November 2021 and November 2022 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 2023 is \$450,408,000.

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 (2022: \$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 2022/2023 financial year (2022: \$21,951,840 fully imputed dividend).

Hawke's Bay Power Consumers' Trust

**Notes to the Financial Statements
for the year ended 31 March 2023**

	<i>This Year</i>	<i>Last Year</i>
	\$	\$
7. INCOME TAX		
a Taxation		
Surplus (Deficit) before Tax	<u>\$15,258,222</u>	<u>\$15,084,917</u>
Prima Facie tax expense @ 33%	5,035,213	4,978,023
Plus/(less) tax effect of :-		
Non-deductible expenses	57,694	106,092
Distributions to Beneficiaries	(5,110,532)	(5,003,815)
Unrecognised Tax Losses	(23,296)	(164,807)
Imputation Credit Adjustment	40,921	84,507
Tax Expense/(Benefit)	<u>\$0</u>	<u>\$0</u>
	<i>This Year</i>	<i>Last Year</i>
	\$	\$
Current Tax	-	-
Deferred Tax	-	-
Tax Expense	<u>-</u>	<u>-</u>
A deferred tax asset has not been recognised in relation to tax losses of \$2,051,127 (2022: \$2,115,912).		
b Taxation Payable/(Receivable)		
8. RECONCILIATION OF THE NET SURPLUS AFTER TAXATION WITH THE NET CASH FLOWS FROM OPERATING ACTIVITIES		
Reported Surplus after taxation	<u>15,258,222</u>	<u>15,084,917</u>
	15,258,222	15,084,917
Add (Less) movements in working capital items:		
Increase (Decrease) in accounts payable	(20,569)	5,389
Decrease (Increase) in accounts receivable	-	(1)
(Increase) Decrease in interest accrued	(9,038)	(1,920)
(Increase) Decrease in pre-payments	(132)	(889)
Net Cash Flow from Operating Activities	<u>\$15,228,484</u>	<u>\$15,087,497</u>

Hawke's Bay Power Consumers' Trust

Notes to the Financial Statements for the year ended 31 March 2023

	<i>This Year</i>	<i>Last Year</i>
	\$	\$
9. RETAINED EARNINGS MOVEMENT		
Movements in retained earnings were as follows:		
Opening Balance	2,341,975	2,085,601
Profit for Year	15,258,222	15,084,917
Distributions to Beneficiaries	(15,979,588)	(15,162,842)
Previous Distribution Cheques Presented	(30,341)	(282,022)
Distribution Over-provided & Unclaimed Money	287,918	616,321
Closing Balance	<u>1,878,187</u>	<u>2,341,975</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	-	-
Total	<u>\$138,000</u>	<u>\$138,000</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 2023 the amount of compensation paid or payable to Brown Webb Richardson Limited for the provision of the services was \$51,060. (2022: \$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	995,025	429,911
Westpac 03 Distribution Account	6,585	14,053
Westpac 01 Online Saver Account	138,207	530,754
Westpac 04 Distribution Account	91,995	117,271
ANZ 88 Distribution Account	235,899	833,689
ASB Fastsaver	2,154	2,138
	<u>1,469,866</u>	<u>1,927,816</u>
Short-term Deposits:		
BNZ - Term Deposit	660,529	648,731
Westpac - Term Deposit 27	200,000	200,000
Westpac - Term Deposit 29	507,479	500,000
Westpac - Term Deposit 30	511,294	500,000
	<u>1,879,303</u>	<u>1,848,731</u>
Total Cash and Cash Equivalents	<u>3,349,169</u>	<u>3,776,547</u>

12. SIGNIFICANT EVENTS OCCURRING AFTER BALANCE DATE

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