



SUMMARY ANNUAL REPORT 2021

SHAREHOLDERS COMMITTEE

IAN CULLIMORE (CHAIRMAN)
ANNE MARETT
DAVID WARD
JEANETTE MAXWELL
ROBERT NEWLANDS
ALISTER LILLEY
CHRIS ROBERTSON (RETIRED)

BOARD OF DIRECTORS

PHILIP MCKENDRY (CHAIRMAN)
PAUL MUNRO
RICHARD FITZGERALD
ANDREW BARLASS
JANINE HOLLAND
TONY GRAY

MANAGEMENT

CHIEF EXECUTIVE: ROGER SUTTON
NETWORK MANAGER: BRENDON QUINN
GENERAL MANAGER – FIELD SERVICES: TONY HANNAH
CHIEF FINANCIAL OFFICER: MARK LESTER
GENERAL MANAGER – CUSTOMER & COMMERCIAL: JEREMY ADAMSON
PEOPLE & CAPABILITY MANAGER: CINDY MEADOWS

AUDITOR

PRICEWATERHOUSECOOPERS
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Central Christchurch
Christchurch 8013

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Ashburton 7772
New Zealand

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EA networks
connecting our community

The Annual General Meeting for shareholders of EA Networks will be held at The Gallery, Hotel Ashburton, 11 Racecourse Road, Ashburton on 25 August 2021 at 5.30pm.

BUSINESS

1. To review the minutes of the Annual General Meeting held on 23 September 2020.
2. To receive and review the Annual Report and Financial Statements for the year ended 31 March 2021.
3. To reappoint PricewaterhouseCoopers as the company's auditor.
4. To fix the remuneration of directors. It is proposed that total directors' fees for the year ending 31 March 2022 increase to \$320,717 (currently \$314,428). An overall increase of 2.0%.
5. To receive the report from the Shareholders Committee for 2020/21.
6. To advise the appointment of directors.
7. To transact any other business that may be properly brought before the meeting.

Roger Sutton
Chief Executive

PROXIES

A shareholder may exercise the right to vote either by being present in person or by proxy of the meeting. A proxy form is available for collection from our office, or as a download from www.eanetworks.co.nz

100 years of
connecting our
community

100

EA networks

Summary Financial Statements

FOR ELECTRICITY ASHBURTON LIMITED TRADING AS EA NETWORKS

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$000	2020 \$000
Operating revenue		
Distribution line charge revenue	44,201	55,772
Consumer discount	(2,912)	(2,943)
Net distribution line charge revenue	41,289	52,829
Other operating revenue and other income	5,613	5,239
Operating revenue after consumer discounts	46,902	58,068
Less		
Operating expenses		
Pass-through and recoverable costs	(7,027)	(15,963)
Directors fees and shareholder committee fees	(352)	(366)
Audit fee	(83)	(81)
Employee costs not included elsewhere	(6,893)	(6,576)
Maintenance of networks	(4,118)	(4,454)
Other operating expenses	(2,641)	(2,636)
Total operating expenses	(21,114)	(30,076)
Interest expense and associated cost	(1,829)	(3,493)
Depreciation and amortisation	(11,743)	(11,472)
Net profit before tax	12,216	13,027
Taxation	(3,174)	(4,032)
Profit for the year	9,042	8,995
Total comprehensive income	9,042	8,995

SUMMARY STATEMENT OF CHANGES IN EQUITY AND MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$000	2020 \$000
Opening retained earnings	168,145	160,586
NZIFRS 16 adoption	0	(1,436)
Total comprehensive income for the period	9,042	8,995
Closing retained earnings	177,187	168,145
Rebate shares	1,329	1,302
Member interests	31,484	31,484
Total retained earnings and members' interests	210,000	200,931

SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	2021 \$000	2020 \$000
Current assets	12,961	12,580
Non-current assets	296,558	289,226
Total assets	309,519	301,806
Current liabilities*	24,091	13,489
Non-current liabilities	75,428	87,386
Total liabilities	99,519	100,875
Net assets	210,000	200,931

SUMMARY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 \$000	2020 \$000
Net cash flow from operating activities	28,136	21,616
Net cash flow from investment activities	(18,263)	(19,311)
Net cash flow from financing activities	(8,144)	(3,965)
Net increase/(decrease) in cash on hand	1,729	(1,660)
Opening cash and cash equivalents on hand	(1,569)	91
Closing cash and cash equivalents on hand	160	(1,569)

* Current liabilities include \$9.2m of bank debt that matured on 1 April 2021. Westpac extended the loan facility that was due to expire on 1 April 2021 until a new facility of \$10.3m was established on 30 June 2021 (maturing 1 April 2022).

SUMMARY OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2021

The specific disclosures included in this summary annual report have been extracted from the full annual report adopted by Electricity Ashburton Limited on 30 June 2021. The full annual report has been audited and an unqualified audit report has been received.

The summary financial statements are in compliance with FRS-43: Summary Financial Statements. The summary annual report cannot be expected to provide as complete an understanding as provided by the full annual report on the financial performance, the financial position and cash flows of the company. The summary annual report has been audited for consistency with the full annual report.

Electricity Ashburton Limited is a tier 1 profit-oriented co-operative company registered under the Co-operative Companies Act 1996. The full financial statements of the company have been prepared in accordance with NZ GAAP. They comply with NZ IFRS and other applicable reporting standards as appropriate for a co-operative company and a profit-oriented company.

The company's financial statements are presented in New Zealand dollars, which is the company's functional and presentation currency.

The directors are not aware of any other matter or circumstance since the end of the financial year, not otherwise dealt with in the full financial report, that has significantly affected or may significantly affect the operation of Electricity Ashburton Limited, the results of those operations, or the state of affairs of Electricity Ashburton Limited.

Contingent liabilities

The Commerce Commission is currently investigating two matters with respect to a revenue breach affecting the year ended 31 March 2020 and a non-compliance event affecting the year ended 31 March 2021. For each non-compliance matter the Commerce Commission has informed EA Networks that their enforcement response may include taking no action, issuing compliance advice, issuing a warning letter, an out of court-settlement, enforceable undertaking, or seeking pecuniary penalties through High Court proceeding. Currently we are unable to estimate what the potential liability (if any) will be regarding these two matters.



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of Electricity Ashburton Limited (trading as "EA Networks")

The summary financial statements comprise:

- the summary statement of financial position as at 31 March 2021;
- the summary statement of comprehensive income for the year then ended;
- the summary statement of changes in equity and members' interests for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the summary of accounting policies.

Our opinion

The summary financial statements are derived from the audited financial statements of Electricity Ashburton Limited (trading as "EA Networks") for the year ended 31 March 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with FRS-43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary financial statements

The summary financial statements do not contain all the disclosures required by New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 June 2021.

Information other than the summary financial statements and auditor's report

The Directors are responsible for the summary annual report. Our opinion on the summary financial statements does not cover the other information included in the summary annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the summary financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the summary financial statements

The Directors are responsible, on behalf of the Company, for the preparation of the summary financial statements in accordance with FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) 810 (Revised), Engagements to Report on Summary Financial Statements. We are independent of the Company. Our firm carries out other services for the Company in the areas of compliance with regulatory requirements of the Commerce Act 1986 and the provision of regulatory and industry update advisory services. The provision of these other services has not impaired our independence as auditor of the Company.

Who we report to

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
9 July 2021

Christchurch

ANNUAL REPORT

A copy of the full annual report can be downloaded from www.eanetworks.co.nz or collected from our office; 22 JB Cullen Drive, Ashburton Business Estate, phone 0800 430 460 during business hours.