

**Northpower Electric
Power Trust**

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR

YEAR ENDED

31 MARCH 2009

NORTHPOWER ELECTRIC POWER TRUST

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NORTHPOWER ELECTRIC POWER TRUST

TRUSTEES REPORT

FOR YEAR ENDED 31 MARCH 2009

It is with pleasure that we report to consumer/owners covering the activities of the Trust for the 12 months to 31 March 2009. Highlights included:

- Continuing benefits to consumers in the form of a Trust distribution from the Trust and a line charge holiday from your company.
- Directorship appointments.
- Final wash-up of outstanding capital distribution payments.

CONSUMER DISTRIBUTION

A distribution of \$4,419,800 (\$85 per consumer) was paid to consumers in July 2008 by way of a credit to all consumers' electricity accounts. This distribution was a result of the dividend received by the Trust from Northpower Ltd and reflects the excellent financial results achieved by your company.

DIRECTORSHIP

Nikki Davies-Colley and Bob Steed retired by rotation and offered themselves available for re-election. As per paragraph 9.1 of our Trust Deed, the selection process was completed in July 2008 and included a panel of three Trustees along with independent consultant, Ian Taylor of Sheffield Consultants. There were a total of ten applicants and following an in-depth interview process, the Trustees and our independent consultant unanimously re-appointed Nikki Davies-Colley and Bob Steed. We thank all applicants for their interest.

The selection and appointment of our directors is a very important responsibility of Trustees as it is extremely necessary to ensure that our Board of Directors possess the combined skill sets and business acumen in order to achieve excellence in the company's financial, management, people and profit performances. The Trustees are pleased to report that, under the chairmanship of Warren Moyes, the Board excelled in all aspects of the company's activities.

OTHER MATTERS

Financial Report from Secretariat

The Trust received net dividends from Northpower Ltd of \$4,196,980 (\$5,176,900 last year). Interest earned on funds invested was \$439,127 (\$394,069 last year). Effectively the Trust enjoyed the benefit of increased interest rates on higher deposits. With the recent fall in interest rates for deposits, this result won't be repeated for the 2009/10 financial year.

Total operating expenses for the year were \$264,569 enabling the Trust to keep to its goal of funding itself within the interest it earns on investments without utilising any of the dividend it receives from Northpower Ltd.

One item of note is the \$4,062 (\$1,538 last year) spent on advertising for and verifying credentials of the last unrepresented and/or unclaimed \$550 distribution payments from 2000. \$19,800 was paid out, and the balance of \$29,700 was returned to general trust funds.

The net asset value (worth) of the company at 31 March 2009 was \$231,886,000 which is shown in the Trust Financial Accounts under "Investments". The company has used International Financial Reporting Standards, and a copy of its reports can be provided on request.

CODE OF PRACTICE

The Code of Practice sets out for consumers the obligations and responsibilities of trustees in carrying out their duties for the benefit of consumers. It also provides for the provision of information to beneficiaries and for a review where a request for information has not been properly dealt with. We encourage consumers to be aware of the Code of Practice. There have been no requests for a review during the past year.

ANNUAL PLAN

The review of our 2008/2009 Annual Plan confirmed that Trustees properly discharged all objectives that form part of our responsibilities under the Trust Deed. The 2009/2010 Annual Plan is attached.

MEETING WITH DIRECTORS

While we cannot detail several commercially sensitive topics that were dealt with at our meetings with Directors, you can be rest assured that the interests of consumers/owners were paramount in the discussions. The Statement of Corporate Intent details the schedule of meetings required with the Board of Directors, but as in any successful entity, the number of meetings exceeded the statutory number required. Also, throughout this process we discharge another of our essential duties in monitoring the performance of the Board and to uphold our independent relationship with the Directors.

Trustees formally thank the Board Chairman and his fellow directors for their trust and transparency on all matters covered during the year.

YOUR COMPANY ANNUAL REPORT

Trustees would strongly recommend consumers to make sure they read the Company's Annual Review for the year to 31 March 2009. At the time of writing this report, consumers should have received the Company's Review and if any consumers have not done so, trustees encourage you to obtain a copy from the company or contact the Trust.

The review makes for excellent reading and highlights the company's vision and excellent performance for you as shareholders.

CONSUMER CONTACT

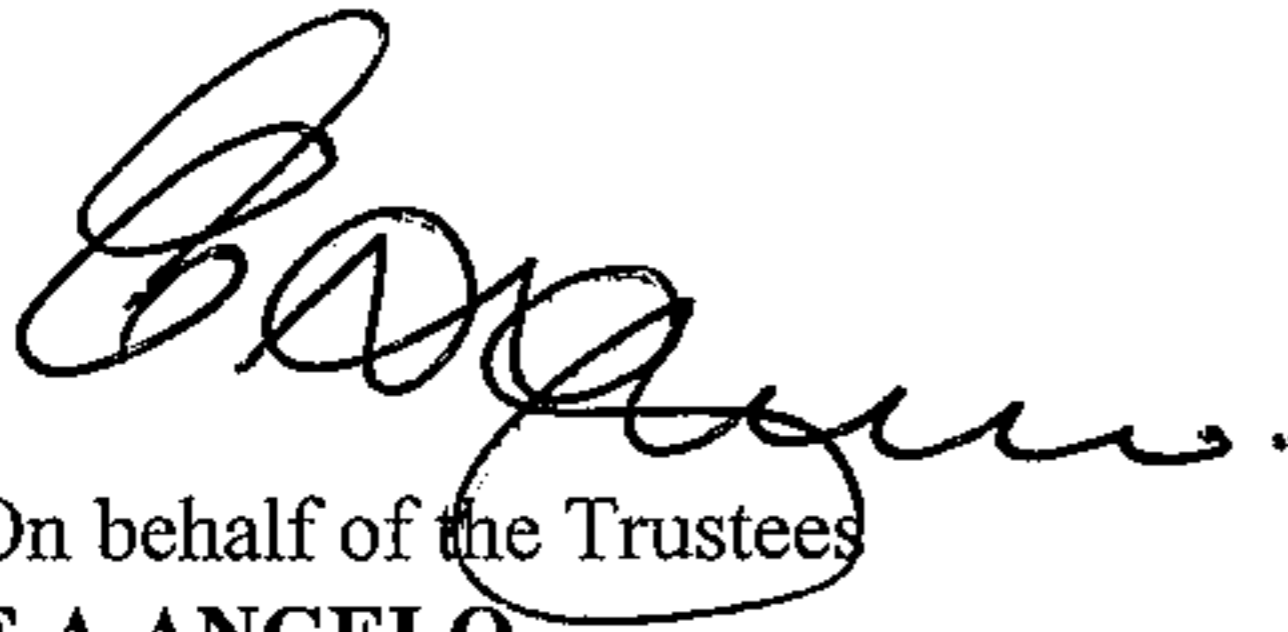
As always, we encourage consumers to contact Trustees on matters involving the Electricity Industry in general, and any local issues that could potentially affect our ownership responsibilities.

During the year issues were raised by a number of consumers which Trustees promptly dealt with and we trust, to the satisfaction of those consumers concerned.

GENERAL

Trustees continue to keep abreast of the Electricity Industry by regular contact with the Energy Trusts of NZ, attending focus meeting with industry representatives and regular contact with directors on significant issues as they arise.

It certainly is a challenging industry and we are proud to represent consumers in ensuring that the value and performance of your company, Northpower Ltd is maintained and enhanced.



On behalf of the Trustees
E A ANGELO
Chairman



R DRAKE
Deputy Chairman

1 July 2009

Other Trustees:

D Culham	Whangarei
S McKenzie	Kaipara
R Provan	Whangarei
W Rossiter	Whangarei
A Shaw	Whangarei

Secretariat:

Brent Martin, Plus Chartered Accountants Ltd

**Northpower Electric Power Trust
Financial Statements
For the Year ended 31st March 2009**

Northpower Electric Power Trust
Financial Reports
For the Year Ended 31st March 2009

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Northpower Electric Power Trust

Trust Directory

As at 31st March 2009

Trustees	Ercoli ANGELO Richard DRAKE David CULHAM Ross PROVAN William ROSSITER Ann SHAW Sheena MCKENZIE
Auditors	PI Trappitt CA
Secretary	Plus Chartered Accountants Limited First Floor Dairy House Porowini Avenue Whangarei
Bankers	ASB
Date of Formation	29 March 1993
Nature of Business	Holding Shares in Northpower Limited on behalf of consumer beneficiaries

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Northpower Electric Power Trust

Trustees Annual Report

For the Year ended 31st March 2009

The Trustees hereby present their Annual report including Financial Statements of the trust for the year ended 31st March 2009.

Principal activities

The business of the trust is Holding Shares in Northpower Limited on behalf of consumer beneficiaries . The nature of the trust's business has not changed during the year.

Auditors

The trust's Auditor is PI Trappitt CA. PI Trappitt CA is willing to continue as the trusts auditor.

Trustees holding office during the year

The following Trustees held office during the year:

Ercoli ANGELO
Richard DRAKE
David CULHAM
Ross PROVAN
William ROSSITER
Ann SHAW
Sheena MCKENZIE

Trustee Allowances

Trustees allowances paid was as follows:

	2009
	\$
EA Angelo	40,864
D Culham	22,644
R Drake	28,968
R Provan	22,204
W Rossiter	23,744
A Shaw	22,644
S McKenzie	23,524
	<u>23,524</u>
	<u>\$184,592</u>

Trustees' disclosures

There were no entries recorded in the Register of Interests.

The Board of Trustees received no notices from Trustees wishing to use trust information received in their capacity as Trustees which would not have ordinarily been available.

No donations were made by the trust during the year.

Northpower Electric Power Trust
Trustees Annual Report
For the Year ended 31st March 2009

For and on behalf of the Board of Trustees,

Chairman



Dated this

9

day of



2009.

Northpower Electric Power Trust

Auditor's Report

For the Year Ended 31 March 2009

To the beneficiaries of Northpower Electric Power Trust

I have audited the financial reports of Northpower Electric Power Trust. The financial report provides information about the past financial performance of the trust and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out herein.

Trustees' responsibilities

The trustees are responsible for the preparation of financial statements which comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of the trust as at 31 March 2009 and the results of its operations for the year ended on that date.

Auditor's responsibilities

It is my responsibility to express an independent opinion on the financial report presented by the trustees and report my opinion to you.

Basis of opinion

An audit includes examining on a test basis, evidence relating to the amounts and disclosures in the financial statements. It also includes assessing:

- The significant estimates and judgements of the trustees in the preparation of the financial statements; and
- Whether the accounting policies are appropriate to the trusts circumstances, adequately disclosed and consistently applied.

My audit was conducted in accordance with generally accepted auditing standards in New Zealand. My audit was planned and performed in order to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud or omission. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as auditor, I have no relationship with, or interest in, the trust.

Unqualified opinion

I have obtained all of the information and explanations I have requested.

In my opinion:

- The trust has kept proper accounting records as far as appears from our examination of those records; and
- The financial report:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the financial position of the trust as at 31 March 2009 and the results of its operations for the year ended on that date.

My audit was completed on 13 July 2009, and my unqualified opinion is expressed as at that date.


PI Trappitt CA
Dargaville

Northpower Electric Power Trust
Income Statement
For the Year ended 31st March 2009

	<i>Note</i>	2009 \$	2008 \$
REVENUE			
Operating income	5	4,594,727	5,570,969
Other operating costs	6	(264,569)	(391,454)
Profit before income tax		4,330,158	5,179,515
Income tax expense	10	(57,937)	(4,724)
Net profit for the year		\$4,272,221	\$5,174,791

*The accompanying notes form part of these financial statements.
 These financial statements should be read in conjunction with the attached Audit Report.*

Northpower Electric Power Trust
Statement of Changes in Equity
For the Year ended 31st March 2009

	Note	2009 \$	2008 \$
EQUITY AT START OF YEAR		232,836,053	216,157,368
SURPLUS & REVALUATIONS			
Profit after tax		4,272,221	5,174,791
Movements in Investment - Company		4,933,000	15,818,999
Total recognised revenues & expenses		9,205,221	20,993,790
OTHER MOVEMENTS			
Accrued Distribution Payments Returned to Equity	15	29,700	-
Distribution to beneficiaries	7	(4,367,286)	(4,315,105)
EQUITY AT END OF YEAR		<u>\$237,703,688</u>	<u>\$232,836,053</u>

*The accompanying notes form part of these financial statements.
 These financial statements should be read in conjunction with the attached Audit Report.*

Northpower Electric Power Trust

Balance Sheet

As at 31st March 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	9	5,681,003	5,748,443
Taxation	10	98,230	106,813
Trade and other receivables	12	45,256	87,013
Total current assets		<u>5,824,489</u>	<u>5,942,269</u>
NON-CURRENT ASSETS			
Investments	11	<u>231,886,000</u>	<u>226,953,000</u>
Total non-current assets		<u>231,886,000</u>	<u>226,953,000</u>
TOTAL ASSETS		<u>237,710,489</u>	<u>232,895,269</u>
CURRENT LIABILITIES			
Trade and other payables	13	<u>6,801</u>	<u>59,216</u>
Total current liabilities		<u>6,801</u>	<u>59,216</u>
TOTAL LIABILITIES		<u>6,801</u>	<u>59,216</u>
NET ASSETS		<u>\$237,703,688</u>	<u>\$232,836,053</u>
Represented by:			
EQUITY			
Trustee Funds		237,703,688	232,836,053
TOTAL EQUITY		<u>\$237,703,688</u>	<u>\$232,836,053</u>

The accompanying notes form part of these Financial Statements and should be read in conjunction with the reports contained herein.

For and on behalf of the Board :

Chairman



Date

9 July 2009

The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.

Northpower Electric Power Trust
Cash Flow Statement
for the Year Ended 31 March 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
<u>Cash was received from:</u>			
Dividends received		4,196,980	5,176,900
Interest received		472,218	337,989
		<u>4,669,198</u>	<u>5,514,889</u>
<u>Cash was paid to:</u>			
Payments to suppliers and employees		267,484	395,727
Income tax paid		49,354	10,467
		<u>316,838</u>	<u>406,195</u>
Net cash inflow (outflow) from operating activities		<u>4,352,360</u>	<u>5,108,694</u>
Cash flows from financing activities			
<u>Cash was paid to:</u>			
Payment of Capital Distribution to Consumers		4,419,800	4,322,500
		<u>4,419,800</u>	<u>4,322,500</u>
Net cash inflow (outflow) from financing activities		<u>(4,419,800)</u>	<u>(4,322,500)</u>
NET INCREASE (DECREASE) IN CASH HELD		<u>(67,441)</u>	<u>786,194</u>
Cash and cash equivalents as at 1 April 2007		5,748,443	4,962,249
Cash and cash equivalents as at 31 March 2008	9	<u>5,681,003</u>	<u>5,748,443</u>

NOTE: This Statement is to be read in conjunction with the Notes to the Financial Statements, and the accompanying Accountant's Disclaimer.

Northpower Electric Power Trust

Notes to the Financial Statements

For the Year ended 31st March 2009

1. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

These are the financial statements of Northpower Electric Power Trust. Northpower Electric Power Trust is engaged in the business of Holding Shares in Northpower Limited on behalf of consumer beneficiaries.

The financial statements of Northpower Electric Power Trust have been prepared in accordance with the reporting requirements of Section 11 of the Financial Reporting Act 1993.

Measurement Base

These financial statements of Northpower Electric Power Trust have been prepared in accordance with generally accepted accounting practice in New Zealand and therefore also comply with International Financial Reporting Standards. For this purpose the trust has designated itself as a public benefit entity.

The financial statements of Northpower Electric Power Trust have been prepared on an historical cost basis, except as noted otherwise below.

The information is presented in New Zealand dollars.

Changes in Accounting Policies

The valuation of shares in Northpower has been changed to the net assets of the company with 2007 comparative figures also restated. There have been no other changes in accounting policies aside from the adoption of IFRS as noted.

(a) Goods & Services Tax

These financial statements have been prepared inclusive of GST as Northpower Electric Power Trust is not registered for GST.

(b) Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense charged to the Income Statement is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

(c) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less plus bank overdrafts. Bank overdrafts are shown on the balance sheet as current liabilities within short term borrowings.

(d) Revenue

Interest income is recognised using the effective interest method.

Dividend revenue is recognised when received.

(e) Receivables

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Northpower Electric Power Trust

Notes to the Financial Statements

For the Year ended 31st March 2009

2. AUDIT

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

3. STATEMENT OF COMPLIANCE

The financial report complies with New Zealand Accounting Standards which include New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). Compliance with NZ IFRS ensures that the full year financial report, comprising the financial statements and notes complies with International Financial Reporting Standards (IFRS).

4. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2008:\$0). Northpower Electric Power Trust has not granted any securities in respect of liabilities payable by any other party whatsoever.

5. OPERATING REVENUE

	2009	2008
	\$	\$
Dividends Received	4,155,600	5,176,900
Interest Received	439,127	394,069
Total Other Income	<u>4,594,727</u>	<u>5,570,969</u>
Total Operating Revenue	<u>4,594,727</u>	<u>5,570,969</u>

6. OPERATING EXPENSES

	2009	2008
	\$	\$
Advertising	4,165	3,543
Audit Fees	2,441	1,631
Bank Charges	9	9
Consumer Callcentre	1,977	2,152
Consumer Distribution Costs	4,062	1,538
Consultants Fees	20,327	4,894
Conference Expenses & Travel	4,615	7,701
Eco Bulb Project	-	18,191
ETNZ Levy	5,105	1,872
Election Expenses	-	119,804
General Expenses	1,010	218
Insurance	6,878	7,328
Meeting Expenses	-	823
Ownership Review Expenses	-	12,709
Printing, Stamps & Stationery	418	621
Secretarial Expenses	27,000	31,228
Trustee Travel Expenses	1,970	2,091
Trustee Fees & Allowances	<u>184,592</u>	<u>175,101</u>
Total Operating Expenses	<u>264,569</u>	<u>391,454</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read in conjunction with the attached Audit Report.*

Northpower Electric Power Trust
Notes to the Financial Statements
For the Year ended 31st March 2009

7. DISTRIBUTION TO CONSUMERS

	2009	2008
	\$	\$
Dividends paid to beneficiaries during the year:		
Distribution to Consumers	4,367,286	4,315,105
Total dividends paid	<u>4,367,286</u>	<u>4,315,105</u>

8. RELATED PARTIES

There were no related party transactions during the year under review.

9. CASH & CASH EQUIVALENTS

	2009	2008
	\$	\$
Cash and bank accounts	5,681,003	5,748,443
	<u>5,681,003</u>	<u>5,748,443</u>

10. TAXATION

	2009	2008
	\$	\$
Profit before tax	4,330,158	5,179,515
Taxation	57,604	4,724
Taxation adjustments prior years	333	-
Income Tax on Net Profit	<u>57,937</u>	<u>4,724</u>

The Taxation Charge is Represented by

Current year tax	57,937	4,724
	<u>57,937</u>	<u>4,724</u>

Tax Payable

Less		
RWT credits	155,834	111,536
Outstanding from prior years	333	1
Total Tax to Pay (Refund)	<u>(98,230)</u>	<u>(106,813)</u>

11. INVESTMENTS

	2009	2008
	\$	\$
Shares - Northpower Ltd	231,886,000	226,953,000
	<u>231,886,000</u>	<u>226,953,000</u>

The company's net assets at 31/03/09 are \$231,886,000. Consolidation of the trusts financial statements with the company's would increase the trusts net assets by this much, so our carrying value of the company has been increased to reflect this value. IFRS is designed to ensure that the company correctly values its net asset position.

Northpower Electric Power Trust
Notes to the Financial Statements
For the Year ended 31st March 2009

12. TRADE AND OTHER RECEIVABLES

	2009	2008
	\$	\$
Accounts Receivable	-	8,666
Accrued Interest	45,256	78,347
	<u>45,256</u>	<u>87,013</u>

13. TRADE AND OTHER PAYABLES

	2009	2008
	\$	\$
Accounts Payable	6,801	9,716
Accrued Distribution Payments	-	49,500
	<u>6,801</u>	<u>59,216</u>

14. SIGNIFICANT EVENTS AFTER BALANCE DATE

No significant events occurred after the balance date.

15. ACCRUED DISTRIBUTION PAYMENTS

The balance of accrued distribution payments stemming from the sale of the company's retail arm in 1999 have been returned to equity following a final attempt to identify those who were not paid. The trust will meet any future claims from operating funds.