

Taranaki Electricity Trust

Performance Report

For the year ended 30 June 2023

Taranaki Electricity Trust
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For the year ended 30 June 2023

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**Taranaki Electricity Trust
Trust Directory
For the year ended 30 June 2023**

Trustees:	Alan L Jamieson Tony G Bedford Michael G Davey Peter J McDonald Melissa A Stevenson Jonathan M S Erwood Andrew Wood
Registered Office:	84 Rata Street PO Box 163 Inglewood
Secretary/Financial Manager:	Grant Hassall
Auditors:	Baker Tilly Staples Rodway Audit Limited 109-113 Powderham Street New Plymouth
Bankers:	TSB Bank 199 Broadway Stratford
Solicitors:	Connect Legal Taranaki 136-138 Powderham Street New Plymouth

Taranaki Electricity Trust
Statement of Service Performance
For the year ended 30 June 2023

What did we do?, When did we do it?

The Taranaki Electricity Trust, established by Deed dated 23 April 1993, as formed in 1993 when New Plymouth Energy merged with the Taranaki Electricity Power Board. It receives investment income which is distributed via grants to suitable applicants from the area previously supplied by the Taranaki Electric Power Board. The Trust area is the area previously supplied by the old Taranaki Electric Power Board and extends to past Uruti in North Taranaki, includes Waitara, Inglewood, Stratford, Eltham and extends as far south as Te Roti. South of the mountain, the west boundary is Awatuna and the eastern boundary extends well inland past Whangamomona.

Description of Entity's Outcomes

The policy of the Trust is to distribute all of its budgeted available net income to suitable charitable applicants and charitable purposes by way of discretionary grants. By distributing funds to a wide range of applicants, it is hoped that the income will be returned to the community which originally built the power company.

Description and Quantification of the Entity's Outputs

	2023	2022
Organisations receiving grants	133	123
Individuals receiving grants	43	53

	2023	2022
	\$	\$
Grants per category		
Individuals	4,950	969
Education	467,954	456,070
Religion	27,831	4,786
Non Profit	4,035,590	2,006,163
Sport	659,870	923,979
District Councils	307,360	711,108
Total	5,503,555	4,103,075

	2023	2022
	\$	\$
Grants per area		
Eltham/Kaponga	237,360	285,408
East Taranaki	135,479	83,541
Inglewood	1,123,498	870,560
North Taranaki	93,336	287,656
Stratford	2,925,109	1,584,571
Waitara	721,241	675,519
Regional	267,532	315,820
Total	5,503,555	4,103,075

Taranaki Electricity Trust
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
Revenue from Exchange Transactions			
Interest & Dividends	2	<u>4,453,036</u>	<u>4,395,927</u>
Total Revenue		<u>4,453,036</u>	<u>4,395,927</u>
Expenses			
Audit Fee		7,820	10,782
Depreciation	9	4,975	5,997
Trustees Remuneration		218,804	218,715
Trustees Expenses		12,289	10,482
Operating Expenses	3	<u>670,648</u>	<u>606,944</u>
Total Expenses		914,536	852,920
Net Operating Surplus Before Grants		3,538,500	3,543,007
Grants	4	5,503,555	4,103,075
Net (Deficit) Before Fair Value Adjustments		(1,965,055)	(560,068)
Fair Value (Loss) in Investment Portfolio		(214,265)	(5,646,165)
Net (Deficit)		<u>(2,179,320)</u>	<u>(6,206,233)</u>
Total Comprehensive Revenue and Expense		<u>(2,179,320)</u>	<u>(6,206,233)</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Changes in Equity
For the year ended 30 June 2023


	Note	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2021		22,213,561	1,390,044	86,110,110	109,713,715
Total Comprehensive Revenue and Expense		-	-	(6,206,233)	(6,206,233)
Movement in Major Project Reserve 13		-	(481,108)	481,108	-
Balance at 30 June 2022		<u>22,213,561</u>	<u>908,936</u>	<u>80,384,985</u>	<u>103,507,482</u>
Balance at 1 July 2022		22,213,561	908,936	80,384,985	103,507,482
Total Comprehensive Revenue and Expense		-	-	(2,179,320)	(2,179,320)
Movement in Major Project Reserve 13		-	-	-	-
Balance at 30 June 2023		<u>22,213,561</u>	<u>908,936</u>	<u>78,205,665</u>	<u>101,328,162</u>

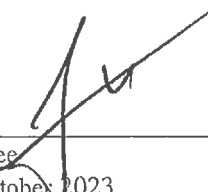
The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Financial Position
As at 30 June 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash & Cash Equivalents	5	425,125	156,588
Receivables from Exchange Transactions	6	16,533	17,412
Advances	8	<u>35,000</u>	<u>85,000</u>
		476,657	259,000
Non-Current Assets			
Investments	7	93,519,715	96,378,760
Advances	8	9,253,814	8,958,814
Property, Plant & Equipment	9	<u>324,342</u>	<u>329,317</u>
		103,097,871	105,666,891
Total Assets		<u>103,574,528</u>	<u>105,925,891</u>
Current Liabilities			
Payables under Exchange Transactions	10	37,151	29,500
Provision for Grants	11	<u>2,209,215</u>	<u>2,388,910</u>
		2,246,366	2,418,410
Shareholder's Equity			
Capital		22,213,561	22,213,561
Retained Earnings		78,205,665	80,384,980
Special Project Reserves	13	<u>908,936</u>	<u>908,936</u>
		101,328,162	103,507,481
Total Liabilities and Equity		<u>103,574,528</u>	<u>105,925,891</u>

For and on behalf of the Trustees


 Trustee
 13 October 2023


 Trustee
 13 October 2023

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Cash Flows
For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Cash provided from:			
Interest Income Received		4,453,917	4,388,564
Grants Refunded		<u>7,897</u>	<u>1,100</u>
		<u>4,461,814</u>	<u>4,389,664</u>
Cash was applied to:			
Grants		4,091,147	3,498,495
Payments to Suppliers and Trustees		<u>901,911</u>	<u>913,089</u>
		<u>4,993,058</u>	<u>4,411,584</u>
Net Cash Flow from Operating Activities		<u>(531,244)</u>	<u>(21,920)</u>
Cash Flows from Investing Activities			
Cash provided from:			
Sale of Investments		4,927,930	2,922,382
Advances		<u>105,000</u>	<u>258,500</u>
		<u>5,032,930</u>	<u>3,180,882</u>
Cash was applied to:			
Investments Purchased		2,283,149	2,861,368
Advances		<u>1,950,000</u>	<u>199,634</u>
		<u>4,233,149</u>	<u>3,061,002</u>
Net Cash Flow from Investing Activities		<u>799,781</u>	<u>119,880</u>
Net Increase in			
Cash & Cash Equivalents		268,537	97,959
Add Cash & Cash Equivalents			
at beginning of the Year		<u>156,588</u>	<u>58,629</u>
Cash & Cash Equivalents at Year End	5	<u>425,125</u>	<u>156,588</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies

Reporting Entity

These financial statements comprise the financial statements of Taranaki Electricity Trust (the “Trust”) for the year ended 30 June 2023.

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE RDR) as appropriate to Tier 2 Public Benefit. They comply with New Zealand equivalents to International Public Sector Accounting Standards Reduced Disclosure Regime (NZ IPSAS with RDR) and other applicable financial reporting standards as appropriate to Public Benefit Entities.

The Trustees have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards on the basis that it does not have public accountability and annual expenditure exceeds \$2 million but does not exceed \$30 million.

The Trust is deemed a public benefit entity for financial reporting purposes, as its primary objective is to provide services to the community for social benefit and the Trust has been established with a view to supporting that primary objective rather than for a financial return.

The Performance Report was approved for issue by the Trustees on 13 October 2023.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust, with the exception of certain assets as specified below which have been revalued.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

Standards Applied For The First Time

Adoption of PBE FRS 48 Service Performance Reporting is effective for the year ended 30 June 2023.

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2022.

The Trust has adopted PBE FRS 48 in the Statement of Service Performance. The adoption resulted in the preparation of a Statement of Service Performance, on page 3, and the disclosure of judgments used in the selection, measurement, and aggregation of service performance information which has been included in the accounting estimates and assumptions section below.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

Standards Applied For The First Time (Continued)

PBE IPSAS 41 Financial Instruments is effective for the year ended 30 June 2023. This introduces new recognition and measurement requirements for financial assets and restricts the ability to measure financial assets at amortised cost to only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding. In addition, measurement of financial assets at fair value through other comprehensive revenue and expense is also restricted.

PBE IPSAS 41 has not had a material impact on the Trust's measurement and recognition of financial instruments. The Trust has elected not to restate the information for previous years to comply with PBE IPSAS 41. The comparative information continues to be reported under PBE IPSAS 29. There are no adjustments arising from the adoption of PBE IPSAS 41 that need to be recognised in opening equity as at 1 July 2022.

All other accounting policies adopted are consistent with those of the previous financial year.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars and are rounded to the nearest whole dollar.

Specific Accounting Policies

The following is a summary of the significant accounting policies adopted by the Trust in the preparation of these financial statements.

a) Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Trust and that the revenue can be reliably measured. Revenue is measured at the fair value of consideration received. The principal sources of revenue are dividends and interest from investments. The following specific recognition criteria must be met before revenue is recognised:

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Dividend revenue

Dividend income is recognised on the date that the Trust's right to receive payments is established.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call and other short term highly liquid investments which are subject to insignificant risks of changes in value.

c) Provision for Grants

Grants payable by the Trust to third parties are recognised as a liability when the grant application is approved by the Trustees. A provision is recognised for grants approved but not yet paid, on the basis that there is a present constructive obligation as a result of a past event; it is probable that expenditures will be required to settle the obligation; and a reliable estimate of the potential settlement can be made. Movements in the provision are shown in Note 11.

Where a grant application is approved on the basis that it will be paid over multiple years, only the portion of the grant relating to the current year is recognised in the provision. The portion of the grant relating to future years must be reapproved by the Trustees in the year of payment before a liability is recognised. Any approved grants relating to future years have been disclosed in Note 15 Commitments.

d) Financial Instruments

A financial instrument is recognised only when the Trust becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Trust's contractual right to the cash flows from the financial assets expire or if the Trust transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Purchases and sales of investments are recognised on trade date, the date on which the Trust commits to purchase or sell the asset.

The Trust classifies its financial instruments in the following categories: amortised cost, fair value through other comprehensive revenue and expense and fair value through surplus or deficit. The classification depends on the nature of the instrument and the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition and re-evaluates this designation at every reporting date. The Trust's Advances are classified at amortised cost and Investments are classified at fair value through surplus or deficit.

Financial Assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through other comprehensive revenue and expense. Financial assets carried at fair value through comprehensive revenue and expense are initially recognised at fair value and transaction costs are expensed through comprehensive revenue and expense. Subsequent to initial recognition these instruments are measured as set out below.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

d) Financial Instruments (Continued)

Financial assets at amortised cost includes only those assets that are held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gives rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

Cash and cash equivalents listed in the Trust's Statement of Financial Position is classified as financial assets at amortised cost.

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included through surplus or deficit in the period in which they arise. Investments are classified as financial assets at fair value through surplus or deficit.

Investments meet the condition for designation in this category at initial recognition as they form an investment portfolio which is managed and evaluated on a fair value basis, in accordance with investment strategy contained in the Trust's Statement of Investment Policies and Objectives (SIPO).

The fair value of financial instruments that are traded in active markets in each reporting date is determined by reference to quoted market prices. In the absence of an active market, the fair value of financial instruments is measured using valuation techniques with the objective of estimating what the transaction price would have been on the measurement date in an arms length exchange motivated by normal operating considerations.

Impairment of Financial Assets

The Trust recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through surplus or deficit.

For receivables from exchange transactions, the Trust applies a simplified approach in calculating ECLs. Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Trust may also consider a financial asset to be in default when there is objective evidence of impairment indicating that the Trust is unlikely to receive the outstanding contractual amounts in full. Individual receivables from exchange transactions that are known to be uncollectable are written off when identified along with associated allowances. No ECL allowance has been recognised during the year.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

e) Goods and Services Tax

Taranaki Electricity Trust is not registered for Goods and Service Tax, so the results are disclosed inclusive of Goods and Service Tax.

f) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided for on a diminishing value basis at depreciation rates calculated to allocate the assets' cost or valuation less estimated residual value, over their estimated useful lives, as follows:

Land and buildings	0%-6% DV
Office equipment	16%-50% DV

The asset's residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate at each balance date.

Assets are reviewed for indications of impairment at least annually and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any impairment loss or write-down is recognised as an expense.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

g) Taxation

The Trust is exempt from income tax under section CW42 of the Income Tax Act 2007.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

h) Capital

The Trust's capital consists of equity, special project reserve and retained earnings. The Trust manages its capital by effectively managing income and expenses, assets and liabilities to ensure it achieves its objectives and purpose. The objective of managing the Trust's equity is to ensure the Trust effectively achieves its objectives and purpose, whilst remaining a going concern.

i) Critical Accounting Estimates, Assumptions and Judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's 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 relevant accounting policy or in the relevant note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Management are required to assess the recoverability of advances to determine the appropriate classification for these balances. Management considers that all advances presented as assets in the financial statements are recoverable by the Trust.

j) Going concern as at 30 June 2023

Current liabilities exceed current assets by \$1,769,709 (2022: \$2,159,410). This is due to the treatment of the cash component of the Investment Portfolio being treated as a Non-Current Asset. The cash component can be drawn upon to settle any liabilities when they fall due if the need arises.

As a result, the Trustees consider that the Trust has sufficient resources available to meet liabilities as they fall due in the normal course of business for at least 12 months from the date of approval of these financial statements.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

1. Statement of Accounting Policies (Continued)

k) Statement of Service Performance measures

Management exercised judgement in selecting the performance measures included in their Statement of Service Performance. In doing so, management considers that the main purpose and objective of the Trust and what information would be most useful to readers of the service performance reports, in understanding what the Trust achieved during the year, to help them achieve their long-term goals. The main objective of the Trust is to provide grants to individuals and organisations in the Taranaki community. It was therefore determined that reporting on the number of grants provided would be the most meaningful information to readers.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
2. Interest & Dividends		
Interest:		
Age Care Central Limited	153,267	149,633
Inglewood Community Childcare Inc	6,636	3,445
Inglewood Mini Putt Trust	6,525	3,762
Inglewood Welfare Society Inc	-	32,205
Stratford Vineyard Christian Trust	21,108	11,294
TSB Bank	3,417	173
Interest & Dividends:		
Investment Portfolio	<u>4,262,083</u>	<u>4,195,415</u>
	<u>4,453,036</u>	<u>4,395,927</u>
3. Operating Expenses		
Administration Expenses	108,807	95,684
Advertising & Sponsorship	1,943	4,337
Consultancy Fees	38,946	47,624
Election Expenses	37,272	-
Investment Management Fees	426,543	431,051
Other Expenses	<u>57,137</u>	<u>28,248</u>
	<u>670,648</u>	<u>606,944</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

4. Grants Approved 1 July 2022 - 30 June 2023

Organisation	\$	Organisation	\$
Abbey Sextus	\$2,000	Inglewood Swimming Club	\$4,620
Age Care Central Ltd	\$1,600,000	Inglewood Welfare Society	\$150,000
Age Concern Taranaki Inc - Waitara	\$13,000	Inglewood Welfare Society	\$82,130
Aidan Renshaw	\$2,000	Isabella Stewart	\$2,000
Ako Wai Charitable Trust Taranaki	\$31,500	Jessica Huston	\$2,000
Anglican Parish of St John the Baptist, Waitara	\$6,000	Kaimata School	\$10,784
Ani Butler	\$2,000	Kaponga Primary School	\$20,873
Avon Kindergarten	\$1,108	Kaponga Rugby Club	\$40,000
Azriella Harland	\$2,000	Kelly Armistead	\$2,000
Blue Light Te Ara Tika Driver Licensing Programme Committee	\$30,000	Kobey Agent	\$300
BRASA Waitara Brazilian Jiu Jitsu	\$50,000	Korban Johnson	\$2,000
Brilee Oakes	\$2,000	Koru Kindergarten	\$3,531
Central Taranaki Safe Community Trust	\$70,000	Lita Wilson	\$2,000
Clifton Rowing Club Inc	\$16,122	Manukorihi Pa Trustees	\$250,000
Cydney Welch	\$2,000	Matapu Primary School	\$21,250
East Taranaki Environmental Trust	\$97,750	Melissa Cash	\$1,500
Ella Makara	\$550	Menzshed Waitara Inc	\$24,291
Eltham Community Care Inc	\$16,682	Midhirst Scout Group	\$7,995
Eltham Kindergarten	\$18,500	Mikayla Pearse	\$2,000
Eltham-Kaponga Co-operating Parish	\$6,000	Miss Milly Kirkwood	\$2,200
Grace Welsh	\$2,000	Molly Gernhoefer	\$1,000
He Rau Oranga Trust	\$5,867	Monique Wieruszowski	\$1,000
Heritage Taranaki	\$5,000	New Plymouth District Council	\$77,360
Holly Jackson	\$1,000	Nga Kaitiaki o Puketapu Hapu Trust	\$10,000
Huiakama Primary School	\$5,429	Ngati Maruwharanui Pukehou Trust	\$150,000
Inglewood Club	\$18,610	Nicola Stanton	\$2,000
Inglewood Combined Sports Club	\$18,619	Norfolk Primary School	\$4,520
Inglewood Community Childcare Centre	\$36,300	Norita Tamati	\$2,000
Inglewood Development Trust	\$50,000	North Taranaki Community House Trust	\$11,440
Inglewood District Health Trust	\$50,000	Northern Division North Taranaki Indoor Bowls	\$555
Inglewood Dramatic Society	\$45,390	Olivia Dawson	\$2,000
Inglewood Dramatic Society	\$6,200	Orapa Kindergarten (Waitara West)	\$7,500
Inglewood First Trust	\$99,000	Percy Thomson Trust	\$30,000
Inglewood First Trust	\$10,000	Poppy Scarlett	\$2,000
Inglewood High School	\$30,000	Pregnancy Help Inc	\$15,000
Inglewood High School	\$10,000	Rawhitiroa Hall Committee	\$31,924
Inglewood Indoor Bowling Club	\$3,913	Rebecca Lusty	\$2,000
Inglewood Kindergarten	\$6,000	Rebekah Hodge	\$2,000
Inglewood Soccer Club (AFC)	\$20,000	Republic Of Whangamomona	\$9,000

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

4. Grants Approved 1 July 2022 - 30 June 2023 (continued)

Richard Drummond	\$2,000	Taranaki Dragons	\$10,113
River of Life Peoples Charitable Trust	\$6,000	Taranaki Garden Trust	\$10,000
Rotokare Scenic Reserve Trust	\$75,135	Taranaki Hospice Inc	\$10,021
Sailability Taranaki Trust	\$4,000	Taranaki Motorsport Facility Charitable Trust	\$150,000
Samara Agent	\$400	Taranaki Patchworkers & Quilters	\$3,780
Samuel Clothier	\$2,000	Taranaki Synthetic Turf Trust	\$25,705
Shakaliah Bishell	\$2,000	Taranaki Synthetic Turf Trust	\$8,725
St Andrews Church Inglewood	\$6,000	Taylor Kupe	\$2,000
St Josephs Parish Waitara	\$3,831	Te Roopu Pukaaka Kapahaka Society	\$10,000
St Josephs School Stratford PTA	\$60,000	Te Wera Outdoor Recreational Trust	\$99,000
St Patricks School Inglewood	\$9,026	TET Athletics Taranaki	\$55,000
Stratford A & P Assn	\$29,541	TET Community Assistance Project	\$13,185
Stratford Business Association	\$99,000	TET Community Assistance Project	\$13,185
Stratford Central Kindergarten	\$1,958	Tikorangi Playcentre	\$3,759
Stratford Community Childcare Centre	\$61,695	Toko School Board Of Trustees	\$7,500
Stratford Community House Trust	\$21,028	Tutaki Youth Inc Trust	\$100,000
Stratford Community Sports Soc	\$42,119	Urenui Golf Club Inc	\$15,922
Stratford Cricket Club	\$18,900	Varya Kern	\$500
Stratford District Council	\$230,000	Vertical Horizon Camp	\$64,637
Stratford District Theatre Trust	\$30,000	Waitara Alive	\$90,500
Stratford Eltham Rugby & Sports Club	\$95,000	Waitara Alive	\$10,000
Stratford Fishing Section	\$2,718	Waitara Central Kindergarten	\$7,500
Stratford Flyers Swimming Club	\$34,916	Waitara Cricket Club	\$4,586
Stratford High School	\$40,000	Waitara District Veteran Golfers So	\$500
Stratford Parents Centre	\$10,400	Waitara Foodbank Pataka Kai	\$53,000
Stratford Positive Ageing Committee	\$10,000	Waitara Kayak Club	\$1,450
Stratford Primary School	\$25,000	Waitara Mobility Scooter Agency	\$15,000
Stratford Senior Golf (NZ Seniors)	\$500	Waitara Mobility Scooter Agency	\$10,000
Stratford Shakespeare Society	\$70,248	Waitara Playcentre	\$10,000
Stratford-Avon Bowling Club	\$8,552	Waitara Railway Preservation Soc In	\$45,000
Strathmore Golf Club	\$10,000	Waitara Senior Citizens Association	\$10,000
Tara Condon	\$500	Waitara Taiohi Trust	\$40,000
Taranaki Community Stadium Trust	\$79,000	WISE Charitable Trust	\$186,011
Taranaki Country Music Festival	\$3,371		
Taranaki Diocesan School for Girls	\$30,000	Total grants awarded	\$5,579,730

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

4. Grants Approved 1 July 2022 - 30 June 2023 (continued)

Less Prior Year's adjustments

Aorangi Tupe	\$1,000	Rotokare Scenic Reserve Trust	\$614
Avon Kindergarten	\$26,468	Samalia Pisi	\$2,000
Barrett Homes Trust	\$260	Stratford A & P Assn	\$5,335
Bethan Upton-Hansen	\$2,000	Stratford A & P Assn	\$2,405
Claudia O'Sullivan	\$108	Stratford Flyers Swimming Club	\$3,574
Connor Cummins	\$2,000	Stratford Positive Ageing Committee	\$449
Eltham Business & Professional Assn	\$244	Stratford Senior Golf (NZ Seniors)	\$500
Grace Wakeling-Frank	\$2,000	Summer Taiapo	\$2,000
Heritage Taranaki	\$3,450	Swimming Taranaki Inc	\$3,032
Inglewood Croquet Club	\$3,020	Toni Cameron	\$124
Inglewood Swimming Club	\$1,342	Waitara District Services & Citizen Club Inc	\$660
Jaxon Burnard-Leppinus	\$2,000	Waitara Rugby League Club	\$1,774
Kaimata School	\$79	Waitara Senior Citizens Association	\$10,000
Mangamingi Community Trust (Hall Committee)	\$22	Waitara Surfcasting & Angling	\$3,424
New Horizons Aotearoa Trust	\$4,864	Wharehuia Community Centre Inc	\$3,008
New Horizons Aotearoa Trust	\$3,187	William Paul	\$2,000
North Taranaki Community House Trust	\$233	Grants written off	\$93,175

Total Grants **\$5,503,555**

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
5. Cash & Cash Equivalents		
TSB Cheque Account	422,339	141,900
TSB Call Accounts	<u>2,786</u>	<u>14,688</u>
	<u>425,125</u>	<u>156,588</u>

6. Receivables from Exchange Transactions

Interest	<u>16,533</u>	<u>17,412</u>
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7. Investments

Investment Portfolio	<u>93,587,967</u>	<u>96,378,760</u>
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The Investment Portfolio is made up of the following investments:

NZ Shares	24,591,828	23,415,752
Australian Shares	24,362,348	25,008,192
Overseas Shares	26,424,792	27,137,382
NZ Bonds	6,229,533	6,330,453
Overseas Bonds	4,196,034	4,370,911
Cash	3,394,239	5,800,891
Private Equity	<u>4,320,941</u>	<u>4,315,179</u>
	<u>93,519,715</u>	<u>96,378,760</u>

The Trust has received investment advice and a Statement of Investment Policies and Objectives is prepared and updated from time to time.

Investments held by the Trust are designated as fair value through surplus or deficit at inception. Fair value is determined with reference to market transactions for the investments held by the Trust.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

	Note	2023	2022
		\$	\$
8. Advances			
Current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Inglewood Mini Putt Trust		10,000	10,000
Stratford Vineyard Christian Trust		<u>25,000</u>	<u>75,000</u>
		35,000	85,000
Non-current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Age Care Central Limited		6,473,885	6,123,885
Inglewood Community Childcare Inc		359,929	379,929
Inglewood Mini Putt Trust		95,000	105,000
Inglewood Welfare Society Inc		2,000,000	2,000,000
Stratford Vineyard Christian Trust		<u>325,000</u>	<u>350,000</u>
		9,253,814	8,958,814
		<u>9,288,814</u>	<u>9,043,814</u>
9. Property, Plant & Equipment			
		2023	2022
		\$	\$
Land & Buildings			
Balance at beginning of year		319,902	322,662
Depreciation		<u>2,750</u>	<u>2,760</u>
		<u>317,152</u>	<u>319,902</u>
Plant and Equipment			
Balance at beginning of year		9,415	12,652
Depreciation		<u>2,225</u>	<u>3,237</u>
		<u>7,190</u>	<u>9,415</u>
Cost		362,995	362,995
Accumulated Depreciation		<u>38,653</u>	<u>33,678</u>
		<u>324,342</u>	<u>329,317</u>
10. Payables under Exchange Transactions			
Trade Payables		29,151	21,500
Audit Fee Accrual		<u>8,000</u>	<u>8,000</u>
		<u>37,151</u>	<u>29,500</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	\$
11. Provision for Grants		
Balance at 1 July	2,388,910	1,798,726
Grants Provided	5,596,730	4,221,977
Grants Paid	(5,691,147)	(3,513,991)
Grants Refunded	7,897	1,100
Prior Year Grants Adjusted	<u>(93,175)</u>	<u>(118,902)</u>
Balance at 30 June	<u>2,209,215</u>	<u>2,388,910</u>

Uncertainties around the timing of the outflows required to settle the provision exist. Approved grants are only paid upon receipt of a grant claim form by the Trust. The expected timing of outflows varies; this is influenced by the purpose for which the grant was provided, and the timing of the recipient meeting their obligations to the Trust.

12. Capital

The Trust's capital consists of the initial gift of shares from Taranaki Energy Limited and a share of the final distribution of funds from the Taranaki Energy Merger Trust.

13. Reserves

Any grant money budgeted for but not awarded during the year is placed into a Special Project Reserve for utilisation by larger projects. No transfer was made during the year (2022: nil). This was no utilisation of the Reserve during the year (2022: \$481,108).

	2023	2022
	\$	\$
Special Project Reserve		
Opening balance	908,936	1,390,044
Add Transfer to Fund	-	-
Less Utilised	<u>-</u>	<u>(481,108)</u>
Closing balance	<u>908,936</u>	<u>908,936</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

14. Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of all the Trust's financial instruments that are carried in the financial statements at other than fair values.

	Carrying amount		Fair value	
	2023	2022	2023	2022
Loans and receivables	\$	\$	\$	\$
Cash and cash equivalents	425,125	156,588	425,125	156,588
Receivables from Exchange Transactions	16,533	17,412	16,533	17,412
Advances	9,288,814	9,043,814	9,288,814	9,043,814
Total loans and receivables	9,730,471	9,217,814	9,730,471	9,217,814

Financial liabilities measured at amortised cost

Payables under Exchange Transactions	29,151	21,500	29,151	21,500
Total financial liabilities measured at amortised cost	29,151	21,500	29,151	21,500

15. Commitments

At balance date, there was a commitment for future portions of the Investment Portfolio to include a further \$845,076 investment with Pioneer Capital and a further \$1,176,742 investment with Direct Capital (2022: There was a commitment for future portions of the Investment Portfolio to include a further \$1,082,754 investment with Pioneer Capital and a further \$1,364,426 investment with Direct Capital).

16. Contingent Liabilities

The Trust has agreed in principle to new advance lending terms with Age Care Central Limited ("ACCL"). ACCL is undertaking a project of constructing an extension to the Maryann Home and Hospital. Subject to conditions being met, TET will loan a further \$900,000 for this project. (2022: The Trust had agreed in principle to new advance lending terms with ACCL of a new loan of a further \$2,000,000 for this project and provide grant funding of \$1,600,000 to reduce the existing loan balance.).

17. Subsequent Events

Subsequent to year end, the conditions of the above Age Care Central Limited advance were met the Trust approved \$900,000. As at the date of signing this Performance Report, \$300,000 has been drawdown on this facility.

The Trust and management are not aware of any other matters or circumstances since the end of the reporting period that may significantly affect the operations for the Trust. (2022: nil).

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2023

18. Related Parties

Trustees for the Taranaki Electricity Trust are involved with many different organisations in the Taranaki region which may approach the Trust for grant funding or advances. During the 2022/2023 year, the following relation party transactions occurred.

	Paid during the year	Owing at year end
Grants	2,450,679	459,279
	Repayments received	Owed at year end
Advances	-	6,473,885

Additionally, the Trust's Secretary/Finance Manager, Grant Hassall, is a Director at Duncan Dovico Chartered Accountants and Forever Amber Chartered Accountants. The Trust received administration services during the year from Duncan Dovico for \$82,339 (2022: \$95,684) and Forever Amber \$16,468 (2022: nil).

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Taranaki Electricity Trust

Report on the Audit of the Performance Report

Opinion

We have audited the performance report of Taranaki Electricity Trust ('the Trust') which comprises the financial statements on pages 4 to 23, the statement of service performance on page 3. The complete set of the financial statements comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, the statement of changes in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion the accompanying performance report presents fairly, in all material respects, the financial position of the Trust as at 30 June 2023, and the financial performance and cash flows for the year then ended, and the service performance for the year ended 30 June 2023 in accordance with the service performance criteria of the Trust in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') issued by the New Zealand Accounting Standards Board.

Our report is made solely to the Trustees of the Trust. Our audit work has been undertaken so that we might state to the Trustees of the Trust those matters 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 Trustees of the Trust as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)') and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard ('NZ AS') 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Taranaki Electricity Trust.

Responsibilities of the Trustees for the Performance Report

The Trustees are responsible on behalf of the Trust for:

- the preparation and fair presentation of the financial statements and the statement of service performance in accordance with PBE Standards RDR;
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and
- such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and the statement of service performance are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

A further description of the auditor's responsibilities for the audit of the performance report is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-14/>



BAKER TILLY STAPLES RODWAY AUDIT LIMITED

New Plymouth, New Zealand

13 October 2023