

Taranaki Electricity Trust
Annual Report
For the year ended 30 June 2021

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For the year ended 30 June 2021**

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**Taranaki Electricity Trust
Trust Directory
For the year ended 30 June 2021**

Trustees:	Alan L Jamieson Tony G Bedford Michael G Davey Andrew D Wood Melissa A Stevenson Jonathan M S Erwood
Registered Office:	84 Rata Street PO Box 163 Inglewood
Secretary/Financial Manager:	Grant Hassall 20 Robe Street New Plymouth
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 Comprehensive Revenue and Expense
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue from Exchange Transactions			
Interest & Dividends	2	<u>3,461,034</u>	<u>3,787,767</u>
Total Revenue		<u>3,461,034</u>	<u>3,787,767</u>
Expenses			
Audit Fee		6,894	6,899
Depreciation	9	4,967	5,648
Trustees Remuneration		161,262	150,391
Trustees Expenses		8,910	7,993
Operating Expenses	3	<u>539,757</u>	<u>569,339</u>
Total Expenses		721,790	740,270
Net Operating Surplus Before Grants		2,739,244	3,047,497
Grants	4	2,942,511	2,699,011
Net Surplus Before Fair Value Adjustments		(203,267)	348,486
Fair Value Gain/(Loss) in Investment Portfolio		15,068,069	(8,361,518)
Net Surplus/(Deficit)		<u>14,864,802</u>	<u>(8,013,032)</u>
Total Comprehensive Revenue and Expense		<u>14,864,802</u>	<u>(8,013,032)</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Changes in Equity
For the year ended 30 June 2021


	Note	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019		22,213,561	631,566	80,016,818	102,861,945
Total Comprehensive Revenue and Expenses		-	-	(8,013,032)	(8,013,032)
Movement in Major Project Reserve 13		-	500,989	(500,989)	-
Balance at 30 June 2020		<u>22,213,561</u>	<u>1,132,555</u>	<u>71,502,797</u>	<u>94,848,913</u>
Balance at 1 July 2020		22,213,561	1,132,555	71,502,797	94,848,913
Total Comprehensive Revenue and Expenses		-	-	14,864,802	14,864,802
Movement in Major Project Reserve 13		-	257,489	(257,489)	-
Balance at 30 June 2021		<u>22,213,561</u>	<u>1,390,044</u>	<u>86,110,110</u>	<u>109,713,715</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash & Cash Equivalents	5	58,629	183,279
Receivables from Exchange Transactions	6	10,049	3,364
Advances	8	<u>113,500</u>	<u>506,500</u>
		182,178	492,143
Non-Current Assets			
Investments	7	102,085,939	87,039,410
Advances	8	8,989,181	8,873,751
Property, Plant & Equipment	9	<u>335,314</u>	<u>136,963</u>
		111,410,434	96,250,124
Total Assets		<u>111,592,612</u>	<u>96,742,267</u>
Current Liabilities			
Payables under Exchange Transactions	10	50,171	56,139
Provision for Grants	11	<u>1,298,726</u>	<u>1,827,215</u>
		1,878,897	1,893,354
Shareholder's Equity			
Capital		22,213,561	22,213,561
Retained Earnings		86,110,110	71,502,797
Special Project Reserves	13	<u>1,390,044</u>	<u>1,132,855</u>
		109,713,715	94,848,913
Total Liabilities and Equity		<u>111,592,612</u>	<u>96,742,267</u>

For and on behalf of the Trustees:


 Trustee
 15 October 2021


 Trustee
 15 October 2021

The accompanying notes form part of these financial statements



**Taranaki Electricity Trust
Statement of Cash Flows
For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Cash provided from:			
Interest Income Received		3,454,350	3,791,543
Grants Refunded		<u>246,975</u>	<u>2,448</u>
		<u>3,701,325</u>	<u>3,793,991</u>
Cash was applied to:			
Grants		3,202,482	2,494,911
Payments to Suppliers and Trustees		<u>718,284</u>	<u>704,544</u>
		<u>3,920,766</u>	<u>3,199,455</u>
Net Cash Flow from Operating Activities		<u>(219,441)</u>	<u>594,536</u>
Cash Flows from Investing Activities			
Cash provided from:			
Sale of Investments		671,601	2,545,006
Advances		<u>327,570</u>	<u>218,480</u>
		999,171	2,763,486
Cash was applied to:			
Investments Purchased		650,062	3,618,443
Advances		250,000	270
Property, Plant & Equipment		<u>3,318</u>	<u>6,831</u>
		903,380	3,625,544
Net Cash Flow from Investing Activities		<u>95,791</u>	<u>(862,058)</u>
Net Increase/(Decrease) in			
Cash & Cash Equivalents		(123,650)	(267,522)
Add Cash & Cash Equivalents at beginning of the Year		<u>182,279</u>	<u>449,801</u>
Cash & Cash Equivalents at Year End	5	<u>58,629</u>	<u>182,279</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

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 2021.

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Tier 2 Public Benefit Entity (PBE) Financial Reporting Standards issued by the External Reporting Board (XRB). 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 15 October 2021.

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

There are no standards being applied for the first time.

Presentation Currency and Rounding

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

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

1. Statement of Accounting Policies (continued)

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.

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.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

1. Statement of Accounting Policies (continued)

d) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if the Trust transfers the financial asset to another party without retaining control or substantial all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets except for those classified as fair value through deficit or surplus are subject to review for impairment at least at each reporting date. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

1. Statement of Accounting Policies (continued)

d) Financial Instruments (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Trust's cash and cash equivalents, trade debtors and other receivables fall into this category of financial instruments.

After initial recognition, such financial assets are subsequently measured at cost less provision for impairment.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

(ii) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets 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. The Trust designates its investments at fair value through profit or loss at inception.

Assets in this category are measured at fair value with gains or losses recognised in the surplus or deficit for the year. The fair values of financial instruments in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Subsequent measurement of financial liabilities

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

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.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

1. Statement of Accounting Policies (continued)

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.

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.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

1. Statement of Accounting Policies (continued)

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.

Current liabilities exceed current assets. 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.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

	2021	2020
	\$	\$
2. Interest & Dividends		
Interest:		
Age Care Central Limited	27,430	133,020
Inglewood Community Childcare Inc	2,775	4,550
Inglewood Mini Putt Trust	2,153	-
Inglewood Welfare Society Inc	14,948	-
Stratford Vineyard Christian Trust	9,420	14,891
TSB Bank	237	1,070
Interest & Dividends:		
Investment Portfolio	<u>3,404,071</u>	<u>3,634,237</u>
	<u>3,461,034</u>	<u>3,787,767</u>
3. Operating Expenses		
Administration Expenses	92,561	92,561
Advertising & Sponsorship	731	2,086
Election Expenses	-	49,299
Investment Management Fees	408,282	392,794
Other Expenses	<u>38,183</u>	<u>32,599</u>
	<u>539,757</u>	<u>569,339</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

4. Grants Approved 1 July 2020 - 30 June 2021

Organisation	\$	Organisation	\$
Abby Jordan	\$2,000	Jewel Kimi	\$2,000
Ael Huffam	\$2,000	Jorja Simpson	\$2,000
Age Concern Taranaki Inc - Waitara	\$10,000	Julia Howatson	\$2,000
Anahera Martin	\$750	Kaimata School	\$4,000
Ayla Lunn	\$2,000	Kaponga Primary School	\$9,000
Barrett Homes Trust	\$7,493	Kaylen Hojdelewicz	\$2,000
BRASA Waitara Brazilian Jiu Jitsu	\$30,000	Kees Millar	\$2,000
Brooke Reid	\$2,000	Keira Muir	\$2,000
Cameron Craig	\$2,000	Koru Kindergarten	\$6,797
Cassandra Mellroy	\$2,000	Kristine Macalalag	\$2,000
Central Taranaki Safe Community Trust	\$58,129	Libby Keenan	\$100
Channtae-Lee Lichtwark	\$2,000	Maddi Butler	\$2,000
Creative Fibre Taranaki	\$2,000	Manukorihi Intermediate	\$4,200
East Taranaki Environmental Trust	\$15,000	Manukorihi Pa Trustees	\$20,000
Ellen Barnao-Young	\$2,000	Matapu Primary School	\$8,000
Eltham Baptist Church	\$6,000	Maz Wisniewski	\$2,000
Eltham Business & Professional Assn	\$16,414	Meg Gibson	\$2,000
Eltham Business & Professional Assn	\$40,000	Michael Appert	\$2,000
Eltham Golf Club Inc	\$20,000	Midhirst School	\$16,000
Eltham Kindergarten	\$18,500	Midhirst Scout Group	\$3,800
Eltham Volunteer Fire Brigade	\$3,000	Mimi Primary School	\$1,860
Eltham Youth Health & Development Trust	\$16,000	Miss Payton Agent	\$2,000
Emilie Back	\$500	Mountain Mystics Leisure Marchers	\$500
Gymnastics Waitara	\$20,900	Nelvin Niumea	\$2,000
Hannah Bisley	\$2,000	Nga Pekanga Catholic Maori Soc	\$99,500
Hannah Patterson	\$2,000	Ngati Rahiri Hapu Management Committee	\$90,000
Henry Armond	\$2,000	Nikita Peters	\$2,000
Heritage Taranaki	\$3,450	Norfolk Primary School	\$9,000
Hunter Halcombe	\$2,000	North Taranaki Community House Trust	\$11,440
Inglewood Combined Sports Club	\$13,426	North Taranaki Sport & Recreation Inc	\$99,999
Inglewood Cricket Club	\$5,000	Okoki Outdoor Education Centre Trust	\$19,000
Inglewood Croquet Club	\$2,545	Orapa Kindergarten (Waitara West)	\$7,500
Inglewood Division Indoor Bowls	\$400	Phoebe Turner-O'Carroll	\$2,000
Inglewood First Trust	\$99,000	Pregnancy Help Inc	\$12,000
Inglewood Primary School	\$1,900	Republic Of Whangamomona	\$8,000
Inglewood Squash Club	\$93,739	Rikaila Sherry	\$2,000
Inglewood Swimming Club	\$7,482	Rotary 100 Sign Trust	\$16,574
Inglewood United Rugby Football Club	\$17,000	Rotary 100 Sign Trust	\$110,316
Jack Butler	\$2,000	Rotokare Scenic Reserve Trust	\$62,000
Jaxon Burnard-Leppinus	\$2,000	Rynan Gooch	\$2,000
Jeremy Lopusiewicz	\$2,000	Sacred Heart Parish, Inglewood	\$4,400

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

4. Grants Approved 1 July 2020 - 30 June 2021 (continued)

Sam Williams	\$2,000	Taranaki Garden Trust	\$10,000
Samantha Lusty	\$2,000	Taranaki Masters Games	\$58,000
Samantha Perrett	\$2,000	Taranaki Patchworkers & Quilters	\$1,000
Samara Agent	\$500	Te Wera Outdoor Recreational Trust	\$55,000
Shoanne Hiroki	\$2,000	TET Athletics Taranaki	\$50,000
South Taranaki District Council	\$2,051	TET Community Assistance Project	\$22,170
St Andrews Presbyterian Church	\$6,000	TET Community Assistance Project	\$22,800
Stratford A & P Assn	\$29,954	Tewhaia Loveridge	\$2,000
Stratford Amateur Swimming Club	\$17,500	The Bishop's Action Foundation	\$40,000
Stratford Business Association	\$99,000	Tialin Laava	\$2,000
Stratford Central Kindergarten	\$26,500	Timothy Allen	\$2,000
Stratford Community Childcare Centre	\$4,435	Toko School Board Of Trustees	\$5,500
Stratford Community Dinner	\$1,000	Tutaki Youth Inc Trust	\$150,000
Stratford Community House Trust	\$16,317	Tyson's Waitara Netball Club	\$3,610
Stratford Community Sports Soc	\$31,375	Urenui & Districts Health Group	\$33,000
Stratford Companion Animal Assistance Trust	\$2,000	Uruti Community Centre	\$7,500
Stratford Cricket Club	\$13,000	Waitara Alive	\$10,000
Stratford District Council	\$500,000	Waitara Alive	\$50,000
Stratford District Scottish Society	\$11,890	Waitara Bowling Club Inc	\$50,991
Stratford District Theatre Trust	\$180,000	Waitara Central Kindergarten	\$8,796
Stratford Fishing Section	\$2,619	Waitara Community Art & Craft Centre	\$10,000
Stratford Herb Society	\$250	Waitara District History & Family Research Group	\$2,400
Stratford High School	\$20,000	Waitara East School	\$16,875
Stratford Justices of the Peace Assoc	\$8,500	Waitara Foodbank	\$8,000
Stratford Parents Centre	\$10,400	Waitara Golf Club Inc	\$51,500
Stratford Positive Ageing Committee	\$11,895	Waitara Kayak Club	\$3,599
Stratford Primary School	\$1,300	Waitara Lions Club Charitable Trust	\$22,600
Stratford Rugby Club	\$236,793	Waitara Mobility Scooter Agency	\$10,000
Stratford Senior Golf (NZ Seniors Golf Stratford)	\$500	Waitara Mobility Scooter Agency	\$10,000
Stratford Tennis Club Inc	\$1,500	Waitara Surfcasting & Angling	\$4,000
Swimming Taranaki Inc	\$6,215	Waitara Volunteer Fire Brigade	\$19,805
Taranaki Community Stadium Trust	\$50,000	William Warburton	\$2,000
Taranaki Country Music Festival	\$1,700	Xavier Martin	\$2,000
Taranaki Dragons	\$5,000		\$3,249,954

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

4. Grants Approved 1 July 2020 - 30 June 2021 (continued)

Less Prior Year's adjustments

Alexandra Paish	\$123	Nathan Sewell	\$2,000
Angelina Cullen	\$401	North Taranaki Sport & Recreation Inc	\$233,975
Barrett Homes Trust	\$155	Reign Weston	\$2,000
Ben van den Beuken	\$308	Ruby Marquand	\$2,000
Brianna Sec	\$68	Sam Williams	\$2,000
Central Taranaki Safe Community Trust	\$1	South Taranaki District Council	\$3,209
Eltham Business & Professional Assn	\$12,000	Stratford Amateur Swimming Club	\$102
Feats Ltd	\$5,000	Stratford District Council	\$1
Gemma Crawford	\$51	Stratford Community Dinner	\$1,000
Greer Dickson	\$2,000	Stratford District Scottish Society	\$7
Inglewood Primary School	\$4,549	Stratford On Stage	\$5,199
Inglewood Rugby League Junior Club	\$404	Stratford Primary School	\$1,559
Inglewood Soccer Club (AFC)	\$1	Swimming Taranaki Inc	\$3,459
Inglewood Swimming Club	\$1,080	Taranaki Central Family & Local History	\$36
Jack Bishop	\$2,000	Taranaki Pioneer Village Soc.	\$205
Jeremy Lopusiewicz	\$32	Taranaki Synthetic Turf Trust	\$3,943
Lani Pitcher	\$2,000	Te Runanga o Ngati Maru Trust	\$1,907
Livia Phillips	\$963	Waitara Alive	\$18
Maleta Teasia	\$2,000	Waitara Alive	\$2,138
Manukorihi Intermediate	\$81	Waitara Boating Club Inc	\$1,890
Matapu Preschool	\$938	Waitara Central School	\$3,500
Ms Lauree Collins	\$2,000	Waitara Golf Club Inc	\$1,141
			\$307,443
Total Grants			2,942,511

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

	2021	2020
	\$	\$
5. Cash & Cash Equivalents		
TSB Cheque Account	57,449	132,228
TSB Call Accounts	<u>1,180</u>	<u>50,051</u>
	<u>58,629</u>	<u>182,279</u>
6. Receivables from Exchange Transactions		
Interest	<u>10,049</u>	<u>3,364</u>
7. Investments		
Investment Portfolio	<u>102,085,939</u>	<u>87,039,410</u>

The Investment Portfolio is made up of the following investments:

NZ Shares	27,842,127	21,798,858
Australian Shares	27,117,462	22,274,995
Overseas Shares	27,458,233	24,617,872
NZ Bonds	6,206,357	5,826,997
Overseas Bonds	5,035,636	5,071,805
Cash	5,324,936	5,047,908
Private Equity	<u>3,101,188</u>	<u>2,400,974</u>
	<u>102,085,939</u>	<u>87,039,410</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 profit or loss 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 2021

	Note	2021	2020
		\$	\$
8. Advances			
Current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Age Care Central Limited		28,500	256,500
Inglewood Mini Putt Trust		10,000	-
Stratford Vineyard Christian Trust		<u>75,000</u>	<u>50,000</u>
		113,500	306,500
Non-current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Age Care Central Limited		5,924,252	5,953,822
Inglewood Community Childcare Inc		399,929	419,929
Inglewood Mini Putt Trust		240,000	-
Inglewood Welfare Society Inc		2,000,000	2,000,000
Stratford Vineyard Christian Trust		<u>425,000</u>	<u>500,000</u>
		8,989,181	8,873,751
		<u>9,102,681</u>	<u>9,180,251</u>
9. Property, Plant & Equipment			
		2021	2020
		\$	\$
Land & Buildings			
Balance at beginning of year		322,903	317,466
Additions		-	5,641
Depreciation		<u>241</u>	<u>202</u>
		<u>322,662</u>	<u>322,903</u>
Plant and Equipment			
Balance at beginning of year		14,059	19,505
Additions		3,319	-
Depreciation		<u>4,726</u>	<u>5,446</u>
		<u>12,652</u>	<u>14,059</u>
Cost		362,995	359,676
Accumulated Depreciation		<u>27,681</u>	<u>22,714</u>
		<u>335,314</u>	<u>336,963</u>
10. Payables under Exchange Transactions			
Trade Payables		73,471	59,439
Audit Fee Accrual		<u>6,700</u>	<u>6,700</u>
		<u>80,171</u>	<u>66,139</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

	2021	2020
	\$	\$
11. Provision for Grants		
Balance at 1 July	1,827,215	1,619,219
Grants Provided	3,249,954	2,873,928
Grants Paid	(3,217,977)	(2,493,461)
Grants Refunded	246,977	2,448
Prior Year Grants Adjusted	(307,443)	(174,919)
Balance at 30 June	<u>1,798,726</u>	<u>1,827,215</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. During the year, a grant from this Reserve was provided for to the Stratford District Council for the pool project for \$500,000. For completeness, this grant is also recorded under Note 4.

	2021	2020
	\$	\$
Special Project Reserve		
Opening balance	1,132,555	631,566
Add Transfer to Fund	757,489	500,989
Less Utilised	(500,000)	-
Closing balance	<u>1,390,044</u>	<u>1,132,555</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

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	
	2021	2020	2021	2020
Loans and receivables	\$	\$	\$	\$
Cash and cash equivalents	58,629	182,279	58,629	182,279
Receivables from Exchange Transactions	10,049	3,364	10,049	3,364
Advances	9,102,681	9,180,251	9,102,681	9,180,251
Total loans and receivables	9,171,359	9,365,894	9,171,359	9,365,894

Financial liabilities measured at amortised cost

Payables under Exchange Transactions	73,471	59,439	73,471	59,439
Total financial liabilities measured at amortised cost	73,471	59,439	73,471	59,439

15. Commitments

At balance date, there was a commitment for future portions of the Investment Portfolio to include a further \$2,488,672 investment with Pioneer Capital and a further \$1,459,720 investment with Direct Capital (2020: There was a commitment for future portions of the Investment Portfolio to include a further \$808,162 investment with Pioneer Capital and a further \$1,488,133 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 selling the Marire Home and constructing an extension on the Maryann Home and Hospital. Subject to conditions being met, TET will loan a further \$2,000,000 for this project, provide grant funding of \$1,600,000 to reduce the existing loan balance and converting a further \$1,600,000 of the loan to Redeemable Preference Shares. (2020: nil).

17. Subsequent Events

Subsequent to year end, New Zealand increased its Covid-19 alert level to level four, and on August 18 a nationwide lockdown commenced. At the date of signing the financial statements, New Zealand continued to operate under social and public health restrictions. The Trustees do not expect these restrictions to materially impact the Trust's operations and financial position. 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 of the Trust (2020: In September 2020, North Taranaki Sport and Recreation paid \$233,975 to the Taranaki Electricity Trust relating to unspent grants from prior years).

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2021

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 2020/2021 year, the following relation party transactions occurred.

Grants	Paid during the year 391,985	Owing at year end 697,634
Advances	Repayments received 256,500	Owed at year end 5,952,752

Additionally, the Trust's Secretary/Finance Manager, Grant Hassall, is a Director at Duncan Dovico Chartered Accountants. The Trust received administration services from Duncan Dovico for \$92,561 during the year (2020: \$92,561).

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Taranaki Electricity Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Taranaki Electricity Trust ('the Trust') on pages 3 to 21, which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

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 in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with Professional and Ethical Standard 1 (Revised) *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' *Code of Ethics for Professional Accountants* ('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 Financial Statements

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Trustees determine