

Taranaki Electricity Trust

Performance Report

For the year ended 30 June 2024

Taranaki Electricity Trust
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For the year ended 30 June 2024

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**Taranaki Electricity Trust
Trust Directory
For the year ended 30 June 2024**

Trustees: Alan L Jamieson
Tony G Bedford
Michael G Davey
Peter J McDonald
Melissa A Stevenson
Jonathan M S Erwood

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 2024

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

	2024	2023
Organisations receiving grants	125	133
Individuals receiving grants	38	43
	2024	2023
	\$	\$
Grants per category		
Individuals	8,293	4,950
Education	378,719	467,954
Religion	4,949	27,831
Non Profit	7,026,363	4,035,590
Sport	971,445	659,870
District Councils	<u>1,150,000</u>	<u>307,360</u>
Total	9,539,769	5,503,555
	2024	2023
	\$	\$
Grants per area		
Eltham/Kaponga	191,855	237,360
East Taranaki	260,293	135,479
Inglewood	1,082,634	1,123,498
North Taranaki	73,157	93,336
Stratford	5,560,265	2,925,109
Waitara	2,263,825	721,241
Regional	<u>107,740</u>	<u>267,532</u>
Total	9,539,769	5,503,555

Taranaki Electricity Trust
Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from Exchange Transactions			
Interest & Dividends	2	<u>4,179,801</u>	<u>4,453,036</u>
Total Revenue		<u>4,179,801</u>	<u>4,453,036</u>
Expenses			
Audit Fee		8,953	7,820
Depreciation	9	4,330	4,975
Trustees Remuneration		218,715	218,804
Trustees Expenses		13,504	12,289
Operating Expenses	3	<u>567,518</u>	<u>670,648</u>
Total Expenses		813,020	914,536
Net Operating Surplus Before Grants		3,366,780	3,538,500
Grants	4	9,539,769	5,503,555
Net (Deficit) Before Fair Value Adjustments		(6,172,989)	(1,965,055)
Fair Value (Loss) in Investment Portfolio		(631,398)	(214,265)
Net (Deficit)		<u>(6,804,387)</u>	<u>(2,179,320)</u>
Total Comprehensive Revenue and Expense		<u>(6,804,387)</u>	<u>(2,179,320)</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Changes in Equity
For the year ended 30 June 2024

	Note	Capital \$	Reserves \$	Retained Earnings \$	Total Equity \$
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>
Balance at 1 July 2023		22,213,561	908,936	78,205,665	101,328,162
Total Comprehensive Revenue and Expense		-	-	(6,804,387)	(6,804,387)
Movement in Major Project Reserve 13		-	(908,936)	908,936	-
Balance at 30 June 2024		<u>22,213,561</u>	<u>-</u>	<u>72,310,215</u>	<u>94,523,776</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$	2023 \$
Current Assets			
Cash & Cash Equivalents	5	178,246	425,125
Receivables from Exchange Transactions	6	13,447	16,533
Prepayments		100,348	-
Advances	8	<u>75,000</u>	<u>35,000</u>
		367,041	476,657
Non-Current Assets			
Investments	7	91,483,124	93,519,715
Advances	8	5,913,814	9,253,814
Property, Plant & Equipment	9	<u>320,012</u>	<u>324,342</u>
		97,716,950	103,097,871
Total Assets		<u>98,083,991</u>	<u>103,574,528</u>
Current Liabilities			
Payables under Exchange Transactions	10	29,614	37,151
Provision for Grants	11	<u>3,530,601</u>	<u>2,209,215</u>
		3,560,215	2,246,366
Shareholder's Equity			
Capital		22,213,561	22,213,561
Retained Earnings		72,310,215	78,205,665
Special Project Reserves	13	<u>-</u>	<u>908,936</u>
		94,523,776	101,328,162
Total Liabilities and Equity		<u>98,083,991</u>	<u>103,574,528</u>

For and on behalf of the Trustees

Trustee

10 October 2024

Trustee

10 October 2024

The accompanying notes form part of these financial statements

**Taranaki Electricity Trust
Statement of Cash Flows
For the Year Ended 30 June 2024**

	Note	2024 \$	2023 \$
Cash Flows from Operating Activities			
Cash provided from:			
Interest Income Received		4,182,887	4,453,917
Grants Refunded		-	7,897
		<u>4,182,887</u>	<u>4,461,814</u>
Cash was applied to:			
Grants		4,118,383	4,091,147
Payments to Suppliers and Trustees		916,577	901,911
		<u>5,034,960</u>	<u>4,993,058</u>
Net Cash Flow from Operating Activities		<u>(852,073)</u>	<u>(531,244)</u>
Cash Flows from Investing Activities			
Cash provided from:			
Sale of Investments		4,800,000	4,927,930
Advances		50,000	105,500
		<u>4,850,000</u>	<u>5,032,930</u>
Cash was applied to:			
Investments Purchased		3,394,808	2,283,149
Advances		850,000	1,950,000
		<u>4,244,808</u>	<u>4,233,149</u>
Net Cash Flow from Investing Activities		<u>605,194</u>	<u>799,781</u>
Net Increase/(Decrease) in			
Cash & Cash Equivalents		(246,879)	268,537
Add Cash & Cash Equivalents at beginning of the Year		<u>425,125</u>	<u>156,588</u>
Cash & Cash Equivalents at Year End	5	<u>178,246</u>	<u>425,125</u>

The accompanying notes form part of these financial statements

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

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 2024.

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 \$5 million but does not exceed \$33 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 10 October 2024.

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.

Changes in Accounting Policies

All 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.

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

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 2024

1. Statement of Accounting Policies (continued)

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 only has financial assets classified as amortised cost and fair value through other 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 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.

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).

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

1. Statement of Accounting Policies (continued)

d) Financial Instruments (continued)

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 Group 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.

Previous accounting policy for impairment of financial assets

The Trust assesses at the end of the reporting period whether there is objective evidence that a financial asset is impaired. Where there is objective evidence of impairment subsequent to the initial recognition of a financial asset - such as a default or significant financial difficulty of the counterparty - the expected recoverable amount of financial assets carried at amortised cost is calculated as the present value of estimated future cash flows to be received from the asset, discounted at their original effective interest rate.

Receivables with a short duration are not discounted. For an equity security classified as a Financial asset at fair value through other comprehensive revenue and expense, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment

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 2024

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 and straight line 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, 1% SL
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 2024

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.

Grants are recognised in the Statement of Comprehensive Revenue and Expense when they are awarded. A corresponding liability is recorded. This liability is reduced when either payment is made or the grant is written off because of lower project costs.

j) Going concern as at 30 June 2024

Current liabilities exceed current assets by \$3,193,174 (2023: \$1,769,709). 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.

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 2024

	2024	2023
	\$	\$
2. Interest & Dividends		
Interest:		
Age Care Central Limited	133,728	153,267
Inglewood Community Childcare Inc	6,896	6,636
Inglewood Mini Putt Trust	1,898	6,525
Stratford Vineyard Christian Trust	24,603	21,108
TSB Bank	1,748	3,417
Interest & Dividends:		
Investment Portfolio	4,010,928	4,262,083
	<u>4,179,801</u>	<u>4,453,036</u>
3. Operating Expenses		
Administration Expenses	98,807	108,807
Advertising & Sponsorship	1,740	1,943
Consultancy Fees	37,257	38,946
Election Expenses	-	37,272
Investment Management Fees	395,069	426,543
Other Expenses	34,645	57,137
	<u>567,518</u>	<u>670,648</u>

**Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024**

4. Grants Approved 1 July 2023 - 30 June 2024

Organisation	\$	Organisation	\$
800 Trust	\$8,257	Inglewood First Trust	\$35,000
Achim Hanne	\$2,000	Inglewood First Trust	\$99,000
Age Care Central Ltd	\$4,000,000	Inglewood Fitness Club	\$97,028
Age Concern Taranaki Inc	\$28,000	Inglewood High School	\$40,000
Anglican Parish of St John the Baptist, Waitara	\$4,960	Inglewood Kindergarten	\$20,000
Anina Loveridge	\$2,000	Inglewood Lions Club	\$5,000
Arabella Barber	\$2,000	Inglewood Lions Club	\$17,000
Avon Kindergarten	\$6,000	Inglewood Pony Club Inc.	\$21,000
Avon Primary School	\$25,000	Inglewood Scouts Jamboree Fund	\$3,000
Bowls Waitara Inc	\$144,538	Inglewood Squash Rackets Club	\$45,491
BRASA Waitara Brazilian Jiu Jitsu	\$26,538	Inglewood Swimming Club	\$8,600
Briar Hall	\$2,000	Inglewood United Rugby Football Club	\$25,302
Central Taranaki Blue Light Committee	\$32,870	Inglewood Volunteer Fire Brigade	\$18,883
Central Taranaki Safe Community Trust	\$70,000	Isabel Hooker	\$2,000
Charlotte Stokes	\$2,000	Jaxon Moeahu	\$2,000
Cian O'Brien	\$2,000	Jorja Shearman	\$2,000
Daniel Zhou	\$2,000	Kaimata School	\$10,000
East Taranaki Environmental Trust	\$99,950	Kaimata-Waitui Districts Hall	\$4,820
Eltham Association Football Club	\$3,995	Kaponga Primary School	\$5,000
Eltham Business & Professional Assn	\$36,600	Kaylani Anaha	\$500
Eltham Lions Club	\$5,000	Keira Dodds	\$3,675
Eltham Presbyterian Campsite	\$47,107	Kohuratahi Endurance Club	\$1,000
Ethan Mckerchar	\$2,000	Koru Kindergarten	\$10,000
Felix MacKenzie	\$2,000	Kurtis Potroz	\$2,000
Flynn O'Sullivan	\$2,000	Kyla Birss	\$2,000
Gymnastics Waitara	\$34,774	Life Education Trust Taranaki	\$30,000
Hannah Burroughs	\$2,000	Lilian Barker	\$2,000
He Rau Oranga Trust	\$29,450	Lily Wilson	\$2,000
Heidi Sextus	\$2,000	Mahia Mai A Whai Tara Trust	\$40,000
Hollie Eagar	\$2,000	Makahu Hall Society	\$2,263
Inglewood Associated Football Club	\$16,167	Manukorihi Golf Club	\$50,000
Inglewood Combined Sports Club	\$11,528	Manukorihi Hapu Charitable Trust	\$80,000
Inglewood Community Mini Putt Charitable Trust	\$100,000	Manukorihi Intermediate	\$15,000
Inglewood Cricket Club	\$8,150	Midhirst School	\$15,000
Inglewood Croquet Club	\$18,000	Midhirst Scout Group	\$10,000
Inglewood Development Trust	\$60,000	Miss Milly Marshall-Kirkwood	\$2,000
Inglewood District Health Trust	\$90,000	Mountain Mystics Leisure Marchers	\$500
Inglewood Dramatic Society	\$125,451	Myah Sadler	\$2,000
Inglewood First Trust	\$15,000	New Plymouth District Council	\$950,000

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

4. Grants Approved 1 July 2023 - 30 June 2024 (continued)

Nga Pekanga Catholic Maori Charit. T.	\$350,000	Taranaki Gifted Community Trust	\$6,031
Ngati Mutunga Community Development Charitable Trust	\$21,715	Taranaki Motorsport Facility Charit. T.	\$96,929
Ngati Rahiri Hapu O Te Atiawa Society	\$99,000	Taranaki Pioneer Village Soc.	\$80,000
Nicole Kowalewski	\$750	Taranaki Stockcar Club	\$46,551
Norfolk Hall Society Inc	\$2,662	Taranaki Trails Trust	\$80,000
Norfolk Primary School	\$1,850	Tarata Hall	\$11,738
North Taranaki Community House Trust	\$11,440	Te Arakamu Marching Club	\$1,000
Okoki Outdoor Education Centre Trust	\$49,795	Te Kahu Pairuri Hospice Taranaki Inc	\$9,504
Orapa Kindergarten (Waitara West)	\$10,000	Te Roopu Pukaaka Kapahaka Society	\$10,000
Pembroke Primary School	\$20,000	Te Runanga o Ngati Tama Charitable T.	\$40,000
Presbyterian Support Central	\$3,699	TET Athletics Taranaki	\$55,000
Rhianna Chard	\$1,000	TET Community Assistance Project	\$10,000
Rotary Club of Inglewood	\$1,310	The Bishop's Action Foundation	\$30,000
Rotokare Scenic Reserve Trust	\$72,022	The Dance Project Incorporated	\$6,750
Ruta La'Ava	\$2,000	Tikorangi Playcentre	\$4,922
Ryan Johnson	\$2,000	Toko Domain	\$235,670
Sailability Taranaki Trust	\$4,000	Toko School Board Of Trustees	\$9,200
Shahn Hohepa	\$2,000	Troy Gibbons	\$2,000
Shyanne Donghi-Johnson	\$1,000	Troy McCulloch	\$2,000
Sport Taranaki	\$66,000	Tutaki Youth Inc Trust	\$100,000
St Andrews Church Inglewood	\$6,000	Tyler Coe	\$2,000
Stephanie Knight	\$2,000	Urenui Playcentre	\$828
Stratford A & P Assn	\$65,843	Varya Kern	\$500
Stratford Business Association	\$80,000	Waitara & District Comm Childcare C	\$9,815
Stratford Central Kindergarten	\$11,500	Waitara Alive	\$15,000
Stratford Community House Trust	\$20,619	Waitara Central School	\$25,000
Stratford Companion Animal Assistance	\$3,000	Waitara District Veteran Golfers So	\$500
Stratford Cricket Club	\$24,600	Waitara East School	\$10,000
Stratford District Council	\$200,000	Waitara Foodbank Pataka Kai	\$53,000
Stratford District Theatre Trust	\$57,000	Waitara Lawn Tennis Club Inc	\$23,733
Stratford Fishing Section	\$2,718	Waitara Mobility Scooter Agency	\$10,000
Stratford Flyers Swimming Club	\$18,678	Waitara Lawn Tennis Club Inc	\$23,733
Stratford Golf Club	\$60,000	Waitara Mobility Scooter Agency	\$45,000
Stratford Health Trust	\$400,000	Waitara Playcentre	\$10,000
Stratford High School	\$40,000	Waitara Pony Club	\$2,355
Stratford Senior Golf (NZ Seniors Golf)	\$1,000	Waitara Railway Preservation Soc In	\$25,000
Stratford Shakespeare Trust	\$20,000	Waitara Soccer Club	\$9,474
Tangaroa Hutchieson	\$2,000	Waitara Squash Club	\$16,970
Taranaki Area Floral Group	\$693	Waitara Surfcasting & Angling	\$18,090
Taranaki Centre of NZ Sheep Dog Trial	\$30,000	William Groves	\$2,000
Taranaki Country Music Festival	\$5,432	Xanda Kerr	\$2,000
Taranaki Dragons	\$4,000		
Taranaki Garden Trust	\$10,000	Total grants awarded	\$9,660,282

**Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024**

4. Grants Approved 1 July 2023 - 30 June 2024 (continued)

Less Prior Year's adjustments

800 Trust	\$97	River of Life Peoples Charitable Trust	\$6,000
Abbey Sextus	\$2,000	Rotokare Scenic Reserve Trust	\$635
Blue Light Te Ara Tika Driver Licensing Programme Committee	\$750	Samara Agent	\$257
Brilee Oakes	\$26	Shakaliah Bishell	\$346
He Rau Oranga Trust	\$8,590	Sport Taranaki	\$12,252
Heritage Taranaki	\$3,175	St Andrews Church Inglewood	\$11
Inglewood Club	\$252	Stratford A & P Assn	\$448
Inglewood First Trust	\$2,814	Stratford Fishing Section	\$34
Isabella Stewart	\$69	Stratford Flyers Swimming Club	\$2,591
Jessica Huston	\$2,000	Stratford Flyers Swimming Club	\$2,633
Kaponga Primary School	\$4,701	Stratford High School	\$1,450
Keira Dodds	\$375	Stratford Positive Ageing Committee	\$1,317
Kobey Agent	\$157	Stratford-Avon Bowling Club	\$1,000
Lita Wilson	\$2,000	Taranaki Area Floral Group	\$12
Maata District Hall	\$1,533	Taranaki Gifted Community Trust	\$216
Midhirst School	\$89	Taranaki Masters Games	\$52,762
Midhirst Scout Group	\$1,995	Taylor Kupe	\$2
Milly Marshall-Kirkwood	\$304	Te Runanga o Ngati Tama Charit Trust	\$328
Nga Kaitiaki o Puketapu Hapu Trust	\$1,983	Tikorangi Playcentre	\$2
Norfolk Primary School	\$416	Varya Kern	\$500
Norita Tamati	\$51	Waitara District Veteran Golfers So	\$30
Olivia Dawson	\$6	Waitara District Veteran Golfers So	\$4
Orapa Kindergarten (Waitara West)	\$2,304		
Poppy Scarlett	\$2,000	Grants written off	\$120,513
Total Grants			\$9,539,769

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

	2024	2023
	\$	\$
5. Cash & Cash Equivalents		
TSB Cheque Account	175,460	422,339
TSB Call Accounts	<u>2,786</u>	<u>2,786</u>
	<u>178,246</u>	<u>425,125</u>
6. Receivables from Exchange Transactions		
Interest	<u>13,447</u>	<u>16,533</u>
7. Investments		
Investment Portfolio	<u>91,483,124</u>	<u>93,519,715</u>
The Investment Portfolio is made up of the following investments:		
NZ Shares	21,107,645	24,591,828
Australian Shares	17,938,998	24,362,348
Overseas Shares	26,233,948	26,424,792
NZ Bonds	10,005,622	6,229,533
Overseas Bonds	6,900,714	4,196,034
Cash	4,581,687	3,394,239
Private Equity	<u>4,714,510</u>	<u>4,320,941</u>
	<u>91,483,124</u>	<u>93,519,715</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 2024

	Note	2024	2023
		\$	\$
8. Advances			
Current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Inglewood Mini Putt Trust		-	10,000
Stratford Vineyard Christian Trust		<u>75,000</u>	<u>25,000</u>
		75,000	35,000
Non-current assets			
<i>Loans and receivables</i>			
Advances to Applicants			
Age Care Central Limited		3,323,885	6,473,885
Inglewood Community Childcare Inc		339,929	359,929
Inglewood Mini Putt Trust		-	95,000
Inglewood Welfare Society Inc		2,000,000	2,000,000
Stratford Vineyard Christian Trust		<u>250,000</u>	<u>325,000</u>
		5,913,814	9,253,814
		<u>5,988,814</u>	<u>9,28,814</u>
9. Property, Plant & Equipment			
		2024	2023
		\$	\$
Land & Buildings			
Balance at beginning of year		317,152	319,902
Depreciation		<u>2,740</u>	<u>2,750</u>
		<u>314,412</u>	<u>317,152</u>
Plant and Equipment			
Balance at beginning of year		7,190	9,415
Depreciation		<u>1,590</u>	<u>2,225</u>
		<u>5,600</u>	<u>7,190</u>
Cost		362,995	362,995
Accumulated Depreciation		<u>42,983</u>	<u>38,653</u>
		<u>320,012</u>	<u>324,342</u>
10. Payables under Exchange Transactions			
Trade Payables		21,114	29,151
Audit Fee Accrual		<u>8,500</u>	<u>8,000</u>
		<u>29,614</u>	<u>37,151</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

	2024	2023
	\$	\$
11. Provision for Grants		
Balance at 1 July	2,209,215	2,388,910
Grants Provided	9,660,282	5,596,730
Grants Paid	(4,118,383)	(4,091,147)
Grants Provided in kind	(4,100,000)	(1,600,000)
Grants Refunded	-	7,897
Prior Year Grants Adjusted	(120,513)	(93,175)
Balance at 30 June	<u>3,530,601</u>	<u>2,209,215</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. No transfer was made during the year (2023: nil). There was \$908,936 of the Reserve utilised during the year (2023: nil).

	2024	2023
	\$	\$
Special Project Reserve		
Opening balance	908,936	908,936
Add Transfer to Fund	-	-
Less Utilised	(908,936)	-
Closing balance	<u>-</u>	<u>908,936</u>

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

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	
	2024	2023	2024	2023
Loans and receivables	\$	\$	\$	\$
Cash and cash equivalents	178,246	425,125	178,246	425,125
Receivables from Exchange Transactions	13,447	16,533	13,447	16,533
Advances	5,988,814	9,288,814	5,988,814	9,288,814
Total loans and receivables	6,180,507	9,730,471	6,180,507	9,730,471

Financial liabilities measured at amortised cost

Payables under Exchange Transactions	21,114	29,151	21,114	29,151
Total financial liabilities measured at amortised cost	21,114	29,151	21,114	29,151

15. Commitments

At balance date, there was a commitment for future portions of the Investment Portfolio to include a further \$686,820 investment with Pioneer Capital and a further \$532,561 investment with Direct Capital (2023: 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).

16. Contingent Liabilities

There were no contingent liabilities at balance date (2023: The Trust had agreed in principle to new advance lending terms with Age Care Central Limited ("ACCL"). ACCL undertook a project of constructing an extension to the Maryann Home and Hospital. Subject to conditions being met, TET agreed to lend a further \$900,000 for this project – of which \$850,000 was drawdown during the 2024 year. The project is now completed).

17. Subsequent Events

The Trust and management are not aware of any matters or circumstances since the end of the reporting period that may significantly affect the operations for the Trust. (2023: nil).

Taranaki Electricity Trust
Notes to the Financial Statements
For the year ended 30 June 2024

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 2023/2024 year, the following related party transactions occurred.

Related Party	Trustee	Grants Paid during the year	Grant Payable at Year End
New Plymouth District Council	Tony Bedford	0.00	1,027,360.00
Sport Taranaki	Jonathan Erwood	53,748.00	0.00
Stratford District Council	Jonathan Erwood	319,416.00	110,584.00
Stratford Golf Club	Jonathan Erwood	52,000.00	8,000.00
Central Taranaki Safe Community Trust	Jonathan Erwood & Alan Jamieson	70,000.00	17,500.00
Rotokare Scenic Reserve Trust	Alan Jamieson	72,684.28	54,016.50
Lions Club of Eltham Charitable Trust	Alan Jamieson	5,000.00	0.00
Inglewood First Trust	Melissa Stevenson	147,079.51	80,423.19
Hospice Taranaki Incorporated	Peter McDonald	9,504.00	0.00
		729,431.79	1,297,883.69

Related Party	Trustee	Advances Settled during the year	Advances Receivable at Year End	Grants Provided in kind during the year
Age Care Central Limited	Peter McDonald	4,000,000.00	3,323,885.26	4,000,000.00
		4,000,000.00	3,323,885.26	4,000,000.00

During the year, after considerable discussion and analysis, the Trustees resolved to grant a \$4,000,000 reduction in the loan facility that it has with Age Care Central Limited. This was treated as a grant awarded and the advance to Age Care Central was similarly reduced.

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 \$0 (2023: \$82,339) and Forever Amber \$98,807 (2023: 16,468).

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 22, 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 2024, the statement of comprehensive revenue and expense, the statement of changes in equity 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 2024, and the financial performance and cash flows for the year then ended, and the service performance for the year ended 30 June 2024 in that the service performance information is appropriate and meaningful and prepared 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 and entity information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 ('NZ AS 1') (Revised) *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 (Revised) 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

10 October 2024