



ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2023



From left to right: Christine Jones, Ruma Karaitiana (Chairperson), Liam Greer, Margaret Kouvelis and Murray Georgel

<u>TRUSTEE</u>	<u>ROLE</u>	<u>APPOINTED</u>
Ruma Karaitiana	Chairperson	1 October 2015
Margaret Kouvelis	Deputy Chairperson	1 October 2018
Murray Georgel	Trustee	1 October 2018
Liam Greer	Trustee	1 October 2021
Christine Jones	Trustee	1 October 2021

DIRECTORY

FOR THE YEAR ENDED 31 MARCH 2023

<u>ACCOUNTANTS / SECRETARY</u>	Billie Stanley BDO Manawatu Ltd Palmerston North
<u>BANKERS</u>	ANZ BANK Rangitikei Street Palmerston North ASB Bank The Square Palmerston North
<u>AUDITORS</u>	CKS Audit Chartered Accountants Palmerston North
<u>SOLICITORS</u>	Wadham Partners Broadway Avenue Palmerston North
<u>INVESTMENT ADVISORS</u>	Craigs Investment Partners Shortland Street Auckland

CHAIRPERSONS REPORT

FOR THE YEAR ENDED 31 MARCH 2023



E ngā mātāwaka o te motu, tēnā koutou katoa . He hōnore ki ahau te tuku atu i te pūrongo ā tau o Te Central Energy Trust.

All groups throughout the land, greetings. It is my honour to bring to you the Annual Report for the Central Energy Trust.

Although it was gratifying to leave Covid 19 behind us much of this year was influenced by the pandemic as many within our communities grappled with the aftermath. A modest reduction in applications continued alongside a slow uptake of grants awarded. However, these impacts moderated as the year went on and we ended the year with a significant increase in both grants approved for the year and funds allocated to beneficiaries.

It was a year in which it was important to provide stability for our beneficiaries particularly those planning and organising events. Some of these groups were unable to continue their usual programme of events during Covid so it became more important than ever to be flexible in assisting them to re-establish with confidence. We were also able to work with those groups involved with multi-period capital projects and help provide some stability and certainty along with organisations where we have multi-year funding agreements in place such as Wildbase and The Factory.

One of the privileges within this organisation is working directly with our grant applicants and the diverse community groups they represent. It has been gratifying to work with so many organisations who have continued resolutely in their missions through the challenges with such great resilience and commitment.

CHAIRPERSONS REPORT

FOR THE YEAR ENDED 31 MARCH 2023



Manukura construction

We continue to appreciate the support we receive from our Capital Beneficiaries, Tararua and Manawatu District and Palmerston North City Councils. Liaison with them enhances our ability to be strategic in the investments we make in local major facilities in a manner which contributes positively to their plans and the communities they represent. We are particularly proud of our contribution we have continued to make to key facilities such as Bush Multi-Sports, Manfield and the CET Arena.

In a year where there has been great focus on the volatility of global equity markets the value of our portfolio increased modestly from \$76,688,498 to \$77,973,745 thanks in great part to the stewardship and application of Nigel Scott, Reg Montgomery and Helen Bullick of Craigs Investment Partners. The Craigs team have also assisted us in reviewing and updating our statement of investment policy and objectives (SIPO) which is a document that guides our investment governance and management framework, philosophy and strategies. We have also begun on reassessing our environmental, social and governance (ESG) framework to ensure we have an appropriate focus on responsible investment.

Other improvement work continues on our digital enhancement project and new Trust legislation has caused us to seek legal advice as to any changes and improvements we need to make to comply.

As Trustees our appreciation goes to Secretary Billie Stanley and her BDO team, especially Morgan Scott, who are the backbone of the Trust that make sure the Trustees vision gets transferred into meaningful actions.

CHAIRPERSONS REPORT

FOR THE YEAR ENDED 31 MARCH 2023



**Jasmine Creighton - NZ Rural
Sculpture Open Award for
“Apollo, The Octopus”**

Change and continuous improvement has long been a theme for the Central Energy trust as we were reminded in November when we held an official launch of *The Central Energy Trust - Powering our Community* which is a book detailing the history to date of the trust and its work. Written by former journalist and historian, Dorothy Pilkington, it is a useful reminder of the outcomes the Trust has achieved over its history alongside a challenge for us as Trustees to uphold the aspirations of those who have gone before us. Our sincere thanks go to Dorothy who successfully wrestled the mass of material into shape in what ended up being a much bigger job than any of us anticipated. It was also gratifying to have so many former Chairs and Trustees at the launch swapping yarns.

The book reminds us that enabling the community through allocations is what we are about. The strength of our region and the resilience of its people is demonstrated by the entities and activities we have had the privilege to support.

During the 2023 year the Trustees awarded \$644,390 in two tranches, to Manukura School towards the lighting at the new school being built out Tennent Drive. \$394,390 awarded in the 2023 financial year with the remaining \$250,000 in the 2024 financial year. The construction work started in 2021 with the school expected to be operational by 2024. Manukura has been temporarily located at the old Massey Teachers College where they have been for the past 17 years.

Once again the Trustees were pleased to support the Kimbolton Sculpture Festival. The festival was held on 1st April with around 4,500 people in attendance. Jasmine Creighton took out the NZ Rural Sculpture Open Award for “Apollo, The Octopus”

Trustees were in full support of an allocation of \$26,959 to Ross Intermediate towards upgrading the food technology space allowing students to better prepare themselves for an exciting future of eating in a sustainable environment.

CHAIRPERSONS REPORT

FOR THE YEAR ENDED 31 MARCH 2023



**NZ Rural Sculpture Open Award
for “Apollo, The Octopus”**

As Trustees we are often privileged to gain insights and interact directly with the grant applicants. We are constantly uplifted by the commitments to our wider community made by so many groups and individuals. Our thanks go out to all of our grant recipients. We appreciate and value everything you do on behalf of your communities.

Once again, as Trustees our appreciation goes to Secretary Billie Stanley and her BDO team, Craigs Investment Partners, Auditors CKS Audit and Solicitors Wadham Partners.

Kaore te au wai e hoki ano ki tona maataapuna - The current of the water never returns to its source, seize opportunities when they arise.

A handwritten signature in black ink, reading 'Ruma Karaitiana'.

Ruma Karaitiana

Chairperson

THE YEAR IN REVIEW

FOR THE YEAR ENDED 31 MARCH 2023

2023 GRANTS AT A GLANCE

SUCCESSFUL GRANT APPLICATIONS

81%

VALUE OF GRANTS AWARDED

\$3,047,865

TOTAL NUMBER OF GRANT
APPLICATIONS RECEIVED

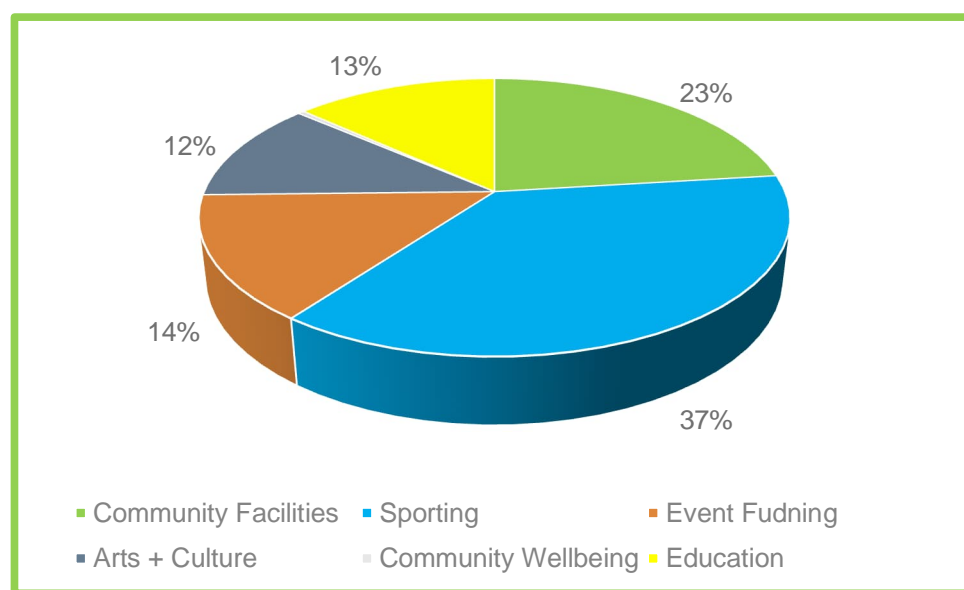
99

AVERAGE VALUE OF GRANTS
AWARDED

\$38,098

Individual grant applications range from
\$768 - \$500,000

PERCENTAGE OF FUNDING AWARDED BY CATEGORY



At our 2022 Annual General Meeting we indicated a cautious outlook for 2023 with rapid inflation growth, Covid 19 disruption and the war in Ukraine looking to impact market volatility. Our caution proved to be well founded with the first half of the 2023 year delivering extreme investment value fluctuations and the official cash rate climbing in response to inflation.

THE YEAR IN REVIEW - Continued

FOR THE YEAR ENDED 31 MARCH 2023

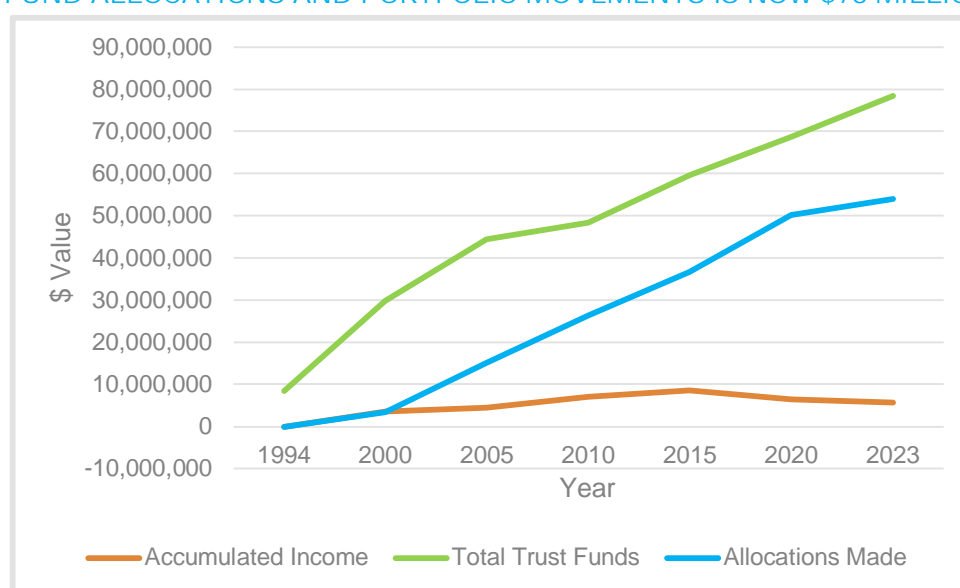
With the global economic outlook suffering a prolonged period of disruption and uncertainty, the Trust's investment policy objectives and expertise of Craigs Investment Partners played an important role in managing the Trusts capital for the benefit of the community both now and in the future. The financial result for the year saw the Trusts net portfolio movements and disposals decrease by \$2.8 million in response to global markets, however income increased as quality bonds became available with total income exceeding \$2.9 million.

Expenditure for the year increased by 4%, primarily as a result of Brokerage Fees and Academic Research costs. In August 2021 Brokerage Fees began being invoiced as a separate cost, in contrast to being recorded in the cost of the purchase of the investment. 2022-2023 was the first full year of this approach. Academic Research reflects the cost of capturing the history of the Trust by publishing The Central Energy Trust – Powering our Community.

With higher income the operating surplus for the year was 18% higher than the previous year. Higher income combined with historical accumulated income allowed Trustees to support the community needs and initiatives during this period of volatility by awarding almost \$3 million dollars of funds in the form of grants and scholarships.

The net result after community allocations and investment movements was a loss of \$3.5 million dollars. The Trust is well placed to continue to provide funding in the future with a Total Trust funds of \$78.4 million dollars.

TOTAL TRUST FUNDS OF TRUST CAPITAL AND ACCUMULATED INCOME, AFTER FUND ALLOCATIONS AND PORTFOLIO MOVEMENTS IS NOW \$78 MILLION.



BURSARIES

FOR THE YEAR ENDED 31 MARCH 2023

This Financial year twenty students were awarded Academic and Vocational Scholarships. Bursars studying over the next three to four years are:

First name	Last name	Degree
Afaan	Ahmer	Bachelor of Computer Science
Nikita	Baker	Bachelor of Agricultural Science
Alyssa	Brazendale	Bachelor of Agricultural Science
Brooklyn	Browne	Bachelor of Science
Sam	Coles	Business & Marketing
Samuel	Cumming	Heavy Equipment Diesel Mechanic
Chanel	Currie	Bachelor of Veterinary Science
Amy	Ellis	Bachelor of Veterinary Science
Zoe	Giddens	Bachelor of Communication
Kayla	Marshall	Bachelor of Contemporary International Studies
Leiana	Marshall-Barton	Bachelor of Arts
Reuben	McCracken	Diploma in Architectural Technology
Mary	McKellar	Bachelor of Applied Science
Grace	Smith	Bachelor of Science
Benjamin	Symonds	NZ Cert in Motorcycle Engineering
Ellite	Tang	Bachelor of Veterinary Science
Brooke	Te Wake	Bachelor of Veterinary Science
Noah	Tipping	Bachelor of Arts
Holly	Turkington	Bachelor of Arts
Hinemaia	Winikeri	Bachelor of Accountancy

2023 CENTRAL ENERGY TRUST BURSARY RECIPIENTS



BURSARIES

FOR THE YEAR ENDED 31 MARCH 2023

2023 CENTRAL ENERGY TRUST SUPREME RECIPIENT

The Trust had on offer the **Central Energy Trust Supreme Award** being recognition of an outstanding applicant. The supreme award totals \$15,000, \$5,000 per annum over a period of 3 years.

For the 2023 year the Trustees were extremely pleased to present this award to **Sam Coles**.

Sam attended Palmerston North Boys' High School and is studying towards a Bachelor of Business Studies, majoring in Marketing. Sam has a high interest and passion for sports including playing three rugby codes, Touch Rugby, 7s Rugby and Rugby Union.

The Trustees wish Sam and all the bursary recipients all the best for the year ahead!



BURSARY GET-TOGETHER FUNCTION

The Trust recently held their Bursary Get-Together function which involves the past 2 years of recipients. The purpose of the function is to get together as a group, re-acquaint with each other and build potential links and networks for the future and career development. A great time was had by all!



BURSARIES

FOR THE YEAR ENDED 31 MARCH 2023

JESS SCHNELL 2020 BURSARY RECIPIENT

In 2022, I completed a Bachelor of Business, majoring in Marketing at Massey University in Palmerston North. I really enjoyed my time studying, as I was able to choose a diverse range of classes that were based around Marketing and my other interests.

I am very grateful to be a Central Energy Bursary winner, and receiving this meant it reduced financial stress, and allowed me to focus more on my study. I was privileged to make the Massey Business School Dean's List twice, for having a GPA of over 7.0. It has also allowed me to build a great network of friends and professional relationships.



I interned with Manawatu Rugby Union in 2021, which continued to part time work in 2022. I worked alongside the provincial teams, the Manawatu Turbos and Cyclones, and loved being involved with the sporting teams.

I am now very fortunate to be in my first full time job at Whittaker's, as a Marketing Assistant. It is an incredibly exciting role, and every day is different. I love being behind the scenes of creating and bringing to life products that consumers get to enjoy. I have grown up loving Whittaker's chocolate, so it is surreal to be a part of the team.

JESSICA GOODMAN 2019 BURSARY RECIPIENT

In 2021, I completed a Bachelor of Arts in Psychology and Rehabilitation Studies; in 2022, I completed a Bachelor of Arts (Honours) in Psychology. As part of my Honours year, I conducted qualitative research about intersectional lived experiences of neurodivergence and marginalised gender identity. This gave me the opportunity to learn at a deep level about the stigma and institutional barriers faced by women and gender-diverse people with Attention Deficit Hyperactivity Disorder and/or Autism Spectrum Disorder, and how we can combat this.

The Central Energy Trust Bursary allowed me to worry less about money, and instead focus my attention on my passion – creating an equitable and inclusive Aotearoa New Zealand.

During my studies, I have volunteered as a Mental Health Crisis-line Counsellor for Youthline, supporting young people through their toughest moments. I have also been a Board Member and Secretary for Youth One Stop Shop (YOSS), a service providing free holistic health and social services for young people in Palmerston North and their families/whānau. The Central Energy Trust Bursary allowed me to have more time in my week to take on these volunteer opportunities and give back to my local community.

I currently work as a Special Learning Needs Tutor providing supportive, inclusive, and disability-friendly tutoring for intermediate and secondary students with various neurodevelopmental disorders, learning disabilities,

sensory impairments, and mental health conditions. I have also worked as a Client Care Professional supporting vulnerable individuals throughout the COVID-19 pandemic - conducting well-being assessments and helping clients access welfare or other support. I intend to do further post-graduate study in Psychology. Thank you to Central Energy Trust for supporting me to pursue a career I am deeply passionate about, allowing me the privilege to help people in my community.



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 \$	2022 \$
Income			
Dividends		1,174,949	1,219,286
Interest		1,504,445	1,302,034
Foreign Exchange Gain		227,070	-
		<u>2,906,465</u>	<u>2,521,320</u>
Expenses			
Accounting and Administration		106,812	95,979
Academic Research		25,260	9,205
Advertising		6,647	9,475
Audit Fees		6,600	6,300
Bank Charges and Fees		241	340
Bursary and AGM Expenses		11,349	3,236
Consultants Fees (Internal)		7,040	6,160
Digital Enhancement		4,935	720
Foreign Exchange Loss		-	19,990
General Expenses		-	363
Impact Investing		1,976	5,974
Insurance (Trustees)		5,350	4875
Portfolio Management		123,222	129,769
Portfolio Brokerage		83,542	58,730
Printing, Stationery, and Tolls		6,294	4,815
Secretarial Fees		37,833	31,340
Trustees Expenses		2,159	2,532
Trustees Fees		84,451	79,000
Trustees Recruitment		-	24,785
Website Expenses		584	522
GST on Expenses		38,469	37,041
		<u>552,763</u>	<u>531,151</u>
Operating surplus before distributions		<u>2,353,702</u>	<u>1,990,169</u>
Allocations			
Bursaries and scholarships paid		(90,000)	(86,000)
Grants approved during the year	1	(3,040,518)	(2,067,957)
Grant adjustments	1	137,135	114,792
Total allocations to beneficiaries		<u>(2,993,382)</u>	<u>(2,039,165)</u>
Income surplus (loss) before tax		<u>(639,681)</u>	<u>(48,996)</u>
Taxation for the year	4	<u>(35,717)</u>	<u>(4,420)</u>
Income surplus (loss) after tax		<u>(675,397)</u>	<u>(53,416)</u>
Investment portfolio movements			
Realised profit on disposal of investments	3	332,214	1,443,437
Realised loss on disposal of investments	3	(1,276,490)	(1,345,365)
Unrealised changes in investment values	3	(1,915,340)	(167,012)
Total investment portfolio movements		<u>(2,859,616)</u>	<u>(68,940)</u>
Trust surplus (loss) after tax and provision for grants		<u>\$(3,535,014)</u>	<u>\$(122,356)</u>

This statement is to be read in conjunction with the statement of accounting policies, notes to the financial statements and the Independent Auditors Report.

STATEMENT OF MOVEMENT IN TRUST FUNDS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 \$	2022 \$
Trust funds at beginning of year		81,989,998	82,141,828
Net surplus (loss) for the year after tax and provision for Grants		(3,535,014)	(122,356)
Tax charge on behalf of beneficiaries	4	-	(29,474)
Trust funds at end of year	5	<u>\$78,454,984</u>	<u>\$81,989,998</u>
<i>Represented by:</i>			
Trust capital brought forward		75,731,284	75,800,224
Total investment portfolio movements		(2,859,616)	(68,940)
Trust capital at end of the year		<u>\$72,871,668</u>	<u>\$75,731,284</u>
Accumulated income reserve brought forward		6,258,714	6,341,604
Operating surplus		2,353,702	1,990,169
Less: Total allocations to beneficiaries		<u>(2,993,382)</u>	<u>(2,039,165)</u>
		(639,681)	(48,996)
Tax charge for the year		(35,717)	(4,420)
Tax charge on behalf of beneficiaries		-	(29,474)
Accumulated income reserve at end of year		<u>\$5,583,316</u>	<u>\$6,258,714</u>

This statement is to be read in conjunction with the statement of accounting policies, notes to the financial statements and the Independent Auditors Report.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 \$	2022 \$
Trust capital		72,871,668	75,731,284
Accumulated income reserve		5,583,316	6,258,714
Trust Funds	5	<u>\$78,454,984</u>	<u>\$81,989,998</u>
<i>Represented by:</i>			
Current Assets			
Cash at bank	2	2,286,679	5,982,067
Term deposits		1,320,439	1,293,880
Accrued interest		331,892	250,849
Prepaid expenses		-	1,702
Taxation receivable	4	44	30
		<u>3,939,054</u>	<u>7,528,528</u>
Non-current Assets			
Shares and securities	3	77,973,745	76,688,499
Total Assets		<u>81,912,799</u>	<u>84,217,027</u>
Current liabilities			
Accounts payable		103,847	136,046
Grants approved not paid	1	3,353,968	2,090,983
Total Liabilities		<u>3,457,815</u>	<u>2,227,029</u>
Total Net Assets		<u>\$78,454,984</u>	<u>\$81,989,998</u>

R M Karaitiana :
Chair



Dated: 10 July 2023

M J Kouvelis
Deputy Chair



This statement is to be read in conjunction with the statement of accounting policies, notes to the financial statements and the Independent Auditors Report.

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

(A) BASIS OF PREPARATION

Central Power Electricity Trust was established on 20 July 1993 by a Trust Deed pursuant to the Energy Companies Act 1992. On 17 February 2003 the Trustees passed a unanimous resolution to change the name of the Trust to Central Energy Trust.

The financial statements are presented in New Zealand Dollars (\$) which is the Trusts functional currency. The financial statements comprise statements of the following: accounting policies; financial performance; movements in equity; financial position; as well as notes to these statements.

The financial statements are special purpose financial statements and have been prepared for the reporting requirements of the Trustees and Beneficiaries of Central Energy Trust only in accordance with the following accounting policies.

The financial statements have been prepared on the basis of historical cost except investments which are stated at fair value.

(B) INVESTMENTS

Current investments are stated at quoted market value. Unrealised gains and losses arising from changes in market value are recognised in the statement of financial performance. Sales and purchases of investments are recorded inclusive of trading charges. Brokerage fees are now shown separately on the statement of financial performance where previously purchases were recorded inclusive of these fees.

(C) TAXATION

Taxation expense recognised for the year is calculated using the taxes payables method and is determined using tax rules. Under the taxes payable method taxation expense is equal to the estimated income tax payable for the year, adjusted for any differences between the estimated and actual income tax payable in prior years. Taxation expense is reflected in the statement of financial performance.

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

(D) FOREIGN CURRENCIES

Foreign currency transactions are translated to New Zealand currency at the exchange rate ruling at the dates of the transactions.

Monetary assets and liabilities in foreign currencies are translated at the exchange rate at balance date.

Exchange differences arising on the translation of monetary assets and liabilities are recognised in the statement of financial performance.

(E) REVENUE

Revenue derived from investments held during the year comprise dividend and interest income. Dividend income (excluding imputation tax credits) is recognised in the statement of financial performance when the dividend is declared and paid. Interest income is recognised in the statement of financial performance on an accrual basis and is not included in the market value of the investment.

(F) GOODS AND SERVICES TAX

The Trust is not registered for GST and therefore the statement of financial performance has been prepared with GST on expenses as a separate item.

(G) GRANTS

Grants are accounted for as they are approved to eligible organisations as approved by the Trustees. Grant adjustments relate to excess funds over that required to complete the project approved by the Trustees.

(H) CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(1) GRANTS APPROVED

	Approved and paid \$	Approved not paid \$	Total \$
Anglican Parishes of the Oroua	-	4,891	4,891
Aotearoa Jazz Education and Performance Charitable Trust	1,850	17,221	19,071
Aotearoa Jazz Education and Performance Charitable Trust	20,000	-	20,000
Apiti Community Hall Community	-	9,189	9,189
Basketball Manawatu Inc	-	4,127	4,127
Bush Aquatic Trust	-	500,000	500,000
Bush Childrens Day	3,395	-	3,395
Bush Multisport Trust	7,500	-	7,500
Bush Multisport Trust	106,116	70,744	176,860
Central Easter Camp	-	12,000	12,000
Cheltenham Community Committee	3,596	-	3,596
Citizens Advice Bureau Palmerston North	4,163	-	4,163
Country Fayre Inc	4,758	-	4,758
Creative Sounds Society Inc	12,551	6,150	18,701
Creative Sounds Society Inc	19,592	-	19,592
Feilding I A & P Association	8,644	-	8,644
Feilding Civic Centre Trust	93,670	65,520	159,190
Girls Rock! Camp Aotearoa Inc	6,000	-	6,000
Globe Theatre Trust	98,925	-	98,925
Halcombe Community Trust	-	33,229	33,229
Highland Home Christian Camp	2,395	-	2,395
Himatangi Beach Community Trust Inc	10,000	-	10,000
Homes for People Trust	-	50,000	50,000
Kids for Kids Charitable Trust	-	10,000	10,000
Kimbolton Community Committee	-	2,254	2,254
Kind Hearts Trust	2,402	-	2,402
Kind Hearts Trust	-	7,500	7,500
Legacy Community Centre - Glow Party	5,000	-	5,000
Legacy Housing	19,445	-	19,445
Legacy Housing	3,851	-	3,851
Lions Club of Middle Districts	37,796	-	37,796
Makuri Domain Board	-	7,262	7,262
Manawatu Deaf Society Inc	8,962	-	8,962
Manawatu District Council	-	125,000	125,000
Manawatu Golf Club	10,000	-	10,000
Manawatu Lawn Tennis Club	13,441	-	13,441
Manawatu Mountain Bike Club Inc	-	5,000	5,000
Manawatu Rugby Union	-	25,450	25,450
Manawatu Summer Shakespeare (School of English & Media Studies '23)	-	6,600	6,600
Manawatu West Coast Agricultural & Pastoral Association	2,598	-	2,598

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(1) GRANTS APPROVED (continued)

	<i>Approved and paid \$</i>	<i>Approved not paid \$</i>	<i>Total \$</i>
Manawatu West Coast Agricultural & Pastoral Association	4,517	-	4,517
Manawatu Woodworkers Guild Inc.	2,623	-	2,623
Manchester House Social Services	-	4,650	4,650
Manchester House Social Services	-	1,907	1,907
Manfeild Park Trust	-	200,000	200,000
Manukura	-	394,390	394,390
MASH Trust	-	49,765	49,765
Newbury Hall Society (2000) Inc	2,586	-	2,586
NZ Rural Games Trust	-	70,000	70,000
Niuvaka Trust	2,108	-	2,108
Pahiatua Marae Inc	-	1,650	1,650
Pahiatua Repertory Society	768	-	768
Pahiatua Upstairs Cinema Society	-	37,917	37,917
Palmerston North Dance Assn	6,400	-	6,400
Palmerston North Marist Football Club	5,000	-	5,000
Palmerston North Methodist Social Services	6,145	-	6,145
Palmerston North Operatic Society	20,000	-	20,000
Palmerston North Squash Club	-	13,060	13,060
Palmerston North Theatre Trust	5,989	-	5,989
PNCC - Central Energy Trust Arena	-	220,000	220,000
Pohangina Complex Users Group	2,950	-	2,950
Pohangina Hall Committee	5,129	-	5,129
Pukaha Mount Bruce	120,000	-	120,000
Ross Intermediate School	24,459	-	24,459
SNapBACK Gym	20,018	-	20,018
SNapBACK Gym	1,000	-	1,000
St Matthews Anglican Church	-	4,995	4,995
SuperGrans Manawatu Charitable Trust	2,389	-	2,389
Takaro Association Football Club Inc	92,000	100,567	192,567
Tangimoana Community Committee	5,747	-	5,747
Tararua College	-	14,588	14,588
Te Ako Charitable Trust	3,815	-	3,815
Te Kohanga Reo o Ngati Hineaute Trust	8,445	-	8,445
Te Kura Kaupapa Maori o Manawatu	9,088	-	9,088
Te Roopu Oranga o Highbury	-	2,316	2,316
The Brave Thinkers	-	15,000	15,000
The Factory – Investment Prep Programme	30,000	-	30,000
The Free Store Charitable Trust	12,150	-	12,150
The Rugby Museum Society of NZ	-	22,600	22,600
WildBase - Year 5 operational costs	-	25,000	25,000
	<u>\$899,976</u>	<u>\$2,140,542</u>	<u>\$3,040,518</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(1) GRANTS APPROVED (continued)

Add Grants approved in previous years and not paid

Church on Vogel - House Next Door	3,567
Eastman Rover Scout Crew	5,295
Feilding Christian Leaders Network	4,000
Feilding Little Theatre Players	114,277
Freyberg High School	150,000
Highland Home Christian Camp	1,548
Hokowhitu Baptist Church	17,864
K9 Search Medical Detection	10,671
Kimbolton Arts & Sculpture Trust	5,000
Lalangamoui Tongan Early Childhood Centre	7,674
Legacy Community Centre - Glow Party	2,150
Manawatu Access Radio	1,281
Manawatu Cricket Association	1,020
Manawatu District Council	150,000
Manawatu Riding for the Disabled	1,361
Manawatu Rugby Union	3,365
Manawatu Summer Shakespeare (School of English & Media Studi '22)	5,000
Manawatu Triathlon Club	2,861
Manchester House Social Services	16,105
Memorial Park Sports Trust Board	21,769
Netball Manawatu Centre Inc	4,655
Order of St John Bush	50,000
Order of St John Bush	50,000
Palmerston North Dance Assn	10,000
Performance Consulting Ltd	15,000
Pukaha Mount Bruce	54,000
Renaissance Singers	1,494
Ruahine Kindergarten Association	7,400
Soshi Gakuen NZ Inc	58,898
Street Smart Charitable Trust	2,172
Tararua District Council	160,000
Tararua District Council	200,000
Te Roopu Hokowhitu Charitable Trust	50,000
WildBase - Year 4 operational costs	25,000
Total grants approved in previous years and not paid	\$1,213,427
Total grants approved, not paid as at 31 March 2023	\$3,353,969

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(1) GRANTS APPROVED (continued)

	2023 \$	2022 \$
Grants owing 1 April	2,090,893	2,649,080
Grants approved during year	3,040,518	2,067,957
	5,131,411	4,717,037
Grants paid during year - current period	(899,976)	(925,538)
- prior periods	(740,331)	(1,585,813)
	(1,640,307)	(2,511,351)
Grant adjustments	(137,135)	(114,792)
Total grants approved not paid as at 31 March 2023	\$3,353,969	\$2,090,893

(2) CASH AT BANK

	2023 \$	2022 \$
ANZ Bank cheque account	6,267	(113)
ANZ Bank deposit (on call)	848,058	456,875
ASB Bank cheque account	10	50
<u>Craigs Investment Partners accounts</u>		
Craigs Investment Partners NZD Broker account	(738,039)	(167,198)
Craigs Investment Partners AUD Broker account	74,896	-
Craigs Investment Partners AUD call account	714,252	712,950
Craigs Investment Partners GBP call account	-	51,160
Craigs Investment Partners EUR call account	-	11,926
Craigs Investment Partners NZD call account	1,381,235	2,773,240
Craigs Investment Partners USD call account	1	2,143,177
Total Craigs Investment Partners accounts	1,432,345	5,525,255
	\$2,286,679	\$5,982,067

The Craig's Investment Partners accounts are held as part of the investment portfolio and are transacted through by Craig's as part of administering the portfolio, the current balances are disclosed as above.

(3) SHARES AND SECURITIES

	2023 \$	2022 \$
New Zealand Equities	17,126,926	18,782,591
Australian Equities	8,975,303	9,283,281
European Equities	1,834,826	1,145,039
United Kingdom Equities	-	280,879
United States of America Equities	8,920,118	10,414,068
Fixed Interest Securities	40,051,326	35,063,945
Property Investments	1,065,246	1,718,695
Total Investments	\$77,973,745	\$76,688,498

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Investment portfolio as at beginning of year		76,688,499	80,697,168
Maturities and realisation proceeds	(14,325,575)		(23,324,953)
Reinvestments (at cost)	18,470,439		19,385,224
Realised profit on disposal of investments	332,214		1,443,437
Realised loss on disposal of investments	(1,276,490)		(1,345,365)
		3,200,588	(3,841,657)
		79,889,087	76,855,511
Unrealised gain/(loss)		(1,915,340)	(167,012)
Total Investments		\$77,973,745	\$76,688,499

(4) TAXATION

	2023	2022
	\$	\$
Taxation Reconciliation		
Operating Surplus before distributions	2,353,612	1,990,169
Permanent Differences		
Adjustment for tax treatment of investment income	477,098	377,743
Imputation credits received	189,685	138,024
Non deductible expenditure	323,043	279,248
Taxable income available for distribution	3,343,438	2,785,184
Income distributed as beneficiary income	(2,872,432)	(2,360,039)
Taxation losses utilised	(32,137)	(25,632)
Net taxable income	\$438,869	\$399,513
Taxation at 33%	144,827	131,839
Imputation credits utilised	(109,110)	(127,419)
Taxation charge for the year	35,717	\$4,420
Taxation Payable		
Taxation charge for year	35,717	4,420
Taxation paid on foreign income	(35,717)	(33,909)
Taxation distributed to beneficiaries	-	29,474
Prior year taxation not yet received	30	45
RWT paid	14	-
Taxation (payable) / refundable	\$44	\$30

As at 31 March 2023 unutilised imputation credits of \$80,575 (2022: \$10,605) were converted to a loss of \$244,166 (2022: \$32,137). This loss is available to be applied against future taxable income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(5) TRUST FUNDS

The Trust was established on 20 July 1993 with a gift of \$10. In the year ended 31 March 1994 the Trust was gifted 7,623,270 shares in Central Power Limited at a value of \$8,461,830. In the year ended 31 March 1995, 205,000 shares were transferred from Central Power Consumer Trust.

At 31 March 2000 the Trust held 11,766,170 shares in Central Power Limited. On 31 August 2000 the amalgamation between Powerco and Central Power Limited was effected and the Trust sold their shareholding to Powerco Limited for a consideration of \$47.6 million.

On 16 June 2000 Central Power Electricity Trust entered a Memorandum of Understanding with Palmerston North City Council. The Council settled a sum of \$1.5 million on the Trust.

(6) COMMITMENTS

Scholarships

The Trust has a tertiary study scholarship scheme, whereby recipients are awarded a scholarship or tertiary study bursary for the term of up to four years providing certain conditions are met. At 31 March 2023 the commitment to future scholarships is as follows:

	2023 \$	2022 \$
2023	-	48,000
2024	45,000	21,000
2025	24,000	-
	<u>\$69,000</u>	<u>\$69,000</u>

Grants

The Trust has agreed to make allocations from future income to approved entities subject to all relevant criteria being met. At 31 March 2023 future income allocations were as follows:

2023	-	370,000
2024	620,000	890,000
2025 - 2027	325,000	50,000
2028 - 2032	25,000	-
	<u>\$970,000</u>	<u>\$1,310,000</u>

The Trust entered into an agreement with Palmerston North City Council (PNCC) to fund \$2,200,000 to facilitate a programme to develop the infrastructure of Arena Manawatu, which was subsequently named Central Energy Trust Arena. The commitment to funding is over a ten year period. As at 31 March 2023 funding of \$1,730,000 (2022: \$1,510,000) had been approved and allocated, payments at balance date total \$1,510,000 (2022: \$1,510,000).

The Trustees have agreed to make \$25,000 per annum available to the Wildbase Recovery Project for payment towards operational costs. The commitment to funding is over a ten year period. As at 31 March 2023 funding of \$125,000 (2022: \$100,000) had been allocated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(6) COMMITMENTS (continued)

Historically the Trust entered into an agreement with The Factory (previously The Bio Commerce Centre Ltd) to fund up to \$500,000 to provide seed funding for new business development. As at 31 March 2023 the total of \$500,000 (2022: \$469,970) has been paid in full. During the financial year the Trust has agreed to provide The Factory with further funding of \$400,000 over four years with the first tranche to be paid in the 2024 financial year. No payments had been made at balance date.

The Trust entered into an agreement with Manawatu District Council to fund \$400,000 for the redevelopment of Feilding Public Library. As at 31 March 2023 funding of \$275,000 (2022: \$150,000) had been approved and allocated, payments at balance date total \$Nil (2022: \$Nil).

The Trust entered into an agreement with Manukura to fund \$644,390 for the lighting as a part of the new school build. As at 31 March 2023 funding of \$394,390 (2022: \$Nil) had been approved and allocated, payments at balance date total \$Nil (2022: \$Nil).

The Trust has expressed it's intention to loan funds, in accordance with the Trust Deed, to a charitable organisation to construct a building which will benefit the community and achieve a pre-defined community benefit. The commitment is in the amount of \$350,000 and will incur interest at a discounted market interest rate

(7) STATEMENT OF CONTINGENT LIABILITIES

There are no contingent liabilities in this reporting period (2022: Nil)

(8) RELATED PARTY TRANSACTIONS

The Trust maintains an interests register of all Trustees personal interest. Grants have been approved during this year for the following entities in which one or more Trustees have an interest. The Trustees declared their involvement with the entity and did not participate in the grant allocation process where appropriate.

2023	
R M Karaitiana	Te Kohanga Reo o Ngati Hineaute Trust The Factory Limited
M Georgel	Manawatu Golf Club Palmerston North Theatre Trust The Factory Limited
M J Kouvelis	NZ Rural Games Trust
C Jones	The Brave Thinkers

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(8) RELATED PARTY TRANSACTIONS (continued)

2022

P T Askey

Manawatu Community Trust
Manawatu Rugby Union
Palmerston North City Council
Wildbase Recovery Centre
The Factory Limited

R M Karaitiana

Pukaha Mount Bruce
Te Aroha Noa Community Services
Te Rangimarie Marae
The Brave Thinkers
The Factory Limited

R J Wong

Wildbase Recovery Centre

M Georgel

Arohanui Hospice Service Trust
Palmerston North Theatre Trust
The Factory Limited

M J Kouvelis

Manawatu Harness Racing
NZ Rural Games Trust

L Greer

Manawatu Community Trust

C Jones

The Brave Thinkers

(9) MANAWATU HEALTHY HOMES LIMITED

Central Energy Trust owns 100% of the shares.

Manawatu Healthy Homes Limited was formed purposely for the distribution of funds to the Manawatu Healthy Homes Project.

The Manawatu Healthy Homes Limited accounts have not been consolidated as they have no material effect. As at 31 March 2020 the Company was designated non active and all Healthy Homes funding was funded directly by Central Energy Trust.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

(9) MANAWATU HEALTHY HOMES LIMITED (continued)

	2023 \$	2022 \$
Interest received	4	-
Net profit/(loss)	-	-
Retained Earnings at beginning of the year	436	436
Current year profit/(loss)	4	-
Retained earnings end of the year	440	436
Represented by:		
ANZ Bank cheque account	440	436

(10) EVENTS AFTER BALANCE DATE

There are no other events that have occurred after balance date that would have a material impact on the financial statements.

INDEPENDENT AUDITOR'S REPORT***To the Trustees of Central Energy Trust*****Opinion**

We have audited the financial statements of Central Energy Trust on pages 12 to 25 which comprise the statement of financial position as at 31 March 2023, and the statement of financial performance and statement of movements in trust funds for the year then ended, and the statement of accounting policies and notes to the financial statements.

In our opinion, the financial statements on pages 12 to 25 which present the financial position of Central Energy Trust as at 31 March 2023, and the financial performance for the year then ended, are prepared, in all material respects, in accordance with the accounting policies as described on pages 15 and 16.

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 below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Central Energy 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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, Central Energy Trust.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A on page 15 of the financial statements, which describes the basis of accounting. The special purpose financial statements are prepared to assist the Trust to meet its reporting requirements of the Trustees and Beneficiaries of Central Energy Trust in accordance with the Trust's own accounting policies. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Restriction on Responsibility

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

Other Information

The Trustees are responsible for the other information. The other information comprises the Chairperson's Report and Trust Directory but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Trustees' Responsibilities for the Financial Statements

The Trustees' are responsible for determining that the accounting policies on pages 15 and 16 are acceptable in the Trust's circumstances, and for such internal control as the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustees' are responsible on behalf of Central Energy 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 Central Energy Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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) 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 these financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CKS audit

CKS Audit
Palmerston North
10 July 2023



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