

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS CONTINUED

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Notes to the Summary Consolidated Financial Statements
for the year ended 31 March 2015

Note 1

The Central Lakes Trust is a Charitable Trust incorporated in New Zealand. The Central Lakes Trust Group consists of Central Lakes Trust and its 100% owned subsidiaries, Pioneer Generation Limited Group and Central Lakes Direct Limited.

The Summary Financial Statements are those of Central Lakes Trust Group for the year ended 31 March 2015 and were authorised for issue by the Trustees on 22 June 2015. The Summary Financial Statements are presented in thousands of New Zealand dollars (000s).

Statement of Compliance

The Summary Financial Statements have been prepared in compliance with FRS-43(PBE) *Summary Financial Statements*.

These Summary Financial Statements have been extracted from the full audited financial statements, which received an unqualified opinion, for the year ended 31 March 2015 and were authorised for issue by the Trustees on 22 June 2015.

The Summary Financial Statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

The full financial statements comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and New Zealand Equivalents to International Financial Reporting Standards as applicable to public benefit entities.

Note 2

The 2014 result for the Central Lakes Trust Group (the Trust) includes 12 months of trading for Energy for Industry (EFI) a subsidiary of the Trust acquired in 2013 and amalgamated into Pioneer Generation Limited during the 2014 year.

Note 3

After the reporting period the Group entered into a Partnership agreement, Southern Generation Limited Partnership, of which the Group has a 50% interest. Upon the signing of the Partnership Agreement, the Group have committed a total initial capital contribution of \$15,325,000. The nature of Southern Generation Limited Partnership is owning and operating windfarms and investigating new wind development opportunities.

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Deloitte.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE TRUSTEES OF CENTRAL LAKES TRUST GROUP

The accompanying summary financial statements of Central Lakes Trust and its subsidiaries ("the Group") on pages 1 to 4, which comprise the summary consolidated statement of financial position as at 31 March 2015, and the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated cashflow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Group for the year ended 31 March 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 22 June 2015.

The summary financial statements do not contain all the disclosures required for full consolidated financial statements under New Zealand Equivalents to International Financial Reporting Standards with Public Benefit Entity modifications and generally accepted accounting practice in New Zealand. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

This report is made solely to the Trustees, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 31 March 2015. Our audit 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 on summary financial statements 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.

Trustees' Responsibility for the Summary Financial Statements

The Trustees are responsible for the preparation of a summary of the audited consolidated financial statements, in accordance with FRS-43 (PBE) *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Our firm carries out other assignments for Central Lakes Trust group in the area of financial, tax and valuation services. These services have not impaired our independence as auditor of the Central Lakes Trust group. The firm has no other relationship with, or interest in, Central Lakes Trust or any of its subsidiaries.

Opinion

In our opinion, the summary financial statements derived from the audited consolidated financial statements of Central Lakes Trust and its subsidiaries for the year ended 31 March 2015 are consistent, in all material respects, with those financial statements, in accordance with FRS-43 (PBE) *Summary Financial Statements*.

Deloitte

Chartered Accountants
22 June 2015
Dunedin, New Zealand

This audit report refers to the summary financial statements of Central Lakes Trust group for the year ended 31 March 2015 included on Central Lakes Trust's website. The Trust's governing body is responsible for the maintenance and integrity of the Trust's website. We have not been engaged to report on the integrity of the Trust's website. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially prepared on the website. The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to from these summary financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 22 June 2015 to confirm the information included in the audited summary financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements and summary financial statements may differ from legislation in other jurisdictions.



CENTRAL LAKES TRUST

A helping hand



ANNUAL REPORT 2014-2015

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT

Central Lakes Trust enjoyed another excellent year and is well placed to help address key strategic projects that will benefit our residents.

The Trust's diversified investment portfolio continues to perform very well. Our 100% shareholding of Pioneer Generation Limited forms an integral and very important component of our investments, as it directs most of its profits back to the Trust.

In 2014-15 a \$7M dividend was received from Pioneer Generation Limited. Additionally, Central Lakes Trust generated a further \$17M of the Group's income from its diversified investment portfolio.

Central Lakes Trust has a reserving policy in place so that current residents as well as future generations benefit from the charitable grants made by the Trust. This policy is designed to ensure the Trust's base capital reflects the cumulative change in the Consumer Price Index and the population increases of the region. As a result, the total assets of the Central Lakes Trust group is now in excess of \$300M.

It was another strong year for our grants programme which focuses on meeting the needs of our region and achieving our mission of "Enhancing Assets and Enriching Lives".

In total, the Trust approved over \$4.5M of grants to a wide variety of charitable projects throughout the region during the past year. It is understood that this is the greatest amount of funding per head of capita provided by a charitable trust to any region in New Zealand.

While the largest grant for the past year was made to the Wanaka Sports Facility that is currently under construction, smaller grants such as supporting swim skills for school age children, are equally important in making sure that projects we support add significant value to our region.

Our on-going commitment to welfare and health, recreation and sport, arts and culture, education, heritage and environment are well illustrated by the range of grants that were approved throughout the year. In the past 12 months, the Trust provided operational grants of approximately \$1M to help enable social service agencies deliver valuable services in this region.

Since its establishment, Central Lakes Trust has positively impacted upon its community by approving over \$70M of grants to charitable projects.

This is an outstanding achievement and is a reflection of the excellent work performed by Trustees and staff over the years.

We continue to proactively look at projects that meet our charitable eligibility criteria and will provide sustained long-term benefits to our region.

The expansion of Pioneer Generation Limited as a result of recent acquisitions, partnerships and other initiatives highlight its proactive stance and forward thinking - which will help future proof its operation. The alignment of the strategic objectives of Pioneer Generation and the Trust is very pleasing and we appreciate our close working relationship with the Directors and staff of Pioneer Generation Limited.

We believe our Trustees are well placed to consider a strategic approach to the region's capital and operational funding requirements so that projects are sustainable and provide benefit to current and future generations. We thank them for their commitment and sound decision making. Equally, our staff provide great service to the community and maintain excellent working relationships with key stakeholders and community groups.

This year we have farewelled two long standing staff members, Judy King and Malcolm van Rensburg. Recently we have welcomed Jennifer Gillan and Susan Finlay to the team.

We look forward to continuing to make a positive difference to our communities as the Trust is committed to achieving its vision of making our region a better place to be.

Malcolm Macpherson *Paul Allison*

Dr. Malcolm Macpherson
Chairman

Paul Allison
Chief Executive



Since its inception Central Lakes Trust

Has received total dividends from Pioneer Generation Limited of \$48,500,000

Has approved total grants of \$74,452,143

AND

Central Lakes Trust Group holds total assets of \$333.8M

THE 15th ANNUAL PUBLIC MEETING OF CENTRAL LAKES TRUST

will be held on
Monday 27 July 2015
at 5pm in the
**Central Lakes Trust Building,
190 Waenga Drive,
Cromwell**

ALL MEMBERS OF THE PUBLIC ARE WELCOME

Apologies to: info@clt.net.nz or
Phone: 0800 00 11 37

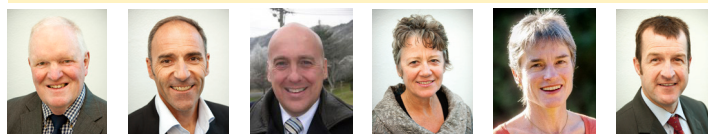
Our Mission:
"To Enhance Assets & Enrich Lives"

Our Vision:
"To make our community a better place to be"



CENTRAL LAKES TRUST PERSONNEL

TRUSTEES



Dr. Malcolm Macpherson Chairman
Alex Huffadine Deputy Chairman
Tim Cadogan
Bernice Lepper
Cath Gilmour
Greg Wilkinson

STAFF



Paul Allison Chief Executive
Judy King Administration Officer (to 23/12/14)
Malcolm van Rensburg Financial Officer (to 28/05/15)
Moy Sainsbury Grants Manager
Ellen Hendry Project Coordinator

CONTACT

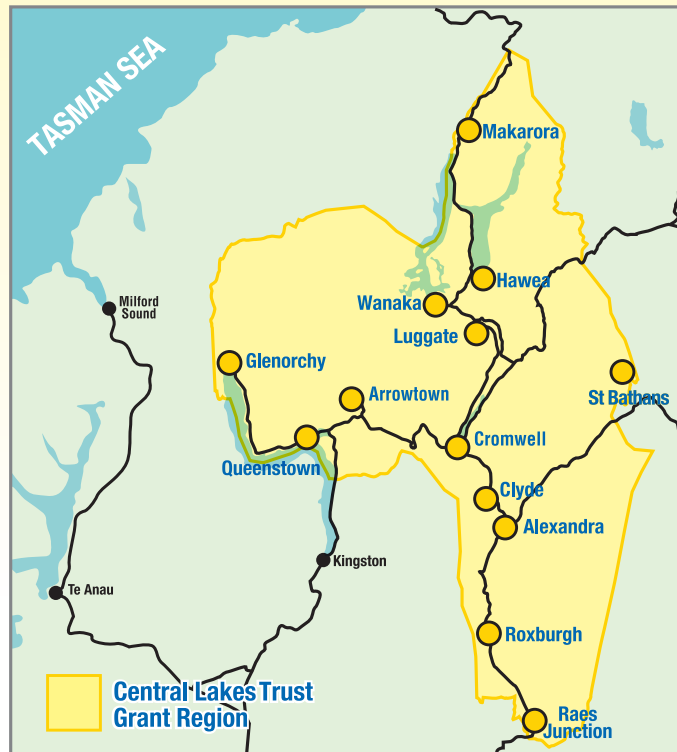
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CENTRAL LAKES TRUST



BACKGROUND

The Trust fund was created when the Otago Electric Power Board Trust bestowed Central Lakes Trust with assets valued at \$155 million in November 2000. The Otago Central Electric Power Board was incorporated in 1993 under the Companies Act and became Central Electric Limited. Due to the Electricity Industry Reform Act passed in 1998, Central Electric was required to divest its lines, retail or generation business. Subsequently the lines business was sold to Dunedin Electricity (now Aurora Energy Ltd) for \$120 million and its electricity retail business was sold to TrustPower Ltd. Its generation assets were retained and the organisation was renamed Pioneer Generation which is 100% owned by Central Lakes Trust.

Central Lakes Trust distributes on average over \$5M each year into community projects and services from its investment portfolio and dividends received from Pioneer Generation.

The Trust assists many community projects and needs, all of which must meet charitable criteria. For a purpose to be charitable it must relate to the relief of poverty, advancement of education or religion, or any other matters beneficial to the community.

Central Lakes Trust's Region is the same geographical area as Central Electric Limited's former Network Supply area. Organisations are only eligible for a grant from CLT if the project or services directly benefit the community within this region.



CENTRAL OTAGO SPORTS TURF TRUST

The reality of a water based hockey turf and an accompanying amenities building took a giant leap forward after the Central Otago Sports Turf Trust received a grant of \$830,000 from Central Lakes Trust. This grant will provide a significant boost in helping to upgrade the Cromwell sand based sports turf into a new WETT Pro water turf as used in the recent World Hockey Cup in the Netherlands. Funding will also be used to construct an amenities building at the turf site to provide changing rooms, toilets, showers, storage, a meeting room, kitchen and a first aid room as well as providing a small warm up turf. The turf is the headquarters for hockey in the Central Otago region and caters for approximately 650 registered players from Queenstown, Wanaka, Roxburgh, Omakau, Alexandra and Cromwell. This translates to about 15,000 player games on the turf each season.

"The current sand turf has deteriorated to the point it is now close to a health & safety issue" Michael Paardekooper, Chairman, Central Otago Sports Turf Trust said. "This is one of the last sand hockey turfs in New Zealand. Major hockey tournaments are no longer played on sand turfs. Because of this, to attract any major tournaments to Central Otago we must install a new water turf. Local Central Otago hockey players are at a disadvantage when competing outside Central Otago, as they play all tournaments on water turf. The amenities building has been on the "wanted" list since day one of the Turf in 1996", he continued.

"This facility has a proven track record. It is well managed, heavily used and provides an important sporting headquarters for hockey in the region. We believe that an upgrade to water based turf and an associated amenities building is critical for the future development of hockey in this region" Paul Allison, Chief Executive, Central Lakes Trust said.

"This is the highest grant that the Trust has approved this year. The new facility will also mean that players will no longer have to get changed in public as has been the case over the past 17 years".

The total cost of the upgrade will be approximately \$1.7M and construction is expected to be completed by March 2016 subject to the balance of funds being raised.



Central Otago Sports Turf Trust Chairman, Michael Paardekooper and Chief Executive, Central Lakes Trust, Paul Allison

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

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Summary Consolidated Statement of Comprehensive Income for the year ended 31 March 2015

	Group	
	2015 \$000	2014 \$000
Income		
Investments	16,980	14,366
Generation, Retail and Energy Sales	64,978	51,210
Other Income	4,690	666
	<u>86,648</u>	<u>66,242</u>
Less Expenses		
Cost of Sales	32,779	20,019
Depreciation & Amortisation	7,993	7,738
Finance Costs	3,202	3,208
Loss on Disposal of Property, Plant & Equipment	-	8
Loss on Revaluation of Investment Property	-	821
Operating Items	15,880	15,783
	<u>59,854</u>	<u>47,577</u>
Net Operating Surplus	26,794	18,665
Less Grants Approved	(4,566)	(6,283)
Add Grants Rescinded	386	479
	<u>22,614</u>	<u>12,861</u>
Gains/(Losses) on Derivatives	724	(899)
Net Surplus (Deficit) for the year	<u>23,338</u>	<u>11,962</u>
Other Comprehensive Income		
Cash Flow Hedges	-	-
Fair Value gain/(loss) on derivatives	(3,018)	1,888
Total Comprehensive Income for the year	<u>20,320</u>	<u>13,850</u>

Net Surplus (Deficit) for the year attributable to:	
Trust	23,364
Non-controlling interests	(26)
	<u>23,338</u>
Total Comprehensive Income for the year attributable to:	
Trust	20,346
Non-controlling interests	(26)
	<u>20,320</u>

James
Trustee

PS Hill
Trustee

You are welcome to contact the Trust on 0800 00 11 37 for a free copy of the full financial statements, which are also available on, and can be downloaded from the Trust's website www.cltrust.net.nz

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Summary Consolidated Statement of Changes in Equity for the year ended 31 March 2015

Group	General Funds		Capital Maintenance Reserve	Population Growth Reserve	Equity in non-controlling interests	Hedging Reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2013	182,428	42,037	3,212	-	-	(656)	227,021
Total Comprehensive Income for the year	11,962	-	-	-	-	1,888	13,850
Transfer from General Funds	(32,587)	25,527	7,060	-	-	-	-
	<u>161,803</u>	<u>67,564</u>	<u>10,272</u>	-	-	<u>1,232</u>	<u>240,871</u>
Balance at 31 March 2014							
Total Comprehensive Income for the year	23,364	-	-	-	(26)	(3,018)	20,320
Transfer from General Funds	(8,129)	241	7,888	-	-	-	-
Capital Contribution	-	-	-	-	744	-	744
	<u>177,038</u>	<u>67,805</u>	<u>18,160</u>	-	<u>718</u>	<u>(1,789)</u>	<u>261,935</u>

CENTRAL LAKES TRUST GROUP SUMMARY FINANCIAL STATEMENTS

Summary Consolidated Statement of Financial Position As at 31 March 2015

	Group	
	2015 \$000	2014 \$000
Assets		
Non Current:		
Investments	161,190	125,306
Investment Property	4,000	3,975
Property, Plant & Equipment	116,399	113,911
Intangibles	20,904	20,799
Current	31,336	46,709
	<u>333,829</u>	<u>310,700</u>
Liabilities		
Non-current	54,900	58,600
Current	16,994	11,229
	<u>71,894</u>	<u>69,829</u>
Net Assets	<u>261,935</u>	<u>240,871</u>
Represented by:		
Trust Capital & Reserves - attributable to the Trust	261,217	240,871
Trust Capital & Reserves - attributable to the Non-controlling interests	718	-
Closing Equity	<u>261,935</u>	<u>240,871</u>

Summary Consolidated Statement of Cash Flows for the year ended 31 March 2015

	Group	
	2015 \$000	2014 \$000
Opening Cash	3,396	5,685
Net Cashflows from Operating Activities	18,678	9,209
Net Cashflows from Investing Activities	(18,168)	(10,098)
Net Cashflows from Financing Activities	(2,956)	(1,400)
	<u>(2,446)</u>	<u>(2,289)</u>
Closing Cash	<u>950</u>	<u>3,396</u>

Did you know that in 2014-15 Central Lakes Trust

Supported 44 arts related projects July - December 2014

Supported 40 Tertiary Education Scholarships valued at \$2,500 each

Approved 106 grants totalling \$4,565,693

Provided its largest grants to:
 ▶ Wanaka Sports Facility \$1M
 ▶ Central Otago Turf Trust \$830K

